

**Arbol Media B.V.**  
Curaçao

Annual report 2022

**ICAS**  
accountants  
business advisors



FOR IDENTIFICATION PURPOSES ONLY

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## 1. Report

## 1.1 General

Arbol Media B.V. (hereinafter: "the Company") was incorporated on December 21<sup>st</sup>, 2017 and is established in Curaçao.

### *Reporting period*

These annual accounts have been compiled based on a reporting period of a calendar year.

### *Activities*

The activities of the Company, having its legal seat at Curaçao, primarily consist of:

Managing and supporting gaming platforms for remote gaming, including software and hardware components of such platforms, whether for casino, poker or other games, whether to be operated through internet, mobile or interactive media.

To the board of directors and the shareholders of  
Arbol Media B.V.  
Curaçao

**ACCOUNTANT'S COMPILATION REPORT**

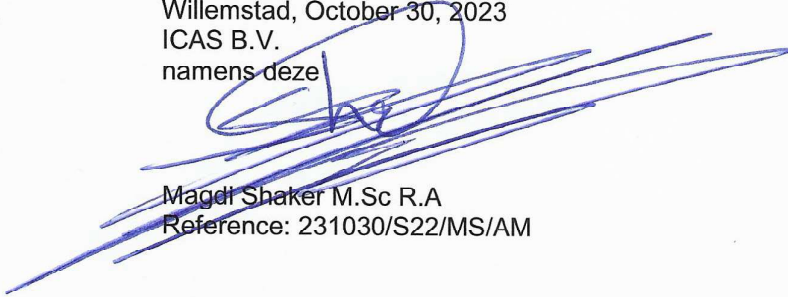
The financial statements of Arbol Media B.V. based in Curaçao have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the profit and loss account for the year 2022 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Curaçao law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Curaçao Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding Arbol Media B.V. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Willemstad, October 30, 2023  
ICAS B.V.  
namens deze

  
Magdi Shaker M.Sc R.A  
Reference: 231030/S22/MS/AM

## 2. Financial statements

**2.1 Balance sheet as at 31 December 2022***(After proposal result)*

| <b>Assets</b>              |   | <b>31-Dec-22</b>  | <b>31-Dec-21</b>  |
|----------------------------|---|-------------------|-------------------|
|                            |   | <b>EUR</b>        | <b>EUR</b>        |
| <b>Financial assets</b>    |   |                   |                   |
| <b>Current assets</b>      |   |                   |                   |
| PSP Balances               | 1 | 13,040,168        | 11,105,994        |
| C/A Ubo                    |   | 26,367,568        | -                 |
| Prepaid tax retainer       |   | 1,910             | 525               |
| CEG retainer Fees          |   | 1,120             | 1,000             |
|                            |   | <u>39,410,766</u> | <u>11,107,519</u> |
| Total assets               |   | <u>39,410,766</u> | <u>11,107,519</u> |
| <b>Liabilities</b>         |   |                   |                   |
| <b>Shareholders equity</b> |   |                   |                   |
| Share capital              | 2 | 1,000             | 1,000             |
| Retained earnings          |   | 10,598,374        | 7,109,861         |
| Result for the year        |   | 2,888,684         | 3,488,513         |
|                            |   | <u>13,488,058</u> | <u>10,599,374</u> |
| <b>Current liabilities</b> |   |                   |                   |
| Accounts payable           |   | 678,450           | 10,370            |
| Other liabilities          | 3 | 25,241,323        | 494,540           |
| Accrued expenses           |   | 2,935             | 3,235             |
|                            |   | <u>25,922,708</u> | <u>508,145</u>    |
| Total equity & liabilities |   | <u>39,410,766</u> | <u>11,107,519</u> |

## 2.2 Statement of income and expenses for the year 2022

|                                        |   | <b>2022</b> | <b>2021</b> |
|----------------------------------------|---|-------------|-------------|
|                                        |   | <b>EUR</b>  | <b>EUR</b>  |
| <b>Turnover</b>                        | 3 | 10,238,168  | 9,689,719   |
| <b>Direct costs</b>                    | 4 | 5,883,955   | 5,818,307   |
| <b>Gross margin</b>                    |   | 4,354,213   | 3,871,412   |
| <b>IT and other operating expenses</b> | 5 | 13,474      | 8,218       |
| <b>Administrative expenses</b>         | 6 | 11,661      | 11,910      |
|                                        |   | (25,135)    | (20,128)    |
| <b>Operating result</b>                |   | 4,329,078   | 3,851,284   |
| <b>Extraordinary results</b>           |   | -           | 761         |
| <b>Financial result</b>                | 7 | (1,440,394) | (347,557)   |
| <b>Result before tax</b>               |   | 2,888,684   | 3,504,488   |
| <b>Tax</b>                             |   | -           | (15,975)    |
| <b>Net result for the period</b>       |   | 2,888,684   | 3,488,513   |

## 2.3 Notes to the financial statements

### *General*

The financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Curaçao Civil Code and accounting principles generally accepted in the Netherlands.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

### *Continuity*

These financial statements have been prepared based on going concerns basis. The going concern basis of presentation assumes that the company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management is of the opinion, that the company's shareholders or other group companies will give the necessary support in case the assumption above mentioned is not realized. Consequently the Company has applied accounting principles based on going concerns.

### *Translation of foreign currency*

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

## **Accounting policies in respect of the valuation of assets and liabilities**

### *General*

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

### *Financial fixed assets*

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by the Company.

