

Next to You B.V.

(f.k.a. The Luck Factory B.V.)

Curaçao

Annual report 2023



Table of contents

	<u>Page</u>
1 Report	3
1.1 General	4
1.2 Accountants compilation report	5
2 Financial statement	6
2.1 Balance sheet as at 31 December 2023	7
2.2 Statement of income and expenses for the year 2023	8
2.3 Notes to the financial statements	9
2.4 Notes to the balance sheet	11
2.5 Notes to the statement of income and expenses	14
3 Other information	15
3.1 Statutory provision regarding appropriation of result	16
3.2 Appropriation of result	16
3.3 Subsequent events	16

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

These annual accounts have been prepared for the fiscal year ended on 31 December 2023.

Activities

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

Organizing, marketing, promoting, managing, supporting and operating 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.

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

ACCOUNTANT'S COMPILATION REPORT

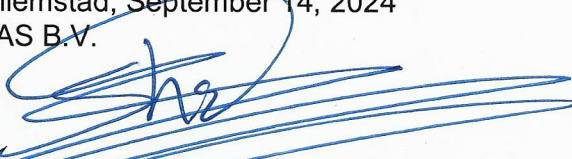
The financial statements of Next to you B.V. based in Curaçao have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2023 and the profit and loss account for the year 2023 with the accompanying explanatory notes. These notes 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, September 14, 2024
ICAS B.V.



Magdi Shaker M.Sc R.A.
Ref.: 24914/S23/MS/LF

2. Financial statements

2.1 Balance sheet as at 31 December 2023*(After proposal result)*

		EUR		EUR	
Assets		12/31/2023		12/31/2022	
Fixed assets					
Intangible fixed assets					
Domain	1	-	7,507,500		7,507,500
Financial fixed assets					
C/A Shareholders		-	1,000		
Investment in subsidiaries	2	1	1		1,001
Current assets					
Other receivables	3	6,536,315	326,183		
Current accounts	4	497,973	5,095,475		
Cash & cash equivalents	5	1,654,630	825,295		
		8,688,918			6,246,953
Total assets		8,688,919			13,755,454
		EUR		EUR	
		12/31/2023		12/31/2022	
Equity & Liabilities					
Shareholders equity					
Nominal capital	6	1,000	1,000		
Dividends paid		(13,860,000)	(8,860,000)		
Retained earnings		14,234,037	10,686,597		
Result for the year		41,778	3,547,440		
		416,815			5,375,037
Provisions	7	13,931	55,322		
		13,931			55,322
Short term liabilities					
Current accounts	8	5,243,273	5,375,153		
Other Liabilities and accruals	9	3,014,900	2,949,942		
		8,258,173			8,325,095
Total equity & liabilities		8,688,919			13,755,454

2.2 Statement of income and expenses for the year 2023

		EUR	EUR
		2023	2022
Turnover	10	83,307,195	61,708,295
Direct costs	11	<u>81,603,331</u>	<u>56,761,049</u>
Gross margin		1,703,864	4,947,246
IT and other operating expenses	12	25,000	45,336
Administrative & general expenses	13	<u>1,707,546</u>	<u>2,210,934</u>
		(1,732,546)	(2,256,270)
Operating result		(28,682)	2,690,976
Financial results (loss)	14	70,460	856,464
Result before tax		41,778	3,547,440
Income tax expense			
Net result for the period		<u>41,778</u>	<u>3,547,440</u>

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 prevailing at exchange rates 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.

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

	EUR 12/31/2023	EUR 12/31/2022
1. Domain		
Purchase Domain: 'Wild Sultan'	7,507,500	10,010,000
Accum. depreciation	(7,507,500)	(2,502,500)
Ending balance	-	7,507,500

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. The company has entered in voluntary liquidation as per date 21st July 2023.

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. The shares of the company has ben transferred as per date 1st June 2023.

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. The shares of the company has ben transferred as per date 1st June 2023.

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. The shares of the company has ben transferred as per date 1st June 2023.

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. The shares of the company has ben transferred as per date 1st June 2023.

