

Pomadorro N.V.

FINANCIAL STATEMENTS 2021

Pomadorro N.V.
Groot Kwartierweg 10, Livestrong Building
Curaçao
Chamber of Commerce: 131629

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Pomadorro N.V.

Management Board's report

We are pleased to present you with the Annual Report for the period January 01, 2021 through December 31, 2021.

During the period under review, the Company recorded a net profit of EUR 459,878. Details of which are set out in the attached Profit and Loss account.

Curaçao,

eMoore N.V.
Managing Director

Pomadorro N.V.

Balance sheet as at 31 December 2021

(Before appropriation of result)

Assets

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Fixed assets		
Financial assets		
Investments	1 3,000	3,000
Loan receivables	2 312,126	304,434
	<u>315,126</u>	<u>307,434</u>
Current assets		
Receivables from related parties	3 3,425	106,881
Other receivables	4 5,670,393	3,970,398
	<u>5,673,818</u>	<u>4,077,279</u>
Cash and cash equivalents	5 663,066	202,123
Total assets	<u>6,652,010</u>	<u>4,586,836</u>
Equity and liabilities		
Equity	6	
Share capital	1	1
Share premium	18,418	18,418
Retained earnings / accumulated deficit	(1,523,620)	2,892,741
Result for the year	459,878	(4,416,361)
	<u>(1,045,323)</u>	<u>(1,505,201)</u>
Current liabilities		
Accounts payable	7 1,561,198	1,504,279
Payable to related parties	8 6,136,135	4,587,758
	<u>7,697,333</u>	<u>6,092,037</u>
Total equity and liabilities	<u>6,652,010</u>	<u>4,586,836</u>

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Income statement for the year 2021

	<u>2021</u>	<u>2020</u>
	€	€
Revenues	71,928,070	54,518,199
Operational cost	⁹ (69,082,784)	(59,655,910)
Net operating result	2,845,286	(5,137,711)
General and administrative expenses	¹⁰ 317,787	140,247
Total of operating result	<u>2,527,499</u>	<u>(5,277,958)</u>
Correction balance PY	615,836	(277,442)
Interest income loan	7,692	7,465
Depreciation expenses	-	(14,099)
Interest expenses	(4,561)	-
Currency translation differences	<u>(2,686,588)</u>	<u>1,145,673</u>
Financial income and expense	<u>(2,067,621)</u>	<u>861,597</u>
Result before tax	459,878	(4,416,361)
Profit tax	<u>-</u>	<u>-</u>
NET RESULT FOR THE YEAR	<u><u>459,878</u></u>	<u><u>(4,416,361)</u></u>

Pomadorro N.V.

Notes to the financial statements

Entity information

General notes

The most important activities of the entity

Pomadorro N.V. is a limited liability company that was incorporated in Willemstad on January 24, 2014. The Company is registered with the Chamber of Commerce and Industry of Curaçao under number 131629.

The Company is solely engaged in e-gaming activities.

General accounting principles

The accounting standards used to prepare the financial statements

The accompanying annual accounts have been prepared in accordance with Book 2 of the Curaçao Civil Code using the guidelines for annual reporting of the Dutch Accounting Standards Board.

Assets and liabilities are stated at face value unless indicated otherwise.

Disclosure of changes in accounting policies

The financial statements have been prepared in accordance with Book 2 of the Curaçao Civil Code using the Guidelines for annual reporting of the Dutch Accounting Standards Board.

Assets and liabilities are stated at face value unless indicated otherwise.

Change in accounting policies

The principles of valuation and determination of result remained unchanged compared to the previous year.

Conversion of amounts denominated in foreign currency

The financial statements are presented in euros, which is the functional and presentation currency of Pomadorro N.V.

Assets and liabilities denominated in foreign currencies are translated into administration currency at the rate of exchange prevailing at balance sheet date. Transactions in foreign currencies are translated at the exchange rates in effect on the day of the transaction. Items in the Statement of Income and Expenses were revalued at the average rate of exchange during the period under review.

Exchange gains or losses are reflected in the profit and loss account. Exchange rates used:

1EUR=	USD	SEK	RUB
2021	1.1324	10.2407	84.334
2020	1.2282	10.0545	91.129

Accounting principles

Financial assets

The investments in subsidiaries are stated at cost price.

Receivables

Receivables are valued at face value less a provision for possible uncollectable accounts.

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Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances.

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value

Current assets

Current assets are initially valued at the fair value of the consideration to be received. Trade receivables are subsequently valued at the amortised cost price. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

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

Result is determined as the difference between income generated by the supply of services, and the costs and other charges for the year. Income from transactions is recognized in the year in which it has been realized; losses are taken as soon as they are foreseeable.

General and administrative expenses

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

Recognition of Income and Expenses

Other income and expenses, including taxation, are recognized and reported in accordance with the accrual concept.

