

**TGI Entertainment N.V.**  
Curaçao

Annual report 2022

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## 1. Report

## 1.1 General

TGI Entertainment N.V. (hereinafter: "the Company") was incorporated on March 6<sup>th</sup>, 2015 and is established in Curaçao.

### *Reporting period*

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

### *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.

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

## ACCOUNTANT'S COMPILATION REPORT

The financial statements of TGI 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 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.

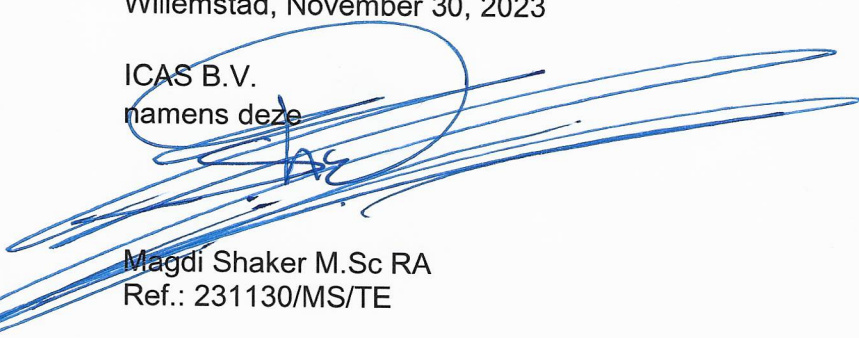
This compilation engagement has been performed by us in accordance with Curaçao law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with 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 TGI 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.

Willemstad, November 30, 2023

ICAS B.V.  
namens deze



Magdi Shaker M.Sc RA  
Ref.: 231130/MS/TE

## 2. Financial statements

**2.1 Balance sheet as at 31 December 2022***(After proposal result)*

| <b>Assets</b>              |   | <b>31-Dec-22<br/>EUR</b> | <b>31-Dec-21<br/>EUR</b> |
|----------------------------|---|--------------------------|--------------------------|
| <b>Financial assets</b>    |   |                          |                          |
| Investment in subsidiaries | 1 | 3,544                    | 2                        |
| <b>Current assets</b>      |   |                          |                          |
| CEG retainer fees          |   | 2,200                    | 1,000                    |
| Prepaid tax retainer       |   | 2,650                    | -                        |
| Related parties            | 2 | 324,403                  | 405,271                  |
| Cash and cash equivalents  | 3 | 322,538                  | 437,682                  |
|                            |   | 651,791                  | 843,953                  |
| Total assets               |   | 655,335                  | 843,955                  |
| <b>Liabilities</b>         |   |                          |                          |
| <b>Shareholders equity</b> |   |                          |                          |
| Share capital              | 4 | 1                        | 1                        |
| Retained earnings          |   | 5,837                    | 7,944                    |
| Result for the year        |   | 65,274                   | (2,107)                  |
|                            |   | 71,112                   | 5,838                    |
| <b>Current liabilities</b> |   |                          |                          |
| Accounts payable           |   | 520,491                  | 792,007                  |
| Provision subsidiaries     |   | 17,562                   | -                        |
| Accrued expenses           |   | 8,336                    | 8,276                    |
| C/A shareholder            |   | 37,834                   | 37,834                   |
|                            |   | 584,223                  | 838,117                  |
| Total equity & liabilities |   | 655,335                  | 843,955                  |

## 2.2 Statement of income and expenses for the year 2022

|                                  |   | <b>2022</b> | <b>2021</b> |
|----------------------------------|---|-------------|-------------|
|                                  |   | <b>EUR</b>  | <b>EUR</b>  |
| <b>Turnover</b>                  | 5 | 5,901,890   | 7,270,192   |
| Direct costs                     | 6 | 5,543,078   | 7,012,544   |
| <b>Gross margin</b>              |   | 358,812     | 257,648     |
| IT and other operating expenses  | 7 | 10,358      | 19,513      |
| Administrative expenses          | 8 | 233,332     | 68,507      |
|                                  |   | (243,690)   | (88,020)    |
| <b>Operating result</b>          |   | 115,122     | 169,628     |
| Financial result                 | 9 | (49,848)    | (171,735)   |
| <b>Result before tax</b>         |   | 65,274      | (2,107)     |
| Tax                              |   | -           | -           |
| <b>Net result for the period</b> |   | 65,274      | (2,107)     |

## 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.

### *Continuity*

These financial statements have been prepared based on going concern 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:

- MTGI Services Ltd.
- Spervi Ltd

### **Accounting policies in respect of the valuation of assets and liabilities**

#### *General*

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

#### *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.

Where no significant influence is exercised associated companies 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.

**Accounting policies in respect of determination**

***Turnover***

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 period concerned.

***Net financial result***

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

***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 the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.

## 2.4 Notes to the balance sheet

### 1. Investment in subsidiaries

The Company is holder of 1,199 ordinary shares of nominal value EUR 1 each in the share capital of MTGI Services Limited. incorporated on December 6<sup>th</sup> 2016, registered of Mriehel Business Hub, Office 3, Ground Floor Triq L-Arkata I-Baxxa, Mriehel Birkirkara, BKR3000, Malta.

