

BLUEINIC B.V.
REPORT AND FINANCIAL STATEMENTS
31 December 2022

REPORT AND FINANCIAL STATEMENTS

31 December 2022

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BLUEINIC B.V.

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Elias Lazaris

Independent Auditors:

Nollem Business Associates Limited
176, Athalassas Avenue
4th floor, Office 401
2025, Nicosia
Cyprus

Registered office:

50, Abraham Mendez
Chumaceiro Boulevard
Curacao

Registration number:

140279

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2022.

Incorporation

The Company BLUEINIC B.V. was incorporated in Curacao on 26/05/2016 as a private company with limited liability.

Principal activity and nature of operations of the Company

The principal activity of the Company is to provide off-shore games of chance and wagering through the internet, including but not limited to games of skill and internet, in compliance with the regulations of Curacao.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect The Company's income or the value of its holdings of financial instruments.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Results and Dividends

The Company's results for the year are set out on page 7.

Dividends

On 03/07/2022 the Company, in General Meeting declared the payment of a final dividend of €5,529,756 (2021: €6,810,855).

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2022.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

MANAGEMENT REPORT

Independent Auditors

The Independent Auditors, Nollem Business Associates Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

A handwritten signature in blue ink, appearing to read 'E. Lazaris', with a long horizontal flourish extending to the right.

Elias Lazaris
Director

Nicosia, 26 June 2023

Independent Auditor's Report

To the Members of BLUEINIC B.V.

Opinion

We have audited the financial statements of BLUEINIC B.V. (the "Company"), which are presented in pages 7 to 22 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the IASB, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of BLUEINIC B.V.

Responsibilities of the Board of Directors for the Financial Statements (continued)

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (continued)

To the Members of BLUEINIC B.V.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Yiannis Vasiliou

Certified Public Accountant and Auditor
for and on behalf of

Nollem Business Associates Limited

Nicosia, 26 June 2023

BLUEINIC B.V.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2022

	Note	2022 €	2021 €
Revenue	8	31,570,876	9,514,315
Cost of sales		<u>(20,949,680)</u>	<u>(3,333,197)</u>
Gross profit		10,621,196	6,181,118
Server Hosting Fees		6,283	6,283
Professional Licence Fee		13,046	12,550
Consulting Services		<u>7,698</u>	<u>15,996</u>
Total operating expenses		<u>27,027</u>	<u>34,829</u>
Selling and distribution expenses	9	(368,383)	(458,709)
Administration expenses	10	<u>(225,944)</u>	<u>(67,148)</u>
Operating profit		9,999,842	5,620,432
Finance costs	11	<u>(88,715)</u>	<u>(82,951)</u>
Profit before tax		9,911,127	5,537,481
Tax	12	<u>6,898</u>	<u>(7,725)</u>
Net profit for the year		9,918,025	5,529,756
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>9,918,025</u>	<u>5,529,756</u>

The notes on pages 11 to 22 form an integral part of these financial statements.

BLUEINIC B.V.

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	7,904	12,025
Available-for-sale financial assets	15	<u>1,000</u>	<u>1,000</u>
		<u>8,904</u>	<u>13,025</u>
Current assets			
Trade and other receivables	16	10,124,894	6,769,815
Cash at bank and in hand	17	<u>2,324,060</u>	<u>1,632,693</u>
		<u>12,448,954</u>	<u>8,402,508</u>
Total assets		<u>12,457,858</u>	<u>8,415,533</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	18	3,588	3,588
Retained earnings		<u>9,916,828</u>	<u>5,528,559</u>
		<u>9,920,416</u>	<u>5,532,147</u>
Advances from shareholders	19	-	2,838,477
Total equity		<u>9,920,416</u>	<u>8,370,624</u>
Current liabilities			
Trade and other payables	20	2,518,398	18,967
Current tax liabilities	21	<u>19,044</u>	<u>25,942</u>
		<u>2,537,442</u>	<u>44,909</u>
Total equity and liabilities		<u>12,457,858</u>	<u>8,415,533</u>

On 26 June 2023 the Board of Directors of BLUEINIC B.V. authorised these financial statements for issue.


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Elias Lazaris
Director

The notes on pages 11 to 22 form an integral part of these financial statements.

BLUEINIC B.V.

