
THE ELITE TURF CLUB, N.V.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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Independent Accountants' Compilation Report

Board of Directors
The Elite Turf Club, N.V.
Las Vegas, Nevada

Management is responsible for the accompanying financial statements of The Elite Turf Club, N.V. (the Company), which comprise the statement of assets, liabilities and stockholder's equity on the tax basis as of December 31, 2023, and the related statement of revenues and expenses on the tax basis for the one month and twelve months then ended, and for determining that the tax basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, stockholder's equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

RubinBrown LLP

January 10, 2024

THE ELITE TURF CLUB, N.V.

STATEMENT OF ASSETS, LIABILITIES AND STOCKHOLDER'S EQUITY ON THE TAX BASIS December 31, 2023

Assets

Current Assets

Escrow funds	\$ 77,640.60
Due from tracks	38,624,227.75
Due from AmTote - NYRA Share	312,500.00
Due from Global Tote/Sportech	3,116.59
Total Current Assets	39,017,484.94

Fixed Assets

Office equipment	132,667.37
Leasehold improvements	15,912.31
Accumulated depreciation	(140,691.00)
Total Fixed Assets	7,888.68

Total Assets	\$ 39,025,373.62
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Liabilities And Stockholder's Equity

Current Liabilities

Accrued Liabilities	\$ 26,399.05
Intercompany - TSG Dev US Holding (TSA)	3,767.62
Due to Elite Turf Club, LLC	32,883,027.10
Due to AmTote	3,781,889.39
Due to United Tote	32,337.40
Payroll liability	65,562.21
Total Current Liabilities	36,792,982.77

Stockholder's Equity

Common stock	6,000.00
Unrealized foreign currency loss	(2,263.92)
Retained earnings	2,174,102.14
Dividends - TSA	(3,767.62)
Net income	58,320.25
Total Stockholder's Equity	2,232,390.85

Total Liabilities And Stockholder's Equity	\$ 39,025,373.62
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THE ELITE TURF CLUB, N.V.

**STATEMENT OF REVENUES AND EXPENSES
ON THE TAX BASIS****For The One Month And Twelve Months Ended December 31, 2023**

	One Month	Twelve Months
Revenues		
Fees earned	\$ 45,872,963.81	\$ 614,261,913.23
Breakage income	966,353.90	11,421,825.07
Membership fees	440,833.00	5,261,664.00
Total Revenues	47,280,150.71	630,945,402.30
Cost Of Revenue		
Promotions	32,899,696.60	442,792,398.92
Track fees	11,494,709.91	152,235,902.39
Servicing fees	830,686.03	11,081,776.90
Breakage expense	933,145.62	10,534,541.29
Communications expense (TV fees and RCN)	106,400.00	1,276,800.00
Total Cost Of Revenue	46,264,638.16	617,921,419.50
Operating Expenses		
Bank charges	348.85	4,383.06
Charity	—	38,268.38
Consulting	26,399.85	435,296.48
Depreciation	315.54	3,786.48
Internet/phone	2,221.05	46,753.91
Licenses and fees	14,756.29	240,538.59
Management fees	839,278.00	11,509,587.38
Office expenses	—	9,628.44
Outside services	—	73,333.28
Payroll taxes	4,592.21	52,357.26
Personnel expense - rent	2,511.00	30,668.15
Professional fees	25,107.32	168,727.41
Rent expense	3,996.89	47,890.44
Salaries	128,276.89	859,511.05
Utilities	1,093.76	12,807.41
Total Operating Expenses	1,048,897.65	13,533,537.72
Operating Loss	(33,385.10)	(509,554.92)
Other Income (Expenses)		
Interface fees	41,777.22	581,668.99
Other expenses	—	(13,793.82)
Total Other Income	41,777.22	567,875.17
Net Income	\$ 8,392.12	\$ 58,320.25