

White Star B.V.

Financial Statements

for the year ended December 31, 2021 and
for the period April 07, 2020 - December 31, 2020

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents (Net)	4	7,875,547	935,278
Accounts receivable		88,761	-
Prepaid expenses		160,510	3,000
Receivable from related parties	5	1,410,099	-
Other assets		34,823	2,354
Total current assets		9,569,740	940,632
Non-current assets			
Security deposits		50,000	-
Intangible assets		4,350	-
Total non-current assets		54,350	-
Total assets		9,624,090	940,632
Equity and liabilities			
Current liabilities			
Accounts payable		539,904	7,586
Accrued expenses	6	3,198,653	562,642
Payable to related parties	7	1,312,241	1,488,266
Payable to players		1,008,432	288,858
Profit tax payable		42,182	-
Other liabilities		1,243,546	-
Total current liabilities		7,344,958	2,347,352
Equity			
Issued capital	8	100	100
Additional paid in capital		800	414,300
Retained earnings / (Accumulated losses)		2,278,232	-1,821,120
Total equity		2,279,132	-1,406,720
Total liabilities and equity		9,624,090	940,632

See accompanying notes.



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Statement of profit or loss

(All amounts in EUR)

	Note	2021	Apr 07, 2020 - Dec 31, 2020
Revenue (Net)	9	31,536,038	1,553,445
Direct cost	10	-13,083,458	-2,254,923
Gross profit / (loss)		18,452,580	-701,478
Selling and distribution expenses	11	-12,485,395	-1,063,865
Administrative expenses	12	-1,367,510	-30,708
Profit / (loss) from operations		4,599,675	-1,796,051
Finance cost	13	-458,401	-25,069
Other income		260	-
Profit / (loss) before tax		4,141,534	-1,821,120
Profit tax expense		-42,182	-
Profit / (loss) for the year		4,099,352	-1,821,120
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		4,099,352	-1,821,120
Attributable to the owners		4,099,352	-1,821,120

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Additional paid in capital	Retained earnings / (Accumulated losses)	Total
Capital issued on April 07, 2020	100	-	-	100
Additional paid in capital	-	414,300	-	414,300
Profit / (loss) for the period	-	-	-1,821,120	-1,821,120
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-1,821,120	-1,821,120
Balance, December 31, 2020	100	414,300	-1,821,120	-1,406,720
Additional paid in capital	-	-413,500	-	-413,500
Profit / (loss) for the year	-	-	4,099,352	4,099,352
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the year	-	-413,500	4,099,352	3,685,852
Balance, December 31, 2021	100	800	2,278,232	2,279,132

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Note	2021	Apr 07, 2020 - Dec 31, 2020
Cash flow from operating activities			
Profit / (loss) for the year		4,099,352	-1,821,120
Add: Profit tax expense		42,182	-
(Increase) / decrease in accounts receivable		-88,761	-
(Increase) / decrease in prepaid expenses		-157,510	-3,000
(Increase) / decrease in receivable from related parties		-1,410,099	-
(Increase) / decrease in other assets		-32,469	-2,354
(Increase) / decrease in security deposits		-50,000	-
Increase / (decrease) in accounts payable		532,318	7,586
Increase / (decrease) in accrued expenses		2,636,011	562,642
Increase / (decrease) in payable to related parties		-176,025	1,488,266
Increase / (decrease) in payable to players		719,574	288,858
Increase / (decrease) in other liabilities		1,243,546	-
Net cash generated from operating activities		7,358,119	520,878
Cash flow from investing activities			
(Increase) / decrease in intangible assets		-4,350	-
Net cash generated from investing activities		-4,350	-
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	100
Increase / (decrease) in additional paid in capital		-413,500	414,300
Net cash generated from financing activities		-413,500	414,400
Net increase / (decrease) in cash		6,940,269	935,278
Cash at the beginning of the year		935,278	-
Cash at the end of the year	4	7,875,547	935,278

See accompanying notes.

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Notes to financial statements**1. General information**

White Star B.V. (the company) was established on April 07, 2020 in Curaçao as a private limited liability company. The address of its registered office is Korporaalweg 10, Curaçao. The company was registered in the Commercial Register of Curaçao Chamber of Commerce & Industry under the number 153150.

The main objectives of the company are:

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries, poker and other interactive games for clients established or residing outside of Curaçao.
2. The corporation is authorized to perform everything requisite or profitable to the accomplishment of its purpose or incidental thereto or connected therewith in the widest sense of the word.
3. The corporation has no authority to invoke the annulment of legal acts performed by the corporation, which exceeded the corporate objective.