	EUR 12/31/2023	EUR 12/31/2022
Beginning balance (Share capital)	1	1
Dividend subsidiaries	-	(260,000)
Provision subsidiaries	-	(602,428)
Results subsidiaries	198,847	862,428
Impairment of transfers participations as per 30-6-23	(198,847)	-
Ending balance	1	1



	EUR 12/31/2023	EUR 12/31/2022
3. Other receivables		
Prepaid expenses	22,401	12,532
Dividends receivables Intragroup companies	-	210
Intragroup companies receivables	6,442,039	313,441
Retainer deposits	71,875	-
	6,536,315	326,183

	EUR 12/31/2023	EUR 12/31/2022
4. Current accounts		
Current account Rainmaker group ltd	465,826	200,000
Current account SSE Latvia	6,147	7,195
Current account Wainsworth Netvisionporcessing ltd.	22,000	19,000
Current account TLF Entertainment Ltd.	4,000	-
Current account Madnix (Cyprus)	-	2,038,265
Current account SSE (Cyprus)	-	703,493
Current account SSE (Malta)	-	180,000
Current account BMP (Cyprus)	-	1,947,522
	497,973	5,095,475

	EUR 12/31/2023	EUR 12/31/2022
5. Cash & cash equivalents		
Payment execution	8,142	26,011
Euro Bill - RMHK	1,350,776	365,364
Ecommbx	172,389	318,575
Cold wallet	8,607	-
Neteller	17,234	18,207
Skrill	47,173	72,824
Interac merchant (Gigadat Inc.)	50,309	24,314
	1,654,630	825,295

6. Shareholders equity

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

	Issued Share Capital EUR	Dividend distributions	Accum. Results EUR	Total EUR
Balance as at January 1 st	1,000	(8,860,000)	14,234,037	5,375,037
Dividend distributions	-	(5,000,000)		(5,000,000)
Result of the year			41,778	41,778
Balance as at December 31 st	1,000	(13,860,000)	14,275,815	416,815

	EUR 12/31/2023	EUR 12/31/2022
7. Provisions		
Provisions for subsidiaries	13,931	55,322
	<u>13,931</u>	<u>55,322</u>

	EUR 12/31/2023	EUR 12/31/2022
8. Current accounts		
Due to shareholder	89,000	-
Player Balances	3,701,343	1,799,980
Sharholder - TLF Entertainment	-	2,986,291
Celesta Platform Ltd.	106,862	568,247
Payment Center EU Ltd.	17,604	20,635
TLF Management Ltd.	966,972	-
Quanta N.V.	361,492	-
	<u>5,243,273</u>	<u>5,375,153</u>

	EUR 12/31/2023	EUR 12/31/2022
9. Other Liabilities and accruals		
Trade payables	2,951,874	2,949,942
Processors reconcile account	59,026	-
Accruals	4,000	-
	<u>3,014,900</u>	<u>2,949,942</u>

2.5 Notes to the statement of income and expenses

	2023	2022
	EUR	EUR
10. Turnover		
Gaming revenue	83,307,195	61,708,295
	83,307,195	61,708,295
11. Direct costs		
Commission affiliates	17,696,662	17,131,450
Customer support services	-	210,205
Marketing expenses	1,150,077	20,000
SEO services	100,930	1,512,362
Support & maintenance services	1,300	7,110,795
Processor settlement fees	-	70,310
Merchant fees	10,704,838	8,393,175
Platform fees	30,759,755	10,809,185
Operational expenses	12,592,859	4,198,081
Game provider fees	-	7,305,486
Software license fees	8,596,910	-
	81,603,331	56,761,049
12. IT and other operating expenses		
Gaming license fees	25,000	12,500
ICT maintenance services	-	32,836
	25,000	45,336
13. Administrative & general expenses		
Management fees	2,250	2,250
Membership & contribution fees	105	135
Domiciliation fees	250	250
License fees National bank	60	60
Corporate secretarial fees	15,188	11,667
Accounting expenses	11,180	976
Notary expenses	-	2,745
Tax advisory fees	6,950	1,160
Legal fees	3,780	5,000
Player gifts	197,607	70,511
Consulting services	1,384,150	1,306,492
Payment agent services	-	782,600
Professional fees	59,358	7,300
Rent expenses	1,060	-
Courier expenses	451	689
Wire fees	-	2,736
Bank charges	23,466	15,679
Other general expenses	1,691	684
	1,707,546	2,210,934
14. Financial results (loss)		
Realized gain currency	6,335	55
Unrealized gain currency	22,734	(6,019)
Dividends subsidiaries	-	260,000
Result subsidiaries	41,391	602,428
	70,460	856,464

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 2023 in the amount of EUR 41,778 will be added in full to the other reserves. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company, recommend the payment of a dividend of EUR 5,000,000 in year 2023.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2023 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

