

RSP Entertainment N.V.
Willemstad

RSP Entertainment N.V.

at Willemstad

Annual report 2022

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1. Accountants report

RSP Entertainment N.V.
Willemstad

RSP Entertainment N.V.
Abraham Mendez Chumaceiro Boulevard 03
Willemstad

October 11, 2023

Dear Sirs,

1.1 ACCOUNTANT'S COMPILATION REPORT

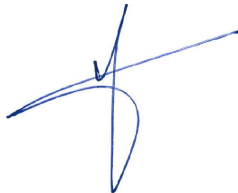
The financial statements of RSP Entertainment N.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the income statement for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Curacao law and general accepted accounting principles. We will assist you with the preparation and presentation of the financial statements in accordance with Book 2 of the Curaçao Civil Code and the Generally Accepted Accounting Principles. To this end we have applied our professional expertise in the fields of accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that the information you give us is correct and that you provide us with all relevant information. Therefore, we have conducted our work in accordance with the applicable regulations and on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole and are satisfied that they present a picture in line with our broad understanding of RSP Entertainment N.V..

During this engagement we have complied with relevant ethical requirements. You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent, and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

inFocus N.V.



W. van Steijn AA

1.2 GENERAL

Comparative figures

The figures of the previous financial year may have been reclassified, where necessary, in order to allow comparability with the current financial year.

Incorporation company

The Company was established on April 11th, 2007.

Activities

The activities of RSP Entertainment N.V. primarily consist of:

1. To provide off-shore games of chance and wagering through the internet, including but not limited to, online casino, in compliance with the regulations of the Government of Curacao.
This service shall be referred to for all purposes as Internet Casino/Internet Wagering/Internet Sportsbook.
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.

1.3 RESULT

Analysis of the result

	2022		2021		Movement	
	EUR	%	EUR	%	EUR	%
Revenues	18,061,768	100.0	7,185,497	100.0	10,876,271	151.4
Expenses work contracted out and other external expenses	13,048,494	72.2	5,436,775	75.7	7,611,719	140.0
Personnel expenses	721,353	4.0	627,912	8.7	93,441	14.9
Other operating expenses	416,951	2.3	306,748	4.2	110,203	35.9
Total operating expenses	14,186,798	78.5	6,371,435	88.6	7,815,363	122.7
Operating result	3,874,970	21.5	814,062	11.4	3,060,908	376.0
Financial income and expense	(456,508)	(2.5)	(236,368)	(3.3)	(220,140)	(93.1)
Result before taxation	3,418,462	19.0	577,694	8.1	2,840,768	491.7
Taxation	(529)	-	-	-	(529)	-
Net result after taxation	3,417,933	19.0	577,694	8.1	2,840,239	491.7

1.4 SUMMARY FINANCIAL INFORMATION

	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR
<i>Assets</i>		
Fixed assets		
Financial assets	145,434	1,758
Current assets		
Receivables	7,321,088	1,924,563
Cash and cash equivalents	<u>3,167,619</u>	<u>1,558,322</u>
Total assets	<u><u>10,634,141</u></u>	<u><u>3,484,643</u></u>
<i>Equity and liabilities</i>		
Equity	2,903,911	307,888
Non-current liabilities	-	34,185
Current liabilities	<u>7,730,230</u>	<u>3,142,570</u>
Total equity and liabilities	<u><u>10,634,141</u></u>	<u><u>3,484,643</u></u>
	<u>2022</u>	<u>2021</u>
	EUR	EUR
Revenues	18,061,768	7,185,497
Gross margin	18,061,768	7,185,497
Operating result	3,874,970	814,062
Result after taxation	3,417,933	577,694
Equity	2,903,911	307,888

1.5 FISCAL POSITION

General

Part of the profit realized by the company is foreign profit in accordance with Article 1C, paragraph 2 of the National Ordinance on Profit Tax 1940. No profit tax is payable on this profit.