The management of the company is borne by a board of directors. As of December 31, 2021, the management of the company is borne by a single statutory director:

- | | |
|---------------------------------------|--------------------|
| - Executive Corporate Management B.V. | Statutory Director |
|---------------------------------------|--------------------|

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

Basis of presentation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. The financial statements are presented in EUR and all values are presented in actual, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

The comparative financial statements are prepared for a period less than one year, from April 07, 2020, being the date of incorporation to December 31, 2020, as per the articles of incorporation.

	
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Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Foreign currency transactions

The financial statements are presented in EUR, which is the company's functional and presentation currency. Transactions denominated in foreign currencies are translated at the exchange rate prevailing when the transaction is realized. The exchange results are recorded in the statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the end of the year.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The company's financial assets include cash and cash equivalents, accounts receivable, prepaid expenses and other assets.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company's financial liabilities include accounts payable, accrued expenses and other payables.

Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification.

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Revenue recognition

Casino revenue is represented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.

Impairment of long-lived assets

Long-lived assets, other than goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets, the assets' carrying value is adjusted to fair value. The company regularly evaluates its long-lived asset for indicators of possible impairment. To date no impairment has been recorded.

Concentration of credit risk and certain other risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. The company does not have significant exposure to any individual client or counterparty. Management of credit risk involves number of considerations, such as financial profile of the counterparty, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however the management believes that the company's exposure to credit risk associated with non-performance of its counterparty is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning January 01, 2021 and not early adopted

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the company.

3. Profit taxes

The company is subject to a territorial tax system, wherein the income earned in Curaçao is subject to 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.

4. Cash and cash equivalents (Net)

	2021	2020
Cash and cash equivalents	7,875,547	935,278
	7,875,547	935,278



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5. Receivable from related parties

	2021	2020
PRV	547,104	-
REGL	451,927	-
Rhino Operations Limited	411,068	-
	1,410,099	-

The above receivables do not carry any interest and are repayable on demand.

6. Accrued expenses

	2021	2020
Affiliate commissions	2,263,860	359,674
License and server fees	588,754	121,380
Gaming taxes	123,044	52,388
Payment wallet charges	82,500	26,500
Annual compliance fees	-	2,700
Other accruals	140,495	-
	3,198,653	562,642

7. Payable to related parties

	2021	2020
Rhino Entertainment Limited	1,306,941	688,159
Filip Peter Jungmann	5,300	5,300
Rhino Operations Limited	-	561,790
Rhino Entertainment Group Limited	-	233,017
	1,312,241	1,488,266

The above payables do not carry any interest and are repayable on demand.

8. Issued capital

The issued capital of the company as at December 31, 2021 and December 31, 2020 consists of 100 common shares with a nominal value of EUR 1 and subscribed for EUR 100. Additionally, EUR 800 was contributed as additional paid in capital.

As of December 31, 2021 and December 31, 2020, Rhino Entertainment Group Limited, a company incorporated and domiciled in Malta, held 100% of shares of the company.

No dividend was declared in 2021 and 2020.



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9. Revenue (Net)

	2021	2020
Casino revenues	840,681,187	47,721,936
Less: Payouts	-805,005,992	-45,963,896
Less: Bonus	-4,139,157	-204,595
	31,536,038	1,553,445

10. Direct cost

	2021	2020
Payment wallet charges	5,589,208	216,572
License and server fees	4,624,783	285,662
Royalty	2,212,390	1,700,301
Fraud and chargeback cost	582,459	-
Gaming taxes	70,656	52,388
Software expenses	3,962	-
	13,083,458	2,254,923

11. Selling and distribution expenses

	2021	2020
Affiliate commissions	10,994,287	1,042,361
Marketing expenses	1,491,108	21,504
	12,485,395	1,063,865

12. Administrative expenses

	2021	2020
Bad debts and write off	1,251,847	-
Professional fees	34,125	26,446
Consulting fees	18,893	-
Amortisation expenses	515	-
Transportation expenses	46	-
Annual compliance fees	-	2,700
Other expenses	62,084	1,562
	1,367,510	30,708

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13. Finance cost

	2021	2020
Bank charges	256,843	12,478
Foreign exchange loss	201,558	12,591
	458,401	25,069

14. Fair value

Fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to arrive at the fair value:

Cash and cash equivalents, prepaid expenses, accounts receivable, accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

15. Contingencies, commitments and legal proceedings

The company has no contingent or future purchase liabilities and is not involved in any legal actions.

16. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2021. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2021.



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17. Authorization for issue

These financial statements for the year ended December 31, 2021 were approved by the board of directors and authorized for issue on October 30, 2023.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	
		