STATEMENT OF CHANGES IN EQUITY

31 December 2022

	Note	Share capital €	Advances from shareholders €	Retained earnings €	Total €
Balance at 1 January 2021		3,588	-	6,809,658	6,813,246
Comprehensive income					
Net profit for the year		-	-	5,529,756	5,529,756
Total comprehensive income for the year		-	-	5,529,756	5,529,756
Transactions with owners					
Dividends	13	-	-	(6,810,855)	(6,810,855)
Proceeds for the year		-	2,838,477	-	2,838,477
Total transactions with owners		-	2,838,477	(6,810,855)	(3,972,378)
Balance at 31 December 2021/ 1 January 2022		3,588	2,838,477	5,528,559	8,370,624
Comprehensive income					
Net profit for the year		-	-	9,918,025	9,918,025
Total comprehensive income for the year		-	-	9,918,025	9,918,025
Transactions with owners					
Dividends	13	-	-	(5,529,756)	(5,529,756)
Repayments for the year		-	(2,838,477)	-	(2,838,477)
Total transactions with owners		-	(2,838,477)	(5,529,756)	(8,368,233)
Balance at 31 December 2022		3,588	-	9,916,828	9,920,416

The notes on pages 11 to 22 form an integral part of these financial statements.

BLUEINIC B.V.

CASH FLOW STATEMENT

31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		9,911,127	5,537,481
Adjustments for:			
Depreciation of property, plant and equipment	14	4,120	4,156
		9,915,247	5,541,637
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(3,355,078)	1,326,921
Increase/(Decrease) in trade and other payables		2,499,431	(1,564,540)
Cash generated from operations		9,059,600	5,304,018
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	14	-	(16,181)
Net cash used in investing activities		-	(16,181)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from shareholders		(2,838,477)	2,838,477
Dividends paid		(5,529,756)	(6,810,855)
Net cash used in financing activities		(8,368,233)	(3,972,378)
Net increase in cash and cash equivalents		691,367	1,315,459
Cash and cash equivalents at beginning of the year		1,632,693	317,234
Cash and cash equivalents at end of the year	17	2,324,060	1,632,693

The notes on pages 11 to 22 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company BLUEINIC B.V. (the "Company") was incorporated in Curacao on 26/05/2016 as a private company with limited liability. Its registered office is at 50, Abraham Mendez, Chumaceiro Boulevard, Curacao.

Principal activity

The principal activity of the Company is to provide off-shore games of chance and wagering through the internet, including but not limited to games of skill and internet, in compliance with the regulations of Curacao.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties.

- **Rendering of services**

Rendering of services:

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

- **Commission income**

Commission income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)**Finance costs**

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation**(1) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on financial assets at fair value through other comprehensive income are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on debt securities at fair value through other comprehensive income are recognised in profit or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Plant and Machinery	20
Computer hardware	33,33

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)**Property, plant and equipment (continued)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets**Financial assets - Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)**Financial assets (continued)****Financial assets - Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)**Financial assets (continued)****Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)**Financial assets (continued)****Financial liabilities - Modifications**

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity.

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31 December 2022

4. Significant accounting policies (continued)**Advances from shareholders**

Advances from shareholders constitutes contributions made by the Company's shareholders other than for the issue of shares by the Company in their capacity as equity owners of the Company for which the Company has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Company.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management**Financial risk factors**

The Company is exposed to market price risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect The Company's income or the value of its holdings of financial instruments.

6.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2022	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Trade and other payables	216,629	216,629	-	216,629	-	-	-
Payables to related parties	2,299,022	51,439	-	51,439	-	-	-
	2,515,651	268,068	-	268,068	-	-	-
31 December 2021	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Trade and other payables	17,184	17,184	-	17,184	-	-	-
	17,184	17,184	-	17,184	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Company's accounting policies

- **Impairment of available-for-sale financial assets**

The Company follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

8. Revenue

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Revenue	2022	2021
	€	€
Commissions receivable	31,570,876	9,514,315
	31,570,876	9,514,315

9. Selling and distribution expenses

	2022	2021
	€	€
Advertising	425	-
Commissions	367,958	458,709
	368,383	458,709

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10. Administration expenses

	2022	2021
	€	€
Repairs and maintenance	3,176	-
Stationery and printing	284	-
Staff training	-	447
Computer supplies and maintenance	-	660
Computer software	36,266	-
Auditors' remuneration - current year	2,000	1,785
Auditors' remuneration - prior years	-	3,000
Accounting fees	3,000	3,000
Legal fees	14,409	-
Other professional fees	20,756	18,570
Overseas travelling	-	3,148
Entertaining	12	-
Management fees	8,826	-
Software Platform Licence	137,215	36,538
	<u>225,944</u>	<u>67,148</u>

