

Faro Entertainment N.V.

Curaçao

Annual report 2024

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1 Report

1.1 General

Company Overview

Faro Entertainment N.V.(hereinafter referred to as "the Company") is a limited liability company incorporated on December 15, 2016 and domiciled in Curaçao, Dutch Caribbean.

Reporting Period

The financial statements have been prepared for the financial year ended 31 December 2024.

Business Activities

The Company's primary activities, carried out from its legal seat in Curaçao, involve the organization, marketing, promotion, management, support, and operation of various remote gaming activities. This includes, but is not limited to, all types of games, betting, betting exchanges, interactive casinos, bingo, lotteries, poker, and other interactive games. These services are provided to clients residing or established outside of Curaçao.

To the board of directors and the shareholders of
Faro Entertainment N.V.
Curaçao

COMPILATION REPORT

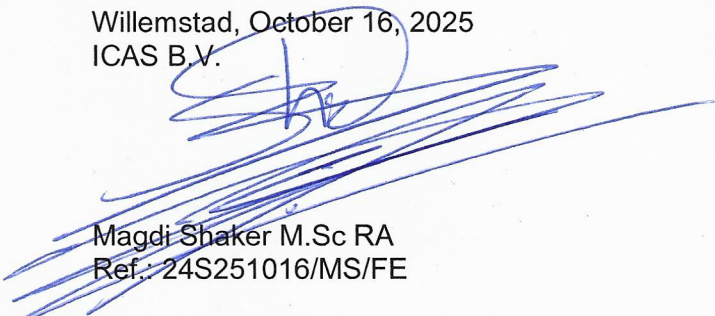
The financial statements of Faro Entertainment N.V. based in Curaçao have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2024 and the profit and loss account for the year 2024 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Curaçao law, including 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 Part 9 of Book 2 of the Curaçao Civil Code. 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 Faro Entertainment N.V. 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, Dutch Code of Ethics). 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.

Willemstad, October 16, 2025
ICAS B.V.



Magdi Shaker M.Sc RA
Ref.: 24S251016/MS/FE

2 Financial Statements

2.1 Balance Sheet as at 31 December 2024

(After proposal result)

Assets		EUR 31-Dec-24		EUR 31-Dec-23
Financial Assets				
Investment in Subsidiaries	1	<u>623,372</u>	623,372	<u>317,554</u> 317,554
Non current assets				
Loans	2	<u>14,881,928</u>	14,881,928	<u>14,242,681</u> 14,242,681
Current Assets				
Trade Receivables		15,015		-
Other Receivables	3	12,470		26,645
Payment Processing Account	4	6,177,090		6,850,020
Current Account Receivable		-		-
Cash & Cash Equivalents	5	<u>107,480</u>	6,312,055	<u>56,024</u> 6,932,689
Total Assets		<u><u>21,817,355</u></u>		<u><u>21,492,924</u></u>

Equity & Liabilities		EUR 31-Dec-24		EUR 31-Dec-23
Shareholders' Equity	6			
Share Capital		1,000		1,000
Retained Earnings		16,221,725		13,552,435
Result for the Year		<u>1,604,387</u>	17,827,112	<u>2,669,290</u> 16,222,725
Current liabilities				
Trade Payables		3,850,294		4,889,810
Accruals and Other Payables	7	<u>139,949</u>	3,990,243	<u>380,389</u> 5,270,199
Total Equity & Liabilities		<u><u>21,817,355</u></u>		<u><u>21,492,924</u></u>

2.2 Statement of Income and Expenses for the Year 2024

		EUR 2024	EUR 2023
Turnover	8	42,341,827	48,153,412
Direct Costs	9	<u>40,022,851</u>	<u>45,523,843</u>
Gross margin		2,318,976	2,629,569
Operating Expenses			
Other Operating Expenses	10	318,467	136,374
Administrative & General Expenses	11	<u>1,226,886</u>	<u>954,257</u>
		(1,545,353)	(1,090,631)
Operating Result (EBIT)		<u>773,623</u>	<u>1,538,938</u>
Extraordinary Income/ (Expenses)		(1,611)	-
Result from Subsidiaries	12	305,818	163,944
Financial Result	13	526,557	1,091,584
Result before Tax		<u>1,604,387</u>	<u>2,794,466</u>
Corporate Income Tax		-	(125,176)
Net Result for the Period		<u>1,604,387</u>	<u>2,669,290</u>

2.3 Notes to the Financial Statements

General

The financial statements have been prepared in accordance with Chapter 9, Book 2 of the Curaçao Civil Code and accounting principles generally accepted in the Netherlands (Dutch GAAP).

