

Kallila N.V. (the “Company”)

Sanctions Policy

VERSION CONTROL

Version	Version Date	Approved By
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ABBREVIATIONS

CGA	Curaçao Gaming Authority
CFATF	Caribbean Financial Action Task Force
AML/CFT/CFP	Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation of weapons of mass destruction
UN.....	United Nations
UNSC	United Nations Security Council
SDN	Specially Designated National
CDD.....	Customer Due Diligence
FIU.....	Financial Intelligence Unit

1. LEGAL GROUNDS

The Company is an online gaming operator, registered in Curaçao and licensed and regulated by the Curaçao Gaming Authority, which was incorporated on April 19, 1999 with the specific purpose of becoming the regulator for the entire gaming industry operating in and from Curaçao. The CGA was the direct result of the second Mutual Evaluation Report of the CFATF in 1998.

Curaçao is a member (directly or through association) of several international organizations and treaties, regarding combating of money laundering, terrorist financing and the financing of proliferation, and enforcement of international peace and security. It is important to honor these international agreements, not only to effectively further their goals, but also to be accepted in the international community with its benefits for Curaçao in terms of safety and prosperity.

Curaçao has implemented these international agreements through legislation, part of which regards the gaming industry. This requires all parties that offer gaming related services a.o., to keep their policies, procedures and client base up-to-date with changes in legislation and with the publications resulting from these international agreements.

As regulator, the CGA pursues the compliance of the gaming industry with the law. In order to facilitate this endeavor, the CGA website provides links to pertinent information. Every effort is made to provide accurate and current information. However, due to updating cycles and resources, outdated information may occur. The CGA disclaims any responsibility or liability for errors, omissions, and delay in updating of any information or links, or for claims regarding the accuracy, currency and completeness of the information.

CGA has presented the new regulations for AML/CFT/CFP Regulations for the online gaming sector of Curaçao. The AML/CFT/CFP Regulations are aligned with the FATF Recommendations, alongside the various AML/CFT/ CFP legislations in Curaçao, including:

- National Ordinance on Identification when rendering Services (N.G. 2017, no. 92);
- National Ordinance on the Reporting of Unusual Transactions (N.G. 2017, no. 99);
- Sanctions National Ordinance (N. G. 2014, no. 55);
- Kingdom Sanction Act (N.G. 2016, no. 54).
- These regulations are effective as of May 20, 2024.

2. THE POLICY

This Policy sets out requirements and procedures designed to promote compliance with sanctions laws. This Policy applies to all Company's employees, customers, distributors, resellers, vendors, suppliers, agents and service providers. Sanctions may prohibit dealing with third parties either directly or indirectly.

UN sanctions derive from UN Security Council Resolutions which require nation states to implement local legislation to comply with the Resolutions. It is the responsibility of states to comply with UNSC Resolutions. They do not directly bind individuals or companies. The UN imposes sanctions and requires Member States to implement them through the resolutions passed by the UNSC which has the primary responsibility for the maintenance of international peace and security.

Economic and financial sanctions are laws which are typically used to combat terrorism, nuclear proliferation and/or to discourage activity that is condemned by the international community, by restricting the types of economic activity which can be undertaken with sanctions targets. Sanctions are imposed by many countries and several international organizations. They target countries, as well as many entities and individuals. The most significant sanctions for Company's business are EU and US sanctions. The main activities that are typically restricted by EU and/or US sanctions laws are:

- Dealings with designated individuals (individuals that are listed as being subject to targeted sanctions – i.e., who are subject to an asset freeze as summarized below) and where it is prohibited to provide them with funds or economic resources);
- Payments through a bank headquartered or trading in the EU or US that involve a sanctioned country, entity or person; and
- Involvement in (or approval of) contracts that involve a sanctioned country, entity or individual.