11. Finance costs

	2022	2021
	€	€
Net foreign exchange losses	26,345	8,028
Sundry finance expenses	62,370	74,923
Finance costs	<u>88,715</u>	<u>82,951</u>

12. Tax**12.1 Tax recognised in profit or loss**

	2022	2021
	€	€
Corporation tax - current year	6,073	12,971
Corporation tax - prior years	(12,971)	(5,246)
(Credit)/charge for the year	<u>(6,898)</u>	<u>7,725</u>

13. Dividends

	2022	2021
	€	€
Final dividend paid	5,529,756	6,810,855
	<u>5,529,756</u>	<u>6,810,855</u>

On 03/07/2022 the Company, in General Meeting declared the payment of a final dividend of €5,529,756 (2021: €6,810,855).

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14. Property, plant and equipment

	Furniture, fixtures and office equipment €
Cost	
Balance at 1 January 2021	964
Additions	<u>16,181</u>
Balance at 31 December 2021/ 1 January 2022	<u>17,145</u>
Balance at 31 December 2022	<u>17,145</u>
Depreciation	
Balance at 1 January 2021	964
Charge for the year	<u>4,156</u>
Balance at 31 December 2021/ 1 January 2022	<u>5,120</u>
Charge for the year	<u>4,121</u>
Balance at 31 December 2022	<u>9,241</u>
Net book amount	
Balance at 31 December 2022	<u>7,904</u>
Balance at 31 December 2021	<u>12,025</u>

15. Available-for-sale financial assets

	2022	2021
	€	€
Balance at 1 January	<u>1,000</u>	<u>1,000</u>
Balance at 31 December	<u>1,000</u>	<u>1,000</u>

16. Trade and other receivables

	2022	2021
	€	€
Trade receivables	4,396,738	6,351,823
Shareholders' current accounts - debit balances (Note 22.1)	10,000	-
Deposits and prepayments	5,577,576	416,912
Other receivables	<u>140,580</u>	<u>1,080</u>
	<u>10,124,894</u>	<u>6,769,815</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

17. Cash at bank and in hand

Cash balances are analysed as follows:

	2022 €	2021 €
Cash at bank and in hand	<u>2,324,060</u>	<u>1,632,693</u>
	<u>2,324,060</u>	<u>1,632,693</u>

18. Share capital

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Authorised				
Ordinary shares of US\$1 each	<u>4,000</u>	<u>3,588</u>	<u>4,000</u>	<u>3,588</u>
Issued and fully paid				
Balance at 1 January	<u>4,000</u>	<u>3,588</u>	<u>4,000</u>	<u>3,588</u>
Balance at 31 December	<u>4,000</u>	<u>3,588</u>	<u>4,000</u>	<u>3,588</u>

19. Advances from shareholders

	2022 €	2021 €
Balance at 1 January	<u>2,838,477</u>	<u>-</u>
Proceeds during the year	<u>-</u>	<u>2,838,477</u>
Repayments during the year	<u>(2,838,477)</u>	<u>-</u>
Balance at 31 December	<u>-</u>	<u>2,838,477</u>

The advance from shareholders is made available to the Board of Directors for future increases of the share capital of the Company.

20. Trade and other payables

	2022 €	2021 €
Trade payables	<u>216,629</u>	<u>17,184</u>
Shareholders' current accounts - credit balances (Note 22.2)	<u>2,299,022</u>	<u>-</u>
Accruals	<u>2,747</u>	<u>1,783</u>
	<u>2,518,398</u>	<u>18,967</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

21. Current tax liabilities

	2022 €	2021 €
Corporation tax	<u>19,044</u>	<u>25,942</u>
	<u>19,044</u>	<u>25,942</u>

NOTES TO THE FINANCIAL STATEMENTS

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22. Related party transactions

The following transactions were carried out with related parties:

22.1 Shareholders' current accounts - debit balances (Note 16)

	2022	2021
	€	€
Elias Lazaris	10,000	-
	<u>10,000</u>	<u>-</u>

The directors'/shareholders' current accounts are interest free, and have no specified repayment date.

22.2 Shareholders' current accounts - credit balances (Note 20)

	2022	2021
	€	€
3NESSO GAME TECH LTD	51,436	-
SECULINK LTD	2,247,586	-
	<u>2,299,022</u>	<u>-</u>

The directors'/shareholders' current accounts are interest free, and have no specified repayment date.

23. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2022.

24. Commitments

The Company had no capital or other commitments as at 31 December 2022.

Independent auditor's report on pages 4 to 6