	<u>2022</u> EUR
<i>Calculation taxable amount</i>	
Result before taxation	3,418,462
Exempt income items	
Foreign income	<u>(3,416,055)</u>
Taxable amount	<u><u>2,407</u></u>

Calculation corporate tax

	<u>2022</u> EUR
22.00% of EUR 2,407	<u><u>529</u></u>

	<u>World income</u> <u>/ expenses</u> EUR	<u>Domestic</u> <u>income /</u> <u>expenses</u> EUR
Cost allocation		
Revenue	18,061,768	-
Causal expenses domestic	(35,392)	-
Causal expenses non-domestic	<u>(13,732,205)</u>	-
Gross margin	4,294,171	-
Gross margin domestic	-	11,165
Non causal expenses	<u>(875,709)</u>	<u>(8,758)</u>
Total	<u><u>3,418,462</u></u>	<u><u>2,407</u></u>

2.1 BALANCE SHEET AS AT 31 DECEMBER 2022

(After proposal appropriation of result)

		31-12-2022		31-12-2021	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
<i>Financial assets</i>	1		145,434		1,758
Current assets					
<i>Receivables</i>					
Trade receivables	2	29,945		2,229	
Receivables from group companies	3	2,117		4,927	
Loans receivable	4	120,000		-	
Current account shareholders	5	316,441		49,336	
Other receivables and current assets	6	6,852,585		1,868,071	
			7,321,088		1,924,563
<i>Cash and cash equivalents</i>					
Other banks			3,167,619		1,558,322
Total assets			10,634,141		3,484,643
EQUITY AND LIABILITIES					
Equity					
	7				
Issued share capital	8	5,525		5,525	
Share premium reserve		23,804		23,804	
General reserve		2,874,582		278,559	
			2,903,911		307,888
Non-current liabilities					
Liabilities to group companies	9		-		34,185
Current liabilities					
Trade payables	10	290,895		34,755	
Taxes and social security contributions	11	529		-	
Other payables and short term liabilities	12	7,438,806		3,107,815	
			7,730,230		3,142,570
Total equity and liabilities			10,634,141		3,484,643

2.2 INCOME STATEMENT FOR THE YEAR 2022

		2022	2021
		EUR	EUR
Revenues	13	18,061,768	7,185,497
Expenses work contracted out and other external expenses	14	13,048,494	5,436,775
Personnel expenses	15	721,353	627,912
Other operating expenses	16	416,951	306,748
Total operating expenses		<u>14,186,798</u>	<u>6,371,435</u>
Operating result		3,874,970	814,062
Financial income and expense	17	<u>(456,508)</u>	<u>(236,368)</u>
Result before taxation		3,418,462	577,694
Taxation	18	<u>(529)</u>	<u>-</u>
Net result after taxation		<u><u>3,417,933</u></u>	<u><u>577,694</u></u>

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of RSP Entertainment N.V. is Abraham Mendez Chumaceiro Boulevard 03, in Willemstad, Curaçao. RSP Entertainment N.V. is registered at the Chamber of Commerce under number 101703.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with the accounting policies selected and disclosed by the company, and as set out in the notes to the financial statements. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model. Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial period are taken into account if they have become known before preparation of the financial statements.

Accounting principles

Financial assets

Participations are valued at cost.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Equity

When RSP Entertainment N.V. purchases treasury shares, the consideration paid is deducted from equity (other

reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

The share premium originates from overpayments on the face value of the shares.

Other reserves

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to the shareholders.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as RSP Entertainment N.V. has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the income statement.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses

RSP Entertainment N.V.
Willemstad

available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS

Fixed assets

	31-12-2022 EUR	31-12-2021 EUR
1 Financial assets		
Participations in group companies	1,758	1,758
Receivables from group companies	143,676	-
	<u>145,434</u>	<u>1,758</u>
Participations in group companies		
Vereker Limited, Cyprus, 100%	<u>1,758</u>	<u>1,758</u>
Receivables from group companies		
Loan Vereker Limited	<u>143,676</u>	<u>-</u>
This regards a loan including accrued interest to Vereker Limited. The loan was provided on September 1, 2022, bearing 2% interest and repayable in 3 years.		
<i>Current assets</i>		
Receivables		
2 Trade receivables		
Trade receivables	<u>29,945</u>	<u>2,229</u>
3 Receivables from group companies		
Vereker Ltd. current account	<u>2,117</u>	<u>4,927</u>
4 Loans receivable		
Employee loans	<u>120,000</u>	<u>-</u>
5 Current account shareholders		
Current account shareholder	<u>316,441</u>	<u>49,336</u>
6 Other receivables and current assets		
Payment Systems	6,838,671	1,868,071
Deposit lawyers	13,914	-
	<u>6,852,585</u>	<u>1,868,071</u>

