

Poligon Entertainment N.V.
Willemstad

Poligon Entertainment N.V.

at Willemstad

Annual report 2023

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1. Accountants report

Poligon Entertainment N.V.
Willemstad

Poligon Entertainment N.V.
Schout Bij Nacht Doormanweg 40
Willemstad

27 March 2027

Dear Sirs,

1.1 ACCOUNTANT'S COMPILATION REPORT

The financial statements of Poligon Entertainment N.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2023 and the profit and loss account for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

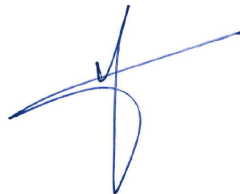
This compilation engagement has been performed by us in accordance with International Standard on Related Services 4410, Compilation engagements, which is applicable to accountants. The standard requires us to assist you with the preparation and presentation of the financial statements in accordance with the accounting policies as described in the notes. To this end we have applied our professional expertise in the fields of accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that the information you give us is correct and that you provide us with all relevant information. Therefore, we have conducted our work in accordance with the applicable regulations and on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole and are satisfied that they present a picture in line with our broad understanding of Poligon Entertainment N.V..

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). 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.

For further information on the nature and scope of a compilation engagement and the VGBA we refer you to www.nba.nl/uitleg-samenstellingsverklaring.

inFocus N.V.



W. van Steijn AA

1.2 GENERAL

Incorporation company

The Company was established on May 7th, 2014.

Activities

The activities of Poligon Entertainment N.V. primarily consist of:

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 Curaçao.

This service shall be referred to for all purposes as Internet Casino/Internet Wagering/Internet Sportsbook/Internet Lottery.

1.3 FISCAL POSITION

General

The profit realized by the company is entirely foreign profit which is exempt from corporate profit tax in Curaçao.

	<u>2023</u> EUR
<i>Calculation taxable amount</i>	
Result before taxation	2,971,590
Non-deductible amounts	
For deduction excluded fines	600
	<u>2,972,190</u>
Exempt income items	
Foreign income	(2,959,334)
Taxable amount	<u><u>12,856</u></u>
Gross Profit calculation	
Gross profit	161,903,856
Cost of sales	-
	<u>161,903,856</u>
Causal expenses (Domestic)	(981,696)
Causal expenses (Foreign)	<u>(156,203,287)</u>
	4,718,873
Not causal expenses	(1,747,283)
For deduction excluded fines	600
Total	<u><u>2,972,190</u></u>

	<u>Foreign profit</u> EUR	<u>Domestic profit</u> EUR	<u>Total profit</u> EUR
Corporate tax calculation			
Gross profit	4,689,144	29,729	4,718,873
Not causal expenses	(1,729,810)	(17,473)	(1,747,283)
For deduction excluded fines	-	600	600
Total	<u><u>2,959,334</u></u>	<u><u>12,856</u></u>	<u><u>2,972,190</u></u>

Calculation corporate tax

				<u>2023</u>
				EUR
15.00%	of	EUR	12,856	<u>1,928</u>

Real presence / permanent establishment

In accordance with art. 1C WB is assumed that Poligon Entertainment N.V. meets the real presence and permanent establishment requirements. The actual management is located in Curaçao.

2.1 BALANCE SHEET AS AT 31 DECEMBER 2023

		31-12-2023		31-12-2022	
		EUR	EUR	EUR	EUR
ASSETS					
Current assets					
<i>Receivables</i>					
Trade receivables	1	1,575,092		1,509,825	
Accrued income and prepaid expenses	2	-		12,374	
			1,575,092		1,522,199
<i>Cash and cash equivalents</i>					
Other banks			8,866,328		4,887,131
Total assets			<u>10,441,420</u>		<u>6,409,330</u>
EQUITY AND LIABILITIES					
Equity					
Issued share capital	3 4	5,357		5,357	
General reserve		<u>6,595,664</u>		<u>3,626,002</u>	
			6,601,021		3,631,359
Current liabilities					
Trade payables	5	2,762,366		2,195,090	
Taxes and social security contributions	6	1,928		-	
Other payables and short term liabilities	7	<u>1,076,105</u>		<u>582,881</u>	
			3,840,399		2,777,971
Total equity and liabilities			<u>10,441,420</u>		<u>6,409,330</u>