Income and expenses are accounted for on an accrual basis. Profits are included only to the extent that they are realized as of the balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before the preparation of the financial statements.

Continuity

These financial statements have been prepared on a going concern basis. The going concern assumption presumes that the company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management is of the opinion, that the company's shareholders or other group companies will give the necessary support if the going concern assumption does not hold. Consequently, the Company has applied accounting principles based on the going concern assumption.

Translation of foreign currency

Receivables, liabilities, and obligations denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date.

Transactions in foreign currencies during the financial year are recognized in the financial statements at the exchange rates prevailing at the transaction date. Exchange differences resulting from the translation as at the balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Accounting Policies in Respect of the Valuation of Assets and Liabilities

General

Valuation of assets and liabilities and determination of results takes place under the historical cost convention, unless stated otherwise. Assets and liabilities are generally valued according to the cost model.

Financial Assets

Where significant influence is exercised, associated companies are valued using the net asset value method, but not lower than nil. This net asset value is based on the same accounting principles as applied by the Company.

Associated companies with negative net equity are valued at nil. If the Company has fully or partly guaranteed the liabilities of the associated company, or has an effective obligation to enable the associated company to meet its liabilities, a provision is formed. In determining this provision, any provisions for doubtful receivables from the associated company are taken into account.

Where no significant influence is exercised, associated companies are valued at cost, less impairments if applicable.

Trade Receivable

Upon initial recognition, receivables are stated at fair value, and subsequently measured at amortized cost. In practice, this is usually the face value. Provisions deemed necessary for possible bad debts are deducted, based on individual assessments.

Payment Processing Accounts

Payment processing accounts represent funds held or processed by third parties or subsidiaries on behalf of the Company. These accounts are classified under current assets or current liabilities depending on their nature and balance.

Equity

Financial instruments are classified as equity if they have the substance of equity instruments, regardless of their legal form.

Provisions

Provisions are recognized for legal or constructive obligations that exist at the balance sheet date and for which it is probable that an outflow of resources will be required, and the amount can be reliably estimated.

Current Liabilities

Current liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Accounting Policies in Respect of Determination of Results

Turnover

Turnover represents the income from services rendered during the financial year, excluding value added tax. Revenue is recognized in proportion to the stage of completion of the service. The cost of providing the services is allocated to the same period.

Other Operating Expenses

Expenses are recognized on an accrual basis and allocated to the period to which they relate.

Financial Results

Interest income and expenses include interest received from or paid to third parties and group companies.

Result from Subsidiaries

The result from subsidiaries includes the Company's share in the results of associated companies, based on the net asset value method. Changes in related provisions are also recorded here.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to accounting and profit calculated for taxation purposes. Deferred tax assets are recognized only if their realization is probable.

2.4 Notes to the Balance Sheet

All amounts are stated in EUR, unless otherwise indicated.

1. Investment in Subsidiaries

The Company holds 1,250 ordinary shares with a nominal value of EUR 1 each in the share capital of Faro Entertainment Europe Ltd incorporated on February 2nd 2017 under the laws of Cyprus. Twenty percent (20%) of the shares have been paid up. The entity is registered at Dimostheni Severi, 12, Floor 6, Flat/Office 601 1080 in Nicosia, Cyprus.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
Beginning Balance	317,554	153,610
Results Subsidiary	311,256	163,944
Adjustment Subsidiary	(5,438)	-
	<u>623,372</u>	<u>317,554</u>

2. Loans

Loan Faro Entertainment Europe Ltd.	14,334,425	13,717,740
Loan Bastra Holding Limited	236,407	226,379
Loan Rednines Gaming Limited	311,096	298,562
	<u>14,881,928</u>	<u>14,242,681</u>

The loan to Faro Entertainment Europe Limited comprises a principal amount of EUR 12,300,000 and accumulated interest of EUR 2,034,425, bearing interest at a rate of 5% per annum. The loan is repayable within three years.

The loan to Bastra Holding Limited comprises a principal amount of EUR 200,000 and accumulated interest of EUR 36,407, bearing interest at a rate of 5% per annum. The loan is repayable within three years.

The loan to Rednines Gaming Limited comprises a principal amount of EUR 250,000 and accumulated interest of EUR 61,096, bearing interest at a rate of 5% per annum. The loan is repayable within three years.

