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**SOFTGENIUS N.V.**

SEPARATE FINANCIAL STATEMENTS

31 December 2023

# **SOFTGENIUS N.V.**

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## **SEPARATE FINANCIAL STATEMENTS**

31 December 2023

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# **SOFTGENIUS N.V.**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:** IGA Trust B.V.

**Registered office:** Zuikertuintjeweg Z/N (Zuikertuin Tower)  
Curacao

**Registration number:** 161182



## Practitioner's Compilation Report

### To the Directors of Softgenius N.V.

We have compiled the financial statements of Softgenius N.V. (the "Company"), which are presented in pages 3 to 11 based on information you have provided. These financial statements comprise the statement of financial position of Softgenius N.V. as at 31 December 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the financial statements, including material accounting policy information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS.



**Arofat Salayeva**  
FCCA, MSc, ADIT  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Arosal Audit Ltd**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 25 October 2024

*Arosal Audit Ltd, Certified Public Accountants and Registered Auditors*  
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Arosal Audit Ltd is a private company registered in Cyprus (Reg. No. HE346487). Its registered office is at 12 Karyatides Street, 2416, Nicosia, Cyprus.

## SOFTGENIUS N.V.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2023

|                                                     |      | 2023                | 22/06/2022-<br>31/12/2022 |
|-----------------------------------------------------|------|---------------------|---------------------------|
|                                                     | Note | €                   | €                         |
| <b>Revenue</b>                                      | 6    | <b>14,506,124</b>   | -                         |
| Cost of sales                                       | 7    | <b>(14,110,492)</b> | -                         |
| <b>Gross profit</b>                                 |      | <b>395,632</b>      | -                         |
| Administration and selling expenses                 | 8    | <b>(1,696,754)</b>  | -                         |
| <b>Operating loss</b>                               |      | <b>(1,301,122)</b>  | -                         |
| Net finance costs                                   | 9    | <b>(396,003)</b>    | -                         |
| <b>Loss before tax</b>                              |      | <b>(1,697,125)</b>  | -                         |
| Tax                                                 | 10   | -                   | -                         |
| <b>Net loss for the year/period</b>                 |      | <b>(1,697,125)</b>  | -                         |
| <b>Other comprehensive income</b>                   |      | -                   | -                         |
| <b>Total comprehensive loss for the year/period</b> |      | <b>(1,697,125)</b>  | -                         |

The notes on pages 7 to 12 form an integral part of these separate financial statements.

## SOFTGENIUS N.V.

### STATEMENT OF FINANCIAL POSITION

31 December 2023

|                                     | Note | 2023<br>€               | 2022<br>€    |
|-------------------------------------|------|-------------------------|--------------|
| <b>ASSETS</b>                       |      |                         |              |
| <b>Non-current assets</b>           |      |                         |              |
| Investments in subsidiaries         | 11   | <u>5,000</u>            | 5,000        |
|                                     |      | <u>5,000</u>            | 5,000        |
| <b>Current assets</b>               |      |                         |              |
| Trade and other receivables         | 12   | <u>1,165,180</u>        | 105          |
| Cash and cash equivalents           | 13   | <u>65</u>               | -            |
|                                     |      | <u>1,165,245</u>        | 105          |
| <b>Total assets</b>                 |      | <u><u>1,170,245</u></u> | <u>5,105</u> |
| <b>EQUITY AND LIABILITIES</b>       |      |                         |              |
| <b>Equity</b>                       |      |                         |              |
| Share capital                       | 14   | <u>105</u>              | 105          |
| Accumulated losses                  |      | <u>(1,697,125)</u>      | -            |
| <b>Total equity</b>                 |      | <u>(1,697,020)</u>      | 105          |
| <b>Current liabilities</b>          |      |                         |              |
| Trade and other payables            | 15   | <u>2,867,265</u>        | 5,000        |
|                                     |      | <u>2,867,265</u>        | 5,000        |
| <b>Total equity and liabilities</b> |      | <u><u>1,170,245</u></u> | <u>5,105</u> |

The notes on pages 7 to 12 form an integral part of these separate financial statements.

