

Santeda International B.V.
Willemstad

Santeda International B.V.

at Willemstad

Annual report 2022

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1. Accountants report

Santeda International B.V.
Willemstad

Santeda International B.V.
Abraham Mendez Chumaceiro Boulevard 03
Willemstad

November 17, 2023

Dear Sirs,

1.1 ACCOUNTANT'S COMPILATION REPORT

To: Appropriate addressee

The financial statements of Santeda International B.V. 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 income statement for the year 2022 for the year then ended 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 Curacao law and general accepted accounting principles. We will assist you with the preparation and presentation of the financial statements in accordance with Book 2 of the Curaçao Civil Code and the Generally Accepted Accounting Principles in Curaçao. To this end we have applied our professional expertise in the fields of accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that the information you give us is correct and that you provide us with all relevant information. Therefore, we have conducted our work in accordance with the applicable regulations and on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole and are satisfied that they present a picture in line with our broad understanding of Santeda International B.V..

During this engagement we have complied with relevant ethical requirements. 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.

inFocus N.V.



W. van Steijn AA

1.2 GENERAL

Incorporation company

The Company was established on September 24th, 2019.

Activities

The activities of Santeda International B.V. primarily consist of:

1. The objects of the Company are to organize, market, promote, manage, support and operate all types of remote gaming activities, comprising of 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.
2. The Company is entitled to do all that may be use full or necessary for the attainment of its objects or that is connected therewith in the widest sense.

1.3 FISCAL POSITION

	2022
	EUR
<i>Calculation taxable amount</i>	
Result before taxation	7,109,768
Exempt income items	
Foreign income	(6,425,576)
Participation exemption	684,192
Taxable amount	(684,192)
	-

Tax calculation

	Net world income	Net Curacao income
	EUR	EUR
Allocation		
Revenues	27,983,980	-
Causal costs non-domestic	(21,521,856)	-
Causal costs domestic	-	-
Gross margin	6,462,124	-
Gross margin domestic	-	-
Non causal costs	(36,548)	-
Net income	6,425,576	-

2.1 BALANCE SHEET AS AT 31 DECEMBER 2022

		31-12-2022		31-12-2021	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
<i>Intangible assets</i>					
Other intangible assets			7,875		7,875
<i>Financial assets</i>	1		684,292		100
Current assets					
<i>Receivables</i>					
Trade receivables	2	-		155,000	
Receivables from group companies	3	6,484,337		-	
Accrued income and prepaid expenses	4	100,000		-	
			6,584,337		155,000
<i>Cash and cash equivalents</i>					
Other banks		-		607,112	
Deposit		1,679,721		443,066	
			1,679,721		1,050,178
Total assets			8,956,225		1,213,153
EQUITY AND LIABILITIES					
Equity					
Issued share capital	5				
General reserve	6	100		100	
		7,407,138		297,370	
			7,407,238		297,470
Current liabilities					
Trade payables	7	1,517,039		715,148	
Liabilities to group companies	8	-		176,325	
Taxes and social security contributions	9	374		1,636	
Other payables and short term liabilities	10	31,574		22,574	
			1,548,987		915,683
Total equity and liabilities			8,956,225		1,213,153

2.2 INCOME STATEMENT FOR THE YEAR 2022

		2022	2021
		EUR	EUR
Net turnover	11	27,983,980	9,145,254
Cost of sales	12	<u>(11,222,583)</u>	<u>(6,808,542)</u>
Gross margin		16,761,397	2,336,712
Expenses work contracted out and other external expenses	13	9,952,307	1,531,351
Personnel expenses	14	16,405	-
Depreciation of intangible and tangible fixed assets		-	5,625
Special items	15	(352,440)	-
Other operating expenses	16	<u>719,549</u>	<u>512,905</u>
Total operating expenses		<u>10,335,821</u>	<u>2,049,881</u>
Operating result		6,425,576	286,831
Financial income and expense	17	<u>-</u>	<u>(2,832)</u>
Result before taxation		6,425,576	283,999
Taxation		<u>-</u>	<u>(1,611)</u>
		6,425,576	282,388
Share in result from participations	18	<u>684,192</u>	<u>-</u>
Result after taxes		<u><u>7,109,768</u></u>	<u><u>282,388</u></u>

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Santeda International B.V. is Abraham Mendez Chumaceiro Boulevard 03, in Willemstad, Curaçao. Santeda International B.V. is registered at the Chamber of Commerce under number 151296.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Book 2 of the Curaçao Civil Code and general accepted accounting principles.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to the relevant section.

Research costs are recognised in the income statement. Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realised) and the cost can be determined reliably. A legal reserve has been recognised within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset.

Goodwill resulting from acquisitions and calculated in accordance with section 'Acquisition and disposal of group companies' is capitalised and amortised on a straight-line basis over the estimated economic life.

