Hazarion N.V.

(f.k.a. Avento N.V.)

Curaçao

Annual report 2022

ICAS

accountants business advisors

FOR IDENTIFICATION PURPOSES ONLY

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1. Report

1.1 General

Hazarion N.V. (formerly known as Avento.V.) (hereinafter: "the Company) was incorporated on May 27th, 2016 and is established in Curaçao.

Reporting period

The Company has changed its name to Hazarion N.V. by notary deed of amendment dated May 17th, 2023.
These annual accounts have been prepared for the financial year ended on 31 December 2022.

Activities
The activities of the Company, having its legal seat at Curaçao, primarily consist of:

Managing and supporting gaming platforms for remote gaming, including software and hardware components of such platforms, whether for casino, poker or other games, whether to be operated through internet, mobile or interactive media.

COMPILATION REPORT

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To the board of directors and the shareholders of
Hazarion N.V.
Curaçao

ACCOUNTANT'S COMPILATION REPORT

The financial statements of Hazarion 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 2022 and the profit and loss account for the year 2022 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 Hazarion 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, November 20, 2023

ICAS B.V.
namens deze

Magdi Shaker M.Sc RA
Ref.: 22S231120/MS/HN

2.1 Balance sheet as at 31 December 2022

(After proposal result)

Assets	Note		31-Dec-22 EUR		31-Dec-21 EUR
Financial assets					
Investment in subsidiaries	1		1		2
Current assets					
Payment processing Goldraven Industries		4,296,270		2,843,980	
Payment procesing Sunlet Services Ltd.		-		40,627	
Current account shareholder	2	-		5,971,818	
Cash and Cash equivalents	3	1,065,627		1,713,013	
			5,361,897		10,569,438
Total assets			5,361,898		10,569,440

	Note		31-Dec-22 EUR		31-Dec-21 EUR
Liabilities					
Shareholders equity	4				
Share capital		1,000		1,000	
Distribution		-		(7,673)	
Retained earnings		10,367,615		9,191,466	
Result for the year		(5,162,508)		1,183,822	
			5,206,107		10,368,615
Short term liabilities					
Provision subsidiaries		17,090		-	
Trade Creditors		127,454		190,266	
Other liabilities and accrued expenses	5	11,247		10,559	
			155,791		200,825
Total liabilities			5,361,898		10,569,440

2.2 Statement of income and expenses for the year 2022

		2022		2021	
		EUR		EUR	
Turnover	6	8,203,907		20,777,754	
Direct costs	7	17,508,340		18,365,475	
Gross margin			(9,304,433)		2,412,279
Administrative and general expenses	8	136,342		165,142	
IT and other operating expenses	9	96,856		118,850	
			(233,198)		(283,992)
Operating result			(9,537,631)		2,128,287
Extraordinary results					230,717
Financial result (loss)	10		4,375,123		(1,171,413)
Result before tax			(5,162,508)		1,187,591
Tax			-		(3,769)
Net result for the period			(5,162,508)		1,183,822

2.3 Notes to the financial statements

General

The financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Curaçao Civil Code and accounting principles generally accepted in the Netherlands.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on 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 preparation of the financial statements.

Reporting period

These annual accounts have been compiled based on a reporting period of a calendar year.

Activities

The activities of Hazarion N.V., having its legal seat at Curacao, primarily consist of:
- providing off-shores games of chance in general, and
- organizing, market, promote, manage support and operate all types of e-commerce in general

Continuity

These financial statements have been prepared based on going concerns basis. The going concern basis of presentation assumes 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 in case the assumption above mentioned is not realized. Consequently the company has applied accounting principles based on going concerns.

Translation of foreign currency

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

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

Related parties

The company had transactions or balances with the following related parties:
- Sunlet Services Limited (Company has engaged voluntary dissolution)
- Goldenraven Industries Limited

Accounting policies in respect of the valuation of assets and liabilities

General

The financial statements have been prepared in accordance with generally accepted accounting principles for financial reporting in the Netherlands. These financial statements are presented in EUR, the company's functional currency. Unless presented otherwise, assets and liabilities are presented at face value.

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

Associated companies with negative net equity value are valued at nil. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from associated company are taken into account.

Whero no significant influence is exercised associated acompanies are valued at cost and if applicable less impairments in value.

Accounts receivable
Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Equity
Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

Current liabilities
Upon initial recognition, current liabilities are stated at fair value and then valued at amortized cost.

Accruals and deferred income
Upon initial recognition, accruals and deferred income are stated at fair value and then valued at amortized costs.

Accounting policies in respect of determination

Net turnover
Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes. Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Other operating expenses
Costs are taken into account under the historical cost convention and allocated to the peroiod concerned.

Net financial result
Interest income and expenses consist of interest received from or paid to third parties.

