

Bet Play B.V.

Financial Statements

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

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Bet Play B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents	4	221,889	488,189
Inventory	5	7,598,889	1,382,186
Accounts receivable (Net)		35,964,118	21,544,167
Receivable from subsidiary	6	-	498,748
Prepaid expenses		50,534	16,050
Other assets		1,300,000	1,300,000
Total current assets		45,135,430	25,229,340
Non-current assets			
Investment in subsidiary	7	100	100
Loan to shareholder		3,000,000	-
Total non-current assets		3,000,100	100
Total assets		48,135,530	25,229,440
Equity and liabilities			
Current liabilities			
Accounts payable		48,295,163	26,697,297
Accrued expenses	8	1,931	1,710,206
Payable to shareholders	6	606,835	606,835
Payable to subsidiary	6	2,533,311	-
Total current liabilities		51,437,240	29,014,338
Equity			
Issued capital	9	86	86
Retained earnings / (Accumulated losses)		-3,301,796	-3,784,984
Total equity		-3,301,710	-3,784,898
Total liabilities and equity		48,135,530	25,229,440

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue	10	252,193,098	258,595,351
Direct cost	11	-252,374,556	-252,315,770
Gross profit / (loss)		-181,458	6,279,581
Administrative expenses	12	-128,766	-342,537
Foreign exchange gain / (loss)		793,412	-9,287,058
Profit / (loss) from operations		483,188	-3,350,014
Finance income	13	-	877
Profit / (loss) before tax		483,188	-3,349,137
Profit tax expense	3	-	-6,570
Profit / (loss) for the year		483,188	-3,355,707
Other comprehensive income		-	-
Total comprehensive loss for the year		483,188	-3,355,707
Attributable to the owners		483,188	-3,355,707

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2021	86	-429,277	-429,191
Profit / (loss) for the year	-	-3,355,707	-3,355,707
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-3,355,707	-3,355,707
Balance, December 31, 2022	86	-3,784,984	-3,784,898
Profit / (loss) for the year	-	483,188	483,188
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	483,188	483,188
Balance, December 31, 2023	86	-3,301,796	-3,301,710

See accompanying notes.




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Statement of cash flows

(All amounts in EUR)

	Note	2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		483,188	-3,355,707
(Increase) / decrease in inventory		-6,216,703	12,826,147
(Increase) / decrease in accounts receivable		-14,419,951	-1,324,862
(Increase) / decrease in receivable from shareholders		-	86
(Increase) / decrease in receivable from subsidiary		498,748	2,856,221
(Increase) / decrease in prepaid expenses		-34,484	-11,050
(Increase) / decrease in other assets		-	-1,097,493
(Increase) / decrease in receivable from related parties		-	1,000
Increase / (decrease) in accounts payable		21,597,866	-12,152,352
Increase / (decrease) in accrued expenses		-1,708,275	1,300,427
Increase / (decrease) in payable to shareholders		-	606,835
Increase / (decrease) in payable to related parties		-	-16,740
Increase / (decrease) in profit tax payable		-	-20
Increase / (decrease) in payable to subsidiary		2,533,311	-
Net cash generated from operating activities		2,733,700	-367,508
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
(Increase) / decrease in loans receivable		-	536,187
(Increase) / decrease in interest receivable		-	4,500
(Increase) / decrease in loans to shareholder		-3,000,000	-
Net cash generated from financing activities		-3,000,000	540,687
Net increase / (decrease) in cash		-266,300	173,179
Cash at the beginning of the year		488,189	315,010
Cash at the end of the year	4	221,889	488,189

See accompanying notes.

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Notes to financial statements**1. General information**

Bet Play B.V. (the company) was established on May 31, 2018 in Curaçao as a private limited liability company. The address of its registered office is Korpuraalweg 10, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 147087.

The main objectives of the company are -

1. To provide off-shore games of chance and wagering, through the internet in compliance with the regulations of the Government of Curaçao. This service shall be referred to for all purposes as "Internet Casino/Internet Wagering/Internet Sportsbook" provided it concerns aforementioned services which will be rendered from an area that has been designated as an E-zone in conformity with the local E-zone law.
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

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 all the years presented, unless otherwise stated.

Basis of presentation

The separate 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 EUR 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.

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.

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Investments

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

Foreign currency transactions

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

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, accounts receivable, prepaid expenses 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.

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Revenue recognition

Revenue and costs are recognized in the year in which they were earned and incurred respectively.

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.

Concentration of credit risk and certain other risk

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

	2023	2022
Balance with banks and Payment Service Providers (PSPs)		
Aims bank	221,889	-
Mano bank	-	486,663
VallettaPay	-	1,526
	221,889	488,189

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5. Inventory

This represents crypto currency balances as on December 31, 2023. As per IFRS, there is no specific technical guidance on accounting of cryptos. Based on various technical guidance issued by the accounting bodies, the cryptos are being treated as inventories. Hence, IAS 2 – Inventories shall become applicable, resulting in valuation at lower of cost and net realizable value.

6. Receivable from / payable to shareholders / subsidiary

The amounts receivable from / payable to shareholders / subsidiary do carry any interest and are repayable on demand.

7. Investment in subsidiary

As at December 31, 2023, and December 31, 2022, the company holds 100% investment in Lexotex Ltd., a company incorporated and domiciled in Republic of Cyprus.

	2023	2022
Investment in Lexotex Ltd. (100 equity shares of EUR 1 each)	100	100
	100	100

The company has elected not to present consolidated financial statements. Its owners have been informed and do not object to presenting separate financial statements.

8. Accrued expenses

	2023	2022
Referral commissions	1,931	1,707,506
Annual compliance fees	-	2,700
	1,931	1,710,206

9. Issued capital

The issued capital of the company as at December 31, 2023, and December 31, 2022, consists of 100 shares with a nominal value of USD 1 and subscribed for EUR 86.

No dividends were declared in 2023 and 2022.

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10. Revenue

	2023	2022
Royalties – Evolution	244,473,257	245,500,908
Revenue share	4,547,460	11,948,469
Royalties – Red Tiger OSS	1,271,804	472,320
Royalties – Nolimit City OSS	948,285	14,179
Royalties – Netent OSS	502,934	564,357
Royalties – Red Tiger DT	305,187	78,769
Royalties – Big Time Gaming	118,482	16,349
Royalties – Pragmatic Play	25,689	-
	252,193,098	258,595,351

11. Direct cost

	2023	2022
Provider costs – Evolution	244,507,238	245,533,740
Referral commissions	3,870,739	3,525,339
Provider costs - Red Tiger OSS	1,280,685	471,916
Provider costs - Nolimit City OSS	948,284	14,178
PSP charges	839,668	2,104,466
Provider costs - Netent OSS	519,785	565,412
Provider costs - Red Tiger DT	254,111	78,769
Provider costs - Big Time Gaming OSS	118,483	16,350
Provider costs – Pragmatic	26,565	-
License and permits	5,300	5,600
Software expenses	3,698	-
	252,374,556	252,315,770

12. Administrative expenses

	2023	2022
Professional fees	57,186	334,585
Payment processing fees	29,250	-
Rent expenses	9,251	5,000
Dues and subscriptions	3,690	-
Insurance expenses	3,044	-
Annual compliance fees	2,750	2,750
Other expenses	23,595	202
	128,766	342,537

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13. Finance income

	2023	2022
Interest income	-	877
	-	877

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

Loans have been disclosed at a value which fairly approximates the value which is expected to be received.

15. Contingencies, commitments and legal proceedings

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

16. 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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17. 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 March 18, 2024.

Board of Directors:

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