

Next to You B.V.
(f.k.a. The Luck Factory B.V.)
Curaçao

Annual report 2022

ICAS
accountants
business advisors



FOR IDENTIFICATION PURPOSES ONLY

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1. Report

1.1 General

Next to You B.V. (formerly known as The Luck Factory B.V.) (hereinafter: "the Company") was incorporated on December 29th, 2017 and is established in Curaçao.

Reporting period

The Company has changed its name to Next to You B.V. by notary deed of amendment dated April 25th, 2023. These annual accounts have been prepared for the financial year ended on 31 December 2022.

Activities

The activities of the Company, having its legal seat at Curaçao, primarily consist of:

Managing and supporting gaming platforms for remote gaming, including software and hardware components of such platforms, whether for casino, poker or other games, whether to be operated through internet, mobile or interactive media.

To the board of directors and shareholders of
Next to you B.V.
Willemstad
Curaçao

ACCOUNTANT'S COMPILATION REPORT

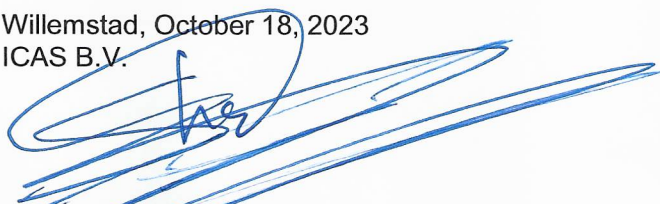
The financial statements of Next to you B.V. based in Curaçao have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the profit and loss account for the year 2022 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Curaçao law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Curaçao Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding Next to you B.V. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics). 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.

Willemstad, October 18, 2023
ICAS B.V.



Magdi Shaker M.Sc R.A.
Ref.: S22.231018/MS/LF

2. Financial statements

2.1 Balance sheet as at 31 December 2022*(After proposal result)*

Assets		31-Dec-22 EUR	31-Dec-21 EUR
Fixed assets			
<i>Intangible fixed assets</i>			
Domain	1	7,507,500	5,505,504
<i>Financial fixed assets</i>			
C/A Shareholders		1,000	1,000
Investment in subsidiaries	2	<u>1</u>	<u>1</u>
		7,508,501	5,506,505
Current assets			
Other receivables	3	326,183	12,532
Related parties	4	5,095,475	6,591,683
Cash & cash equivalents	5	<u>825,295</u>	<u>243,139</u>
		6,246,953	6,847,354
Total assets		<u>13,755,454</u>	<u>12,353,859</u>
Liabilities			
Shareholders equity			
Share capital	6	1,000	1,000
Adjustment previous year		4,684,805	-
Dividend distribution		(8,860,000)	-
Retained earnings		6,001,792	5,703,847
Result for the year		<u>3,547,440</u>	<u>297,945</u>
		5,375,037	6,002,792
Provisions subsidiaries		55,322	657,750
Current liabilities			
Accounts payable		2,949,942	1,090,056
Other liabilities & accrued expenses	7	<u>5,375,153</u>	<u>4,603,261</u>
		8,325,095	5,693,317
Total equity & liabilities		<u>13,755,454</u>	<u>12,353,859</u>

2.2 Statement of income and expenses for the year 2022

		2022	2021
		EUR	EUR
Turnover	8	61,708,295	42,334,566
Direct costs	9	56,761,049	38,084,227
Gross margin		4,947,246	4,250,339
IT and other operating expenses	10	45,336	16,053
Administrative and general expenses	11	2,210,934	3,282,000
		(2,256,270)	(3,298,053)
Operating result		2,690,976	952,286
Financial result (loss)	12	856,464	(654,341)
Result before tax		3,547,440	297,945
Profit tax		-	-
Net result for the period		3,547,440	297,945

2.3 Notes to the financial statements

General

The financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Curaçao Civil Code and accounting principles generally accepted in the Netherlands.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Continuity

These financial statements have been prepared based on going concerns basis. The going concern basis of presentation assumes that the company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management is of the opinion, that the company's shareholders or other group companies will give the necessary support in case the assumption above mentioned is not realized. Consequently the Company has applied accounting principles based on going concerns.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Accounting policies in respect of the valuation of assets and liabilities

General

Valuation of assets and liabilities and determination of the result takes 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.

