Disrupt Entertainment Limited N.V.
Curaçao

Annual report 2022

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1. Report

1.1 General

Disrupt Entertainment Limited N.V. (hereinafter: "the Company) is a company incorporated on May 27, 2016. The Company is a limited liability company and domiciled in Curaçao, Dutch Caribbean.

Reporting period

These annual accounts have been prepared for the fiscal year ended on 31 December 2022.

Activities

The activities of the Company, having its legal seat at Curaçao, primarily consist 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, poker and other interactive games for clients established or residing outside of Curaçao.

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

COMPILATION REPORT

The financial statements of Disrupt Entertainment Limted 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 Disrupt Entertainment Limted 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, December 24, 2024
ICAS B.V.
namens deze

Magdi Shaker M.Sc RA
Ref.: 22S241224/MS-DE

2. Financial statements

2.1 Balance sheet as at 31 December 2022

(After proposal result)

Assets	Note	EUR 12/31/2022		EUR 12/31/2021	
Financial assets					
Investments	1	1,001		1,001	
			1,001		1,001
Current assets					
Trade receivables		17,844		17,844	
Other receivables	2	9,962		8,110	
Cash & cash equivalents	3	209,928		74,910	
			237,734		100,864
Total assets			**238,735**		**101,865**

Equity & Liabilities	Note	EUR 12/31/2022		EUR 12/31/2021	
Shareholders equity	4				
Nominal capital		1,000		1,000	
Retained earnings		(272,395)		(137,197)	
Result for the year		78,252		(135,198)	
			(193,143)		(271,395)
Provisions	5	43,908		43,908	
			43,908.00		43,908.00
Short term liabilities					
Current accounts	6	114,930		137,947	
Other Liabilities and accruals	7	273,040		191,405	
			387,970		329,352
Total equity & liabilities			**238,735**		**101,865**

2.2 Statement of income and expenses for the year 2022

	Note	EUR 2022		EUR 2021	
Turnover	8	416,355		144,071	
Direct costs	9	332,305		217,995	
Gross margin			84,050		(73,924)
IT and other operating expenses	10	-		2,713	
Administrative & general expenses	11	10,798		27,277	
			(10,798)		(29,990)
Operating result			**73,252**		**(103,914)**
Financial results	12		5,000		(31,284)
Result before tax			**78,252**		**(135,198)**
Income tax expense					
Net result for the period			**78,252**		**(135,198)**

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 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 prevailing at exchange rates 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.

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 accompanies 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. Investments

Investment in Disrupt Processing Ltd.
The Company is holder of 1,200 ordinary shares of nominal value EUR 1 each in the share capital of Disrupt Processing Ltd. incorporated on May 27th 2016, registered at Il Piazzetta A, Suite 21, Tower Road, Sliema, Malta. Company did not engage in any activities during year 2022 and has been placed in voluntary liquidation.

Investment in Spin City Ltd.
The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Spin City Ltd. incorporated on May 27th 2020, registered at Tseriou, 136 Strovolos, 2045, Nicosia, Cyprus.

		EUR 12/31/2022	EUR 12/31/2021
Spin City Limited (Cyprus)	100%	1,000	1,000
Disrupt Processing limited	100%	1	1
Ending balance		**1,001**	**1,001**

	EUR 12/31/2022	EUR 12/31/2021
2. Other receivables		
Retainer A-One Data Ltd.	2,327	850
Retainer tax	375	-
Prepaid expenses	7,260	7,260
	9,962	**8,110**

	EUR 12/31/2022	EUR 12/31/2021
3. Cash & cash equivalents		
Coinspaid	95,952	33,952
Paymix	104,753	31,735
Skrill	5,939	5,939
Muchbetter	3,284	3,284
	209,928	**74,910**

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4. Shareholders equity

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

	Issued Share capital	Accum. Results	Total
	EUR	EUR	EUR
Balance as at January 1st	1,000	(272,395)	(271,395)
Movements	-	78,252	78,252
Balance as at December 31st	**1,000**	**(194,143)**	**(193,143)**

	EUR 12/31/2022	EUR 12/31/2021
5. Provisions		
Provisions Disrupt Processing Ltd.	43,908	43,908
	43,908	**43,908**

	EUR 12/31/2022	EUR 12/31/2021
6. Current accounts		
Due to Disrupt Processing Ltd.	31,073	54,290
Due to Spin City ltd.	4,000	4,000
Due to shareholder	79,857	79,657
	114,930	**137,947**

	EUR 12/31/2022	EUR 12/31/2021
7. Other Liabilities and accruals		
Trade accounts payable	178,861	99,906
Player balances	87,129	86,799
Accrual tax fees	2,550	1,700
Accrual accounting fees	4,500	3,000
	273,040	**191,405**

2.5 Notes to the statement of income and expenses

	EUR 2022	EUR 2021
8. Turnover		
Casino revenue	41,687	397,341
Casino payouts	(46,687)	(460,907)
Software revenue	421,355	207,637
	416,355	**144,071**
9. Direct costs		
Software license fees	318,931	193,763
Marketing expenses	-	537
Affiliate expenses	-	5,037
Domain fees	-	929
Gaming license fees	13,045	5,560
Payment processing fees	329	12,169
	332,305	**217,995**
10. IT and other operating expenses		
ICT maintenance & support fees	-	2,713
	-	**2,713**
11. Administrative & general expenses		
Management fees	2,300	1,250
Membership & contribution fees	75	75
License fees National bank	60	75
Domiciliation fees	350	350
Corporate secretarial fees	1,983	1,198
Legal fees	90	635
Consulting fees	-	13,115
Accounting expenses	2,866	1,600
Tax advisory fees	850	850
Professional fees	-	6,789
Bank charges	1,865	1,253
Other general expenses	359	87
	10,798	**27,277**
12. Financial results (expenses)		
Miscellaneous gains/losses	5,000	12,624
Result subsidiaries	-	(10,406)
Adjustment previous year subsidiaries	-	(33,502)
	5,000	**(31,284)**

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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 78,252 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:
Guardian Corporation Curaçao B.V.	Statutory director	