## SOFTGENIUS N.V.

### STATEMENT OF CHANGES IN EQUITY

31 December 2023

|                                    | Note | Share<br>capital<br>€ | Accumulated<br>losses<br>€ | Total<br>€         |
|------------------------------------|------|-----------------------|----------------------------|--------------------|
| <b>Balance at 22 June 2022</b>     |      | -                     | -                          | -                  |
| <b>Transactions with owners</b>    |      |                       |                            |                    |
| Issue of share capital             | 14   | 105                   | -                          | 105                |
| <b>Balance at 31 December 2022</b> |      | <b>105</b>            | <b>-</b>                   | <b>105</b>         |
| <b>Balance at 1 January 2023</b>   |      | <b>105</b>            | <b>-</b>                   | <b>105</b>         |
| <b>Comprehensive income</b>        |      |                       |                            |                    |
| Net loss for the year              |      | -                     | (1,697,125)                | (1,697,125)        |
| <b>Balance at 31 December 2023</b> |      | <b>105</b>            | <b>(1,697,125)</b>         | <b>(1,697,020)</b> |

The notes on pages 7 to 12 form an integral part of these separate financial statements.

## SOFTGENIUS N.V.

### STATEMENT OF CASH FLOWS

31 December 2023

|                                                            | Note      | 2023<br>€          | 22/06/2022-<br>31/12/2022<br>€ |
|------------------------------------------------------------|-----------|--------------------|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |           |                    |                                |
| Loss before tax                                            |           | <u>(1,697,125)</u> | -                              |
|                                                            |           | <u>(1,697,125)</u> | -                              |
| <b>Changes in working capital:</b>                         |           |                    |                                |
| Increase in trade and other receivables                    |           | <u>(1,165,180)</u> | -                              |
| Increase in trade and other payables                       |           | <u>2,862,265</u>   | -                              |
| <b>Cash used in operations</b>                             |           | <u>(40)</u>        | -                              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |           | <u>-</u>           | -                              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |           |                    |                                |
| Proceeds from issue of share capital                       |           | <u>105</u>         | -                              |
| <b>Net cash generated from financing activities</b>        |           | <u>105</u>         | -                              |
| <b>Net increase in cash and cash equivalents</b>           |           | <u>65</u>          | -                              |
| Cash and cash equivalents at beginning of the year/period  |           | <u>-</u>           | -                              |
| <b>Cash and cash equivalents at end of the year/period</b> | <b>13</b> | <u><u>65</u></u>   | -                              |

The notes on pages 7 to 12 form an integral part of these separate financial statements.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Softgenius N.V. (the "Company") was incorporated in Curacao on 22 June 2022 as a private company with limited liability. Its registered office is at Zuikertuintjeweg Z/N (Zuikertuin Tower), Curacao.

#### Principal activities

The principal activities of the Company, are focused on organizing, marketing, promoting, managing, supporting and operating all types of remote gaming activities, including but not limited to internet websites for casino games and sports betting, under the e-Gaming license of Curacao, and holding of investment in private entity.

The Company remained dormant throughout the period from 22 June 2022 to 31 December 2022.

### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

### 3. Functional and presentation currency

The separate financial statements are presented in Euro (€) which is the functional currency of the Company.

### 4. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Company.

### 5. Material accounting policies

The material accounting policies adopted in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented in these separate financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these separate financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

#### Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
31 December 2023**5. Material accounting policies (continued)****Revenue****Recognition and measurement**

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices ) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

**Identification of performance obligations**

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2023

**5. Material accounting policies (continued)****Revenue (continued)**

- **Rendering of services**

*Rendering of services - over time:*

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

*Rendering of services - at a point in time:*

The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

**Finance costs**

Interest expense and other borrowing costs are charged to profit or loss as incurred.

**Foreign currency translation****(1) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

**(2) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Share capital**

Ordinary shares are classified as equity.

