

Hazarion N.V.
Curaçao

Annual report 2023



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Hazarion N.V.

1. Report

1.1 General

Hazarion N.V. (hereinafter: "the Company") is a company incorporated on May 27, 2016. The Company is a limited liability company and domiciled in Curaçao, Dutch Caribbean.

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 the shareholders of
Hazarion N.V.
Curaçao

ACCOUNTANT'S COMPILATION REPORT

The financial statements of Hazarion N.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 Hazarion N.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, July 3, 2024

ICAS B.V.

On behalf of:



Magdi Shaker M.Sc RA
Ref.: 23S2473/MS/HN

Hazarion N.V.

2. Financial statements

2.1 Balance sheet as at 31 December 2023

(After proposal result)

		EUR	EUR
		12/31/2023	12/31/2022
Assets			
Financial assets			
Investment	1	1	1
		1	1
Current assets			
Prepaid expenses		4,110	-
Other receivables	2	520,047	776,730
Current accounts	3	335,368	4,296,270
Cash & cash equivalents	4	931,796	288,897
		1,791,321	5,361,897
Total assets		1,791,322	5,361,898
Equity & Liabilities			
Shareholders equity			
Nominal capital	5	1,000	1,000
Retained earnings		5,205,107	10,367,615
Result for the year		(4,612,028)	(5,162,508)
		594,079	5,206,107
Provisions	6	295,474	17,090
		295,474	17,090
Short term liabilities			
Current accounts	7	1,000	1,000
Other liabilities and accruals	8	900,769	137,701
		901,769	138,701
Total equity & liabilities		1,791,322	5,361,898

2.2 Statement of income and expenses for the year 2023

		EUR 2023	EUR 2022
Turnover	9	12,499,506	41,802,443
Direct costs	10	14,864,226	51,106,876
Gross margin		(2,364,720)	(9,304,433)
IT and other operating expenses	11	14,888	20,655
Administrative & general expenses	12	394,065	212,543
		(408,953)	(233,198)
Operating result		(2,773,673)	(9,537,631)
Financial results	13	(1,834,325)	4,375,061
Result before tax		(4,607,998)	(5,162,570)
Income tax expense		(4,030)	62
Net result for the period		(4,612,028)	(5,162,508)

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**1. Investment**

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Goldraven Industries Ltd., incorporated on May 12th 2020 registered at Boumpoulinas 1-3, bouboulina building, Flat/Office 42 1060, Nicosia, Cyprus.

		EUR 12/31/2023	EUR 12/31/2022
Opening balance	100%	1	2
Provision subsidiaries		278,384	17,090
Adjustment result previous years		-	(4,647)
Result for the year		(278,384)	(12,444)
Ending balance		<u>1</u>	<u>1</u>

		EUR 12/31/2023	EUR 12/31/2022
2. Other receivables			
Accentpay		164,699	-
AstroPay		11,010	-
BigIdea		2,874	-
Black Rabbit		42,486	-
Cash2Code		124	-
CoinPayments		67,981	-
CoinsPaid bank		2,407	-
EchelonPay		1,136	-
Flexepin		1,528	-
Gigadat Inc.		10,094	-
JM Beam Pay		75,940	-
Minfinity		14,859	-
Muchbetter		9,416	-
Neosurf		(10,120)	-
Neteller		26,245	-
Paysage		17,366	-
PremierPay		9,094	-
RastPay		21,657	-
Skrill		8,941	-
SmartFastPay		440	-
WinPay		7	-
WireCapital		37,509	-
Wonderplay		29,381	-
Wonderland		(25,922)	-
Other payment processors		-	776,730
Retainer A-One Data Ltd.		895	-
		<u>520,047</u>	<u>776,730</u>

	EUR 12/31/2023	EUR 12/31/2022
3. Current accounts		
Current account Goldraven Industries Ltd.	335,368	4,296,270
	<u>335,368</u>	<u>4,296,270</u>

	EUR 12/31/2023	EUR 12/31/2022
4. Cash & cash equivalents		
IBS Lithuania #199	484,311	36,416
IBS Lithuania #340	145,000	25,000
Papaya Blackcatcard	(41)	76,859
Payment Execution	23,442	80,736
Paymix	22,548	10,224
Paymix card	20,569	12,686
Bequant Global	-	1,499
Bilderlings	4,378	-
Bitfinex	61	-
Cex.io	192,953	20,705
CoinsPaid	35,795	17,459
Collect & Pay	2,780	7,313
	<u>931,796</u>	<u>288,897</u>

5. Shareholders equity

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

	Issued Share capital	Accum. Results	Total
	EUR	EUR	EUR
Balance as at January 1 st	1,000	5,205,107	5,206,107
Movements	-	(4,612,028)	(4,612,028)
Balance as at December 31 st	<u>1,000</u>	<u>593,079</u>	<u>594,079</u>

	EUR 12/31/2023	EUR 12/31/2022
6. Provisions		
Provisions for subsidiary	295,474	17,090
	<u>295,474</u>	<u>17,090</u>

	EUR 12/31/2023	EUR 12/31/2022
7. Current accounts		
Due to shareholder	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
8. Other liabilities and accruals		
Trade accounts payable	392,783	127,454
Profit tax payable	-	3,707
Player balances	501,636	-
Accrual tax fees	850	1,500
Accrual accounting fees	5,500	5,040
	<u>900,769</u>	<u>137,701</u>

2.5 Notes to the statement of income and expenses

	EUR 2023	EUR 2022
9. Turnover		
Casino revenue	12,499,506	41,802,443
	<u>12,499,506</u>	<u>41,802,443</u>
10. Direct costs		
Payouts	9,565,532	33,597,957
Payment processing fees	1,068,515	3,048,183
Game providers fees	-	773,473
Software license fees	2,849,052	4,969,439
Domain fees	442,467	409,243
Casino costs	-	246,038
License fees	3,420	1,391,711
Affiliate fees	-	209,535
Marketing fees	935,240	6,461,297
	<u>14,864,226</u>	<u>51,106,876</u>
11. IT and other operating expenses		
Gaming license fees	14,888	12,890
ICT maintenance & support	-	7,765
	<u>14,888</u>	<u>20,655</u>
12. Administrative & general expenses		
Management fees	2,650	2,400
Corporate secretarial fees	27,520	22,487
Legal fees	90	75
Accounting expenses	20,950	14,969
Tax advisory fees	1,350	975
Notary fees	7,215	6,810
Professional fees	15,640	7,495
Other ICT expenses	60,678	76,201
Hosting expenses	195,532	-
Membership & contributions	200	165
Rent expenses	6,360	8,480
Bank charges	53,148	69,574
Other general expenses	2,732	2,912
	<u>394,065</u>	<u>212,543</u>
13. Financial results		
Miscellaneous gains/losses	25,473	184,095
Unrealized gain/(loss) on exchange differences	(1,772,184)	4,208,057
Realized gain/(loss) on exchange differences	190,770	-
Unrealized gain/(loss) on participation	(278,384)	(17,091)
	<u>(1,834,325)</u>	<u>4,375,061</u>

Hazarion N.V.

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 negative result for the year 2023 in the amount of EUR 4,612,028 will be deducted from the other reserves.

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

