

Napoleon Entertainment Limited B.V.

Financial Statements

for the years ended December 31, 2022 and December 31, 2021

Table of Contents

Statement of financial position	3
Statement of profit or loss	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to financial statements	7

Napoleon Entertainment Limited B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	22,752	-
Prepaid expenses	5	6,363	2,208
Receivable from subsidiary	6	14,000	-
Total current assets		43,115	2,208
Non-current assets			
Investment in subsidiary	7	100	-
Total non-current assets		100	-
Total assets		43,215	2,208
Equity and liabilities			
Current liabilities			
Accounts payable		35,889	7,718
Payable to shareholders	8	53,118	619
Total current liabilities		89,007	8,337
Equity			
Issued capital	9	81	81
Retained earnings / (Accumulated losses)		-45,873	-6,210
Total equity		-45,792	-6,129
Total liabilities and equity		43,215	2,208

See accompanying notes.

Napoleon Entertainment Limited B.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue		-	-
Direct cost	10	-3,648	-5,192
Gross profit / (loss)		-3,648	-5,192
Administrative expenses	11	-32,378	-1,018
Profit / (loss) from operations		-36,026	-6,210
Finance cost	12	-3,637	-
Profit / (loss) before tax		-39,663	-6,210
Profit tax expense	3	-	-
Profit / (loss) for the year		-39,663	-6,210
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-39,663	-6,210
Attributable to the owners		-39,663	-6,210

See accompanying notes.

Napoleon Entertainment Limited B.V.

Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2020	81	-	81
Profit / (loss) for the year	-	-6,210	-6,210
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-6,210	-6,210
Balance, December 31, 2021	81	-6,210	-6,129
Profit / (loss) for the year	-	-39,663	-39,663
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-39,663	-39,663
Balance, December 31, 2022	81	-45,873	-45,792

See accompanying notes.

Napoleon Entertainment Limited B.V.

Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		-39,663	-6,210
(Increase) / decrease in prepaid expenses		-4,155	-2,208
(Increase) / decrease in receivable from subsidiary		-14,000	81
Increase / (decrease) in accounts payable		28,171	7,718
Increase / (decrease) in payable to shareholders		52,499	619
Net cash generated from operating activities		22,852	-
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-100	-
Net cash generated from investing activities		-100	-
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash		22,752	-
Cash at the beginning of the year		-	-
Cash at the end of the year		22,752	-

See accompanying notes.

Napoleon Entertainment Limited B.V.

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

Napoleon Entertainment Limited B.V. (the company) was established on April 09, 2018 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 146617.

The main objectives of the company are -

1. to provide off-shore games of chance and wagering, through the internet in compliance with the regulations - of the Government of Curaçao. This service shall be referred to for all purposes as "Internet Casino/Internet Wagering/Internet Sportsbook" provided it concerns aforementioned services which will be rendered from an area that has been designated as an E-zone in conformity with the local E-zone law.
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, 2022, the management of the company is borne by a single statutory director:

- Xecutive Corporate 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.

Investment

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

Napoleon Entertainment Limited B.V.

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.

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 dollar 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 profit or loss.

The company's financial assets include cash and cash equivalents, 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 and other payables.

Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification.

Napoleon Entertainment Limited B.V.

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 2022 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

	2022	2021
Payment Execution Bank	20,632	-
Muchbetter	2,000	-
Mano Bank	120	-
	22,752	-

Napoleon Entertainment Limited B.V.

5. Prepaid expenses

	2022	2021
License and server fees	5,300	-
Compliance fees	450	-
Annual management fees	313	-
Professional fees	300	-
	6,363	-

6. Receivable from subsidiary

	2022	2021
Napoleon Entertainment Limited	14,000	-
	14,000	-

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

7. Investment in subsidiary

As at December 31, 2022 the company holds 100% investment in Napoleon Entertainment Limited, a company incorporated and domiciled in the Republic of Cyprus.

	2022	2021
Napoleon Entertainment Limited (100 Equity shares of EUR 1.00 each)	100	-
	100	-

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

8. Payable to shareholders

Payable to shareholders represents amounts paid by the shareholders on behalf of the company net of payment made by the company on behalf of the shareholders. The loan carries an interest of 1% per annum.

9. Issued capital

The issued capital of the company as on December 31, 2022 and December 31, 2021 consists of 100 common shares with a nominal value of USD 1 each and subscribed for EUR 81.

No dividends were declared in 2022 and 2021.

Napoleon Entertainment Limited B.V.

10. Direct cost

	2022	2021
License and server fees	3,648	5,192
	3,648	5,192

11. Administrative expenses

	2022	2021
Professional fees	13,937	1,018
Rent expenses	3,816	-
Other expenses	14,625	-
	32,378	1,018

12. Finance cost

	2022	2021
Bank charges	3,353	-
Interest expenses	284	-
	3,637	-

13. 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, accounts payable, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

14. Contingencies, commitments and legal proceedings

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

15. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2022. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2022.

Napoleon Entertainment Limited B.V.

16. Authorization for issue

These financial statements for the year ended December 31, 2022 was approved by the board of directors and authorized for issue on January 09, 2023.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	
		