

Prime Innovations B.V.

Financial Statements

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

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Prime Innovations B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	15,785	191,365
Accounts receivable		7,461	315,608
Receivable from related party	5	186,920	107,166
Prepaid expenses		16,650	-
Total current assets		226,816	614,139
Total assets		226,816	614,139
Equity and liabilities			
Current liabilities			
Accounts payable		381,224	795,340
Payable to related party	6	55,203	-
Accrued expenses	7	49,687	87,498
Payable to owners	8	10,086	10,086
Payable to players		2,826	7,517
Loan payable	9	-	85,111
Profit tax payable		-	9,533
Total current liabilities		499,026	995,085
Equity			
Issued capital	10	100	100
Retained earnings / (Accumulated losses)		-272,310	-381,046
Total equity		-272,210	-380,946
Total liabilities and equity		226,816	614,139

See accompanying notes.



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Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue (Net)	11	965,079	1,136,440
Direct cost	12	-463,085	-748,778
Gross profit / (loss)		501,994	387,662
Selling and distribution expenses	13	24,659	-270,021
Administrative expenses	14	-389,596	-648,294
Profit / (loss) from operations		137,057	-530,653
Finance cost	15	-28,321	-14,317
Profit / (loss) before tax		108,736	-544,970
Profit tax expense	3	-	-
Profit / (loss) for the year		108,736	-544,970
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		108,736	-544,970
Attributable to the owners		108,736	-544,970

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, 2020	100	163,924	164,024
Profit / (loss) for the year	-	-544,970	-544,970
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-544,970	-544,970
Balance, December 31, 2021	100	-381,046	-380,946
Profit / (loss) for the year	-	108,736	108,736
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	108,736	108,736
Balance, December 31, 2022	100	-272,310	-272,210

See accompanying notes.



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Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		108,736	-544,970
(Increase) / decrease in accounts receivable		308,147	-69,312
(Increase) / decrease in receivable from related party		-79,754	-101,166
(Increase) / decrease in prepaid expenses		-16,650	8,867
Increase / (decrease) in accounts payable		-414,116	784,415
Increase / (decrease) in payable to related party		55,203	-
Increase / (decrease) in accrued expenses		-37,811	79,798
Increase / (decrease) in payable to owners		-	-39,659
Increase / (decrease) in payable to players		-4,691	7,517
Increase / (decrease) in profit tax payable		-9,533	-
Net cash generated from operating activities		-90,469	125,490
Cash flow from investing activities			
(Increase) / decrease in other assets		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Increase / (decrease) in loan payable		-85,111	-
Net cash generated from financing activities		-85,111	-
Net increase / (decrease) in cash		-175,580	125,490
Cash at the beginning of the year		191,365	65,875
Cash at the end of the year	4	15,785	191,365

See accompanying notes.



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Notes to financial statements

1. General information

Prime Innovations B.V. (the company) was established on December 09, 2019 in Curaçao as a private limited liability company. The address of its registered office is Fransche Bloemweg 4, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 152072.

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, 2022, the management of the company is borne by a single statutory director:

- Executive 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 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 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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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 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, loan payable 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.

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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
Balances at bank		
Migom Bank Ltd.	3,834	4,286
ConnectPay UAB	1,514	149,548
Balances with PSPs		
Ezeewallet	10,426	28,140
PSP in transit	-	8,685
AstroPay	11	706
	<u>15,785</u>	<u>191,365</u>




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5. Receivable from related party

	2022	2021
Receivable from Cavelio Ltd	186,920	107,166
	<u>186,920</u>	<u>107,166</u>

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

6. Payable to related party

	2022	2021
Payable to Prime Intech B.V.	55,203	-
	<u>55,203</u>	<u>-</u>

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

7. Accrued expenses

	2022	2021
License and server fees	38,287	84,798
Annual compliance fees	11,400	2,700
	<u>49,687</u>	<u>87,498</u>

8. Payable to owners

Payable to owners represents expenses incurred by the owners on behalf of the company net of amount due from them. The payable does not carry any interest and is repayable on demand.

9. Loan payable

	2022	2021
Loan from High 5 Games, LLC	-	85,111
	<u>-</u>	<u>85,111</u>

The above loan is repaid on January 03, 2022, along with the interest at the rate of 9.25% per annum.

10. Issued capital

The issued capital of the company consists of 100 shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividends were declared in 2022 and 2021.



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11. Revenue (Net)

	2022	2021
Gaming revenue (Net)	965,079	1,136,440
	<u>965,079</u>	<u>1,136,440</u>

12. Direct cost

	2022	2021
License and server fees	393,508	687,697
Wallet charges	69,577	61,081
	<u>463,085</u>	<u>748,778</u>

13. Selling and distribution expenses

	2022	2021
Marketing fees	-	170,461
Affiliate fees	-24,659	99,560
	<u>-24,659</u>	<u>270,021</u>

14. Administrative expenses

	2022	2021
Managed service costs	197,577	225,692
Compliance and processing support fees	119,630	160,749
Professional fees	30,970	9,645
Compliance fees	28,775	100,000
Office rent	4,944	-
Annual compliance fees	4,700	2,700
Software maintenance	-	142,924
Recruitment fees	-	6,300
Other expenses	3,000	284
	<u>389,596</u>	<u>648,294</u>



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15. Finance cost

	2022	2021
Foreign exchange loss	17,578	3,112
Bank charges	10,743	11,205
	<u>28,321</u>	<u>14,317</u>

16. 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 and accounts payable, prepaid expenses, 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 repaid.

17. Contingencies, commitments and legal proceedings

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

18. 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.



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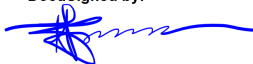
19. Authorization for issue

These financial statements for the year ended December 31, 2022 was approved by the board of directors and authorized for issue on May 25, 2023.

Board of Directors:NameFunctionSignature

Xecutive Corporate Management B.V.

Statutory Director

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