

Disrupt Entertainment Limited N.V.

FINANCIAL STATEMENTS

Year Ended December 31, 2022

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General Information

Directors(s)

Guardian Corporation Curaçao B.V.

Registered Address

Kaya Richard J. Beaujon Z/N
Willemstad
Curaçao

Company Registration Number

140327

Incorporation Date

May 27, 2016

Nominal Capital

1,000 share(s) with a nominal capital of EUR 1.00 each

Nature of Business

Online wagering

Disrupt Entertainment Limited N.V. BALANCE SHEET As at: December 31, 2022 before allocation of the result of the year

ASSETS	notes	EUR 12/31/2022	EUR 12/31/2021
Non-current assets			
Investment in subsidiary	3	1,001	1,001
Total Non-current assets			
Current assets			
Trade receivables		17,844	17,844
Other receivables	4	9,962	8,110
Cash and cash equivalents	5	209,928	74,910
Total Current Assets		237,734	100,864
TOTAL ASSETS		238,735	101,865

SHAREHOLDERS' EQUITY AND LIABILITIES	notes	EUR 12/31/2022	EUR 12/31/2021
Shareholders' Equity	6		
Nominal capital		1,000	1,000
Retained earnings		(272,395)	(137,197)
Result current year		59,572	(135,198)
		(211,823)	(271,395)
Liabilities			
Current accounts	7	133,546	137,947
Other Liabilities and accruals	8	317,012	235,313
Total Liabilities		450,558	373,260
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		238,735	101,865

Approved by

Guardian Corporation Curaçao B.V.
Managing director

The accompanying notes are an integral part of these financial statements.

Disrupt Entertainment Limited N.V.
DIRECTORS' REPORT
for the financial year ended December 31, 2022

The board of directors is pleased to present its report to the shareholder(s) together with the financial statements of Palau Holdings N.V. for the financial year ended December 31, 2022.

Principal activities

Palau Holdings N.V. is a company incorporated and domiciled in Curaçao, Dutch Caribbean, with registered office at Kaya Richard J. Beaujon Z/N, Willemstad, Curaçao. The Company is engaged in organizing, marketing, promoting, managing, supporting and operating all types of remote gaming activities, comprising 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.

Results and appropriations

The results of the Company for the year ended December 31, 2022 are set out in the Company's financial statements on page 4. No interim dividend has been issued during the financial year and the directors do not recommend distribution of a final dividend.

Current & Future Developments

There was no material current and post balance sheet events, which have a bearing on the understanding of the financial statements.

Statement by directors

The board of directors in their capacity as directors of the company, do hereby state that, in their opinion:

(I) the financial statements and the notes to the financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2022 and the results of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

For and on behalf of the Managing Director

Global Related Services B.V.

Disrupt Entertainment Limited N.V. INCOME STATEMENT for the period ending December 31, 2022			
	notes	EUR 2022	EUR 2021
Revenue			
Casino revenue		41,687	397,341
Software revenue		421,355	207,637
Direct costs	10	(379,627)	(673,342)
Gross Profit/ (Loss)		83,415	(68,364)
Expenses			
Management fees		2,300	1,250
Membership & contribution fees		75	75
License fees National bank		60	75
Domiciliation fees		350	350
Corporate secretarial fees		1,983	1,198
Legal fees		90	635
Consulting fees		-	13,115
Accounting expenses		2,866	1,600
Tax advisory fees		850	850
Professional fees		-	6,789
Gaming license fees		13,045	5,560
ICT maintenance & support fees		-	2,713
Bank charges		1,865	1,253
Other general expenses		359	87
Total Expenses		23,843	35,550
Operating profit		59,572	(103,914)
Miscellaneous gains/losses		-	12,624
Result subsidiaries		-	(10,406)
Adjustment previous year subsidiaries		-	(33,502)
Result before Taxes		59,572	(135,198)
Income tax expense		-	-
Result after taxes		59,572	(135,198)
Net Profit/(Loss)		59,572	(135,198)

The accompanying notes are an integral part of these financial statements.