EQUITY AND LIABILITIES

7 Equity

	Issued share capital	Share premium reserve	General reserve	Total
	EUR	EUR	EUR	EUR
Balance as at 1 January 2022	5,525	23,804	278,559	307,888
Appropriation of result	-	-	3,417,933	3,417,933
Distribution to shareholders	-	-	(821,910)	(821,910)
Balance as at 31 December 2022	<u>5,525</u>	<u>23,804</u>	<u>2,874,582</u>	<u>2,903,911</u>

8 Issued share capital

The share capital is USD 6,000 consisting of 6,000 shares each with a nominal value USD 1.

	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR
9 Liabilities to group companies		
Loan from Vereker Limited	<u>-</u>	<u>34,185</u>

The loan was repaid on September 30, 2022.

Current liabilities

10 Trade payables

Trade creditors	<u>290,895</u>	<u>34,755</u>
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	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR

11 Taxes and social security contributions

Company tax	<u>529</u>	<u>-</u>
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12 Other payables and short term liabilities

Player account balances	7,371,120	3,105,465
Due to employees	64,936	-
Accruals	<u>2,750</u>	<u>2,350</u>
	<u>7,438,806</u>	<u>3,107,815</u>

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2022

	<u>2022</u>	<u>2021</u>
	EUR	EUR
13 Revenues		
Poker revenue	15,148,306	5,415,112
Casino revenue	2,666,018	1,555,094
Sportsbetting revenue	121,419	78,172
Other wagering income	126,025	137,119
	<u>18,061,768</u>	<u>7,185,497</u>
14 Expenses work contracted out and other external expenses		
Domestic causal costs	10,392	16,758
Non-domestic causal costs	13,038,102	5,420,017
	<u>13,048,494</u>	<u>5,436,775</u>
Domestic causal costs		
Gaming license/bandwith	<u>10,392</u>	<u>16,758</u>
Non-domestic causal costs		
Poker network expenses	88,484	83,108
Revenue share	1,822,667	827,549
Promotions and bonuses	7,965,831	3,372,440
Advertising and marketing	70,153	41,933
Affiliate marketing	2,096,627	647,370
Payment processing fees	846,672	360,067
Call center fees	114,000	84,000
Business trips	33,668	3,550
	<u>13,038,102</u>	<u>5,420,017</u>
15 Personnel expenses		
Wages and salaries	<u>721,353</u>	<u>627,912</u>
Wages and salaries		
Salaries and wages (non causal)	457,799	392,543
Salaries and wages (causal non-domestic)	263,554	235,369
	<u>721,353</u>	<u>627,912</u>

	<u>2022</u>	<u>2021</u>
	EUR	EUR
16 Other operating expenses		
Housing expenses	9,160	10,736
Office expenses	148,886	130,221
General expenses	<u>258,905</u>	<u>165,791</u>
	<u>416,951</u>	<u>306,748</u>
Housing expenses		
Rental expenses	<u>9,160</u>	<u>10,736</u>
Office expenses		
Automation expenses	105,221	89,836
Office expenses	<u>43,665</u>	<u>40,385</u>
	<u>148,886</u>	<u>130,221</u>
General expenses		
Managementfee	181,812	83,190
Audit costs, other non-audit services	2,900	1,750
Consultancy	23,619	14,118
Bank expenses	32,004	26,108
Other general expenses	<u>18,570</u>	<u>40,625</u>
	<u>258,905</u>	<u>165,791</u>
17 Financial income and expense		
Interest and similar expenses	(959)	(1,510)
Currency translation differences (causal)	<u>(455,549)</u>	<u>(234,858)</u>
	<u>(456,508)</u>	<u>(236,368)</u>
	<u>2022</u>	<u>2021</u>
	EUR	EUR
18 Taxation		
Corporate profit tax	<u>(529)</u>	<u>-</u>

Willemstad, October 11, 2023
RSP Entertainment N.V.