

Betrust Entertainment B.V.

Financial Statements

for the years ended December 31, 2022 and December 31, 2021

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Betrust Entertainment B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	247,632	290,095
Receivable from subsidiary	5	6,982,221	4,149,821
Receivable from group companies		188,747	-
Prepaid expenses		18,361	2,000
Total current assets		7,436,961	4,441,916
Non-current assets			
Intangible assets	6	18,181	-
Investment in subsidiary	7	1,200	1,200
Total non-current assets		19,381	1,200
Total assets		7,456,342	4,443,116
Equity and liabilities			
Current liabilities			
Dividend payable		-	800,000
Accounts payable (Net)		407,938	200,988
Payable to players (Net)		465,278	1,228,283
Payable to group companies		700,000	-
Payable to shareholders	8	14,817	14,817
Profit tax payable		11,787	11,434
Accrued expenses		3,731,972	970,169
Other payables	9	4,985	4,985
Total current liabilities		5,336,777	3,230,676
Equity			
Issued capital	10	90	90
Retained earnings / (Accumulated losses)		2,119,475	1,212,350
Total equity		2,119,565	1,212,440
Total liabilities and equity		7,456,342	4,443,116

See accompanying notes.



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Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue (Net)	11	13,863,221	7,207,424
Direct cost	12	-8,643,489	-5,048,521
Gross profit / (loss)		5,219,732	2,158,903
Selling and marketing expenses		-3,179,984	-1,144,101
Amortization	6	-527	-
Administrative expenses	13	-172,948	-11,576
Profit / (loss) from operations		1,866,273	1,003,226
Finance cost	14	-108,795	-54,763
Profit / (loss) before tax		1,757,478	948,463
Profit tax expense	3	-353	-389
Profit / (loss) for the year		1,757,125	948,074
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		1,757,125	948,074
Attributable to the owners		1,757,125	948,074

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, 2020	90	264,276	264,366
Profit / (loss) for the year	-	948,074	948,074
Other comprehensive income	-	-	-
Dividend declared	-	-	-
Total comprehensive income / (loss) for the year	-	948,074	948,074
Balance, December 31, 2021	90	1,212,350	1,212,440
Profit / (loss) for the year	-	1,757,125	1,757,125
Other comprehensive income	-	-	-
Dividend paid	-	-850,000	-850,000
Total comprehensive income / (loss) for the year	-	907,125	907,125
Balance, December 31, 2022	90	2,119,475	2,119,565

See accompanying notes.



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Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		1,757,125	948,074
Add: Profit tax expense		353	389
Add: Amortization		527	-
(Increase) / decrease in receivable from subsidiary		-2,832,400	-3,153,892
(Increase) / decrease in receivable from group companies		-188,747	-
(Increase) / decrease in prepaid expenses		-16,361	-11
Increase / (decrease) in dividend payable		-800,000	-
Increase / (decrease) in accounts payable		206,950	77,287
Increase / (decrease) in payable to players		-763,005	1,201,005
Increase / (decrease) in payable to group companies		700,000	-
Increase / (decrease) in accrued expenses		2,761,803	970,169
Net cash generated from operating activities		826,245	43,021
Cash flow from investing activities			
(Increase) / decrease in intangible assets		-18,708	-
Net cash generated from investing activities		-18,708	-
Cash flow from financing activities			
Dividend declared and paid		-850,000	-
Net cash generated from financing activities		-850,000	-
Net increase / (decrease) in cash		-42,463	43,021
Cash at the beginning of the year		290,095	247,074
Cash at the end of the year	4	247,632	290,095

See accompanying notes.



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

Betrust Entertainment B.V. (the company) was established on August 31, 2016 in Curaçao as a private limited liability company. The address of its registered office is Fransche Bloemweg 4, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 141214.

The main objectives of the company are:

1a. to organize, market, promote, manage and operate all types of remote gaming activities, comprising all types of games, betting transactions, the operation of betting exchanges, interactive casinos, bingos, lotteries and other interactive games and to carry out any activities ancillary thereto by offering goods or services to persons who participate in licensed online gaming;

b. to act as buyers, sellers either by wholesale or retail or correspondence, promoters, importers, exporters, bailees, commission merchants and commission agents and brokers in respect of all types of plant, machinery, equipment, merchandise, goods, products and raw materials without restriction as to type or volume, and whether for immediate or future delivery, and whether on a cash or margin basis, in particular software and hardware required in the electronic gaming business;

c. to purchase or otherwise acquire and import equipment required by the company in order to carry out its objects.