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Notes to the balance sheet

Financial assets

1 Investments

As at 31 December 2021 this item can be detailed as follows:

	Domicile	Holding %	31-12-2021	31-12-2020
			€	€
Miliano LTD	Cyprus	100	1,000	1,000
Darmaco Trading Limited	Cyprus	100	1,000	1,000
Darklace Limited	Cyprus	100	1,000	1,000
			<u>3,000</u>	<u>3,000</u>

2 Loan receivables

Receivable from Miliano LTD	56,672	53,973
Receivable from Darmaco Trading Limited	254,632	249,639
Receivable from Darklace Limited	822	822
	<u>312,126</u>	<u>304,434</u>

3 Receivables from related parties

Receivable from Miliano LTD	3,425	3,425
Receivable from Darklace Limited	-	103,456
	<u>3,425</u>	<u>106,881</u>

Receivable from Miliano LTD

Balance as at 1 January	3,425	-
Movement for the year	-	3,425
Balance as at 31 December	<u>3,425</u>	<u>3,425</u>
	<u>2021</u>	<u>2020</u>
	€	€

Receivable from Darklace Limited

Balance as at 1 January	103,456	-
Movement of the year	(103,456)	103,456
Balance as at 31 December	<u>-</u>	<u>103,456</u>

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	31-12-2021	31-12-2020
	€	€
4 Other amounts receivable		
Receivables - PSP wallet balances *	5,425,128	3,725,133
Receivable profit tax 2017	6,565	6,565
Receivable Dockway	437	437
Villardo Ltd	119,697	119,697
Preliminary tax 2018	118,566	118,566
	<u>5,670,393</u>	<u>3,970,398</u>

* The receivables with payment service providers (PSP wallets) are receivables from various financial institutions that facilitate the payment process between the Company and its customers. The receivable at year end consists of the total deposits minus withdrawals of the players and minus a commission for services provided. The amounts are settled in most cases weekly, monthly or quarterly to the bank accounts of the Company depending on the amount to be settled. No interest is accruable on the funds considering these are part player funds and part settled revenue in transit.

	31-12-2021	31-12-2020
	€	€
5 Cash and cash equivalents		
Cash	1	1
Wirecard Bank AG, current account	-	201,624
Paymix Ltd, current account EUR	592,681	498
Migom Bank, current account	36,146	-
Bilderlings, current account	27,607	-
Emerald., current account	5,122	-
XPATE_EUR Muvon., current account	1,509	-
	<u>663,066</u>	<u>202,123</u>

6 Equity

The Initial authorized share capital of the Company amounted to EUR 1 and consists of 1 share with a nominal value of EUR 1.00 each.

Movements in equity were as follows:

	Share capital	Share pre- mium	Retained earnings / accumulated deficit	Result for the year	Total
	€	€	€	€	€
Balance as at 1 January 2021	1	18,418	2,892,741	(4,416,361)	(1,505,201)
Appropriation of result	-	-	(4,416,361)	4,416,361	-
Result for the year	-	-	-	459,878	459,878
Balance as at 31 December 2021	<u>1</u>	<u>18,418</u>	<u>(1,523,620)</u>	<u>459,878</u>	<u>(1,045,323)</u>

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	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
7 Accounts payable		
Software and license fees	212,169	74,547
Other Creditors	736,859	779,659
Players balances	612,170	650,073
	<u>1,561,198</u>	<u>1,504,279</u>

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
8 Payable to related parties		
Payable to Darmaco Trading Limited	6,118,401	4,559,327
Payable to Darklace Limited	17,734	28,431
	<u>6,136,135</u>	<u>4,587,758</u>

	<u>2021</u>	<u>2020</u>
	€	€
Payable to Darmaco Trading Limited		
Balance as at 1 January	4,559,327	-
Movement for the year	1,559,074	4,559,327
Balance as at 31 December	<u>6,118,401</u>	<u>4,559,327</u>

	<u>2021</u>	<u>2020</u>
	€	€
Payable to Darklace Limited		
Balance as at 1 January	28,431	-
Movement for the year	(10,697)	28,431
Balance as at 31 December	<u>17,734</u>	<u>28,431</u>

An amount of EUR 103,456, previously recorded as a receivable in the prior year, has been reclassified to liability to Darklace Limited in the current year after determining it represents a payable obligation. This reclassification has no impact on profit or loss.

Pomadorro N.V.**Notes to the income statement**

	<u>2021</u>	<u>2020</u>
	€	€
9 Operational costs		
Recharge Agency, Marketing & Promotion expenses Darmaco	27,519,995	33,526,779
PSP transactions & commission costs Darmaco	14,266,328	6,103,914
Internet-, IT & support-, software & Hosting fees	4,775,160	3,890,013
Software License fees	2,367,428	3,810,178
Direct cost operational	2,182,244	2,140,913
Payment processing fees	9,186,302	2,131,874
Casino affiliate commission & royalties	2,179,634	2,270,795
Call center services Aniksa	1,995,860	1,955,000
PSP Wallet corrections	-	1,895,741
Marketing & Advertisement expenses	4,494,489	1,465,200
Agency and Marketing, commission expenses Darklace	81,488	426,387
Substance expenses	10,768	18,893
Sublicense fees - Antillephone Services N.V.	13,515	15,605
Bandwidth expenses - E-Commerce Park	9,043	4,618
Customer support expenses	530	-
	<u>69,082,784</u>	<u>59,655,910</u>
	<u>2021</u>	<u>2020</u>
	€	€

10 General and administrative expenses

Bank expenses	194,734	7,002
Management expenses	109,646	122,749
Legal and professional expenses	11,845	7,710
Other expenses	1,562	2,021
Staff expenses - social premium	-	765
	<u>317,787</u>	<u>140,247</u>

Disclosure of income tax expense

The Company's profit tax is determined in accordance with the territorial tax regime of Curaçao. Under this regime, a profit tax rate is applied to the taxable domestic net result.