2.4 Notes to the balance sheet

1. Investment in subsidiary

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Sunlet Services Ltd., registered at John Kennedy, Kanika Enaerios Complex, Blc I, 5th Floor, Flat/Office 540-A-B, Iris Building, Neapoli 3020, Limassol, Cyrpus. Sunlet Services ltd. has engaged in a voluntary dissolution.

The Company is holder of 1,000 ordinary shares of nominal value EUR 1each in the share capital of Goldraven Industries Ltd., incorporated on May 12th 2020 registered at Boumpoulinas 1-3, bouboulina building, Flat/Office 42 1060, nicosia, Cyprus.

	31-Dec-22 EUR	31-Dec-21 EUR
Opening balance	2	1
Share capital Goldraven Industries Ltd.	-	1,000
Provision subsidiaries	17,090	47,058
Adjustment result previous years	(4,647)	(41,018)
Result for the year	(12,444)	(7,039)
	1	2

2. Current account shareholder

This represents a loan receivable from Avento MT Limited for the total amount of Eur 6,821,818 assigned and paid by the shareholder. The loan was fully paid in year 2022.

3. Cash and cash equivalents	31-Dec-22 EUR	31-Dec-21 EUR
Cex.io	20,705	1,632
Bequant	1,499	203,124
Collect & Pay	7,313	-
Coinspaid	17,459	6,858
Paymix	10,224	4,360
Paymix card	12,686	-
Payment Execution	80,736	290,681
IBS Lithuania	61,416	108,448
Papaya blackcatcard	76,859	32,677
Other payment processors	776,730	1,065,233
	1,065,627	1,713,013

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2.4 Notes to the balance sheet

4. Shareholders equity

The capital of the company consists of 1,000 shares with a nominal value of one EUR each.

Movements in equity were as follows:

	Issued Share capital	Retained Earnings	Total
	EUR	EUR	EUR
Balance as at January 1st	1,000	10,367,615	10,368,615
Result for the year	-	(5,162,508)	(5,162,508)
Balance as at December 31st	1,000	5,205,107	5,206,107

5. Other liabilities and accrued expenses	31-Dec-22	31-Dec-21
	EUR	EUR
C/A shareholder	1,000	1,000
Profit tax payable	3,707	3,769
Accrued expenses	6,540	5,790
	11,247	10,559

2.5 Notes to the statement of income and expenses

6. Turnover	2022 EUR	2021 EUR
Gaming revenue	41,802,443	75,728,281
Chargebacks	(579)	579
Payouts to players	(33,597,957)	(54,951,106)
	8,203,907	20,777,754

7. Direct costs		
Set up fees	3,000	-
Software license fees	4,969,439	4,568,450
Domain fees	409,243	331,120
License fees	1,391,711	-
Commission affilliates	209,535	142,600
Game provider fees	770,473	1,454,085
Casino costs	246,038	360,885
Marketing, promo & advertising	6,461,297	6,253,014
Merchant fees	3,047,604	5,242,488
Other direct cost	-	12,833
	17,508,340	18,365,475

8. Administrative and general expenses		
Rent expenses	8,480	7,561
Agent fees	-	12,000
Courier expenses	729	826
Proffesional expenses	7,495	16,420
Bank charges	69,574	84,322
Legal charges	-	1,237
Accountancy fees	14,969	6,105
Tax services	975	887
Corporate services	22,487	16,060
Notary expenses	6,810	5,105
Consulting fees	-	6,677
Other general expenses	2,183	5,347
Chamber of commerce expenses	165	120
Standard management fees	2,150	2,150
Domiciliation fees	250	250
License fees Central bank	75	75
	136,342	165,142

2.5 Notes to the statement of income and expenses

9. IT and other operating expenses

IP licensing & compliance	12,890	10,502
ICT maintenance & support	7,765	8,750
Other it services	76,201	99,598
	96,856	118,850

10. Financial result (expense)

Provison subsidiaries	(4,647)	47,058
Adjustment profit tax	62	(41,018)
Result subsidiaries	(12,444)	(7,039)
Write off debt	184,095	(72,521)
Unrealized exchange difference	4,208,057	(1,097,893)
	4,375,123	(1,171,413)

3. Other Information

3.1 Statutory provision regarding appropiation of result

In the articles of incorporation it states that the profit shall be at free disposal of the general meeting. Any distribution of the profit shall be made after approval of the annual account. Consequently the following has been presented concerning the appropriation of the result.

3.2 Appropriation of result

The management of the company proposes to appropriate the result as follows:

The negative result for the year 2022 in the amount of EUR 5,162,508 will be deducted from the other reserves.

This proposal needs to be determinded by the General Meeting and has therefore not yet been processed in the annual accounts 2022 for the company.

3.3 Subsequent events

There are no events after the balance sheet date that have significant impact on these financial statements, that require further disclosure.

Name:	Position:	Signature:
Global Related Services B.V.	Statutory director	