

MANDARIN GAMING N.V.
REPORT AND MANAGEMENT FINANCIAL
STATEMENTS
Year ended 31 December 2023

MANDARIN GAMING N.V.

REPORT AND MANAGEMENT FINANCIAL STATEMENTS

Year ended 31 December 2023

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MANDARIN GAMING N.V.

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors: eMoore N.V.

Independent Practitioner: K. Treppides & Co Limited
Certified Public Accountants and Registered Auditors
Treppides Tower
9, Kafkasou Street, Aglantzia
2112, Nicosia, Cyprus

Registered office: 10, Groot Kwartierweg
Willemstad
Curacao

Registration number: 95911

MANDARIN GAMING N.V.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and management financial statements of Mandarin Gaming N.V. (the "Company") for the year ended 31 December 2023.

Principal activities and nature of operations of the Company

The principal activities of the Company are the provision of online gaming services and marketing services. The Company holds a license with the Curacao Gaming Authority under license OGL/2024/907/0376.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 5 and 6 of the financial statements.

Existence of branches

The Company does not maintain any branches.

Results

The Company's results for the year are set out on page 5.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The sole member of the Company's Board of Directors as at 31 December 2023 and at the date of this report is presented on page 1.

In accordance with the Company's Articles of Association the Sole Director presently member of the Board continues in office.

There were no significant changes in the remuneration of the Board of Directors.

Events after the reporting period

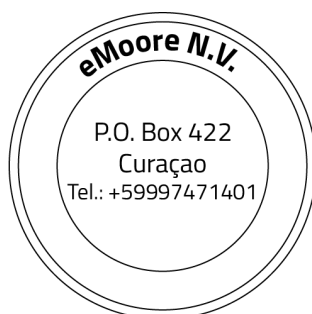
Any significant events that occurred after the end of the reporting period are described in note 21 of the financial statements.

By order of the Board of Directors,

Chantal van der Leeuw, proxy holder.

eMoore N.V.
Director

Curacao,
May 25, 2026



Independent Practitioner's Review Report

To the Members of Mandarin Gaming N.V.

Report on the Financial Statements

We have reviewed the financial statements of parent company Mandarin Gaming N.V. (the "Company"), which are presented in pages 5 to 23 and comprise the statement of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the financial statements, including material accounting policy information.

Material Uncertainty Related to Going Concern

We draw attention to note 4 of the financial statements which indicates that even though the Company has made a profit of US\$1.258.316 during the year ended 31 December 2023, as of that date the Company's liabilities exceeded its assets by US\$9.180.282. As stated in note 4, these events or conditions, along with other matters as set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised) "Engagements to Review Historical Financial Statements". ISRE 2400 (Revised) "Engagements to Review Historical Financial Statements" requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) "Engagements to Review Historical Financial Statements" is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Independent Practitioner's Review Report (continued)

To the Members of Mandarin Gaming N.V.

Conclusion

Based on our review, except for the fact that the Company has not prepared consolidated financial statements as required by the International Financial Reporting Standard 10 'Consolidated Financial Statements', nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, (or do not give a true and fair view of) the financial position of Mandarin Gaming N.V. as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs).

Georgios Strati
Certified Public Accountant and Registered Auditor for and on behalf of

K. Treppides & Co Limited
Certified Public Accountants and Registered Auditors

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MANDARIN GAMING N.V.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	2023 US\$	2022 US\$
Revenue	7	100.565.293	91.625.493
Cost of sales	8	(100.698.777)	(92.442.054)
Gross loss		(133.484)	(816.561)
Other operating income	9	15.490	26.702
Administration expenses	10	(81.757)	(60.975)
Operating loss		(199.751)	(850.834)
Net finance income	11	1.458.067	86.769
Profit/(loss) before tax		1.258.316	(764.065)
Tax	12	-	-
Net profit/(loss) for the year		1.258.316	(764.065)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		1.258.316	(764.065)

The notes on pages 9 to 23 form an integral part of these financial statements.

MANDARIN GAMING N.V.

