

TC Entertainment N.V.
Willemstad

TC Entertainment N.V.

at Willemstad

Annual report 2023

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1. Accountants report

TC Entertainment N.V.
Willemstad

TC Entertainment N.V.
Schout Bij Nacht Doormanweg 40
Willemstad

September 11, 2024

Dear Sirs,

1.1 ACCOUNTANT'S COMPILATION REPORT

The financial statements of TC Entertainment N.V. 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 income statement for the year 2023 for the year then ended 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 International Standard on Related Services 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 the accounting policies as described in the notes. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that the information you give us is correct and that you provide us with all relevant information. Therefore, we have conducted our work in accordance with the applicable regulations and on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole and are satisfied that they present a picture in line with our broad understanding of TC Entertainment N.V..

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). 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.

inFocus N.V.



W. van Steijn AA

1.2 GENERAL

Comparative figures

The figures of the previous financial year may have been reclassified, where necessary, in order to allow comparability with the current financial year.

Incorporation company

The Company was established on September 25th, 2014.

Activities

The activities of TC Entertainment N.V. primarily consist of:

- 1a. To provide off-shore games of chance, interactive games and wagering services through the internet, including but not limited to games of skill and chance in compliance with the regulations of the Government of Curaçao; and
- b. To organize, market, promote, manage, support and operate all types of ecommerce and remote gaming activities, comprising all types of games of skill, chance, betting and other operation of betting exchange, interactive casinos, bingos, lotteries and other interactive games.

1.3 FISCAL POSITION

	2023 EUR
<i>Calculation taxable amount</i>	
Result before taxation	340,834
Exempt income items	
Foreign income	(340,834)
Taxable amount	-

Taxable income:

	Net income world EUR	Net income Curacao EUR
Cost allocation		
Net revenue	9,378,386	-
Causal expenses (non-domestic)	(8,923,905)	-
Causal expenses (domestic)	-	-
BM	454,481	-
Non causal expenses	(113,647)	-
	340,834	-
Corporate profit tax 22%	-	-
Net result	340,834	-

2.1 BALANCE SHEET AS AT 31 DECEMBER 2023

		31-12-2023	31-12-2022
		EUR	EUR
ASSETS			
Current assets			
<i>Receivables</i>			
Current account shareholders	1	20,919	1,084,738
Other receivables and current assets	2	1,065,222	815,731
		1,086,141	1,900,469
Total assets		1,086,141	1,900,469
EQUITY AND LIABILITIES			
Equity			
Issued share capital	3	780	780
General reserve	4	-	231,338
Result for the year		340,834	-
		341,614	232,118
Current liabilities			
Trade payables	5	352,329	213,895
Other payables and short term liabilities	6	392,198	1,454,456
		744,527	1,668,351
Total equity and liabilities		1,086,141	1,900,469

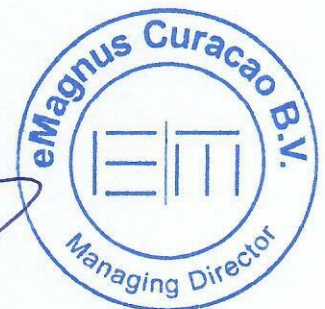
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2.2 INCOME STATEMENT FOR THE YEAR 2023

		2023	2022
		EUR	EUR
Net turnover	7	9,378,386	9,320,495
Cost of sales	8	(402,474)	(509,104)
Gross margin		8,975,912	8,811,391
Expenses work contracted out and other external expenses (causal non-domestic)	9	8,521,431	7,084,232
Other operating expenses	10	113,647	83,102
Total operating expenses		8,635,078	7,167,334
Result before taxation		340,834	1,644,057
Taxation		-	-
Net result after taxation		340,834	1,644,057

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2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of TC Entertainment N.V. is Schout Bij Nacht Doormanweg 40, in Willemstad, Curaçao. TC Entertainment N.V. is registered at the Chamber of Commerce under number 133780.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with the accounting policies selected and disclosed by the company, and as set out in the notes to the financial statements. 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 periods presented, unless otherwise stated.

Basis of preparation

Valuation of assets and liabilities and determination of the result take 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.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial period are taken into account if they have become known before preparation of the financial statements.

Accounting principles

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Current assets

Current assets are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Equity

When TC Entertainment N.V. purchases treasury shares, the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to the shareholders.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Gross operating result

The gross margin includes the net turnover, change in finished products and work-in-progress, capitalised production costs of own assets, other operating income, costs of raw materials and consumables and costs of work contracted out, and other external costs. Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023

ASSETS

Current assets

Receivables

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
1 Current account shareholders		
Current account shareholder	<u>20,919</u>	<u>1,084,738</u>
2 Other receivables and current assets		
BTC accounts	-	2,523
Ecopayz	-	15,235
Payhera Papara	122,426	13,116
Easy pay	2,821	449
Lions Pay Finance Provider	96,302	170,770
Mpay Mefete	13,756	-
Mpay Sanal Pos	32,100	-
Payhera pay	-	42,831
Hera Havale	272,400	132,247
Other 3rd party providers	194,975	105,549
Accrued income	-	2,569
Miscellaneous prepaid expenses	<u>330,442</u>	<u>330,442</u>
	<u>1,065,222</u>	<u>815,731</u>

EQUITY AND LIABILITIES

Equity

3 Issued share capital

The share capital is USD 1,000 consisting of 1,000 shares each with a nominal value USD 1.--

	2023 EUR	2022 EUR
4 General reserve		
Balance as at 1 January	231,338	617,018
Appropriation of result	-	1,644,057
Distribution	(231,338)	(2,029,737)
Balance as at 31 December	-	231,338
Current liabilities		
5 Trade payables		
Trade creditors	352,329	213,895
6 Other payables and short term liabilities		
Dividend payable	-	1,084,738
Customer accounts	392,198	348,086
Envoy	-	21,632
	392,198	1,454,456

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2023

	2023 EUR	2022 EUR
7 Net turnover		
Gaming revenues (non-domestic)	9,378,386	9,320,495
8 Cost of sales		
Cost of sales	402,474	509,104
Cost of sales		
Affiliate commissions (causal non-domestic)	402,474	509,104
9 Expenses work contracted out and other external expenses (causal non-domestic)		
License fees	65,196	52,912
Providers	8,456,235	7,031,320
	8,521,431	7,084,232
License fees		
Curacao E-gaming	40,415	28,310
Liveteck	24,781	24,602
	65,196	52,912
Providers		
Hosting services	202,913	193,789
Domain expenses	-	1,317
Provider expenses	1,985,150	1,903,007
Live tracker services	-	7,250
Software services	1,468,172	125,957
Aydogan gaming services	4,800,000	4,800,000
	8,456,235	7,031,320
10 Other operating expenses		
Housing expenses	4,296	2,408
General expenses (non-causal)	109,351	80,694
	113,647	83,102
Housing expenses		
Rental expenses	4,296	2,408

TC Entertainment N.V.
Willemstad

	<u>2023</u>	<u>2022</u>
	EUR	EUR
General expenses (non-causal)		
Managementfee	21,053	44,195
Consultancy	88,296	36,497
Other general expenses	<u>2</u>	<u>2</u>
	<u>109,351</u>	<u>80,694</u>

Willemstad, September 11, 2024
TC Entertainment N.V.