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
3. Other Receivables		
Prepaid Expenses	12,470	26,645
	<u>12,470</u>	<u>26,645</u>
4. Investment in Subsidiaries		
C/A Faro Entertainment Europe Ltd	6,177,090	6,850,020
	<u>6,177,090</u>	<u>6,850,020</u>
5. Cash & Cash Equivalents		
Payment Execution	6,032	31,831
Migom Bank	5,123	5,149
Paymix	91,206	-
Skrill	5,119	19,044
	<u>107,480</u>	<u>56,024</u>

6. Shareholders' Equity

The share capital of the Company consist of 1,000 ordinary shares with a nominal value of EUR 1 each.

	Issued Share Capital	Other Reserves	Retained earnings	Net Result	Total
Balance as at January 1 st	1,000	-	13,552,435	2,669,290	16,222,725
Result previous year	-	-	2,669,290	(2,669,290)	-
Dividend paid	-	-	-	-	-
Movements	-	-	-	1,604,387	1,604,387
Balance as at December 31 st	<u>1,000</u>	<u>-</u>	<u>16,221,725</u>	<u>1,604,387</u>	<u>17,827,112</u>

	<u>31-Dec-24</u>	<u>31-Dec-23</u>
7. Accruals and Other Payables		
Profit Tax Payable	19,949	260,389
Dividend Payable	120,000	120,000
	<u>139,949</u>	<u>380,389</u>

2.5 Notes to the Statement of Income and Expenses*All amounts are stated in EUR, unless otherwise indicated.*

	<u>2024</u>	<u>2023</u>
8. Turnover		
Gaming Revenue	42,341,827	48,153,412
	<u>42,341,827</u>	<u>48,153,412</u>
9. Direct Costs		
Commission/Affiliate Fees (CPA, Rev. Share, Listing)	7,387,062	-
Marketing & Advertising Expenses	12,758,571	23,429,873
Agent / Payment Processor Fees	120,000	120,000
Merchant Processing Fees	7,528,086	-
Software License Fees	7,624,818	8,195,485
Data Processing Fees	1,651,000	11,542,031
Consulting Fees	1,993,403	1,209,468
Player Settlements	807,793	1,013,175
Domain & Hosting Fees	131,531	-
Curaçao Gaming License Fees	20,587	13,811
	<u>40,022,851</u>	<u>45,523,843</u>
10 Other Operating Expenses		
Marketing & Advertising Expenses	14,918	-
Marketing Exhibition & Conference Expenses	233,458	
Other IT/ Operating Expenses	70,091	136,374
	<u>318,467</u>	<u>136,374</u>
11 Administrative & General Expenses		
Management Fees	2,500	2,500
Corporate Secretarial Services	15,416	30,798
Notary & Legal Expenses	127,099	4,845
Compliance Services	19,913	-
Accounting & Tax Advisory Services	6,068	23,882
Consulting & Professional Fees	199,566	301,170
Bank Charges	810,667	399,720
Translation Expenses	-	188,061
Subscriptions Fees	42,357	-
Other General Expenses	3,300	3,281
	<u>1,226,886</u>	<u>954,257</u>
12 Result from Subsidiaries		
Profit / (Loss) from Subsidiary	311,256	163,944
Adjustment Correction Subsidiary	(5,438)	-
	<u>305,818</u>	<u>163,944</u>
13 Financial Result		
Interest Income/(Expense)	639,246	658,322
Other Operating Income	11,151	412,816
Unrealized Foreign Exchange Gain / (Loss)	(123,840)	20,446
	<u>526,557</u>	<u>1,091,584</u>

3 Other Information

3.1 Statutory Provisions Regarding the Appropriation of Result

In accordance with the Articles of Incorporation, the profit is at the disposal of the General Meeting of Shareholders. Any distribution of profit shall take place following the approval of the annual accounts. Accordingly, the following has been proposed regarding the appropriation of the result.

3.2 Appropriation of Result

The management proposes to appropriate the result for the financial year as follows:

The positive result for the year 2024, amounting to EUR 1,604,387 will be added to the retained earnings. This proposal is subject to the approval of the General Meeting of Shareholders and will be incorporated in the financial statements of the following financial year.

3.3 Subsequent Events

There are no events after the balance sheet date that have a material impact on these financial statements requiring additional disclosure.

Global Related Services B.V.
Statutory Director

Signature:

