

Techcore Holding B.V.

Financial Statements

for the years ended December 31, 2023 and December 31, 2022

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Techcore Holding B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Intangible assets	4	276,108	829,146
Receivable from subsidiary	5	539,520	237,601
Loan receivables	6	301,000	-
Total current assets		1,116,628	1,066,747
Non-current assets			
Investment in subsidiary	7	1,000	1,000
Security deposit		3,000	3,000
Total non-current assets		4,000	4,000
Total assets		1,120,628	1,070,747
Equity and liabilities			
Current liabilities			
Accounts payable		429,963	130,224
Accrued expenses		4,400	-
Payable to shareholders	8	24,656	20,656
Payable to players		213,264	345,523
Other payable	9	32,889	-
Total current liabilities		705,172	496,403
Equity			
Issued capital	10	100	100
Retained earnings / (Accumulated losses)		718,812	693,955
Unrealized gain / (loss) on intangible assets		-303,456	-119,711
Total equity		415,456	574,344
Total liabilities and equity		1,120,628	1,070,747

See accompanying notes.

Techcore Holding B.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue (Net)	11	10,821,191	6,785,728
Direct cost	12	-8,407,860	-5,391,828
Gross profit / (loss)		2,413,331	1,393,900
Selling and distribution expenses		-1,512,332	-804,053
Administrative expenses	13	-877,142	-508,670
Other income		-	27,644
Profit / (loss) from operations		23,857	108,821
Finance income	14	1,000	-
Profit / (loss) before tax		24,857	108,821
Profit tax expense	3	-	-
Profit / (loss) for the year		24,857	108,821
Unrealized gain / (loss) on intangible assets		-183,745	-169,121
Total comprehensive income / (loss) for the year		-158,888	-60,300
Attributable to the owners		-158,888	-60,300

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Unrealized gain / (loss) on intangible assets	Total
Balance, December 31, 2021	100	585,134	49,410	634,644
Profit / (loss) for the year	-	108,821	-	108,821
Other comprehensive income	-	-	-169,121	-169,121
Total comprehensive income / (loss) for the year	-	108,821	-169,121	-60,300
Balance, December 31, 2022	100	693,955	-119,711	574,344
Profit / (loss) for the year	-	24,857	-	24,857
Other comprehensive income	-	-	-183,745	-183,745
Total comprehensive income / (loss) for the year	-	24,857	-183,745	-158,888
Balance, December 31, 2023	100	718,812	-303,456	415,456

See accompanying notes.

Techcore Holding B.V.

Statement of cash flows

(All amounts in EUR)

	Note	2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		24,857	108,821
Add / (less): Unrealized gain / (loss) on intangible assets		-183,745	-169,121
(Increase) / decrease in receivable from subsidiary		-301,919	323,556
(Increase) / decrease in loan receivables		-301,000	-
(Increase) / decrease in security deposit		-	-1,000
Increase / (decrease) in accounts payable		299,739	74,464
Increase / (decrease) in accrued expenses		4,400	-2,700
Increase / (decrease) in payable to players		-132,259	183,010
Increase / (decrease) in payable to shareholders		4,000	16,256
Increase / (decrease) in other payables		32,889	-
Increase / (decrease) in profit tax payable		-	-16,256
Net cash generated from operating activities		-553,038	517,030
Cash flow from investing activities			
(Increase) / decrease in intangible assets		553,038	-489,387
Net cash generated from investing activities		553,038	-489,387
Cash flow from financing activities			
Increase / (decrease) in loan payable		-	-27,643
Net cash generated from financing activities		-	-27,643
Net increase / (decrease) in cash		-	-
Cash at the beginning of the year		-	-
Cash at the end of the year		-	-

See accompanying notes.

Techcore Holding B.V.

Notes to financial statements

1. General information

Techcore Holding B.V. (the company) was established on October 30, 2019 in Curaçao as a private limited liability company. The address of its registered office is Abraham Mendez Chumaceiro Boulevard 03, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 151612.

The main objectives of the company are -

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries and other interactive games, for clients established or residing outside of Curaçao.

2. The Company is entitled to do all that may be useful or necessary for the attainment of its objects or that is connected therewith in the widest sense.

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:

- | | |
|--------------------------|--------------------|
| - Dempel Directors B.V. | Statutory Director |
| - Waaigat Directors B.V. | Statutory Director |
| - Eduards Kalnins | Statutory Director |

2. Summary of material 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 separate 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 Euro (EUR) 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.

Intangible assets

Intangible assets are measured initially at cost. Subsequent measurement is done using the revaluation model at fair value. Any gain/loss on revaluation is recognized in the statement of comprehensive income. Impairment testing is done at the end of each year.

Investments

Investment in subsidiary is valued at cost, less impairment losses, if any.

Foreign currency transactions

The financial statements are presented in EUR, 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 EUR 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 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 loans receivable 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 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.

Subsequent measurement

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

Revenue recognition

Casino revenue is represented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.

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 January 01, 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 15% taxes on income up to 500,000 ANG and 22% above it and the foreign source of income is subject to 0% of profit taxes.

4. Intangible assets

This represents crypto currency balances outstanding as on December 31, 2023. As per IFRS, crypto currency balances are treated as Intangible asset as the company would earn benefits in the future and is not held for sale in the ordinary course of business. These assets have been measured using the revaluation model using IAS 38 - Intangible assets, wherein the asset is initially recognized at cost and subsequently revalued at the market value as on December 31, 2023.

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5. Receivable from subsidiary

	2023	2022
Fabeltra Ltd	539,520	237,601
	539,520	237,601

The above receivable does not carry any interest and is repayable on demand.

6. Loan receivables

	2023	2022
Loan receivable - Taktonum Group N.V.	300,000	-
Loan interest receivable - Taktonum Group N.V.	1,000	-
	301,000	-

The above loan carries the interest of 4% per annum and the loan is payable on maturity date December 31, 2025.

7. Investment in subsidiary

As at December 31, 2023 and December 31, 2022, the company owns 100% of shares of the following company incorporated and domiciled in the Republic of Cyprus:

	2023	2022
Fabeltra Ltd	1,000	1,000
(1,000 equity shares of EUR 1 each)		
	1,000	1,000

The company has elected not to present consolidated financial statements. Its owners have been informed and do not object to presenting separate financial statements.

8. Payable to shareholders

Payable to shareholders represents expenses incurred by the shareholders on behalf of the company net of the amount due from them. The payable does not carry any interest and is repayable on demand.

9. Other payable

	2023	2022
Aurasoft LTD	24,353	-
Taktonum Group N.V.	8,536	-
	32,889	-

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10. Issued capital

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

No dividends were declared in 2023 and in 2022.

11. Revenue (Net)

	2023	2022
Gross gaming revenue	18,757,885	15,190,373
Less: Bonuses	-8,169,736	-6,857,300
Add/Less: Player balance revaluation	233,042	-1,547,345
	10,821,191	6,785,728

12. Direct cost

	2023	2022
Software expenses	4,739,998	2,282,505
License and server fees	2,443,953	2,095,902
Payment wallet charges	1,074,592	938,957
Agency fees	147,817	74,464
Other direct cost	1,500	-
	8,407,860	5,391,828

13. Administrative expenses

	2023	2022
Professional and legal fees	171,588	127,673
Annual compliance fees	8,400	-
Other expenses	697,154	380,997
	877,142	508,670

14. Finance income

	2023	2022
Interest income	1,000	-
	1,000	-

15. Fair value

Fair value of financial assets and liabilities is 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.

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

Accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

Loan receivable has been disclosed at a value which fairly approximates the value which is expected to be repaid.

16. Contingencies, commitments and legal proceedings

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

17. 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 on December 31, 2023.

18. Authorization for issue

These financial statements for the year ended December 31, 2023 was approved by the board of directors and authorized for issue on May 14, 2024.

Board of Directors:

Name

Function

Signature

Dempel Directors B.V.

Statutory Director



Waaigat Directors B.V.

Statutory Director



Eduards Kalnins

Statutory Director