2. The company is entitled to do all that may be useful or necessary for the attainment of its object or that is connected there with in the widest sense, including participating in any other venture or company.

3. The business of the company shall exclusively be conducted in an economic zone as expressed in the National Ordinance dated the twelfth day of February two thousand and one (P.B. 2001, number 18).

The management of the company is borne by a board of directors. As of December 31, 2022, the management of the company is borne by a single statutory director:

- Xecutive Corporate Management B.V.

Statutory Director



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2. Summary of significant 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.

Investment

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.

Intangible assets

Intangible assets are initially recognized at cost and amortized over the useful life of the assets.



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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 financial assets include cash and cash equivalents, 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.

Revenue recognition

Casino revenue is represented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.



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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, 2022 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 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.

4. Cash and cash equivalents

	2022	2021
Balances with bank and PSPs		
Paysafe	82,633	82,633
Empcorp	80,777	80,777
Paydoo	41,460	41,460
TransactEurope	14,371	14,371
Neteller	13,637	15,711
Skrill	12,354	2,743
Flutterwave	2,400	2,400
Utorg	-	50,000
	247,632	290,095




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5. Receivable from subsidiary

	<u>2022</u>	<u>2021</u>
C/A Balthenie Limited	6,982,221	4,149,821
	<u>6,982,221</u>	<u>4,149,821</u>

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

6. Intangible assets

	<u>2022</u>	<u>2021</u>
Computer software and domain	18,708	-
Less: Amortization	-527	-
	<u>18,181</u>	<u>-</u>

7. Investment in subsidiary

As at December 31, 2022 and December 31, 2021, the company holds 99.99% investment in Balthenie Limited, a company incorporated and domiciled in the Republic of Cyprus.

	<u>2022</u>	<u>2021</u>
Balthenie Limited	1,200	1,200
(1,200 Equity shares of EUR 1.00 each)		
	<u>1,200</u>	<u>1,200</u>

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. Payable to shareholders

Payable to shareholders represents expenses incurred by the shareholders on behalf of the company net of the amount due from them. The payable does not carry any interest and is repayable on demand.

9. Other payables

	<u>2022</u>	<u>2021</u>
C/A Zion Investment	4,985	4,985
	<u>4,985</u>	<u>4,985</u>

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



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10. Issued capital

The issued capital of the company as at December 31, 2022 and December 31, 2021, consists of 100 common shares with a nominal value of USD 1 subscribed for EUR 90.

EUR 850,000 and EUR 800,000 were declared as dividends in 2022 and 2021.

11. Revenue (Net)

	2022	2021
Casino revenues	19,765,804	10,250,064
Less: Payouts	-6,252,228	-3,372,056
	13,513,576	6,878,008
Marketing Support Revenue(net)	349,645	329,416
	13,863,221	7,207,424

12. Direct cost

	2022	2021
Support services	2,677,070	855,358
Aggregators fees	2,624,938	-
Payment processing fees	2,430,388	1,798,648
Platform fees	898,034	2,320,319
License and server fees	7,971	73,212
Software expenses	5,088	984
	8,643,489	5,048,521

13. Administrative expenses

	2022	2021
IT expenses	89,699	1,884
Traveling expenses	28,436	-
Professional fees	33,441	3,742
Annual compliance fees	9,500	2,750
Rent expenses	4,566	350
Annual management fees	3,011	2,239
Subscriptions and donations	1,197	-
Other expenses	3,098	611
	172,948	11,576



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14. Finance cost

	2022	2021
Impairment loss on trade receivables	89,839	-
Foreign exchange loss	18,956	78
Impairment on player's funds held	-	48,519
Bank charges	-	6,166
	108,795	54,763

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

16. Contingencies, commitments and legal proceedings

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

17. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2022. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2022.



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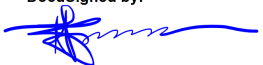
18. Authorization for issue

These financial statements for the year ended December 31, 2022 were approved by the board of directors and authorized for issue on May 26, 2023.

Board of Directors:NameFunctionSignature

Xecutive Corporate Management B.V.

Statutory Director

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