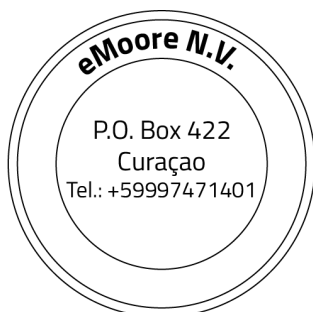
STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 US\$	2022 US\$
ASSETS			
Non-current assets			
Intangible assets	13	10.857	21.907
Investment in subsidiary	14	1.158	1.158
		12.015	23.065
Current assets			
Trade and other receivables	15	26.716.299	25.772.029
Total assets		26.728.314	25.795.094
EQUITY AND LIABILITIES			
Equity			
Share capital	16	6.000	6.000
Accumulated losses		(9.186.282)	(10.444.598)
Total equity		(9.180.282)	(10.438.598)
Current liabilities			
Trade and other payables	17	35.908.596	36.233.692
Total liabilities		35.908.596	36.233.692
Total equity and liabilities		26.728.314	25.795.094

On May 25, 2026 the Board of Directors of Mandarin Gaming N.V. authorised these financial statements for issue.

Chantal van der Leun, proxy holder.
.....
eMoore N.V.
Director



The notes on pages 9 to 23 form an integral part of these financial statements.

MANDARIN GAMING N.V.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital US\$	Accumulated losses US\$	Total US\$
Balance at 1 January 2022	6.000	(9.680.533)	(9.674.533)
Comprehensive income			
Total comprehensive loss for the year	-	(764.065)	(764.065)
Balance at 31 December 2022/ 1 January 2023	6.000	(10.444.598)	(10.438.598)
Comprehensive income			
Total comprehensive income for the year	-	1.258.316	1.258.316
Balance at 31 December 2023	6.000	(9.186.282)	(9.180.282)

The notes on pages 9 to 23 form an integral part of these financial statements.

MANDARIN GAMING N.V.

CASH FLOW STATEMENT

Year ended 31 December 2023

	Note	2023 US\$	2022 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		1.258.316	(764.065)
Adjustments for:			
Amortisation of trademarks and licences	13	11.050	10.666
Reversal of expected credit loss on receivables with related parties	9	-	(26.702)
Cash flows used in operations before working capital changes		1.269.366	(780.101)
Changes in working capital:			
Trade and other receivables	15	(944.270)	5.608.488
Trade and other payables	17	(325.096)	(4.828.387)
Cash generated from operations		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at end of the year		-	-

The notes on pages 9 to 23 form an integral part of these financial statements.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. Incorporation and principal activities

Country of incorporation

Mandarin Gaming N.V. (the "Company") was incorporated in Curacao on 3 December 2004, as an international business company with limited liability. Its registered office is at 10, Groot Kwartierweg, Willemstad, Curacao.

Principal activities

The principal activities of the Company are the provision of online gaming services and marketing services. The Company holds a license with the Curacao Gaming Authority under license OGL/2024/907/0376.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Account Standards Board (IASB). The financial statements have been prepared under the historical cost convention.

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the IASB. These are separate financial statements that contain information about Mandarin Gaming N.V. as an individual company and do not contain consolidated financial information as the parent of a group.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

Even though the Company has made a profit of US\$1.258.316 for the year ended 31 December 2023, as of that date the Company's liabilities exceeded its assets by US\$9.180.282. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated his intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due for a period of at least twelve months from the date signing these financial statements.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Significant accounting policies (continued)

Subsidiary company

Subsidiary is an entity controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in subsidiary company is stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A service that is promised to a customer is distinct if the customer can benefit from the service, either on its own or together with other resources that are readily available to the customer (that is the service is capable of being distinct) and the Company's promise to transfer the service to the customer is separately identifiable from other promises in the contract (that is, the service is distinct within the context of the contract).

- **Income from online gaming**

Income from online gaming services is recognised on an accrual basis.

- **Provision of marketing services**

Income from marketing services is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Significant accounting policies (continued)

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Significant accounting policies (continued)

Financial assets - Classification

The Company classifies its financial assets in those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Significant accounting policies (continued)

Financial assets - Measurement (continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

The debt instruments held by the Company are classified as financial assets at amortised cost.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Significant accounting policies (continued)

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Share capital

Ordinary shares are classified as equity.

5. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

5.1 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2023

	Financial assets at amortised cost US\$	Total US\$
Assets as per statement of financial position:		
Trade and other receivables (excluding deposits and prepayments)	22.688.574	22.688.574

	Borrowings and other financial liabilities US\$	Total US\$
Liabilities as per statement of financial position:		
Trade and other payables (excluding accruals)	35.875.040	35.875.040

31 December 2022

	25.768.415 US\$	Total US\$
Assets as per statement of financial position:		
Trade and other receivables (excluding deposits and prepayments)	25.768.415	25.768.415

	Borrowings and other financial liabilities US\$	Total US\$
Liabilities as per statement of financial position:		
Trade and other payables (excluding accruals)	36.203.790	36.203.790

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5. Financial risk management (continued)

5.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- receivables from related parties
- receivable from shareholder

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For all financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5. Financial risk management (continued)

5.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below:

Receivables from related parties

For the purposes of measuring expected credit losses in accordance with IFRS 9, management assesses credit risk on an individual borrower basis. The assessment incorporates the borrower's financial information and relevant external data, including information obtained from Bloomberg, to derive an internal credit rating. This rating is a key input into the expected credit loss calculation and is used to assess changes in credit risk since initial recognition.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

	2023 US\$	2022 US\$
Gross carrying amount	26.788.824	25.857.883
Less: Expected credit loss	(101.127)	(89.468)
Total	26.687.697	25.768.415

The loss allowance for these assets as at 31 December 2022 and 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

	Stage 1 Performing US\$	Total US\$
Opening balances as at 1 January 2022	116.170	116.170
Reversal of expected credit loss (Note 9)	(26.702)	(26.702)
Loss allowance at 31 December 2022	89.468	89.468
Expected credit loss (Note 8)	11.659	11.659
Closing loss allowance at 31 December 2023	101.127	101.127

Based on the assessment performed by management as at 31 December 2023 an expected credit loss on receivables from related parties of US\$11.659 was recognised.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5. Financial risk management (continued)

5.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivables from shareholder

The expected credit losses on receivables from shareholder were calculated based on the probability of default and loss given using the Moody's historic data for the country that the debtor is operating and the exposure at default of the receivable balance from the shareholder.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

	2023 US\$	2022 US\$
Gross carrying amount	266.723	265.657
Less: Expected credit loss	(266.723)	(265.657)
Total	-	-

The loss allowance for these assets as at 31 December 2022 and 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

	Stage 1 Performing US\$	Total US\$
Opening balances as at 1 January 2022	265.657	265.657
Loss allowance at 31 December 2022	265.657	265.657
Other changes	1.066	1.066
Closing loss allowance at 31 December 2023	266.723	266.723

5.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has no formal procedures with the object of minimising such losses. The Company has no significant exposure to liquidity risk as the majority of its trade and other payables are with related companies who will not call for repayment unless the entity is in position to do so.

5.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 4.

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Critical judgements in applying the Company's accounting policies

- **Impairment of investment in subsidiary**

The Company periodically evaluates the recoverability of investment in subsidiary whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 5, Credit risk section.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6. Critical accounting estimates, judgments and assumptions (continued)

- **Impairment of intangible assets**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

7. Revenue

	2023	2022
	US\$	US\$
Online gaming services income	100.565.293	91.362.655
Marketing services income	-	262.838
	<u>100.565.293</u>	<u>91.625.493</u>

8. Cost of sales

	2023	2022
	US\$	US\$
Consulting services received	7.568.616	433.055
Affiliate service cost	26.123	39.327
IT support and maintenance cost	261.423	375.081
Payment services providers charges	53.317.151	45.364.492
Web analysis fees	227.325	218.362
Online gaming service costs	18.981.442	17.274.485
Commission costs (Note 18.1)	9.941.657	9.219.442
Software fees	-	5.681.343
Marketing services	9.821.745	13.254.054
Travelling expenses	287.970	141.371
Other expenses	265.325	441.042
	<u>100.698.777</u>	<u>92.442.054</u>

The expenses charged to Livepoint Trading Limited from third parties on behalf of Mandarin Gaming N.V. amounted to US\$56.088.063.

The expenses charged to Coaldale Enterprises Limited from third parties on behalf of Mandarin Gaming N.V. amounted to US\$34.496.263.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

9. Other operating income

	2023 US\$	2022 US\$
Amount written off	15.490	-
Reversal of expected credit loss on receivables with related parties (Note 5.2)	-	26.702
	<u>15.490</u>	<u>26.702</u>

On 31 December 2023, the payable amount with Interonline Limited of EURO14.018 equivalent to US\$15.490 has been written off.

10. Administration expenses

	2023 US\$	2022 US\$
Legalisation fees	-	7.610
Management fees	6.630	6.400
Accounting fees	9.393	9.066
Other professional fees	53.168	22.698
Annual administration fees	1.516	4.535
Amortisation of trademarks and licences (Note 13)	11.050	10.666
	<u>81.757</u>	<u>60.975</u>

Non audit fees of US\$9.393 (2022: US\$9.066) have been charged by the Company's statutory auditors.

