

Ezugi N.V.
Willemstad

Ezugi N.V.

at Willemstad

Annual report 2023

Table of contents

	Page
1. ACCOUNTANTS REPORT	
1.1 Accountant's compilation report	3
1.2 General	4
1.3 Result	5
1.4 Fiscal position	6
2. FINANCIAL STATEMENTS	
2.1 Balance sheet as at 31 December 2023	7
2.2 Income statement for the year 2023	9
2.3 Notes to the financial statements	10
2.4 Notes to the balance sheet as at 31 December 2023	14
2.5 Notes to the income statement for the year 2023	18

Ezugi N.V.
Willemstad

1. Accountants report

Ezugi N.V.
Willemstad

Ezugi N.V.
Abraham Mendez Chumaceiro Boulevard 03
Willemstad

November 21, 2024

Dear Sirs,

1.1 ACCOUNTANT'S COMPILATION REPORT

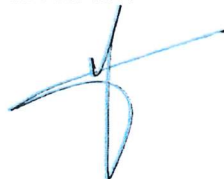
The financial statements of Ezugi N.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2023 and the income statement for the year 2023 for the year then ended with the accompanying explanatory notes. These notes include 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 in 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 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 Ezugi 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.

inFocus N.V.



W. van Steijn AA

1.2 GENERAL

Comparative figures

The figures of the previous financial year may have been reclassified, where necessary, in order to allow comparability with the current financial year.

Incorporation company

The Company was established on July 10th, 2012.

Activities

The activities of Ezugi N.V. primarily consist of:

1. 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.
2. The company 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.

1.3 RESULT

Analysis of the result

	2023		2022		Movement	
	EUR	%	EUR	%	EUR	%
Net turnover	60,677,498	100.0	52,426,910	100.0	8,250,588	15.7
Cost of sales	(613,589)	(1.0)	(598,111)	(1.1)	(15,478)	(2.6)
Gross margin	60,063,909	99.0	51,828,799	98.9	8,235,110	15.9
Expenses work contracted out and other external expenses	54,262,734	89.4	45,774,069	87.3	8,488,665	18.5
Depreciation of intangible and tangible fixed assets	47,095	0.1	-	-	47,095	-
Other operating expenses	5,450,692	9.0	5,792,596	11.1	(341,904)	(5.9)
Total operating expenses	59,760,521	98.5	51,566,665	98.4	8,193,856	15.9
Operating result	303,388	0.5	262,134	0.5	41,254	15.7
Financial income and expense	9,395	-	529	-	8,866	1,676.0
Result before taxation	312,783	0.5	262,663	0.5	50,120	19.1
Taxation	(78,053)	(0.1)	(79,269)	(0.2)	1,216	1.5
	234,730	0.4	183,394	0.3	51,336	28.0
Share in result from participations	110,282	0.2	144,767	0.3	(34,485)	(23.8)
Result after taxation	345,012	0.6	328,161	0.6	16,851	5.1

1.4 FISCAL POSITION

				<u>2023</u>
				EUR
<i>Calculation taxable amount</i>				
Result before taxation				423,065
Partially deductible amounts	Base amount	%	EUR	
Representation expenses	75,623	20.00	15,124	
Travelling and lodging	422,488	20.00	<u>84,497</u>	
				<u>99,621</u>
				522,686
Investment agreements				
Small scale investment allowance				<u>(79,110)</u>
				443,576
Participation exemption				<u>(110,282)</u>
Taxable amount				<u><u>333,294</u></u>
<i>Calculation corporate tax</i>				
				<u>2023</u>
				EUR
15.00% of EUR 259,646				38,946
22.00% of EUR 73,648				<u>16,202</u>
Payable corporate taxes				<u><u>55,148</u></u>

2.1 BALANCE SHEET AS AT 31 DECEMBER 2023

		31-12-2023		31-12-2022	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
<i>Intangible assets</i>	1				
Other intangible assets		107,482		-	
Prepayments on intangible assets		-		16,270	
			107,482		16,270
<i>Property, plant and equipment</i>	2				
Machinery		184,966		-	
Furniture, fixtures and fittings		11,195		-	
Property, plant and equipment in progress and prepayments of property, plant and equipment		569,545		-	
			765,706		-
<i>Financial assets</i>	3		739,271		663,617
Current assets					
<i>Receivables</i>					
Trade receivables	4	7,906,548		4,091,594	
Receivables from group companies	5	3,007,626		8,423,439	
Taxes and social security charges	6	13,372		13,372	
Other receivables and current assets	7	6,568,122		4,632,046	
			17,495,668		17,160,451
<i>Cash and cash equivalents</i>					
Other banks			10,273,679		7,781,158
Total assets			29,381,806		25,621,496

