

**Nextgate (F.K.A. MAXXI MEDIA) N.V.**

Groot Kwartierweg 10 Livestrong Building  
Willemstad

FINANCIAL STATEMENTS 2022

## Table of contents

|                                           | Page     |
|-------------------------------------------|----------|
| <b>Director's report</b>                  | <b>2</b> |
| <b>Financial statements</b>               |          |
| Balance sheet as at 31 December 2022      | 3        |
| Profit and loss account for the year 2022 | 4        |
| Notes to the financial statements         | 5        |
| Notes to the balance sheet                | 7        |
| Notes to the profit and loss account      | 10       |

**Nextgate (F.K.A. MAXXI MEDIA) N.V.**  
**Willemstad**

**Director's report**

We are pleased to present you the Financial Statements for the period 1 January, 2022 through 31 December, 2022.

During the period under review, the Company recorded a net profit of USD 352,716. Details of which are set out in the attached Profit and Loss account.

Curaçao,

A handwritten signature in black ink, appearing to read 'Deeuw', enclosed within a circular stamp or seal.

eMoore N.V.  
Managing Director

Groot Kwartierweg 10  
Curaçao

**Nextgate (F.K.A. MAXXI MEDIA) N.V.**

**Balance sheet as at 31 December 2022**

*(Before appropriation of result)*

**ASSETS**

|                                  |   | <u>31-12-2022</u>       | <u>31-12-2021</u>       |
|----------------------------------|---|-------------------------|-------------------------|
|                                  |   | \$                      | \$                      |
| <b>Current assets</b>            |   |                         |                         |
| Receivables                      |   |                         |                         |
| Receivables from group companies | 1 | 1,035,286               | 9,885                   |
| Accounts receivable              | 2 | <u>448,945</u>          | <u>1,054,061</u>        |
|                                  |   | <u>1,484,231</u>        | <u>1,063,946</u>        |
| Cash and cash equivalents        | 3 | <u>38,225</u>           | <u>1</u>                |
| <b>Total assets</b>              |   | <u><u>1,522,456</u></u> | <u><u>1,063,947</u></u> |

**SHAREHOLDER'S EQUITY AND LIABILITIES**

|                                                   |   |                         |                         |
|---------------------------------------------------|---|-------------------------|-------------------------|
| <b>Shareholder's equity</b>                       | 4 |                         |                         |
| Share capital                                     |   | 1                       | 1                       |
| Share premium                                     |   | 102,305                 | 102,305                 |
| Retained earnings                                 |   | 827,478                 | 482,772                 |
| Result for the year                               |   | <u>352,716</u>          | <u>344,706</u>          |
|                                                   |   | <u>1,282,500</u>        | <u>929,784</u>          |
| <b>Current liabilities</b>                        |   |                         |                         |
| Players liability                                 |   | 58,240                  | 4,360                   |
| Accounts payable                                  | 5 | 164,847                 | 36,605                  |
| Other liabilities                                 | 6 | <u>16,869</u>           | <u>93,198</u>           |
|                                                   |   | <u>239,956</u>          | <u>134,163</u>          |
| <b>Total shareholder's equity and liabilities</b> |   | <u><u>1,522,456</u></u> | <u><u>1,063,947</u></u> |

Profit and loss account for the year 2022

|                                     | <u>2022</u>           | <u>2021</u>           |
|-------------------------------------|-----------------------|-----------------------|
|                                     | \$                    | \$                    |
| Revenues                            | 3,123,893             | 4,753,498             |
| Operational costs                   | 7 <u>(2,354,735)</u>  | <u>(4,367,423)</u>    |
| <b>Net operating result</b>         | 769,158               | 386,075               |
| General and administrative expenses | 8 <u>111,009</u>      | <u>44,335</u>         |
| <b>Total of operating result</b>    | 658,149               | 341,740               |
| Provision debtors                   | (252,814)             | -                     |
| Currency translation differences    | <u>(52,619)</u>       | <u>2,966</u>          |
| <b>Financial income and expense</b> | <u>(305,433)</u>      | <u>2,966</u>          |
| <b>Total of result before tax</b>   | 352,716               | 344,706               |
| Profit tax                          | <u>-</u>              | <u>-</u>              |
| <b>Net result for the year</b>      | <u><u>352,716</u></u> | <u><u>344,706</u></u> |

## **Nextgate (F.K.A. MAXXI MEDIA) N.V.**

### **Notes to the financial statements**

#### ***Entity information***

##### **Registered address and registration number trade register**

The registered and actual address of Nextgate (F.K.A. MAXXI MEDIA) N.V. is Groot Kwartierweg 10 Livestrong Building, in Willemstad, Curaçao. Nextgate (F.K.A. MAXXI MEDIA) N.V. is registered at the Chamber of Commerce under number 107101.