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Spervi Limited. incorporated on March 10<sup>th</sup> 2020, registered at Riga Feraiou 7-9 Lizantia Court, Flat/Office 310 Agioi Omologites, 1087, Nicosia, Cyprus.

|                              | 31-Dec-22<br>EUR | 31-Dec-21<br>EUR |
|------------------------------|------------------|------------------|
| Opening balance              | 2                | 1                |
| Provision loss subsidiaries  | 17,562           | 39,666           |
| Adjustment previous years    | (50,618)         | (39,665)         |
| Result subsidiary MTGI Ltd.  | 6,439            | -                |
| Result subsidiary Spervi Ltd | 30,159           | -                |
|                              | <u>3,544</u>     | <u>2</u>         |

### 2. Related parties

|                                       | 31-Dec-22<br>EUR | 31-Dec-21<br>EUR |
|---------------------------------------|------------------|------------------|
| Processing through MTGI Services Ltd. | (8,193)          | 4,447            |
| Processing through Spervi Ltd.        | <u>332,596</u>   | <u>400,824</u>   |
|                                       | 324,403          | 405,271          |

### 3. Cash and cash equivalents

|                   | 31-Dec-22<br>EUR | 31-Dec-21<br>EUR |
|-------------------|------------------|------------------|
| Payment execution | 308              | 32               |
| UAB bank          | 2,160            | 27,912           |
| Bilderlings       | 764              | -                |
| Dream finance     | 1,886            | -                |
| Transactworld     | 273,117          | 273,117          |
| Gigadat Inc.      | 1,773            | -                |
| Flexepin          | 1,579            | -                |
| Smartcoin         | -                | 19,632           |
| PAA Capital S.E.  | 29,664           | 29,664           |
| Astropay          | 1,184            | 908              |
| Myfinity          | 1,012            | 1,012            |
| Payop             | 7,777            | 71,699           |
| Cryptopay Ltd.    | 1,125            | 9,219            |
| Jeton             | <u>189</u>       | <u>4,487</u>     |
|                   | 322,538          | 437,682          |

### 4. Shareholders equity

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

*Movements in equity were as follows:*

|                                         | Issued Share<br>capital<br>EUR | Retained earnings<br>EUR | Total<br>EUR  |
|-----------------------------------------|--------------------------------|--------------------------|---------------|
| Balance as at January 1 <sup>st</sup>   | 1                              | 5,837                    | 5,838         |
| Result for the year                     | -                              | 65,274                   | 65,274        |
| Balance as at December 31 <sup>st</sup> | <u>1</u>                       | <u>71,111</u>            | <u>71,112</u> |

**2.5 Notes to the statement of income and expenses**

|                                           | <u>2022</u>        | <u>2021</u>      |
|-------------------------------------------|--------------------|------------------|
|                                           | EUR                | EUR              |
| <b>5. Turnover</b>                        |                    |                  |
| Gaming revenue                            | 7,558,972          | 7,589,611        |
| Payment to players                        | <u>(1,657,082)</u> | <u>(319,419)</u> |
|                                           | <u>5,901,890</u>   | <u>7,270,192</u> |
| <b>6. Direct costs</b>                    |                    |                  |
| Merchant fees                             | 633,955            | 320,810          |
| Consultancy expenses                      | 127,150            | 151,062          |
| Processing fees                           | 39,722             | -                |
| Gateway fees                              | 23,500             | -                |
| Set up fees                               | -                  | 25,975           |
| SEO Affiliation expenses                  | 2,700              | -                |
| Software development fees                 | 150,000            | 195,379          |
| Hosting/domain fees                       | 97,159             | 53,932           |
| Billing agent fees                        | 80,185             | 39,893           |
| Customer support services                 | 1,011,450          | 629,762          |
| Software license fees                     | 120,436            | 76,816           |
| Advertising expenses                      | 612,473            | 1,063,740        |
| Commission affiliates                     | 1,153,562          | 2,824,764        |
| Game design services                      | -                  | 9,500            |
| Game provider fees                        | <u>1,490,786</u>   | <u>1,620,911</u> |
|                                           | <u>5,543,078</u>   | <u>7,012,544</u> |
| <b>7. IT and other operating expenses</b> |                    |                  |
| IP licensing & compliance                 | 7,500              | 13,513           |
| ICT maintenance & support                 | <u>2,858</u>       | <u>6,000</u>     |
|                                           | <u>10,358</u>      | <u>19,513</u>    |
| <b>8. Administrative expenses</b>         |                    |                  |
| Travel & lodging expenses                 | 72,346             | 22,200           |
| Internet expenses                         | 800                | -                |
| Notary expenses                           | 2,173              | 2,378            |
| Courier expenses                          | 225                | 292              |
| Professional services                     | 32,541             | -                |
| Bankcharges                               | 99,689             | 21,703           |
| Accountancy fees                          | 7,873              | 5,645            |
| Tax services                              | 875                | 750              |
| Legal services                            | 4,370              | 3,560            |
| Corporate services                        | 8,432              | 8,353            |
| Other general expenses                    | 963                | 596              |
| Chamber of commerce                       | 120                | 105              |
| Standard management disbursement          | 2,500              | 2,500            |
| License fees National Bank                | 75                 | 75               |
| Domiciliation fees                        | <u>350</u>         | <u>350</u>       |
|                                           | <u>233,332</u>     | <u>68,507</u>    |
| <b>9. Financial Result (expense)</b>      |                    |                  |
| Write off balance                         | (52,403)           | (181,551)        |
| Result subsidiaries                       | 36,598             | -                |
| Adjustment value subsidiaries             | (50,618)           | 10,953           |
| Unrealized exchange difference            | <u>16,575</u>      | <u>(1,137)</u>   |
|                                           | <u>(49,848)</u>    | <u>(171,735)</u> |

### 3. Other Information

### 3.1 Statutory provision regarding appropriation 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 positive result for the year 2022 in the amount of EUR 65,274 will be added in full to the other reserves.

This proposal needs to be determined 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

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