		<u>31-12-2023</u>		<u>31-12-2022</u>	
		EUR	EUR	EUR	EUR
EQUITY AND LIABILITIES					
Equity	8				
Issued share capital	9	11,539		11,539	
Share premium reserve		17,554,754		17,554,754	
General reserve		<u>(11,144,863)</u>		<u>(11,489,875)</u>	
		6,421,430		6,076,418	
Current liabilities					
Trade payables	10	224,282		189,143	
Liabilities to group companies	11	21,631,641		18,375,704	
Taxes and social security contributions	12	55,148		52,399	
Other payables and short term liabilities	13	<u>1,049,305</u>		<u>927,832</u>	
		22,960,376		19,545,078	
Total equity and liabilities		<u>29,381,806</u>		<u>25,621,496</u>	

2.2 INCOME STATEMENT FOR THE YEAR 2023

		2023	2022
		EUR	EUR
Net turnover	14	60,677,498	52,426,910
Cost of sales	15	(613,589)	(598,111)
Gross margin		60,063,909	51,828,799
Expenses work contracted out and other external expenses	16	54,262,734	45,774,069
Personnel expenses	17	97,386	120,032
Depreciation of intangible and tangible fixed assets	18	47,095	-
Other operating expenses	19	5,353,306	5,672,564
Total operating expenses		59,760,521	51,566,665
Operating result		303,388	262,134
Financial income and expense	20	9,395	529
Result before taxation		312,783	262,663
Taxation	21	(78,053)	(79,269)
		234,730	183,394
Share in result from participations	22	110,282	144,767
Result after taxes		345,012	328,161

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Ezugi N.V. is Abraham Mendez Chumaceiro Boulevard 03, in Willemstad, Curaçao. Ezugi N.V. is registered at the Chamber of Commerce under number 126712.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with the accounting policies selected and disclosed by the company, and as set out in the notes to the financial statements. 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 periods presented, unless otherwise stated.

Basis of preparation

Valuation of assets and liabilities and determination of the result take 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.

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

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to the relevant section.

Research costs are recognised in the income statement. Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realised) and the cost can be determined reliably. A legal reserve has been recognised within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset.

Property, plant and equipment

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as Ezugi N.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the income statement.

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 Ezugi 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.

Share premium

The share premium originates from overpayments on the face value of the shares.

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.

Gross operating result

The gross margin includes the net turnover, change in finished products and work-in-progress, capitalised production costs of own assets, other operating income, costs of raw materials and consumables and costs of work contracted out, and other external costs. 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.

Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer.

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

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.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Ezugi N.V.
Willemstad

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as Ezugi N.V. has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the income statement.

Other interest income and related income

Interest income are recognised on a pro rata basis, taking account of the effective interest rate of the assets to which they relate.

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

Fixed assets

1 Intangible assets

	Other intangi- ble assets	Prepayments on intangible assets	Total
	EUR	EUR	EUR
Book value as at 1 January 2023	-	16,270	16,270
Allocated to other intangible assets	-	(16,270)	(16,270)
Additions	129,186	-	129,186
Depreciation	(21,704)	-	(21,704)
Book value as at 31 December 2023	<u>107,482</u>	<u>-</u>	<u>107,482</u>

2 Property, plant and equipment

	Machinery	Furniture, fixtures and fittings	Property, plant and e- quipment in progress and prepayments of property, plant and e- quipment	Total
	EUR	EUR	EUR	EUR
Book value as at 1 January 2023	-	-	-	-
Movements				
Additions	208,818	12,734	569,545	791,097
Depreciation	(23,852)	(1,539)	-	(25,391)
Balance movements	184,966	11,195	569,545	765,706
Balance as at 31 December 2023				
Cost or manufacturing price	208,818	12,734	569,545	791,097
Accumulated depreciation	(23,852)	(1,539)	-	(25,391)
Book value as at 31 December 2023	184,966	11,195	569,545	765,706

	31-12-2023 EUR	31-12-2022 EUR
3 Financial assets		
Participations in group companies	739,271	663,617
Participations in group companies		
Rommemut Ruach, Israel, 100%	739,271	663,617

Current assets

Receivables

4 Trade receivables

Trade debtors	9,131,973	5,246,622
Provision for bad debts	(1,225,425)	(1,155,028)
	7,906,548	4,091,594

Ezugi N.V.
Willemstad

5 Receivables from group companies

Evolution Alderney Ltd.	-	93,615
Evolution Malta Ltd.	-	1,894,691
Ezugi NJ LLC	1,669,437	4,414,972
Evolution Services SA Ltd	5,511	12,079
Ezugi RO SRL	1,277,678	2,002,524
Evolution Netherlands B.V.	55,000	-
Evo Latam Corp SRL	-	5,558
	<u>3,007,626</u>	<u>8,423,439</u>

6 Taxes and social security charges

Deferred tax assets	<u>13,372</u>	<u>13,372</u>
---------------------	---------------	---------------

7 Other receivables and current assets

Net wages	1,624	-
Accrued income	5,838,270	4,463,088
Misc prepaid expenses	<u>728,228</u>	<u>168,958</u>
	<u>6,568,122</u>	<u>4,632,046</u>

