

**CURACAO FORTUNA CONNECTIONS
N.V.**

REPORT AND FINANCIAL STATEMENTS
31 December 2022

CURACAO FORTUNA CONNECTIONS N.V.

REPORT AND FINANCIAL STATEMENTS

31 December 2022

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CURACAO FORTUNA CONNECTIONS N.V.

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: (SMES) Solutions For Management and Employment Support N.V.

Registered office: Dr. Henri Fergusonweg 1
Gaito
Curacao

Registration number: 140979

CURACAO FORTUNA CONNECTIONS N.V.

MANAGEMENT REPORT

The Board of Directors presents its report and financial statements of the Company for the year ended 31 December 2022.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, is to provide off-shore games of chance and wagering through the internet, including but not limited to games of skill and internet, in compliance with the regulations of Curacao.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The sole member of the Company's Board of Directors as at 31 December 2022 and at the date of this report is presented on page 1. The Sole Director was a member of the Board of Directors throughout the year ended 31 December 2022.

In accordance with the Company's Articles of Association the Sole Director presently member of the Board continues in office.

There were no significant changes in the remuneration of the Board of Directors.

Related party transactions

Disclosed in note 16 of the financial statements.

By order of the Board of Directors,



(SMES) Solutions For Management and Employment Support N.V.
Director

Nicosia, 22 June 2023

CURACAO FORTUNA CONNECTIONS N.V.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2022

	Note	2022 US\$	2021 US\$
Revenue			
Cost of sales	8	299,369	605,339
		(272,465)	(654,949)
Gross profit/(loss)		26,904	(49,610)
Administration expenses		(36,424)	(60,144)
Operating loss		(9,520)	(109,754)
Finance costs			
Net loss for the year	10	(2,703)	(47,542)
		(12,223)	(157,296)
Other comprehensive income		-	-
Total comprehensive income for the year		(12,223)	(157,296)

The notes on pages 7 to 17 form an integral part of these financial statements.

CURACAO FORTUNA CONNECTIONS N.V.

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 US\$	2021 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	11	1	1
Investments in subsidiaries	12	<u>1,079</u>	<u>1,079</u>
		<u>1,080</u>	<u>1,080</u>
Current assets			
Receivables	13	<u>1,524</u>	<u>5,785</u>
		<u>1,524</u>	<u>5,785</u>
Total assets		<u>2,604</u>	<u>6,865</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	1	1
Accumulated losses		<u>(431,794)</u>	<u>(419,571)</u>
Total equity		<u>(431,793)</u>	<u>(419,570)</u>
Current liabilities			
Trade and other payables	15	<u>434,397</u>	<u>426,435</u>
		<u>434,397</u>	<u>426,435</u>
Total equity and liabilities		<u>2,604</u>	<u>6,865</u>

On 22 June 2023 the Board of Directors of CURACAO FORTUNA CONNECTIONS N.V. authorised these financial statements for issue.

.....
Director

(SMES)
Solutions for Management
and Employment Support N.V.

The notes on pages 7 to 17 form an integral part of these financial statements.

CURACAO FORTUNA CONNECTIONS N.V.

STATEMENT OF CHANGES IN EQUITY

31 December 2022

	Share capital US\$	Accumulated losses US\$	Total US\$
Balance at 1 January 2021	1	(262,275)	(262,274)
Comprehensive income			
Net loss for the year	-	(157,296)	(157,296)
Total comprehensive income for the year	-	(157,296)	(157,296)
Balance at 31 December 2021/ 1 January 2022	1	(419,571)	(419,570)
Comprehensive income			
Net loss for the year	-	(12,223)	(12,223)
Total comprehensive income for the year	-	(12,223)	(12,223)
Balance at 31 December 2022	1	(431,794)	(431,793)

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 7 to 17 form an integral part of these financial statements.

CURACAO FORTUNA CONNECTIONS N.V.

CASH FLOW STATEMENT

31 December 2022

	2022 US\$	2021 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(12,223)	(157,296)
Adjustments for:		
Unrealised exchange loss	191	14,065
	(12,032)	(143,231)
Changes in working capital:		
Decrease/(increase) in receivables	4,261	(189)
Increase in trade and other payables	7,962	157,485
Cash generated from operations	191	14,065
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Unrealised exchange (loss)	(191)	(14,065)
Net cash used in financing activities	(191)	(14,065)
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	-	-
Cash and cash equivalents at end of the year	-	-

The notes on pages 7 to 17 form an integral part of these financial statements.

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company CURACAO FORTUNA CONNECTIONS N.V. (the "Company") was incorporated in Curacao on 5 August 2016 as a private limited liability company under the provisions of the Curacao Law. Its registered office is at Dr. Henri Fergusonweg 1, Gaito, Curacao.