Asset freeze sanctions Both the US and the EU have imposed asset freezing measures in relation to a number of different jurisdictions. Asset freezing sanctions apply to individuals and/or entities listed by the relevant jurisdiction as a "designated person" (for EU purposes) or a SDN (for US purposes). Asset freezing measures require the "freezing" or "blocking" of property (including funds) owned or controlled by an asset freeze target, meaning that any dealing with those funds or property is prohibited (this includes a prohibition on receiving payments from the asset freeze target). Asset freeze restrictions also prohibit engaging in many other transactions with SDNs, including making payments to, or providing goods or services to, the listed individual or entity (although certain types of transactions with an asset freeze target may be licensable by the relevant authorities). Restrictions may also apply to entities owned or otherwise controlled by a designated person or SDN. The Company has in place procedures for screening its counterparties against the current lists of designated persons and SDNs.

The US and EU also impose sanctions on entities and individuals associated with terrorism and terrorist organizations. These sanctions are separate from the country-specific measures referred to above but compliance with these sanctions will also be achieved by checking if you are doing business with listed persons. The lists of the sanctioned persons and entities are being updated continuously. The Company uses electronic systems to screen for sanctions. These systems are automatically updated on a daily basis and there is no need for the relevant employees to check for the new lists of sanctions.

3. HOW DO SANCTIONS AFFECT THE COMPANY?

The Company must comply with the sanction's regimes applicable to them. Particular businesses may adopt additional procedures to promote compliance with applicable sanctions regimes. Furthermore, the Company may, from time to time, adopt its own restrictions on dealing with certain countries, organizations, persons or entities, irrespective of whether they are the subject of particular sanctions applied by a country or international organization. the Company follows the Regulator guidance and its regulations in relation to AML policy.

Targeted financial sanctions require countries to freeze funds and assets and to ensure that no funds and other assets are made available, directly or indirectly, to or for the benefit of any designated persons or entities. All natural and legal persons in Curaçao are required to freeze without delay and without prior notice, the funds or other assets of designated persons and entities. This is to comply with UNSC resolutions and the Common Foreign and Security Policy of the EU. Compliance with sanctions imposed by the UN Security Council is mandatory under the Charter of the UN. EU sanctions are binding for Curaçao on the basis of the Kingdom Sanctions Act.

At the very least, a mechanism must exist to check the sanction status of a withdrawing participant so that a sanctioned person or organization cannot remove money from an account that should be frozen. In such cases, a report must be filed with the FIU and the casino has to take the 'Process for the freezing of resources' into account.

Note: The Company are required to check for amendments of Sanctions Decrees and Regulations on a regular basis and update their CDD and AML/CFT-policies and - procedures accordingly to reflect such amendments.

All players should be screened against sanctions lists of the UN and EU. If Curaçao publishes a local list with designated persons and organizations, the casino should also take that local list into account. The Company must ensure it does not do business with customers that are subject to international sanctions. Before doing business or performing an occasional transaction for the first time with a player, the casino should check published lists of known or suspected terrorists or other sanctioned persons or companies:

- [UN Sanctions List](#)
- [EU Sanctions List](#)

Thus, simultaneously with the opening of an account, the Company identifies the customer by collecting the minimum personal details, being: name and surname, permanent residential address and date of birth (set as the minimum applicable in case of low-risk business relationships) and conduct the sanctions screening.

If the Company finds any targeted persons, it may reject the opening of account or freeze assets if the deposit was already made. This will be reported to the FIU and search/wait for FIU decision to release the funds.

The Company also has business with various other counterparties on which the due diligence including screening is done. If the AMLCO finds any entity or person subject to designated sanctions,

the Board is informed. The Board will decide the extent of risk and restrict the business with such person or entity.

The Compliance Officer is responsible for this Policy. Any questions regarding this Policy or concerns about suspected breaches of this Policy should be directed to the Compliance Officer. The Policy will be reviewed annually to ensure its ongoing appropriateness.

THIS POLICY IS AN INTEGRATED PART OF THE MAIN COMPANY'S AML POLICY AND DOES NOT CONSTITUTE STAND ALONE DOCUMENT.