2.2 INCOME STATEMENT FOR THE YEAR 2023

		2023	2022
		EUR	EUR
Net turnover	8	161,903,856	85,037,578
Expenses work contracted out and other external expenses	9	49,424,459	27,827,375
Personnel expenses	10	447,960	24,000
Other operating expenses	11	107,843,795	56,255,068
Total operating expenses		<u>157,716,214</u>	<u>84,106,443</u>
Operating result		4,187,642	931,135
Financial income and expense	12	<u>(1,216,052)</u>	<u>(2,289,719)</u>
Result before taxation		2,971,590	(1,358,584)
Taxation	13	<u>(1,928)</u>	<u>-</u>
Net result after taxation		<u><u>2,969,662</u></u>	<u><u>(1,358,584)</u></u>

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Poligon Entertainment N.V. is Schout Bij Nacht Doormanweg 40, in Willemstad, Curaçao. Poligon Entertainment N.V. is registered at the Chamber of Commerce under number 132517.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Book 2 of the Curaçao Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting principles

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current assets

Current assets are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Equity

When Poligon Entertainment N.V. purchases treasury shares, the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to

the shareholders.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Selling expenses

Selling expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2023

ASSETS

Current assets

Receivables

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
1 Trade receivables		
Trade debtors	<u>1,575,092</u>	<u>1,509,825</u>
Other receivables and current assets		
Miscellaneous prepaid expenses	<u>-</u>	<u>12,374</u>

EQUITY AND LIABILITIES

3 Equity

	Issued share capital	General reser- ve	Total
	EUR	EUR	EUR
Balance as at 1 January 2023	5,357	3,626,002	3,631,359
Appropriation of result	-	2,969,662	2,969,662
Balance as at 31 December 2023	<u>5,357</u>	<u>6,595,664</u>	<u>6,601,021</u>

4 Issued share capital

The share capital is USD 6,000 consisting of 6,000 shares each with a nominal value USD 1.

Current liabilities

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
5 Trade payables		
Trade creditors	<u>2,762,366</u>	<u>2,195,090</u>
6 Taxes and social security contributions		
Company tax	<u>1,928</u>	<u>-</u>
7 Other payables and short term liabilities		
Audit and consultancy costs	2,500	1,750
Payable to payment agents	13,103	-
Players balances	862,109	581,131
Miscellaneous prepaid expenses	<u>198,393</u>	<u>-</u>
	<u>1,076,105</u>	<u>582,881</u>

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2023

	2023 EUR	2022 EUR
8 Net turnover		
Sales	161,903,856	85,037,578
9 Expenses work contracted out and other external expenses		
Other external expenses (Non-domestic causal costs)	49,424,459	27,827,375
Other external expenses (Non-domestic causal costs)		
Consultation on operational activities	6,199,360	10,817,281
Game providers	21,708,903	12,496,822
Platform fees	5,324,292	2,307,691
Sportsbook Feed	13,019,654	2,205,581
Customer support (Non-domestic)	2,190,554	-
Customer support (Domestic)	981,696	-
	49,424,459	27,827,375
10 Personnel expenses		
Wages and salaries (Non-domestic causal cost)	411,804	-
Other staff expenses	36,156	24,000
	447,960	24,000
Wages and salaries (Non-domestic causal cost)		
Salaries and wages	411,804	-
Other staff expenses		
Recruitment expenses	36,000	24,000
Study and training expenses	156	-
	36,156	24,000
11 Other operating expenses		
Selling expenses (Non-domestic causal costs)	93,653,604	52,414,159
Office expenses (Non-domestic causal costs)	13,695,118	3,738,548
General expenses	495,073	102,361
	107,843,795	56,255,068

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Selling expenses (Non-domestic causal costs)		
Marketing	54,170,425	29,061,908
Sponsoring	1,466,127	-
PSP fees	38,017,052	18,142,509
Write off doubtful debtor	-	5,209,742
	<u>93,653,604</u>	<u>52,414,159</u>
Office expenses (Non-domestic causal costs)		
Automation expenses	<u>13,695,118</u>	<u>3,738,548</u>
General expenses		
Bank expenses	372,573	82,474
Legal expenses and professional consulting	74,300	19,887
Travelling and hotel expenses	45,009	-
Audit costs, other non-audit services	2,500	-
Fine and increases of taxes and social insurance premiums	600	-
Other general expenses	91	-
	<u>495,073</u>	<u>102,361</u>
12 Financial income and expense		
Currency translation differences	<u>(1,216,052)</u>	<u>(2,289,719)</u>
13 Taxation		
Corporate profit tax	<u>(1,928)</u>	<u>-</u>

Willemstad, 27 March 2027
Poligon Entertainment N.V.