Principal activities

The principal activities of the Company, which are unchanged from last year, is to provide off-shore games of chance and wagering through the internet, including but not limited to games of skill and internet, in compliance with the regulations of Curacao.

2. Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of Curacao Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Curacao Companies Law. The financial statements have been prepared under the historical cost convention.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2022 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

3. Functional and presentation currency

The financial statements are presented in United States Dollars (US\$) which is the functional currency of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company incurred a loss of US\$12,223 for the year ended 31 December 2022, and, as of that date the Company's current liabilities exceeded its current assets by US\$432,873. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Revenue (continued)

- **Rendering of services**

Rendering of services - over time:

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

Rendering of services - at a point in time:

The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

Computer hardware	%
	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

6. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from [cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- credit commitments

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

6. Financial risk management (continued)

6.1 Credit risk (continued)

(iii) Impairment of financial assets (continued)

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

6. Financial risk management (continued)

6.1 Credit risk (continued)

(ii) Impairment of financial assets (continued)

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

6.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2022	Carrying amounts US\$	Contractual cash flows US\$	3 months or less US\$	3-12 months US\$	1-2 years US\$	2-5 years US\$	More than 5 years US\$
Trade and other payables	18,721	18,721	-	18,721	-	-	-
Payables to related parties	404,388	404,388	-	-	-	-	404,388
	423,109	423,109	-	18,721	-	-	404,388
31 December 2021	Carrying amounts US\$	Contractual cash flows US\$	3 months or less US\$	3-12 months US\$	1-2 years US\$	2-5 years US\$	More than 5 years US\$
Trade and other payables	31,853	31,853	-	31,853	-	-	-
Payables to related parties	373,090	373,090	-	-	-	-	373,090
	404,943	404,943	-	31,853	-	-	373,090

6.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

7. Critical accounting estimates, judgments and assumptions (continued)

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

Management has made an assessment of the Company's ability to continue as a going concern.note 4.

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Critical judgements in applying the Company's accounting policies

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

8. Revenue

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue

	2022	2021
	US\$	US\$
Rendering of services	299,369	605,339
	<u>299,369</u>	<u>605,339</u>

9. Expenses by nature

	2022	2021
	US\$	US\$
Winnings	272,455	649,836
License fee	8,753	9,113
Other professional fees	6,000	8,500
Hosting expenses	7,149	7,463
Other expenses	13,332	38,381
Accounting fees	1,200	1,800
Total expenses	<u>308,889</u>	<u>715,093</u>

10. Finance costs

	2022	2021
	US\$	US\$
Finance costs		
Sundry finance expenses		
Bank charges	2,512	33,477
Net foreign exchange losses		
Unrealised foreign exchange loss	191	14,065
	<u>2,703</u>	<u>47,542</u>

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

11. Property, plant and equipment

	Computer Hardware US\$
Cost	
Balance at 1 January 2021	1,751
Balance at 31 December 2021/ 1 January 2022	1,751
Balance at 31 December 2022	1,751
Depreciation	
Balance at 1 January 2021	1,750
Balance at 31 December 2021/ 1 January 2022	1,750
Balance at 31 December 2022	1,750
Net book amount	
Balance at 31 December 2022	1
Balance at 31 December 2021	1

12. Investments in subsidiaries

	2022 US\$	2021 US\$
Balance at 1 January	1,079	1,079
Balance at 31 December	1,079	1,079

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %	2022 US\$	2021 US\$
JB Connective Link Ltd	Cyprus	Marketing services	100	1,079	1,079
				1,079	1,079

13. Receivables

	2022 US\$	2021 US\$
Other receivables	1,524	5,785
	1,524	5,785

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 6 of the financial statements.

CURACAO FORTUNA CONNECTIONS N.V.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

14. Share capital

	2022 Number of shares	2022 US\$	2021 Number of shares	2021 US\$
Authorised				
Ordinary shares of \$1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Issued and fully paid				
Balance at 1 January	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Balance at 31 December	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

15. Trade and other payables

	2022 US\$	2021 US\$
Trade payables	6,237	18,271
Players liabilities	12,484	13,582
Shareholders' current accounts - credit balances (Note 16.1)	404,388	373,090
Accruals	<u>11,288</u>	<u>21,492</u>
	<u>434,397</u>	<u>426,435</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

16. Related party transactions

The Company is controlled by a foreign individual who owns 100% of the Company's shares.

The following transactions were carried out with related parties:

16.1 Shareholders' current accounts - credit balances (Note 15)

	2022 US\$	2021 US\$
Foreign individual	<u>404,388</u>	<u>373,090</u>
	<u>404,388</u>	<u>373,090</u>

The directors'/shareholders' current accounts are interest free, and have no specified repayment date.

17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2022.

18. Commitments

The Company had no capital or other commitments as at 31 December 2022.

19. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements, note 4.