

JMS Investment Group N.V.
Curaçao

Annual report 2022

Table of contents

	<u>Page</u>
1 Report	3
1.1 General	4
1.2 Accountant's Compilation report	5
2 Financial statement	6
2.1 Balance sheet as at 31 December 2022	7
2.2 Statement of income and expenses for the year 2022	8
2.3 Notes to the financial statements	9
2.4 Notes to the balance sheet	11
2.5 Notes to the statement of income and expenses	12
3 Other information	13
3.1 Statutory provision regarding appropriation of result	14
3.2 Appropriation of result	14
3.3 Subsequent events	14

1. Report

1.1 General

JMS Investment Group N.V. (hereinafter: "the Company") was incorporated on April 18th, 2016 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
JMS Investment Group N.V.
Curaçao

ACCOUNTANT'S COMPILATION REPORT

The financial statements of JMS Investment Group N.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 JMS Investment Group N.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, September 5, 2023

ICAS B.V.
namens deze



Magdi Shaker M.Sc RA
Ref.: 22S/2395/MS/JM

2. Financial statements

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

Assets		31-Dec-22 EUR	31-Dec-21 EUR
Current assets			
Loan Stech European Entertainment Ltd	1	1,279,823	1,348,323
C/A shareholder		402,949	118,518
Cash and cash equivalents	2	<u>311,037</u>	<u>393,551</u>
		1,993,809	1,860,392
Total assets		<u>1,993,809</u>	<u>1,860,392</u>
Liabilities			
Shareholders equity			
Share capital	3	1,000	1,000
Dividend distribution		(3,815,744)	(4,824,210)
Retained earnings		-	1,434,554
Result for the year		<u>3,815,744</u>	<u>3,389,656</u>
		1,000	1,000
Current liabilities			
Accounts payable		794,338	1,105,085
Other liabilities and accrued expenses	4	<u>1,198,471</u>	<u>754,307</u>
		1,992,809	1,859,392
Total equity & liabilities		<u>1,993,809</u>	<u>1,860,392</u>

2.2 Statement of income and expenses for the year 2022

		2022	2021
		EUR	EUR
Turnover	5	12,399,118	14,247,458
Direct costs	6	7,766,208	10,195,073
Gross margin		4,632,910	4,052,385
IT and other operating expenses	7	15,000	16,079
Administrative expenses	8	835,309	632,409
		(850,309)	(648,488)
Operating result		3,782,601	3,403,897
Financial result	9	103,538	(14,241)
Result before tax		3,886,139	3,389,656
Tax		(70,395)	-
Net result for the period		3,815,744	3,389,656

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**1. Loan Stech European Entertainment Ltd**

This loan receivable represents a loan to PNG/Stech European Entertainment Ltd. in the amount of a maximum of Eur 3,000,000 with an effective date as per 29th February 2016. As per December 31, 2022 the accumulated loan receivable is EUR 1,279,823 with no specific repayment date.

	31-Dec-22 EUR	31-Dec-21 EUR
2. Cash and cash equivalents		
Payment execution	73,431	309,405
E-Wallets	237,606	84,146
	<u>311,037</u>	<u>393,551</u>

3. 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 capital	Retained earnings	Total
	EUR	EUR	EUR
Balance as at January 1 st	1,000	-	1,000
Dividend distribution		(3,815,744)	(3,815,744)
Result for the year	-	3,815,744	3,815,744
Balance as at December 31 st	<u>1,000</u>	<u>-</u>	<u>1,000</u>

	31-Dec-22 EUR	31-Dec-21 EUR
4. Other liabilities and accrued expenses		
Accrued expense SC Technology	818,316	531,976
Players balances	274,704	187,275
Profit tax payable	105,451	35,056
	<u>1,198,471</u>	<u>754,307</u>

2.5 Notes to the statement of income and expenses

	<u>2022</u>	<u>2021</u>
	EUR	EUR
5. Turnover		
Gaming Revenue	12,399,118	14,247,458
	<u>12,399,118</u>	<u>14,247,458</u>
6. Direct costs		
Merchant fees	206,564	4,378,360
Technology overhead cost	1,500,000	2,000,000
Commissions fees	3,063,082	-
Agent fees	143,857	-
Advertising expense	91,617	128,398
Game providers fees	454,751	641,691
Software services	1,321,031	1,550,675
License fees	375,494	651,216
Local game provider fees	511,840	844,733
Local license fees	97,972	-
	<u>7,766,208</u>	<u>10,195,073</u>
7. IT and other operating expenses		
IP compliance	15,000	12,163
ICT maintenance & support	-	3,916
	<u>15,000</u>	<u>16,079</u>
8. Administrative expenses		
Notary expense	1,645	810
Travelling expense	60,885	55,350
Rent expense	50,315	45,741
Computer and internet expense	12,929	11,753
Consultancy expense	663,133	73,430
Bank charges	36,536	429,155
Legal charges	-	239
Accounting expenses	4,244	10,821
Tax and advisory expenses	1,640	750
Corporate services	1,047	1,525
Other general expenses	270	170
Chamber of Commerce	90	90
Standard management fees	2,150	2,150
License fees National Bank	75	75
Domiciliation fees	350	350
	<u>835,309</u>	<u>632,409</u>
9. Financial result (expense)		
Bank interest	(1,834)	(14,033)
Unrealized exchange difference	105,372	(208)
	<u>103,538</u>	<u>(14,241)</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 Company has a positive result for the year 2022 in the amount of EUR 3,815,744 that will be added in full to the other reserves. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company recommend the payment of a dividend of EUR 3,815,744 from the general reserve of the financial year 2022.

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.

Managing Director

Cem Sisman

Managing Director

