

Mitratech Curaçao B.V.

Management Accounts

for the year ended December 31, 2023

Table of Contents

Statement of financial position	3
Statement of profit or loss	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7 - 12

Mitrtech Curaçao B.V.
Statement of financial position
(All amounts in USD)

		31-Dec	
	Note	2023	2022
Assets			
Current Assets			
Cash and cash equivalents	4	1,328,784	1,185,963
Accounts receivable		3,285,508	1,472,549
Receivable from shareholder	5	100	100
Other receivables		-	30,932
Prepaid expenses		3,189	43,646
Total current assets		4,617,581	2,733,190
Total assets		4,617,581	2,733,190
Equity and liabilities			
Current liabilities			
Accounts payable		680,278	30,474
Other payables		-	31,034
Accrued expenses	6	881,593	1,472,089
Profit tax payable	3	-	25,877
Total current liabilities		1,561,871	1,559,474
Equity			
Issued capital	7	100	100
Retained earnings/ (Accumulated losses)		3,055,611	1,173,616
Total equity		3,055,711	1,173,716
Total liabilities and equity		4,617,581	2,733,190

See accompanying notes.

Mitratesh Curaçao B.V.
Statement of profit or loss
(All amounts in USD)

		31-Dec	
	Note	2023	2022
Revenue	8	21,933,641	18,842,479
Direct cost	9	-16,094,649	-11,851,406
Gross Profit		5,838,992	6,991,072
Selling expenses	10	-504,814	-2,867,965
Administrative expenses	11	-3,490,484	-3,326,747
Foreign exchange gain/ loss		97,679	-205,629
Profit / (loss) from operations		1,941,373	590,731
Finance cost	12	-33,509	-67,004
Profit / (loss) before tax		1,907,863	523,727
Profit tax expense	3	-25,877	-30,836
Profit / (loss) for the year		1,881,986	492,892
Other comprehensive income		9	2
Total comprehensive income / (loss) for the year		1,881,995	492,894
Attributable to owners		1,881,995	492,894

See accompanying notes.

Mitratesh Curaçao B.V.
Statement of changes in equity
(All amounts in USD)

	Issued capital	Retained earnings	Total
Balance, December 31, 2021	100	680,723	680,823
Profit for the year	-	492,892	492,892
Other comprehensive income	-	2	2
Total comprehensive income for the period	-	492,894	492,894
Balance, December 31, 2022	100	1,173,616	1,173,716
Profit for the year	-	1,881,986	1,881,986
Other comprehensive income	-	9	9
Total comprehensive income for the period	-	1,881,995	1,881,995
Balance, December 31, 2023	100	3,055,611	3,055,711

See accompanying notes.

Mitratesh Curaçao B.V.
Statement of cash flows
(All amounts in USD)

	Note	31-Dec 2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		1,907,872	523,730
Add: Profit tax expense		-25,877	-30,836
(Increase) / decrease in accounts receivable		-1,812,959	301,070
(Increase) / decrease in unbilled revenue		30,932	191,265
(Increase) / decrease in receivable from shareholders		-	-
(Increase) / decrease in prepaid expenses		40,457	-43,646
Increase / (decrease) in accounts payable		592,893	-1,834,544
Increase / (decrease) in accrued expenses		-590,497	565,650
Increase / (decrease) in payable to shareholders		-	-
Net cash generated from operating activities		142,821	-327,311
Cash flow from investing activities			
(Increase) / decrease in other assets		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Increase/ (decrease) in issued capital		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash		142,821	-327,311
Cash at the beginning of the year		1,185,963	1,513,275
Cash at the end of the year	4	1,328,784	1,185,963

See accompanying notes.

Mitratesch Curaçao B.V.

1. General information

Mitrattech Curaçao B.V. (the company) was established on April 26, 2018 in Curaçao as a private limited liability company. The address of its registered office is at Zuikertuintjeweg Z/N (Zuikertuin Tower), Willemstad, Curaçao. The company was registered in the commercial register of the Curaçao Chamber of Commerce & Industry under the number 146806.

