

Mountberg B.V.

Financial Statements

for the period August 14, 2020 - December 31, 2021

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Mountberg B.V.

Statement of financial position

(All amounts in EUR)

	Note	31-Dec 2021
Assets		
Current assets		
Cash and cash equivalents	4	48,298
Accounts receivable		7,972,221
Prepaid expenses		113,659
Receivable from shareholders		5,070
Receivable from group company	5	11,751,915
Total current assets		19,891,163
Non-current assets		
Other assets		-
Total non-current assets		-
Total assets		19,891,163
Equity and liabilities		
Current liabilities		
Accounts payable		16,440,057
Accrued expenses		154,871
Players funds		1,011,012
Other payables		583,650
Total current liabilities		18,189,590
Non-current liabilities		
Deposits		55,000
Total non-current liabilities		55,000
Equity		
Issued capital	6	100
Retained earnings / (Accumulated losses)		1,646,473
Total equity		1,646,573
Total equity and liabilities		19,891,163

See accompanying notes.

Mountberg B.V.

Statement of profit or loss

(All amounts in EUR)

	Note	Aug 14, 2020 - Dec 31, 2021
Revenue (Net)	7	24,492,888
Direct cost	8	-21,136,144
Gross profit / (loss)		3,356,744
Administrative expenses	9	-849,968
Selling and marketing expenses		-1,257,320
Exchange loss (Net)		-351,485
Other income		753,604
Profit / (loss) from operations		1,651,575
Finance cost	10	-5,102
Profit / (loss) before tax		1,646,473
Profit tax expense		-
Profit / (loss) for the period		1,646,473
Other comprehensive income		-
Total comprehensive income / (loss) for the period		1,646,473
Attributable to the owners		1,646,473

See accompanying notes.

Mountberg B.V.

Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Capital issued on August 14, 2020	100	-	100
Profit / (loss) for the period	-	1,646,473	1,646,473
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	1,646,473	1,646,473
Balance, December 31, 2021	100	1,646,473	1,646,573

See accompanying notes.

Mountberg B.V.

Statement of cash flows

(All amounts in EUR)

	Note	Aug 14, 2020 - Dec 31, 2021
Cash flow from operating activities		
Profit / (loss) for the period		1,646,473
(Increase) / decrease in accounts receivable		-7,972,221
(Increase) / decrease in prepaid expenses		-113,659
(Increase) / decrease in receivable from shareholders		-5,070
(Increase) / decrease in receivable from group company		-11,751,915
Increase / (decrease) in accounts payable		16,440,057
Increase / (decrease) in accrued expenses		154,871
Increase / (decrease) in players funds		1,011,012
Increase / (decrease) in other payables		583,650
Increase / (decrease) in deposits		55,000
Net cash generated from operating activities		48,198
Cash flow from investing activities		
(Increase) / decrease in other assets		-
Net cash generated from investing activities		-
Cash flow from financing activities		
Capital issued		100
Net cash generated from financing activities		100
Net increase / (decrease) in cash		48,298
Cash at the beginning of the period		-
Cash at the end of the period	4	48,298

See accompanying notes.

Notes to financial statements

1. General information

Mountberg B.V. (the company) was established on August 14, 2020 in Curaçao as a private limited liability company. The address of its registered office is Franche Bloemweg, 4, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 154841.

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 corporation 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 corporation has no authority to invoke the annulment of legal acts performed by the corporation, which exceeded the corporate objective.

The management of the company is borne by a board of directors. As of December 31, 2021, the management of the company is borne by a single statutory director:

- | | |
|-----------------------------|--------------------|
| - Starkeast Management B.V. | Statutory Director |
|-----------------------------|--------------------|

2. Summary of significant 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 period presented, unless otherwise stated.

Basis of presentation

The 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 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.

The financial statements are prepared for a period more than one year, from August 14, 2020, being the date of incorporation to December 31, 2021, as per the Articles of Association.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

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 period.

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 profit or loss.

The company's financial assets include cash and cash equivalents, accounts receivable, prepaid expenses 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

Gaming 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 01 January 2021 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 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.

4. Cash and cash equivalents (Net)

	2021
Mano Bank – EUR	29,086
Valletta pay – EUR	19,080
Valletta pay – GBP	132
	48,298

5. Receivable from group company

	2021
Mountberg Ltd	11,751,915
	11,751,915

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

6. Issued capital

The issued share capital of the company as on December 31, 2021 consists of 100 common shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividends were declared in 2021.

7. Revenue (Net)

	2021
Gaming revenue	26,856,589
Less: Bonuses	-2,363,701
	24,492,888

8. Direct cost

	2021
Provider costs	8,427,190
Payment wallet charges	7,706,576
Platform fees	3,648,182
License and server fees	1,082,965
Software expenses	271,231
	21,136,144

9. Administrative expenses

	2021
Professional and consultancy fees	513,552
Subscriptions	264,162
Rent expenses	7,624
Other expenses	64,630
	849,968

10. Finance cost (Net)

	2021
Interest charges	5,077
Bank charges	25
	5,102

11. 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:

Cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

12. Contingencies, commitments and legal proceedings

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

13. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2021. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2021.

14. Authorization for issue

These financial statements for the period ended on December 31, 2021 were approved by board of directors and authorized for issue on December 07, 2023.

Board of Directors:

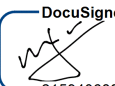
Name

Function

Signature

Starkeast Management B.V.

Statutory Director

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