

Deep Dive Tech B.V.

Financial Statements

for the year ended 31 December, 2021 and
for the period June 29, 2020 - December 31, 2020

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Deep Dive Tech B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents (Net)	4	-	21,124
Prepaid expenses		-	208
Receivable from shareholders		-	100
Other assets	5	-	16,782
Total current assets		-	38,214
Non-current assets			
Other assets		-	-
Total non-current assets		-	-
Total assets		-	38,214
Equity and liabilities			
Current liabilities			
Accounts payable		-	31,090
Loan payable	6	-	48,000
Accrued expenses	7	-	4,442
Payable to group company		-	80,783
Payable to players		-	4,223
Total current liabilities		-	168,538
Equity			
Issued capital	8	100	100
Retained earnings / (Accumulated losses)		-100	-130,424
Total equity		-	-130,324
Total liabilities and equity		-	38,214

See accompanying notes.

Deep Dive Tech B.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2021	Jun 29, 2020 - Dec 31, 2020
Revenue (Net)	9	-	14
Direct cost	10	-	-118,056
Gross profit / (loss)		-	-118,042
Administrative expenses	11	-	-7,050
Selling and marketing expenses		-	-1,472
Profit / (loss) from operations		-	-126,564
Finance cost	12	-	-3,860
Profit / (loss) before tax		-	-130,424
Profit tax expense	3	-	-
Profit / (loss) for the year		-	-130,424
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-	-130,424
Attributable to the owners		-	-130,424

See accompanying notes.

Deep Dive Tech B.V.

Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Capital issued on June 29, 2020	100	-	100
Profit / (loss) for the period	-	-130,424	-130,424
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	-130,424	-130,424
Balance, December 31, 2020	100	-130,424	-130,324
Profit / (loss) for the year	-	-	-
Other comprehensive income	-	-	-
Transfer to shareholders account	-	130,324	-
Total comprehensive income / (loss) for the year	-	130,324	-
Balance, December 31, 2021	100	-100	-

See accompanying notes.

Deep Dive Tech B.V.

Statement of cash flows

(All amounts in EUR)

	Note	2021	Jun 29, 2020 - Dec 31, 2020
Cash flow from operating activities			
Profit / (loss) for the year		-	-130,424
(Increase) / decrease in prepaid expenses		208	-208
(Increase) / decrease in receivable from shareholders		100	-100
(Increase) / decrease in other assets		16,782	-16,782
Increase / (decrease) in accounts payable		-31,090	31,090
Increase / (decrease) in accrued expenses		-4,442	4,442
Increase / (decrease) in payable to group company		-80,783	80,783
Increase / (decrease) in payable to players		-4,223	4,223
Net cash generated from operating activities		-103,448	-26,976
Cash flow from investing activities			
(Increase) / decrease in other assets		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	100
Increase / (decrease) in loan payable		-48,000	48,000
Transfer to shareholders account		130,324	-
Net cash generated from financing activities		82,324	48,100
Net increase / (decrease) in cash		-21,124	21,124
Cash at the beginning of the year		21,124	-
Cash at the end of the year	4	-	21,124

See accompanying notes.

Notes to financial statements

1. General information

Deep Dive Tech B.V. (the company) was established on June 29, 2020 in Curaçao as a private limited liability company. The address of its registered office is Abraham de Veerstraat 9, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 154314.

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 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:

- | | |
|--------------------------|--------------------|
| - Envision Managers N.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 years 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 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.

The comparative financial statements are prepared for a period lesser than one year, from June 29, 2020, being the date of incorporation to December 31, 2020, as per the Articles of Association.

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 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 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, loan payable, accrued expenses and other payables.

Subsequent measurement

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

Revenue recognition

Casino 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 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	2020
Balance with		
ConnectPay	-	23,954
Sepaga	-	-2,830
	-	21,124

5. Other assets

	2021	2020
Security deposits	-	15,000
Casino deposits	-	1,782
	-	16,782

6. Loan payable

	2021	2020
Loan from Laviv Tech Ltd	-	48,000
	-	48,000

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

7. Accrued expenses

	2021	2020
Annual compliance fees	-	2,700
Audit fees	-	1,500
Selling and marketing expenses	-	242
	-	4,442

8. Issued capital

The issued capital of the company as on December 31, 2021 and December 31, 2020, consists of 100 shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividend was declared in 2021 and 2020.

9. Revenue (Net)

	2021	2020
Gaming revenue	-	39,235
Less: Payouts	-	-39,221
	-	14

10. Direct cost

	2021	2020
Software expenses	-	102,768
License and server fees	-	10,360
Subscriptions	-	4,668
Other expenses	-	260
	-	118,056

11. Administrative expenses

	2021	2020
Professional fees	-	4,350
Annual compliance fees	-	2,700
	-	7,050

12. Finance cost

	2021	2020
Bank charges	-	3,860
	-	3,860

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

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

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, 2021. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2021.

16. Authorization for issue

These financial statements for the year ended December 31, 2021, was approved by the board of directors and authorized for issue on.....

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Envision Managers N.V.	Statutory Director	