

Lone Rock Holdings N.V

148107

Annual report

Period 1st of January to 31th of December 2023

FINANCIAL STATEMENTS

Period from 1th of January to 31th of December 2023

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BOARD OF DIRECTORS AND OTHER OFFICES

Director: Downtown E-Commerce Company B.V.

Registered office: Zuikertuintjeweg z/n (Zuikertuin Tower)

Registration Number: 148107

Represented by: G.C. Rellum

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1th January to 31th of December 2023

	2023	2022
	€	€
Revenue	23,277,350	10,301,531
Expenses	(2,829,408)	(1,266,473)
Administration expenses	(745,599)	(360,228)
Other expenses	(218,669)	(164,575)
Personnel costs	(4,301,006)	(2,586,236)
Profit before tax	15,182,668	5,924,019
Tax	0	0
Other comprehensive income	-	-
EBITDA	15,182,668	5,924,019

STATEMENT OF FINANCIAL POSITION

31 December 2023

	2022	2021
	€	€
ASSETS		
Current assets		
Other current assets	29,965,543	19,138,017
Cash at bank and in hand	2,287,829	4,931,083
Total assets	32,253,372	24,069,099
EQUITY AND LIABILITIES		
Share capital	4,261	4,261
Retained earnings	206,687	5,924,020
Total equity	210,948	5,928,281
Current liabilities	32,042,423	18,140,818
Total equity and liabilities	32,253,372	24,069,099

STATEMENT OF CHANGES IN EQUITY

From the period of 1th of January to 31 December 2023

	Share capital €	Retained earnings €	Total €
Balance at 1th of January 2022			
Share capital	4,261	5,924,019	5,928,280
Net profit for the period		15,182,668	15,182,668
Dividend		(20,900,000)	(20,900,000)
Balance at 31th of December 2022	4,261	206,687	210,948

NOTES TO THE FINANCIAL STATEMENTS

From the period 1th of January to 31th December 2023

1. The company Lone Rock (The Company) was incorporated in Curacao on 21st September 2018 as a private limited liability company under the provision of Curacao Companies Law. Its registered office is 7 Abraham de Verstraat Willemstad, Curacao.

Principal activities

The principal activities of the company is to organize, market, promote, manage, support and operate all types of remote gaming activities, comprising all types of games, betting and other operations of betting exchange, interactive casinos, bingos, lotteries and other interactive games for clients established or residing outside of Curacao.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting standards (IFRSs) as adopted by the requirements of the Curacao Companies Law. The financial statements have been prepared under the historical cost convention.

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 knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1st January 2021.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below

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.

- **Commission income**

Commission income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

5. Operating environment of the company

Since 11th March 2020, the World Health Organization declared the Coronavirus COVID- 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Curacao but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

The Company's Management is unable to predict all developments which could have an impact on the Curacao economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

6. Related party transactions

The Company has direct connection with a company from Cyprus, Fallback Ruler LTD that acts as a payment provider for Lone Rock.

7. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023.

8. Commitments

The Company had no capital or other commitments as at 31 December 2023.

9. Events after the reporting period

With the still ongoing development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures.

Certain countries have required companies to limit or even suspend normal business operations . Governments have implemented restrictions on traveling as well as strict quarantine measures.

Industries such as tourism, hospitality and entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected and their results to also be negatively affected.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2023.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position.