EQUITY AND LIABILITIES

8 Equity

	Issued share capital	Share premium reserve	General reserve	Total
	EUR	EUR	EUR	EUR
Balance as at 1 January 2023	11,539	17,554,754	(11,489,875)	6,076,418
Appropriation of result	-	-	345,012	345,012
Balance as at 31 December 2023	<u>11,539</u>	<u>17,554,754</u>	<u>(11,144,863)</u>	<u>6,421,430</u>

9 Issued share capital

The share capital is USD 13,695 consisting of 13,695 shares each with a nominal value USD 1.--

Current liabilities

	31-12-2023 EUR	31-12-2022 EUR
10 Trade payables		
Trade creditors	<u>224,282</u>	<u>189,143</u>
11 Liabilities to group companies		
Evolution Malta Ltd.	21,631,641	18,370,297
Evolution Latvia SIA	<u>-</u>	<u>5,407</u>
	<u>21,631,641</u>	<u>18,375,704</u>
12 Taxes and social security contributions		
Corporate income tax payable	<u>55,148</u>	<u>52,399</u>
13 Other payables and short term liabilities		
Net wages	-	11,268
Audit and consultancy costs	-	3,000
Accrued expenses	348,914	393,184
Bonuses	600,000	420,000
Deferred income	<u>100,391</u>	<u>100,380</u>
	<u>1,049,305</u>	<u>927,832</u>

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2023

	2023 EUR	2022 EUR
14 Net turnover		
Revenues (foreign sourced income)	<u>60,677,498</u>	<u>52,426,910</u>
15 Cost of sales		
Cost of sales	<u>613,589</u>	<u>598,111</u>
Cost of sales		
Direct revenue sharing	669,801	515,562
IP royalties	<u>(56,212)</u>	<u>82,549</u>
	<u>613,589</u>	<u>598,111</u>
16 Expenses work contracted out and other external expenses		
Other external expenses	<u>54,262,734</u>	<u>45,774,069</u>
Other external expenses		
Direct operation services	52,816,421	44,929,167
Studio services	1,424,383	821,481
Gaming licenses	<u>21,930</u>	<u>23,421</u>
	<u>54,262,734</u>	<u>45,774,069</u>
17 Personnel expenses		
Other staff expenses	<u>97,386</u>	<u>120,032</u>
Other staff expenses		
Recruitment expenses	76,469	120,032
Study and training expenses	17,709	-
Other staff expenses	<u>3,208</u>	<u>-</u>
	<u>97,386</u>	<u>120,032</u>
18 Depreciation of intangible and tangible fixed assets		
Afschrijvingen immateriële vaste activa	21,704	-
Depreciation of property, plant and equipment	<u>25,391</u>	<u>-</u>
	<u>47,095</u>	<u>-</u>

Depreciation of property, plant and equipment

Depreciation costs installations	23,852	-
Furniture, fixtures and fittings	1,539	-
	<u>25,391</u>	<u>-</u>
	2023	2022
	EUR	EUR

19 Other operating expenses

Housing expenses	2,332	-
Selling expenses	1,167,405	1,814,969
Office expenses	242,598	191,898
General expenses	3,940,971	3,665,697
	<u>5,353,306</u>	<u>5,672,564</u>

Housing expenses

Rental expenses	2,326	-
Cleaning	6	-
	<u>2,332</u>	<u>-</u>

Selling expenses

Marketing	596,176	313,704
Representation expenses	75,623	92,291
Travelling and lodging	422,488	395,977
Advertising expenses	2,658	-
Addition to provision doubtful debtor	70,460	1,012,997
	<u>1,167,405</u>	<u>1,814,969</u>

Office expenses

Office supplies	1,455	-
Postage	22	-
Telephone, fax and internet	4,835	2,978
Automation expenses	236,200	188,920
Repair and maintenance office furniture	86	-
	<u>242,598</u>	<u>191,898</u>

Ezugi N.V.
Willemstad

General expenses

Audit costs, other non-audit services	(3,081)	3,082
Booking differences	(10)	10
Legal fees	120,040	83,164
Consulting services	3,216,459	2,538,708
Bank expenses	594,553	1,031,640
Other general expenses	13,010	9,093
	<u>3,940,971</u>	<u>3,665,697</u>
	<u>2023</u>	<u>2022</u>
	EUR	EUR

20 Financial income and expense

Interest and similar income	275,142	-
Interest and similar expenses	-	(30,098)
Currency translation differences	(265,747)	30,627
	<u>9,395</u>	<u>529</u>

21 Taxation

Corporate income tax	<u>(78,053)</u>	<u>(79,269)</u>
----------------------	-----------------	-----------------

Corporate income tax 2023	(55,148)	(79,269)
Corporate income tax previous years	(22,905)	-
Total	<u>(78,053)</u>	<u>(79,269)</u>

22 Share in result from participations

Rommemut Ruach	<u>110,282</u>	<u>144,767</u>
----------------	----------------	----------------

Willemstad, November 21, 2024
Ezugi N.V.