

Njord Ventures B.V.

Financial Statements

for the years ended December 31, 2023 and December 31, 2022

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Njord Ventures B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents (Net)	4	2,382,390	3,096,030
Receivable from subsidiary	5	5,175,319	1,600,633
Receivable from shareholders	6	23,446	23,446
Loans receivable	7	100,000	-
Prepaid expenses		44,446	17,325
Other assets		250,000	-
Total current assets		7,975,601	4,737,434
Non-current assets			
Investment in subsidiary	8	1,000,000	1,000,000
Loans receivable	7	150,882	-
Deposit		9,500	9,500
Total non-current assets		1,160,382	1,009,500
Total assets		9,135,983	5,746,934
Equity and liabilities			
Current liabilities			
Accounts payable		831,090	-
Accrued expenses		325,817	-
Payable to players		371,704	426,748
Profit tax payable		-	1,694
Total current liabilities		1,528,611	428,442
Equity			
Issued capital	9	2,000	2,000
Retained earnings / (Accumulated losses)		7,605,372	5,316,492
Total equity		7,607,372	5,318,492
Total equity and liabilities		9,135,983	5,746,934

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue (Net)	10	52,420,186	20,141,916
Direct cost	11	-13,686,333	-4,695,529
Gross profit / (loss)		38,733,853	15,446,387
Selling and marketing expenses		-25,335,852	-9,756,741
Administrative expenses	12	-11,964,344	-1,555,296
Other income		2,142	1,039,043
Profit / (loss) from operations		1,435,799	5,173,393
Finance cost (Net)	13	1,009,581	-130,676
Profit / (loss) before tax		2,445,380	5,042,717
Profit tax expense	3	-	-1,564
Profit / (loss) for the year		2,445,380	5,041,153
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		2,445,380	5,041,153
Attributable to the owners		2,445,380	5,041,153

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2021	2,000	275,339	277,339
Profit / (loss) for the year	-	5,041,153	5,041,153
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	5,041,153	5,041,153
Balance, December 31, 2022	2,000	5,316,492	5,318,492
Profit / (loss) for the year	-	2,445,380	2,445,380
Other comprehensive income	-	-	-
Dividends paid	-	-156,500	-156,500
Total comprehensive income / (loss) for the year	-	2,288,880	2,288,880
Balance, December 31, 2023	2,000	7,605,372	7,607,372

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Note	2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		2,445,380	5,041,153
Add: Profit tax expense		-	1,564
(Increase) / decrease in receivable from subsidiary		-3,574,686	-1,463,466
(Increase) / decrease in receivable from shareholders		-	150
(Increase) / decrease in prepaid expenses		-27,121	-12,950
(Increase) / decrease in other assets		-250,000	-
Increase / (decrease) in accounts payable		831,090	-65,045
Increase / (decrease) in accrued expenses		325,817	-100,017
Increase / (decrease) in payable to players		-55,044	409,923
Increase / (decrease) in profit tax payable		-1,694	-435
Net cash generated from operating activities		-306,258	3,810,877
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-	-999,000
Net cash generated from investing activities		-	-999,000
Cash flow from financing activities			
Dividends paid		-156,500	-
(Increase) / decrease in loans receivable		-250,882	-
Net cash generated from financing activities		-407,382	-
Net increase / (decrease) in cash		-713,640	2,811,877
Cash at the beginning of the year		3,096,030	284,153
Cash at the end of the year	4	2,382,390	3,096,030

See accompanying notes.

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Notes to financial statements**1. General information**

Njord Ventures B.V. (the company) was established on July 28, 2020 in Curaçao as a private limited liability company. The address of its registered office is Korporaalweg 10, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 154649.

The main objectives of the company are:

1. to organize, market, promote, manage, support and operate all types of remote gaming activities, comprising of all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries, poker and other interactive games, for clients established 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, 2023, the management of the company is borne by a single statutory director:

- Xecutive Corporate Management B.V.

Statutory Director

2. Summary of material 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 years presented, unless otherwise stated.

Basis of presentation

The separate 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 Euro (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.

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Cash and cash equivalents

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

Investment

Investment in subsidiary is valued at cost, less impairment losses, if any.

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 year.

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 statement of profit or loss.

The financial assets include cash and cash equivalents, prepaid expenses, loans receivable, deposit 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 financial liabilities include accounts payable, accrued expenses and other payables.

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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 1 January 2023 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 15% taxes on income up to 500,000 ANG and 22% above it and the foreign source of income is subject to 0% of profit taxes.