#### ***General notes***

##### **The most important activities of the entity**

Nextgate (F.K.A. MAXXI MEDIA) N.V. is a limited liability company that was incorporated in Curaçao, Willemstad on April 23, 2009.

The Company is solely engaged in e-gaming activities.

#### ***General accounting principles***

##### **The accounting standards used to prepare the financial statements**

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.

##### **Disclosure of changes 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 Nextgate (F.K.A. MAXXI MEDIA) 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:

|         |         |
|---------|---------|
| 1 EUR = | USD     |
| 2022    | 1.06749 |
| 2021    | 1.13240 |

### ***Accounting principles***

#### **Cash and cash equivalents**

Cash at banks represent 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**

The result is the difference between the realisable value of the services provided and the costs and other charges during the year.

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.

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

#### **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.

## Notes to the balance sheet

### Receivables

|                                           | <u>31-12-2022</u> | <u>31-12-2021</u> |
|-------------------------------------------|-------------------|-------------------|
|                                           | \$                | \$                |
| <b>1 Receivables from group companies</b> |                   |                   |
| Receivable from Agrade Private Foundation | 24,030            | 9,885             |
| Receivable from Marlony SA                | <u>1,011,256</u>  | <u>-</u>          |
|                                           | <u>1,035,286</u>  | <u>9,885</u>      |
|                                           | <u>2022</u>       | <u>2021</u>       |
|                                           | \$                | \$                |

#### Receivable from Agrade Private Foundation

|                           |               |              |
|---------------------------|---------------|--------------|
| Balance as at 1 January   | 9,885         | 6,177        |
| Movement for the year     | <u>14,145</u> | <u>3,708</u> |
| Balance as at 31 December | <u>24,030</u> | <u>9,885</u> |
|                           | <u>2022</u>   | <u>2021</u>  |
|                           | \$            | \$           |

#### Receivable from Marlony SA

|                               |                  |          |
|-------------------------------|------------------|----------|
| Balance as at 1 January       | -                | -        |
| Movement for the year         | 1,264,070        | -        |
| Provision Marlony SA account* | <u>(252,814)</u> | <u>-</u> |
| Balance as at 31 December     | <u>1,011,256</u> | <u>-</u> |

\*After all the PSP's, banks and player funds have been reconciled, we discovered an unreconcilable amount from previous years, with a total amount of USD. 1,264,070 receivable from Marlony, whereas Marlony has no payable to Nextgate registered. Considering that all third party accounts have been reconciled, it was decided to write off this amount in 5 years, as it seems that the previous years Revenues has been inflated.

|                               | <u>31-12-2022</u> | <u>31-12-2021</u> |
|-------------------------------|-------------------|-------------------|
|                               | \$                | \$                |
| <b>2 Other receivables</b>    |                   |                   |
| Balance merchant accounts     | 422,779           | 1,048,861         |
| Receivable from third parties | 24,227            | -                 |
| Prepaid expenses              | <u>1,939</u>      | <u>5,200</u>      |
|                               | <u>448,945</u>    | <u>1,054,061</u>  |

## Nextgate (F.K.A. MAXXI MEDIA) N.V.

|                                    | 31-12-2022    | 31-12-2021 |
|------------------------------------|---------------|------------|
|                                    | \$            | \$         |
| <b>3 Cash and cash equivalents</b> |               |            |
| Cash                               | 1             | 1          |
| Migom Bank, current account EUR    | 31,447        | -          |
| Migom Bank, current account USD    | 6,777         | -          |
|                                    | <u>38,225</u> | <u>1</u>   |

## 4 Shareholder's equity

The Company's authorized share capital amounts to USD 1 and consists of 1 share with a nominal value of USD 1.

