

Matchserv Solutions NV

Curaçao

Annual report 2022

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To the board of directors
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1.1 ACCOUNTANT'S COMPILATION REPORT

The financial statements of Matchserv Solutions NV, Curaçao, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the income statement for the year 2022 for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Book 2 of the Curaçao Civil Code and the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Book 2 of the Curaçao Civil Code including Dutch GAAP (RJK). To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Matchserv Solutions NV.. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Curaçao, 22 December 2023

Baker Tilly



F.A.C. Groenewegen AA

TAX • ADVISORY

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2. FINANCIAL STATEMENTS

2.1 BALANCE SHEET AS AT 31 DECEMBER 2022*(Before appropriation of result)*

	<u>2022</u>	<u>2021</u>
	EUR	EUR
ASSETS		
FIXED ASSETS		
Property, plant and equipment		
Furniture, fixtures and fittings	2,522	4,379
Financial assets		
Participations in group companies	1,500	1
CURRENT ASSETS		
Receivables		
Processors receivables	687,294	622,063
Loan receivable	641,208	256,861
Taxes and social security charges	20,366	4,649
Other receivables and current assets	1 77,258	39,953
Unpaid share capital Matchserv Holding	1	1
	<u>1,426,127</u>	<u>923,527</u>
Cash and cash equivalents		
Cash at bank and at hand	166,266	311,919
	<u>1,596,415</u>	<u>1,239,826</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital paid called up	2 1	1
General reserve	3 (449,834)	(1,012,792)
Result for the year	16,592	562,958
	<u>(433,241)</u>	<u>(449,833)</u>
CURRENT LIABILITIES		
Internet customer liability	369,662	724,142
Trade payables	1,374,501	812,008
Accruals	4 285,493	153,509
	<u>2,029,656</u>	<u>1,689,659</u>
	<u>1,596,415</u>	<u>1,239,826</u>

2.2 INCOME STATEMENT FOR THE YEAR 2022

	<u>2022</u> EUR	<u>2021</u> EUR
Net turnover	8,540,121	7,264,480
Cost of sales	<u>(2,990,356)</u>	<u>(2,858,788)</u>
Gross margin	<u>5,549,765</u>	<u>4,405,692</u>
Personnel expenses	5 245,476	282,593
Other operating expenses	6 <u>4,299,556</u>	<u>2,755,952</u>
Total operating expenses	<u>4,545,032</u>	<u>3,038,545</u>
Operating result	1,004,733	1,367,147
Financial income and expense	7 <u>(988,141)</u>	<u>(804,189)</u>
Result before taxation	16,592	562,958
Taxation	8 <u>-</u>	<u>-</u>
Net result after taxation	<u>16,592</u>	<u>562,958</u>

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Matchserv Solutions NV is Heelsumstraat 51 E-Commerce Park, in Curaçao. Matchserv Solutions NV is registered at the Chamber of Commerce under number 145625.

General notes

The most important activities of the entity

The activities of Matchserv Solutions NV consist mainly of: organizing marketing, promoting, managing, supporting and operating all types of remote gaming activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries and other interactive games and entertainment.

Disclosure of going concern

The company started up 2018 and has invested in the development of the target markets resulting in relatively high marketing and sales expenses during the start up phase that lasted into and throughout the financial year. During the years 2020

- 2022 the results and cash flow of the company were positive resulting in better financial ratio's. Management is confident that the current trend will continue in future years.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the corporation.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board (Rijk). In case of conflicts the law prevails.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Basis of conversion and processing of exchange rate differences relating to foreign currency transactions for the balance sheet

Receivables, liabilities and obligations are translated at the closing rate. Transactions in foreign currency during the reporting period are recognized in the financial statements at the exchange rates prevailing at the date of the transaction. Exchange differences resulting from the conversion at balance sheet date are recognized in the profit and loss account.

Accounting principles

Financial assets

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

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

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

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

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

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the income statement.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax assets are valued at their nominal value.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services after deduction of discounts and such like and of taxes levied on the turnover.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

2.4 NOTES TO THE BALANCE SHEET

	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR
1 Other receivables and current assets		
Deposits	51,222	28,033
Misc prepaid expenses	9,116	-
Prepayments	<u>16,920</u>	<u>11,920</u>
	<u>77,258</u>	<u>39,953</u>

2 Share capital paid called up

The nominal capital of Matchserv Solutions NV consists of 1 share of 1 EUR.

	<u>2022</u>	<u>2021</u>
	EUR	EUR
3 General reserve		
Balance as at 1 January	(1,012,792)	(1,332,310)
Appropriation of result	<u>562,958</u>	<u>319,518</u>
Balance as at 31 December	<u>(449,834)</u>	<u>(1,012,792)</u>

4 Accruals

Other payables	18,016	-
Marketing & Affiliate Commission	242,435	66,921
Pending Bets	13,042	67,030
Employees' Bonuses	12,000	15,000
Recurring Suppliers	<u>-</u>	<u>4,558</u>
	<u>285,493</u>	<u>153,509</u>

2.5 NOTES TO THE INCOME STATEMENT

	<u>2022</u>	<u>2021</u>
	EUR	EUR
5 Personnel expenses		
Wages and salaries	185,674	213,867
Social security contributions	40,511	45,836
Other staff expenses	19,291	22,890
	<u>245,476</u>	<u>282,593</u>
6 Other operating expenses		
Housing expenses	37,180	25,466
Selling expenses	2,021,217	889,856
Office expenses	296,000	88,326
General expenses	1,945,159	1,752,304
	<u>4,299,556</u>	<u>2,755,952</u>
Housing expenses		
Rent	37,021	25,466
Utilities	159	-
	<u>37,180</u>	<u>25,466</u>
Selling expenses		
Sales and marketing	2,027,530	823,780
Travel	2,405	1,770
Provisions & bad debts	(8,718)	64,306
	<u>2,021,217</u>	<u>889,856</u>
General expenses		
Backoffice & processor fees	1,648,463	1,604,961
Professional & Legal	264,668	92,941
General office expenses	30,171	52,545
Depreciation expenses	1,857	1,857
	<u>1,945,159</u>	<u>1,752,304</u>
7 Financial income and expense		
Interest and similar income	22,610	17,400
Interest and similar expenses	(2,007)	(49)
Currency translation differences	(1,008,744)	(821,540)
	<u>(988,141)</u>	<u>(804,189)</u>