

Shapefy B.V.
Zuikertuintjeweg z/n (Zuikertuin Tower)
Willemstad
Curaçao

Financial Statements 2023

Table of contents

1 Report	
1.1 Constitution of the company	3
1.2 Core Business & Services	3
1.3 Share Capital	3
1.4 Miscellaneous	3
2 Accounting policies and principles used in the financial statement	
2.1 General	4
2.2 Balance Sheet	4
2.3 Profit and loss statement	4
2.4 Exchange Rates	4
3 Financial Statement	
3.1 Balance sheet as of December 31st, 2023	5
3.2 Profit and loss statement for the year 2023	6
Notes to the financial statements	7

1 Report

To the attention of the shareholders of:

Shapefy B.V.
Zuikertuintjeweg z/n (Zuikertuin Tower)
Willemstad, Curaçao

June 12, 2024

Dear Sirs,

We hereby submit a compilation of the financial statements for ShapefyB.V. as of December 31, 2023

General

1.1 Constitution of the company

On October 21 2020, Andeq Solutions B.V, was incorporated by Deed of a Civil Law Notary in Curaçao, embarked in the gaming industry, on its trading journey with exciting prospects. It was changed to Oddsgate B.V. by deed of amendment dated September 12, 2022. Again, the name Oddsgate B.V. was changed to Shapefy B.V. by deed of amendment dated October 09, 2023.

The registered address of the company is on Zuikertuintjeweg Z/N (Zuikertuin Tower), Curaçao.

The Company is registered at the Curaçao Chamber of Commerce & Industry under number 155580

1.2 Core Business & Services

The main activities of the company are:

1. to organize, market, promote, manage, support and operate all types of remote and stationary gaming activities, and sports, betting activities, comprising of all types of games, betting transactions, and other operation of betting exchanges, interactive casinos, bingos, lotteries, poker and other interactive games and to carry out any activities ancillary thereto by offering goods or services to persons who participate in licensed online gaming;
2. The company 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 performance of everything connected with the foregoing in the widest sense of the word.

1.3 Share Capital

The Share Capital of the company is one hundred US Dollars (USD 100) and is divided in one hundred (100) shares of one United Stated Dollar (1\$USD) each.

1.4 Miscellaneous

All amounts are in Euro (EUR).

Downtown E-Commerce Company B.V.
Managing Director

Accounting policies and principles used in the financial statement

2.1 General

The financial statements have been prepared in accordance with generally accepted accounting standards. The financial statements for the period ended 31 December 2023 have not been audited. These financial statements have been prepared based on going concerned basis. This going concerned basis of preparation assumes 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. The Company's financial statements are presented in EURO (EUR), which is the presentation and functional currency of the Company.

2.2 Balance Sheet

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and, insofar as not stated otherwise, is at the free disposal of the Company. Cash at bank and in hand relate to immediately due and payable withdrawal claims against credit institutions and cash resources.

Liabilities

Accounts receivable and accounts payable are principally short-term amounts relating to the settlement of transactions. They are stated for their nominal value. The allowance for doubtful accounts is determined by individual valuation of the accounts in the portfolio. Assets and liabilities in foreign currencies are converted to the exchange rate of the balance sheet date.

2.3 Profit and loss statement

Result for the year

The result for the year is calculated as the difference between revenues and costs. Gaming related revenues are recognized in the period to which it relates to; costs associated to the revenues are accounted for in the same period as the revenues, other costs are recorded in the period which these are foreseeable.

Profit tax

The company is subject to a territorial tax system, wherein the income earned in Curaçao is subject to a profit tax rate for the 2022 financial year of 22%. For the 2023 financial year this has been reduced to 15% on the first NAf 500,000 (EUR 250,000) in taxable profit and 22% on the excess above it and the foreign source of income is subject to 0% of profit taxes.

2.4 Exchange rates as per December 31, 2023 1EUR:1.10USD: (source:Oanda)

3.1 Balance sheet as of December 31st, 2023

	Notes	2023	2022
(Expressed in EUR)			
Assets			
<i>Fixed assets</i>			
Subsidiary		-	-
<i>Current assets</i>			
Cash and cash equivalents	1	6.070.430	(12.514)
Accounts Receivables		5.771.465	1.267.247
EMI		346.438	71.264
Sum of assets		12.188.333	1.325.997
Equity			
Share capital		91	91
Retained Earnings		469.605	-
Result for the year		8.291.390	469.605
<i>Total equity</i>		8.761.086	469.696
Liabilities			
Accounts payable	2	3.427.247	856.300
<i>Total liabilities</i>		3.427.247	856.300
Sum of equities and liabilities		12.188.333	1.325.997

3.2 Profit and loss statement for the year 2023

		2023	2022
(Expressed in EUR)			
Income			
Revenue	3	35.199.664	1.860.136
		<u>35.199.664</u>	<u>1.860.136</u>
Expenses			
Marketing costs	4	55.716	-
Software License fees	5	21.913.696	1.304.134
Local office/ MLRO fees	6	10.600	2.271
Administration expenses	7	4.927.391	83.944
		<u>26.907.403</u>	<u>1.390.350</u>
Total expenses			
		<u>26.907.403</u>	<u>1.390.350</u>
Operating result before taxes		8.292.261	469.786
Currency exchange difference		-	-
Taxes	8	871	180
Result for the fiscal year after taxes		8.291.390	469.606

Notes to the financial statements

	2023	2022
	EUR	EUR
Balance Sheet		
1. <u>Cash and cash equivalents</u>		
Capital Bank	6.070.430	(12.514)
	<u>6.070.430</u>	<u>(12.514)</u>
2. <u>Accounts payable</u>		
Software costs	3.426.195	856.120
Taxes	1.051	180
	<u>3.427.247</u>	<u>856.300</u>
Profit and loss		
3. <u>Revenue</u>		
Gross Gaming Revenues	35.199.664	1.860.136
	<u>35.199.664</u>	<u>1.860.136</u>
4. <u>Marketing costs</u>		
Marketing	31.316	-
Events and Exhibitions	24.400	-
	<u>55.716</u>	<u>-</u>
5. <u>Software License fees</u>		
Software License fees and platform fees	21.913.696	1.304.134
	<u>21.913.696</u>	<u>1.304.134</u>
6. <u>Local office/ MLRO fees</u>		
Rental Costs	5.300	1.136
MLR Officer	5.300	1.136
	<u>10.600</u>	<u>2.271</u>
7. <u>Administration expenses</u>		
We have a Service agreement in place between Oddsgate LDA and Shapefy B.V.. Oddsgate provides Shapefy with the following services:		
Development, maintenance, assistance and technical support of software	1.478.218	25.184
Marketing and branding	246.369	4.197
Human Resources & Human Resources Management	246.369	4.197
Accounting and compliance	492.740	8.394
Customer Support	1.231.848	20.986
Communications services	246.369	4.197
Sales and Account Management	985.478	16.789
	<u>4.927.391</u>	<u>83.944</u>
8. <u>Taxes</u>		
Profit / (loss) before profit taxes (A)	8.291.390	469.606
Direct Costs for taxes - Local Office /MLRO fees (B)	10.600	2.271
Total direct cost (C)	21.980.012	1.306.406
% of Income attributable to Curacao (B/C = (D))	0,05%	0,17%
Income attributable to Curacao (A x D)	3.999	816
Profit tax %	15%	22%
Profit taxes	<u>871</u>	<u>180</u>