

Raw Entertainment B.V.

Financial Statements

for the years ended December 31, 2023 and December 31, 2022

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Statement of financial position

(All amounts in USD)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents		3,216,686	-
Prepaid expenses		940,086	4,593,362
Receivable from related parties (Net)	4	16,585,180	16,615,180
Accounts receivable		972,897	419,844
Other assets		5,265,326	1,257,156
Total current assets		26,980,175	22,885,542
Non-current assets			
Property, plant and equipment	5	98,098	110,016
Investment in subsidiaries	6	-	2,966
Total non-current assets		98,098	112,982
Total assets		27,078,273	22,998,524
Equity and liabilities			
Current liabilities			
Accrued expenses and accounts payable		13,457,835	2,876,126
Payable to related parties	7	3,237,715	1,599,973
Loans payable		-	357,979
Payable to players		4,430,982	6,011,783
Profit tax payable		5,996	1,079
Other payables		-	132,837
Total current liabilities		21,132,528	10,979,777
Non-current liabilities			
Other payables		5,152,845	968,593
		5,152,845	968,593
Equity			
Issued capital	8	100	100
Share premium		11,900	11,900
Capital reserve		58,117	58,117
Retained earnings / (Accumulated losses)		722,783	10,980,037
Total equity		792,900	11,050,154
Total liabilities and equity		27,078,273	22,998,524

See accompanying notes.

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Statement of profit or loss

(All amounts in USD)

	Note	2023	2022
Revenue		95,086,178	51,799,211
Direct cost	9	-29,117,789	-16,314,168
Gross profit		65,968,389	35,485,043
Administrative expenses	10	-46,675,614	-20,838,917
Depreciation		-24,208	-9,576
Other income		14,439,993	370,741
Profit from operations		33,708,560	15,007,291
Finance cost	11	-423,790	-847,434
Profit before tax		33,284,770	14,159,857
Profit tax expense	3	-4,917	-1,079
Profit for the year		33,279,853	14,158,778
Other comprehensive income		-	-
Total comprehensive income for the year		33,279,853	14,158,778
Attributable to the owners		33,279,853	14,158,778

See accompanying notes.

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Statements of changes in equity

(All amounts in USD)

	Issued capital	Share premium	Capital reserve	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2021	100	11,900	58,117	19,833	89,950
Profit for the year	-	-	-	14,158,778	14,158,778
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	14,158,778	14,158,778
Dividend declared	-	-	-	-3,198,574	-3,198,574
Balance, December 31, 2022	100	11,900	58,117	10,980,037	11,050,154
Profit for the year	-	-	-	33,279,853	33,279,853
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	33,279,853	33,279,853
Dividend declared	-	-	-	-43,537,107	-43,537,107
Balance, December 31, 2023	100	11,900	58,117	722,783	792,900

See accompanying notes.

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Statement of cash flows

(All amounts in USD)

	Note	2023	2022
Cash flow from operating activities			
Profit for the year		33,279,853	14,158,778
Add: Depreciation		24,208	9,576
(Increase) / decrease in prepaid expenses		3,653,276	-4,396,616
(Increase) / decrease in receivable from related parties		30,000	-13,140,115
(Increase) / decrease in accounts receivable		-553,053	-418,179
(Increase) / decrease in other assets		-4,008,170	-34,666
Increase / (decrease) in accrued expenses and accounts payable		10,581,709	-867,375
Increase / (decrease) in payable to related parties		1,637,742	-1,823,604
Increase / (decrease) in loans payable		-357,979	342,351
Increase / (decrease) in payable to players		-1,580,801	6,011,783
Increase / (decrease) in profit tax payable		4,917.00	1,079
Increase / (decrease) in other payables		4,051,415	1,078,560
Net cash generated from operating activities		46,763,117	921,572
Cash flow from investing activities			
(Increase) / decrease in investments in subsidiaries		2,966	-1,739
(Increase) / decrease in property, plant and equipment		-12,290	-117,919
Net cash generated from investing activities		-9,324	-119,658
Cash flow from financing activities			
Dividend declared		-43,537,107	-3,198,574
Net cash generated from financing activities		-43,537,107	-3,198,574
Net increase / (decrease) in cash		3,216,686	-2,396,660
Cash at the beginning of the year		-	2,396,660
Cash at the end of the year		3,216,686	-

See accompanying notes.