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4. Cash and cash equivalents (Net)

	2023	2022
Balance at bank		
ConnectPay	567,194	2,213,040
ISX Bank	172,541	556,587
Narvi Bank	32,584	-
XDA Bank	4,980	-
Balance with PSPs		
DNS pay main	830,184	-
Dream Finance OU	307,720	100,037
Brite AB	236,883	-
MiFinity EUR	80,017	14,989
CubixPay (Techtopay)	40,142	49,965
Facilero processing EUR	23,758	-
Payment Technologies/ Ironpay P	17,771	10,768
Fiat Systems processing USD	12,558	12,417
Cubixpay (Techtopay) reserve	10,217	13,151
Gigadat Inc	9,268	12,961
Facilero processing NOK	8,172	-
Mifinity PLN	5,549	11,835
Jeton Koi	4,868	3,696
Nummuspay	4,500	-
DNS FTD Reserve	3,606	-
MiFinity NOK	2,877	58,251
Jeton Buumi	2,877	1,049
Gumballpay	2,056	-
Jeton Joker	1,249	-
Much Better	835	-110
Payment Center Reserve	2	-
Finateco processing	-	15,455
Sirpega reserve USD	-	8,160
Payment Technologies/Ironpay R	-	6,968
Finateco reserve	-	5,534
BitandPay	-	4,778
Impaya	-	2,914
InPay	-	602
Zimpler AB	-	-101
Sirpega processing USD	-	-6,916
Apcopay	-18	-
	2,382,390	3,096,030

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5. Receivable from subsidiary

	2023	2022
C/A Njord Vantage Services Ltd (earlier “N Ventures Cyprus Ltd”)	5,175,319	1,600,633
	<u>5,175,319</u>	<u>1,600,633</u>

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

6. Receivable from shareholders

Receivable from shareholders represents amount due from them net of expenses incurred by the shareholders on behalf of the company. The receivable does not carry any interest and is repayable on demand.

7. Loans receivable

	2023	2022
Non-current		
KZN Group Ltd*	150,000	-
Interest receivable on KZN Group Ltd	882	-
Current		
Estudio Blanco Producciones SL#	<u>100,000</u>	<u>-</u>
	<u>250,882</u>	<u>-</u>

*The interest on the loan is at a rate of 3.5% per annum and the loan is repayable on maturity date of December 31, 2026.

The interest on the loan is at a rate of 3% per annum and the loan is repayable on demand.

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8. Investment in subsidiary

As at December 31, 2023 and December 31, 2022, the company holds 100% investment in Njord Vantage Services Ltd (earlier “N Ventures Cyprus Ltd”), a company incorporated and domiciled in the Republic of Cyprus.

	2023	2022
Njord Vantage Services Ltd (earlier “N Ventures Cyprus Ltd”) (1,000,000 Equity shares of EUR 1.00 each)	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

During the year 2022, there is an additional investment of EUR 999,000.

The company has elected not to present consolidated financial statements. Its owners have been informed and do not object to presenting separate financial statements.

9. Issued capital

The issued capital of the company as at December 31, 2023 and December 31, 2022 consists of 2,000 common shares with a nominal value of EUR 1 each and subscribed for EUR 2,000.

EUR 156,500 and EUR Nil were declared and paid as dividends in 2023 and 2022 respectively.

10. Revenue (Net)

	2023	2022
Gross gaming revenue	62,949,917	24,286,802
Less: Bonus	-10,529,731	-4,144,886
	<u>52,420,186</u>	<u>20,141,916</u>

11. Direct cost

	2023	2022
License and server fees	4,112,771	2,641,769
Payment wallet charges	4,178,106	1,582,404
Gaming tax	2,850,700	-
Software expenses	2,544,756	471,356
	<u>13,686,333</u>	<u>4,695,529</u>

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12. Administrative expenses

	2023	2022
Professional fees	10,369,727	1,080,563
Payment processing fees	1,515,526	-
Travel expenses	37,938	-
Computer and internet expenses	24,892	20,013
Rent expenses	5,588	3,053
Annual management fees	3,750	3,250
Annual compliance fees	2,750	2,800
Other expenses	4,173	445,617
	<u>11,964,344</u>	<u>1,555,296</u>

13. Finance cost (Net)

	2023	2022
Bank charges	55,582	95,390
Foreign exchange loss	-1,065,163	35,286
	<u>-1,009,581</u>	<u>130,676</u>

14. 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, prepaid expenses, deposit, accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

Loans receivable has been disclosed at a value which fairly approximates the value which is expected to be repaid.

15. Contingencies, commitments and legal proceedings

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

16. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

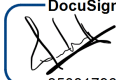


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17. Authorization for issue

These financial statements for the year ended December 31, 2023 were approved by the board of directors and authorized for issue on July 15, 2024.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	DocuSigned by:  3508179679034CB...
		DocuSigned by:  E9C1A4A3F74E4ED...