Movements in the shareholder's equity accounts are as follows:

|                                | Share capital | Share pre-<br>mium | Retained<br>earnings | Result for the<br>year | Total            |
|--------------------------------|---------------|--------------------|----------------------|------------------------|------------------|
|                                | \$            | \$                 | \$                   | \$                     | \$               |
| Balance as at 1 January 2022   | 1             | 102,305            | 482,772              | 344,706                | 929,784          |
| Appropriation of result        | -             | -                  | 344,706              | (344,706)              | -                |
| Result for the year            | -             | -                  | -                    | 352,716                | 352,716          |
| Balance as at 31 December 2022 | <u>1</u>      | <u>102,305</u>     | <u>827,478</u>       | <u>352,716</u>         | <u>1,282,500</u> |

|                           | 31-12-2022     | 31-12-2021    |
|---------------------------|----------------|---------------|
|                           | \$             | \$            |
| <b>5 Accounts payable</b> |                |               |
| Management fees payable   | 19,430         | 33,792        |
| Hosting fees payable      | 5,654          | 2,813         |
| Software fees payable     | 139,763        | -             |
|                           | <u>164,847</u> | <u>36,605</u> |

|                            | 31-12-2022    | 31-12-2021    |
|----------------------------|---------------|---------------|
|                            | \$            | \$            |
| <b>6 Other liabilities</b> |               |               |
| Other liabilities          | <u>16,869</u> | <u>93,198</u> |
|                            | <u>2022</u>   | <u>2021</u>   |
|                            | \$            | \$            |

## Maxxi Media Malta Ltd.

|                           |              |              |
|---------------------------|--------------|--------------|
| Balance as at 1 January   | 5,662        | 6,141        |
| Movements                 | (325)        | (479)        |
| Balance as at 31 December | <u>5,337</u> | <u>5,662</u> |

**Nextgate (F.K.A. MAXXI MEDIA) N.V.**

|                              | <u>2022</u>  | <u>2021</u>   |
|------------------------------|--------------|---------------|
|                              | \$           | \$            |
| <b>Disfar Corporation</b>    |              |               |
| Balance as at 1 January      | 6,844        | 6,844         |
| Movements                    | -            | -             |
| Balance as at 31 December    | <u>6,844</u> | <u>6,844</u>  |
|                              | <u>2022</u>  | <u>2021</u>   |
|                              | \$           | \$            |
| <b>Priority Payout Group</b> |              |               |
| Balance as at 1 January      | 4,688        | 4,688         |
| Movements                    | -            | -             |
| Balance as at 31 December    | <u>4,688</u> | <u>4,688</u>  |
|                              | <u>2022</u>  | <u>2021</u>   |
|                              | \$           | \$            |
| <b>Marlony SA</b>            |              |               |
| Balance as at 1 January      | 76,004       | 76,004        |
| Movements                    | (76,004)     | -             |
| Balance as at 31 December    | <u>-</u>     | <u>76,004</u> |

Notes to the profit and loss account

|                            | <u>2022</u>      | <u>2021</u>      |
|----------------------------|------------------|------------------|
|                            | \$               | \$               |
| <b>7 Operational costs</b> |                  |                  |
| License fees               | 7,086            | 7,004            |
| Bandwith fees              | 6,700            | 6,752            |
| Premium payments           | -                | 1,720,484        |
| Payment processor expenses | 225,859          | 235,478          |
| Marketing expenses         | -                | 60,361           |
| Software fees              | 749,269          | -                |
| Marlony fees               | 1,365,821        | 2,337,344        |
|                            | <u>2,354,735</u> | <u>4,367,423</u> |
|                            | <u>2022</u>      | <u>2021</u>      |
|                            | \$               | \$               |

**8 General and administrative expenses**

|                               |                |               |
|-------------------------------|----------------|---------------|
| Management fees - eMoore N.V. | 68,944         | 43,629        |
| Bank expenses                 | 40,074         | 706           |
| Other expenses                | 1,991          | -             |
|                               | <u>111,009</u> | <u>44,335</u> |