Associated companies with negative net equity value are valued at nil. If the Company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from associated company are taken into account.

Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

***Accounts receivable***

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

***Equity***

Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

***Current liabilities***

Upon initial recognition, current liabilities are stated at fair value and then valued at amortized cost.

**Accounting policies in respect of determination**

***Turnover***

Turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes. Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

***Other operating expenses***

Costs are taken into account under the historical cost convention and allocated to the period concerned.

***Net financial result***

Interest income and expenses consist of interest received from or paid to third parties.

***Taxation***

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.

## 2.4 Notes to the balance sheet

|                                     | 31-Dec-22<br>EUR  | 31-Dec-21<br>EUR  |
|-------------------------------------|-------------------|-------------------|
| <b>1. Other receivables</b>         |                   |                   |
| Saldo per 1 <sup>st</sup> January   | 11,105,994        | 7,550,161         |
| PSP receivables                     | -                 | 17,307,825        |
| Transferred to UBO                  | (11,105,994)      | -                 |
| PSP pannovation ltd.                | 13,040,168        | -                 |
| Deposits players winnings           | -                 | (13,751,992)      |
|                                     | <u>13,040,168</u> | <u>11,105,994</u> |
| Saldo per 31 <sup>st</sup> December |                   |                   |

Company has terminated services with PSP payment processing system Payeasy as of 2022. The ending balance of year 2021 were transferred to the UBO account.

**2. Shareholders equity**

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

*Movements in equity were as follows:*

|                                         | Issued Share<br>capital<br>EUR | Retained earnings<br>EUR | Total<br>EUR      |
|-----------------------------------------|--------------------------------|--------------------------|-------------------|
| Balance as at January 1 <sup>st</sup>   | 1,000                          | 10,598,374               | 10,599,374        |
| Result for the year                     | -                              | 2,888,684                | 2,888,684         |
|                                         |                                |                          | -                 |
| Balance as at December 31 <sup>st</sup> | <u>1,000</u>                   | <u>13,487,058</u>        | <u>13,488,058</u> |

|                              | 31-Dec-22<br>EUR  | 31-Dec-21<br>EUR |
|------------------------------|-------------------|------------------|
| <b>3. Other liabilities</b>  |                   |                  |
| Payable to players           | 24,825,074        | -                |
| Commision Payable            | 290,562           | 405,434          |
| C/A Shareholder              | 60,373            | 46,828           |
| C/A Affiliate squared ltd.   | 23,036            | -                |
| C/A CoCentricServices s.r.o. | 26,303            | -                |
| Profit tax payable           | 15,975            | 42,278           |
|                              | <u>25,241,323</u> | <u>494,540</u>   |

## 2.5 Notes to the statement of income and expenses

|                                           | <u>2022</u>        | <u>2021</u>      |
|-------------------------------------------|--------------------|------------------|
|                                           | <u>EUR</u>         | <u>EUR</u>       |
| <b>3. Turnover</b>                        |                    |                  |
| GGR                                       | 28,870,844         | 26,852,173       |
| Bonus expense                             | (18,559,787)       | (17,159,206)     |
| Chargeback & refund fees                  | (72,889)           | (3,248)          |
|                                           | <u>10,238,168</u>  | <u>9,689,719</u> |
| <b>4. Direct costs</b>                    |                    |                  |
| Setup & maintenance fees                  | 1,260              | 261              |
| Affiliate commissions                     | 3,476,237          | 3,462,390        |
| Merchant fees                             | 2,175,837          | 2,138,238        |
| Game provider fees                        | 230,621            | 217,418          |
|                                           | <u>5,883,955</u>   | <u>5,818,307</u> |
| <b>5. IT and other operating expenses</b> |                    |                  |
| IP licensing and compliance               | 12,500             | 7,928            |
| ICT maintenance & support                 | 974                | 290              |
|                                           | <u>13,474</u>      | <u>8,218</u>     |
| <b>6. Administrative expenses</b>         |                    |                  |
| Accountancy                               | 4,087              | 5,685            |
| Tax services                              | 1,000              | 1,500            |
| Notary expenses                           | -                  | 275              |
| Corporate services                        | 2,927              | 1,170            |
| Other general expenses                    | 647                | 280              |
| Chamber of commerce                       | 75                 | 75               |
| Standard management fee                   | 2,500              | 2,500            |
| License fees National Bank                | 75                 | 75               |
| Domiciliation & compliance fee            | 350                | 350              |
|                                           | <u>11,661</u>      | <u>11,910</u>    |
| <b>7. Financial result (expense)</b>      |                    |                  |
| Unrealized processor exchange gain/loss   | (1,440,394)        | (347,557)        |
|                                           | <u>(1,440,394)</u> | <u>(347,557)</u> |

### 3. Other Information

### 3.1 Statutory provision regarding appropriation of result

In the articles of incorporation it states that the profit shall be at free disposal of the general meeting. Any distribution of the profit shall be made after approval of the annual account. Consequently the following has been presented concerning the appropriation of the result.

### 3.2 Appropriation of result

The management of the company proposes to appropriate the result as follows:

The positive result for the year 2022 in the amount of EUR 2,888,684 will be added in full the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2022 for the company.

### 3.3 Subsequent events

There are no events after the balance sheet date that have significant impact on these financial statements, that require further disclosure.

Name:

Position:

Signature:

Global Related Services B.V.

Statutory Director