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Notes to financial statements

1. General information

Raw Entertainment B.V. (the company) was established on April 22, 2021 in Curaçao as a private limited liability company. The address of its registered office is Korporaalweg 10, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 157205.

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, 2023, the management of the company is borne by a single statutory director:

- Executive Corporate Management B.V.	Statutory Director
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2. Summary of material 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 the year 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 US Dollar (USD) 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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During the year ended 31 Dec 2023, the company reclassified \$6,011,783 from related party balances to payable to users to better reflect the nature of the transactions. Comparative figures for the year ended 31 Dec 2022 have been restated accordingly. This reclassification has no impact on net income, total assets, or total liabilities reported in the prior year.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Investments

Investment in subsidiary is valued at cost, less impairment losses, if any.

Foreign currency transactions

The financial statements are presented in USD, 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 USD at the exchange rates prevailing at the end of the year.

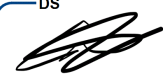
Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is accounted for on the straight-line method based on estimated useful lives, and rate of depreciation as follows-

Computer equipment- 25% (Residual value- 10%)

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

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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, prepaid expenses, accounts receivable 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 and other payables.

Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification.

Revenue and costs

Revenue and costs are recognized in the year in which the services have been rendered.

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.

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Concentration of credit risk and certain other risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. The company does not have significant exposure to any individual client or counterparty. Management of credit risk involves number of considerations, such as financial profile of the counterparty, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however the management believes that the company's exposure to credit risk associated with non-performance of its counterparty is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning January 01, 2023 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 15% taxes on income up to 500,000 ANG and 22% above it and the foreign source of income is subject to 0% of profit taxes.

4. Receivable from related parties (Net)

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

5. Property, plant and equipment

As at December 31, 2023, property, plant and equipment are comprised of the following:

	Computer equipment	Others	Total
Balance at December 31, 2022			
Original cost	87,268	32,742	120,010
Accumulated depreciation	-9,994	-	-9,994
Book value	77,274	32,742	110,016
During 2023			
Investments	11,700	590	12,290
Depreciation	-23,343	-865	-24,208
Movement	-11,643	-275	-11,918
Balance at December 31, 2023			
Original cost	98,968	33,332	132,300
Accumulated depreciation	-33,337	-865	-34,202
Book value	65,631	32,467	98,098

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6. Investment in subsidiaries

As at December 31, 2023 and December 31, 2022 the company owns % of shares of the following companies:

	Country	2023	2022
Feugo Y Vestas, S.A. DE C.V. (9,900 equity shares of MXN 1 each converted to USD @0.0513)	Mexico	-	508
Chaseway Limited (1,000 equity shares of EUR 1 each converted to USD @1.10)	Republic of Cyprus	-	1,100
Raw Entertainment Ltd (1,000 equity shares of EUR 1 each converted to USD @1.2270)	Republic of Cyprus	-	1,227
Camann Limited (100 equity shares of GBP 1 each converted to USD @1.31)	England and Wales	-	131
		-	2,966

The above investments were sold at cost during the year.

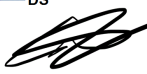
7. Payable to related parties

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

8. Issued capital

The issued capital of the company as at December 31, 2023 and December 31, 2022 consists of 100 common shares with a nominal value of EUR 1 and subscribed for USD 100.

USD 43,537,107 and USD 3,198,574 was declared as dividend in 2023 and 2022 respectively.

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9. Direct cost

	2023	2022
Direct cost	29,117,789	16,314,168
	29,117,789	16,314,168

10. Administrative expenses

	2023	2022
Administrative expenses	38,830,060	15,718,933
Affiliate fees	5,124,811	1,619,264
Non-operating expenses	2,187,805	2,825,475
Other expenses	532,938	675,245
	46,675,614	20,838,917

11. Finance cost

	2023	2022
Realized exchange loss	423,790	847,434
	423,790	847,434

12. 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, prepaid expenses, accounts receivable, accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

13. Contingencies, commitments and legal proceedings

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

14. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

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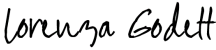

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15. Authorization for issue

These financial statements for the year ended December 31, 2023 were approved by the board of directors and authorized for issue on December 02, 2024.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	DocuSigned by:  3508179679034CB... Signed by:  E9C1A4A3F74E4ED...