**6. Revenue**

|                       | 2023              | 22/06/2022-<br>31/12/2022 |
|-----------------------|-------------------|---------------------------|
|                       | €                 | €                         |
| Rendering of services | <b>14,506,124</b> | -                         |
|                       | <b>14,506,124</b> | -                         |

## SOFTGENIUS N.V.

### NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

#### 7. Cost of sales

|                   | 2023              | 22/06/2022-<br>31/12/2022 |
|-------------------|-------------------|---------------------------|
|                   | €                 | €                         |
| Services received | <b>14,110,492</b> | -                         |
|                   | <b>14,110,492</b> | -                         |

#### 8. Administration and selling expenses

|                                 | 2023             | 22/06/2022-<br>31/12/2022 |
|---------------------------------|------------------|---------------------------|
|                                 | €                | €                         |
| Sundry expenses                 | <b>1,582,642</b> | -                         |
| Courier expenses                | <b>340</b>       | -                         |
| Subscriptions and contributions | <b>10,512</b>    | -                         |
| Auditors' remuneration          | <b>3,800</b>     | -                         |
| Other professional fees         | <b>80,008</b>    | -                         |
| Advertising                     | <b>19,452</b>    | -                         |
|                                 | <b>1,696,754</b> | -                         |

#### 9. Finance income/(costs)

|                             | 2023             | 22/06/2022-<br>31/12/2022 |
|-----------------------------|------------------|---------------------------|
|                             | €                | €                         |
| Exchange profit             | <b>20,988</b>    | -                         |
| <b>Finance income</b>       | <b>20,988</b>    | -                         |
| Net foreign exchange losses | <b>(416,656)</b> | -                         |
| Sundry finance expenses     | <b>(335)</b>     | -                         |
| <b>Finance costs</b>        | <b>(416,991)</b> | -                         |
| <b>Net finance costs</b>    | <b>(396,003)</b> | -                         |

#### 10. Tax

The Company is an international business company, registered in the Curacao and under the Laws of the country is not subject to corporation tax therein.

# SOFTGENIUS N.V.

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

### 11. Investments in subsidiaries

|                               | 2023<br>€    | 2022<br>€    |
|-------------------------------|--------------|--------------|
| Balance at 1 January/22 June  | 5,000        | -            |
| Additions                     | -            | 5,000        |
| <b>Balance at 31 December</b> | <b>5,000</b> | <b>5,000</b> |

The details of the subsidiaries are as follows:

| Name                                                      | Country of<br>incorporation | Principal activities                           | Holding<br>% | 2023<br>€    | 2022<br>€    |
|-----------------------------------------------------------|-----------------------------|------------------------------------------------|--------------|--------------|--------------|
| XLNC Ltd (formerly<br>Softgenius Applications<br>Limited) | Cyprus                      | Provision of billing<br>management<br>services | 100          | 5,000        | 5,000        |
|                                                           |                             |                                                |              | <b>5,000</b> | <b>5,000</b> |

### 12. Trade and other receivables

|                                                 | 2023<br>€        | 2022<br>€  |
|-------------------------------------------------|------------------|------------|
| Shareholders' current accounts - debit balances | -                | 105        |
| Receivables from parent                         | 1,147,760        | -          |
| Deposits and prepayments                        | 17,420           | -          |
|                                                 | <b>1,165,180</b> | <b>105</b> |

### 13. Cash and cash equivalents

|              | 2023<br>€ | 2022<br>€ |
|--------------|-----------|-----------|
| Cash at bank | 65        | -         |
|              | <b>65</b> | <b>-</b>  |

### 14. Share capital

|                               | 2023<br>Number of<br>shares | 2023<br>\$ | 2022<br>Number of<br>shares | 2022<br>\$ |
|-------------------------------|-----------------------------|------------|-----------------------------|------------|
| <b>Authorised</b>             |                             |            |                             |            |
| Ordinary shares of \$1 each   | 100                         | 100        | 100                         | 100        |
|                               |                             | €          |                             | €          |
| <b>Issued and fully paid</b>  |                             |            |                             |            |
| Balance at 1 January/22 June  | 100                         | 105        | -                           | -          |
| Issue of shares               | -                           | -          | 100                         | 105        |
| <b>Balance at 31 December</b> | <b>100</b>                  | <b>105</b> | <b>100</b>                  | <b>105</b> |

## SOFTGENIUS N.V.

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### NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

#### 15. Trade and other payables

|                                                  | 2023             | 2022         |
|--------------------------------------------------|------------------|--------------|
|                                                  | €                | €            |
| Trade payables                                   | 2,181,994        | -            |
| Shareholders' current accounts - credit balances | 95               | -            |
| Accruals                                         | 680,116          | -            |
| Payables to own subsidiaries                     | 5,000            | 5,000        |
| Payables to other related parties                | 60               | -            |
|                                                  | <u>2,867,265</u> | <u>5,000</u> |

Practitioner's compilation report on page 2