The main objectives of the company are as follows:

1. To provide off-shore games of chance and wagering, through the internet in compliance with the regulations of the Government of Curaçao. This service shall be referred to for all purposes as "Internet Casino/Internet Wagering/Internet Sportsbook" provided it concerns aforementioned services which will be rendered from an area that has been designated as an E-zone in conformity with the local E-zone law.
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.
3. The corporation has no authority to invoke the annulment of legal acts performed by the corporation, which exceeded the corporate objective.

The management of the company is borne by a board of directors. As of December 31, 2023, the management of the company is borne by a single statutory director:

- Downtown E-Commerce Company B.V. Statutory Director

2. Summary of significant accounting policies

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 years presented, unless otherwise stated.

Basis of presentation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. The financial statements are presented in USD and all values are presented in actual, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Notes to the financial statements

Cash and cash equivalents

Cash and cash equivalents include, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Foreign currency transactions

The financial statements are presented in USD, which is the company's functional and presentation currency. Transactions denominated in foreign currencies are translated at the exchange rate prevailing when the transaction is realized. The exchange results are recorded in the statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into USD at the exchange rates prevailing at the end of the year.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through statement of profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through statement of profit or loss.

The company's financial assets include cash and cash equivalents, accounts receivable, prepaid expenses and other assets.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through statement of profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company's financial liabilities include accounts payable, accrued expenses and other payables.

Notes to the financial statements

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the normal course of business, net of any relevant sales tax, returns, allowances and discounts, where applicable. Revenue is recognized to the extent that it is probable that future economic benefits will flow to the Company, and these can be measured reliably.

Revenue is recognized in the year in which services are provided in accordance with the terms of the contractual relationship with third parties and when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services provided is recognized in the statement of profit or loss in proportion to the stage of completion of the transaction at the financial position date.

Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification.

Impairment of long-lived assets

Long-lived assets, other than goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets, the assets' carrying value is adjusted to fair value. The company regularly evaluates its long-lived asset for indicators of possible impairment. To date no impairment has been recorded.

Concentration of credit risk and certain other risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The company does not have significant exposure to any individual client or counter party. Management of credit risk involves a number of considerations, such as financial profile of the counter party, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however management believes that the company's exposure to credit risk associated with non-performance of its counter party is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2023 and not early adopted.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the company.

3. Profit taxes

The company is subject to a territorial tax system, wherein the income earned in Curaçao is subject to 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.

Mitratedch Curaçao B.V.

Notes to the financial statements

4. Cash and cash equivalents

	2023	2022
Cash at bank	1,328,784	1,185,963
	1,328,784	1,185,963

5. Receivable/ payable from/to shareholders

Receivable/payable from/to shareholders represent amount due from them net of expenses incurred by the shareholders on behalf of the Company. This does not carry any interest and is repayable on demand.

6. Accrued expenses

	2023	2022
Licence and server fees	796,804	1,143,363
Commissions	-	199,237
Professional fees	84,789	129,489
	1,472,089	1,472,089

7. Issued capital

The issued capital of the company as at December 31, 2023 and December 31, 2022 consists of 100 common shares with a nominal value of USD 1 each subscribed for USD 100.

No dividends were declared in 2023 and 2022.

8. Revenue

	2023	2022
Licence and server fees	21,933,641	18,842,479
	21,933,641	18,842,479

Mitratesh Curaçao B.V.
Notes to the financial statements

9. Direct Cost

	2023	2022
Licence and server fees	16,094,649	11,851,406
	16,094,649	11,851,406

10. Selling expenses

	2023	2022
Provision for bad debts	(65,990)	2,284,000
Commissions	416,677	451,025
PR and Marketing	154,127	132,940
	504,814	2,867,965

11. Administrative expenses

	2023	2022
Consultancy cost	113,307	212,772
Legal and professional fees	31,297	138,409
Travel expenses	41,166	42,821
Other office expenses	3,304,714	2,932,745
	3,490,484	3,326,747

12. Finance cost

	2023	2022
Bank charges	33,509	67,004
	33,509	67,004

13. Fair Value

Fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the financial statements

13. Fair Value – Continued

The following methods and assumptions were used to arrive at the fair value:

Cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses, other assets, and other payables approximate the carrying amount largely due to the short-term maturity.

14. Contingencies, commitments and legal proceedings

The company has no contingent or future purchase liabilities and is not involved in any legal actions.

15. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

Director

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Downtown E-Commerce Company B.V.	Managing Director	