Disrupt Entertainment Limited N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

1 General Information

Disrupt Entertainment N.V. is a company incorporated on May 27, 2016. The Company is a limited liability company and domiciled in Curaçao, Dutch Caribbean.

The principal activities of the Company are that of organizing, marketing, promoting, managing, supporting and operating all types of remote gaming activities, comprising 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.

The Company is registered with the Curaçao Chamber of Commerce under number 140327.

2 General Accounting Principles

Basis of Preparation

The Financial Statements have been prepared in accordance with applicable accounting standards generally accepted and the provision of Book 2 Curaçao Civil Code. They have been prepared under the historical costs basis. Unless stated otherwise, all assets and liabilities are stated at their nominal value.

Accounting Method

The financial statements are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred.

Foreign Currencies

The financial statements are presented in Euros (EUR or €). Foreign currency transactions are translated into the functional currency using daily ECB exchange rates. Exchange differences arising on the settlement of monetary items are recognized as realized foreign exchange gains or losses on the income statement. Exchange differences arising on translating monetary items at the end of the reporting period are recognized as unrealized financial gains or losses.

Disrupt Entertainment Limited N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand. All cash is directly available to the Company.

Taxes

Profit tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authorities. Current profit taxes are recognized in the income statement and are adjusted for any differences between the estimated and actual tax payable in prior years.

3 Investment in subsidiary		<i>EUR</i>	<i>EUR</i>
		12/31/2022	12/31/2021
Spin City Limited (Cyprus)	100%	1,000	1,000
Disrupt Processing limited	100%	1	1
Ending balance		1,001	1,001

Represents 1000 ordinary shares, being 100% of the capital of a Cypriot subsidiary.

Represents 1000 ordinary shares, being 100% of the capital of a Maltese subsidiary.

Disrupt Entertainment Limited N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

	<i>EUR</i>	<i>EUR</i>
4 Other receivables	12/31/2022	12/31/2021
Prepaid expenses	7,260	7,260
Retainer A-One Data Ltd.	2,327	850
Retainer tax	375	-
	9,962	8,110

	<i>EUR</i>	<i>EUR</i>
5 Cash and cash equivalents	12/31/2022	12/31/2021
Coinspaid	95,952	33,952
Paymix	104,753	31,735
Skrill	5,939	5,939
Muchbetter	3,284	3,284
	209,928	74,910

6 Shareholders' Equity

The capital of the company consist of 1,000 shares with a nominal value of EUR 1 each.

Movements in equity were as follows:

	Issued share capital	Accum. Results	Total
	EUR	EUR	EUR
Balance as at January 1 st	1,000	(272,395)	(271,395)
Movements	-	59,572	59,572
Balance as at December 31 st	1,000	(212,823)	(211,823)

Disrupt Entertainment Limited N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

	<i>EUR</i>	<i>EUR</i>
7 Current accounts	12/31/2022	12/31/2021
Due to Disrupt Processing Ltd.	49,689	54,290
Due to Spin City Ltd.	4,000	4,000
Due to shareholder	79,857	79,657
	133,546	137,947

	<i>EUR</i>	<i>EUR</i>
8 Other Liabilities and accruals	12/31/2022	12/31/2021
Accounts payable	178,925	99,906
Player balances	87,129	86,799
Provision of subsidiaries	43,908	43,908
Accrual tax fees	2,550	1,700
Accrual accounting fees	4,500	3,000
	317,012	235,313

	<i>EUR</i>	<i>EUR</i>
9 Direct costs	12/31/2022	12/31/2021
Software license fees	337,611	193,763
Marketing expenses	-	537
Affiliate expenses	-	5,037
Domain fees	-	929
Payouts casino	41,687	460,907
Payment processing fees	329	12,169
Total Direct costs	379,627	673,342

Appropriation of result

The General Meeting shall determine how the result of the financial year will be appropriated.