11. Finance income

	2023 US\$	2022 US\$
Exchange profit	1.458.067	86.769
Finance income	<u>1.458.067</u>	<u>86.769</u>

12. Tax

The Company is an international business company, registered in the Curacao and under the Laws of the country. The Company's profit tax is determined in accordance with the territorial tax regime of Curacao. Under this regime, a profit tax rate is applied to the taxable domestic net result.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13. Intangible assets

	Patents and trademarks US\$
Cost	
Balance at 1 January 2022	56.170
Balance at 31 December 2022/ 1 January 2023	56.170
Balance at 31 December 2023	56.170
Amortisation	
Balance at 1 January 2022	23.597
Amortisation for the year (Note 10)	10.666
Balance at 31 December 2022/ 1 January 2023	34.263
Amortisation for the year (Note 10)	11.050
Balance at 31 December 2023	45.313
Net book amount	
Balance at 31 December 2023	10.857
Balance at 31 December 2022	21.907

14. Investment in subsidiary

	2023 US\$	2022 US\$
Balance at 1 January	1.158	1.158
Balance at 31 December	1.158	1.158

The details of the subsidiary is as follows:

Name	Country of incorporation	Principal activities	2023 Holding %	2022 Holding %	2023 US\$	2022 US\$
Livepoint Trading Limited	Cyprus	Provision of agency services	100	100	1.158	1.158

15. Trade and other receivables

	2023 US\$	2022 US\$
Trade receivables	877	-
Receivables from related party (Note 18.3)	26.788.824	25.857.883
Shareholders' current accounts - debit balances (Note 18.5)	266.723	265.657
Less: credit loss on receivables from related parties (Note 18.3 and 18.5)	(367.850)	(355.125)
Deposits and prepayments	27.725	3.614
	26.716.299	25.772.029

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 5 of the financial statements.

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

16. Share capital

	2023 Number of shares	2023 US\$	2022 Number of shares	2022 US\$
Authorised				
Ordinary shares of US\$10 each	<u>600</u>	<u>6.000</u>	<u>600</u>	<u>6.000</u>
Issued and fully paid				
Balance at 1 January	<u>600</u>	<u>6.000</u>	<u>600</u>	<u>6.000</u>
Balance at 31 December	<u>600</u>	<u>6.000</u>	<u>600</u>	<u>6.000</u>

17. Trade and other payables

	2023 US\$	2022 US\$
Trade payables	1.431.666	1.306.081
Accruals	33.556	29.902
Other payables	12.568	13.428
Payables to related parties (Note 18.4)	<u>34.430.806</u>	<u>34.884.281</u>
	<u>35.908.596</u>	<u>36.233.692</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Related party transactions

The Company is controlled and ultimately controlled by Mr. Costas Yenethlis who owns 100% of the Company's shares.

The following transactions were carried out with related parties:

18.1 Commission costs (Note 8)

	<u>Relationship</u>	2023 US\$	2022 US\$
Coaldale Enterprises Limited	Under common control	<u>9.941.657</u>	<u>9.219.442</u>

18.2 Amount written off (Note 9)

	<u>Relationship</u>	2023 US\$	2022 US\$
Interonline Limited	Under common control	<u>15.490</u>	<u>-</u>

On 31 December 2023, the payable amount with Interonline Limited of EURO14.018 equivalent to US\$15.490 has been written off.

18.3 Receivables from related parties (Note 15)

	<u>Relationship</u>	2023 US\$	2022 US\$
Livepoint Trading Limited	Subsidiary	26.788.824	25.857.883
Less: Expected credit loss		<u>(101.127)</u>	<u>(89.468)</u>
		<u>26.687.697</u>	<u>25.768.415</u>

MANDARIN GAMING N.V.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18. Related party transactions (continued)

18.4 Payables to related parties (Note 17)

	<u>Relationship</u>	2023 US\$	2022 US\$
Livepoint Trading Limited	Subsidiary	15.302.240	14.770.470
Interonline Limited	Under common control	-	14.983
Coaldale Enterprises Limited	Under common control	7.328.986	8.498.752
Global On-line Services Limited	Under common control	11.799.580	11.600.076
		<u>34.430.806</u>	<u>34.884.281</u>

18.5 Shareholders' current accounts - debit balances (Note 15)

	2023 US\$	2022 US\$
Costas Yenethlis	266.723	265.657
Less: Expected credit loss	<u>(266.723)</u>	<u>(265.657)</u>
	<u>-</u>	<u>-</u>

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023.

20. Commitments

The Company had no capital or other commitments as at 31 December 2023.

21. Events after the reporting period

Depending on the duration of the conflict between Russia and Ukraine, and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and incur impairments on its assets in 2024 which relate to new developments that occurred after the reporting period.

Except from the matters mentioned above, there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent practitioner's review report on pages 3 to 4