Negative goodwill is released in the income statement to the extent that charges and losses occur, if it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the income statement.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial

statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as Santeda International B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the income statement.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the income statement.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax assets are valued at their nominal value.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Equity

When Santeda International B.V. purchases treasury shares, the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price

has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to the shareholders.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Gross operating result

The gross margin includes the net turnover, change in finished products and work-in-progress, capitalised production costs of own assets, other operating income, costs of raw materials and consumables and costs of work contracted out, and other external costs. Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer.

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

If the outcome of a project can be estimated reliably, contract revenue and contract costs are recognised as net revenue and expenses in the income statement by reference to the stage of completion of the contract as at the balance sheet date. The progress made on the contract is determined based on the contract costs incurred as at the balance sheet date in proportion to the total estimated contract costs. If the result of the contract cannot (yet) be estimated reliably, the revenue is recognised in the income statement for the amount of the contract costs incurred from which it is likely that they can be recovered; the contract costs are then recognised in the income statement for the period in which they were incurred. As soon as the result can be estimated reliably, revenue recognition takes place in accordance with the PoC method in proportion to the stage of completion of the contract as at the balance sheet date. The result is the difference between the contract revenue and - costs.

Contract revenue is the contractually agreed revenues and revenues from extra work and less work, claims and compensations if and insofar as it is likely that they are realised and can be estimated reliably. Contract costs are the expenditures directly related to the project, which in general can be attributed to project activities and allocated to the project, and other costs which can be attributed under the contract to the commissioner of the project. If it is probable that the total contract costs exceed the total revenue, the expected losses will be directly

recognised in the income statement. This loss is taken into account in the cost price of the operating result. The provision for the loss is included in the balance sheet under Current projects.

Selling expenses

Selling expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS

Fixed assets

	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR
1 Financial assets		
Participations in group companies	<u>684,292</u>	<u>100</u>
Participations in group companies		
Santeda International Ltd., 100%, Cyprus	<u>684,292</u>	<u>100</u>
<i>Current assets</i>		
Receivables		
2 Trade receivables		
Trade debtors	<u>-</u>	<u>155,000</u>
3 Receivables from group companies		
Santeda International Ltd., 100%, Cyprus	<u>6,484,337</u>	<u>-</u>
Other receivables and current assets		
Miscellaneous prepaid expenses	<u>100,000</u>	<u>-</u>

EQUITY AND LIABILITIES

5 Equity

	Issued share capital	General reser- ve	Total
	EUR	EUR	EUR
Balance as at 1 January 2022	100	297,370	297,470
Appropriation of result	-	7,109,768	7,109,768
Balance as at 31 December 2022	100	7,407,138	7,407,238

6 Issued share capital

The share capital is EUR 100 consisting of 100 shares each with a nominal value EUR 1.

Current liabilities

	31-12-2022 EUR	31-12-2021 EUR
7 Trade payables		
Trade creditors	1,517,039	715,148
8 Liabilities to group companies		
Santeda International Ltd., 100%, Cyprus	-	176,325
9 Taxes and social security contributions		
Company tax	374	1,636
10 Other payables and short term liabilities		
Current account shareholder	22,574	22,574
Audit and consultancy costs	9,000	-
	31,574	22,574

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2022

	2022 EUR	2021 EUR
11 Net turnover		
Gross revenues	<u>27,983,980</u>	<u>9,145,254</u>
12 Cost of sales		
Cost of sales (causal non-domestic)	<u>11,222,583</u>	<u>6,808,542</u>
Cost of sales (causal non-domestic)		
Fees gaming software	11,139,112	6,801,778
Licensing & Compliance expenses	<u>83,471</u>	<u>6,764</u>
	<u>11,222,583</u>	<u>6,808,542</u>
13 Expenses work contracted out and other external expenses		
Cost of work contracted out (non-domestic)	<u>9,952,307</u>	<u>1,531,351</u>
Cost of work contracted out (non-domestic)		
Recharged expenses (Santeda International Ltd.)	6,079,698	-
Agency fees	1,634,857	-
Affiliate expenses	1,595,186	1,531,351
Services / verification monitoring	<u>642,566</u>	<u>-</u>
	<u>9,952,307</u>	<u>1,531,351</u>
14 Personnel expenses		
Wages and salaries (non-domestic)	<u>16,405</u>	<u>-</u>
15 Special items		
Corrections previous year (causal non-domestic)	<u>(352,440)</u>	<u>-</u>
16 Other operating expenses		
Selling expenses (causal non-domestic)	683,001	134,565
General expenses	<u>36,548</u>	<u>378,340</u>
	<u>719,549</u>	<u>512,905</u>
Selling expenses (causal non-domestic)		
Marketing	<u>683,001</u>	<u>134,565</u>

	<u>2022</u>	<u>2021</u>
	EUR	EUR
General expenses		
Information, consulting and other professional services	31,981	378,340
Other general expenses	<u>4,567</u>	<u>-</u>
	<u>36,548</u>	<u>378,340</u>
17 Financial income and expense		
Currency translation differences	<u>-</u>	<u>(2,832)</u>
18 Share in result from participations		
Santeda International Ltd., Cyprus	<u>684,192</u>	<u>-</u>

Willemstad, November 17, 2023
Santeda International B.V.