Financial fixed assets

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by the Company.

Associated companies with negative net equity value are valued at nil. If the Company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from associated company are taken into account.

Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

Accounts receivable

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Equity

Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

Current liabilities

Upon initial recognition, current liabilities are stated at fair value and then valued at amortized cost.

Accruals and deferred income

Upon initial recognition, accruals and deferred income are stated at fair value and then valued at amortized costs.

Accounting policies in respect of determination

Turnover

Turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes. Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Other operating expenses

Costs are taken into account under the historical cost convention and allocated to the period concerned.

Net financial result

Interest income and expenses consist of interest received from or paid to third parties.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.

2.4 Notes to the balance sheet

	31-Dec-22 EUR	31-Dec-21 EUR
1. Fixed assets		
Purchase Domain: 'Wild Sultan'	10,010,000	10,010,000
Depreciation current year	(2,502,500)	(4,504,496)
Ending balance	<u>7,507,500</u>	<u>5,505,504</u>

2. Investment in subsidiaries**Investment in SSE (Malta)**

The Company is holder of 1,200 ordinary shares of nominal value EUR 1 each in the share capital of Silver Star Entertainment Ltd. (Malta) incorporated on March 16th 2018. The shares have been paid up in full. Silver Star Entertainment Ltd (Malta) is register at Office 1, Birds of Paradise, Triq il-Hagar, Mosta MSDT2551, Malta.

Investment in SSE (Cyprus)

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Silver Star Entertainment Europe Ltd. incorporated on June 27th 2019. Silver Star Europe Entertainment Ltd is register at Agathangelou Business Center, 1st floor, Flat/Office 3 3032, Limassol, Cyprus.

Investment in Payment center EU Ltd. (UK) (f.k.a. Smart Sultan Ltd.)

The Company is holder of 100 ordinary shares of nominal value GBP 1 each in the share capital of Payment Center EU Ltd. incorporated on March 20th 2018. Payment Center EU Ltd. is register at 31 Lower Haring Street Northampton NN1 2JJ, United Kingdom.

Investment in Madnix (Cyprus)

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Madnix Labs Ltd. incorporated on August 28th 2019. Madnix Labs Ltd. is register at Agathangelou Business Center, 1st floor, Flat/Office 3 3032, Limassol, Cyprus.

Investment in BMP (Cyprus)

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Blackrock Media Processing Ltd. incorporated on January 8th 2019. Blackrock Media Processing Ltd. is register at Agathangelou Business Center, 1st floor, Flat/Office 3 3032, Limassol, Cyprus.

Investment in Lucky Sultan Entertainment Ltd

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Lucky Sultan Entertainment Ltd. incorporated on January 8th 2019. Lucky Sultan Entertainment Ltd. is register at Kalymnou, 1, "Q Merito", 4th floor, Agios nikolaos, Kamares, 6037, Larnaca, Cyprus.

	31-Dec-22 EUR	31-Dec-21 EUR
Beginning balance (Share capital)	1	5,311
Dividend subsidiaries	(260,000)	-
Provision subsidiaries	(602,428)	656,750
Adjustment investment subsidiaries	-	(163,260)
Results subsidiaries	862,428	(498,800)
Ending balance	<u>1</u>	<u>1</u>

2.4 Notes to the balance sheet

	31-Dec-22 EUR	31-Dec-21 EUR
3. Other receivables		
Prepaid expenses	12,532	12,532
Dividends receivables Intragroup companies	210	-
Intragroup companies receivables	313,441	-
	<u>326,183</u>	<u>12,532</u>

	31-Dec-22 EUR	31-Dec-21 EUR
4. Related parties		
Rainmaker Group Ltd.	200,000	-
SSE Latvia	7,195	-
Wainsworth Netvisionprocessing Ltd.	19,000	-
Wisdom revelation Unipessoal LD	-	100,562
Madnix (Cyprus) payment agent	2,038,265	710,228
SSE (Cyprus) payment agent	703,493	849,840
Processing SSE (Malta) payment agent	180,000	1,797,921
Processing BMP (Cyprus) payment agent	1,947,522	3,133,132
	<u>5,095,475</u>	<u>6,591,683</u>

	31-Dec-22 EUR	31-Dec-21 EUR
5. Cash & cash equivalents		
Payment Execution	26,011	10,786
Euro Bill - RMHK	365,364	49,822
Ecommbx	318,575	-
Neteller	18,207	7,732
Skrill	72,824	128,783
Interac Merchant (Gigadat)	24,314	46,011
Wirecard	-	5
	<u>825,295</u>	<u>243,139</u>

6. Shareholders equity

The capital of the company consists of 1,000 shares with a nominal value of EUR 1 each.

Movements in equity were as follows:

	Issued Share capital EUR	Retained earnings EUR	Total EUR
Balance as at January 1 st	1,000	6,001,792	6,002,792
Adjustment previous year		4,684,805	4,684,805
Dividend distribution	-	(8,860,000)	(8,860,000)
Movement	-	3,547,440	3,547,440
		-	-
Balance as at December 31 st	<u>1,000</u>	<u>5,374,037</u>	<u>5,375,037</u>

	31-Dec-22 EUR	31-Dec-21 EUR
7. Other liabilities & accrued expenses		
Player balances	1,799,980	1,510,360
Provision for affiliates	-	572,457
Payment Center EU Ltd.	20,635	17,635
Celesta Platform Ltd.	568,247	2,502,809
Shareholder - TLF Entertainment	2,986,291	-
	<u>5,375,153</u>	<u>4,603,261</u>

2.5 Notes to the statement of income and expenses

	<u>2022</u> <u>EUR</u>	<u>2021</u> <u>EUR</u>
8. Turnover		
Gaming revenue	61,708,295	42,334,566
	<u>61,708,295</u>	<u>42,334,566</u>
9. Direct costs		
Commission affiliates fees	17,131,450	16,272,565
Customer support services	210,205	1,644,881
Advertising expense	20,000	405,563
SEO services	1,512,362	1,185,200
Support & maintenance services	7,110,795	4,010,000
Processor F.C. settlement fees	70,310	68,517
Merchant fees	8,393,175	5,964,133
Platform fees	10,809,185	2,682,809
Operational expenses	4,198,081	-
Game provider fees	7,305,486	5,850,559
	<u>56,761,049</u>	<u>38,084,227</u>
10. IT and other operating expenses		
IP licensing & compliance	12,500	16,053
ICT maintenance & support	32,836	-
	<u>45,336</u>	<u>16,053</u>
11. Administrative and general expenses		
Wire fees	2,736	63,220
Player gifts	70,511	24,678
Consulting services	1,306,492	769,451
Payment agent services	782,600	338,581
Professional services	7,300	42,995
Bank charges	15,679	24,757
Legal services	5,000	-
Accountancy	976	4,735
Tax services	1,160	750
Notary expenses	2,745	1,865
Corporate services	11,667	5,275
Courier expense	689	383
Depreciation expenses	-	2,001,996
Other general expenses	684	634
Chamber of commerce	135	120
Standard management disbursement	2,250	2,250
License fees National Bank	60	60
Domiciliation & compliance fees	250	250
	<u>2,210,934</u>	<u>3,282,000</u>
12. Financial result (loss)		
Realized gain currency	55	(618)
Unrealized gain currency	(6,019)	9,336
Dividends subsidiaries	260,000	-
Result subsidiaries	602,428	(498,800)
Adjustment investment subsidiaries	-	(164,259)
	<u>856,464</u>	<u>(654,341)</u>

3. Other Information

3.1 Statutory provision regarding appropriation of result

In the articles of incorporation it states that the profit shall be at free disposal of the general meeting. Any distribution of the profit shall be made after approval of the annual account. Consequently the following has been presented concerning the appropriation of the result.

3.2 Appropriation of result

The management of the company proposes to appropriate the result as follows:

The positive result for the year 2022 in the amount of EUR 3,547,440 will be added in full to the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2022 for the company.

3.3 Subsequent events

There are no events after the balance sheet date that have significant impact on these financial statements, that require further disclosure.

Name:

Position:

Signature:

Global Related Services B.V.

Statutory Director

