

AE Group B.V.
Willemstad

AE Group B.V.

at Willemstad

Annual report 2022

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1. Accountants report

AE Group B.V.
Willemstad

AE Group B.V.
Abraham Mendez Chumaceiro Boulevard 03
Willemstad

July 13, 2023

Dear Sirs,

1.1 ACCOUNTANT'S COMPILATION REPORT

To: Appropriate addressee

The financial statements of AE Group 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 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 Dutch law, including Standard 4410, Compilation engagements, which is applicable to accountants. The standard requires us to 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 the Netherlands (Dutch Accounting Standards). 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 AE Group B.V..

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). 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

AE Group B.V.
Willemstad

1.2 GENERAL

Incorporation company

The Company was established on May 9th, 2017.

Activities

The activities of AE Group B.V. primarily consist of:

- 1a. to provide off-shore games of chance and wagering, through the internet in compliance with the regulations - of the Government of Curaçao. This service shall be referred to for all purposes as Internet Casino/Internet Wagering/Internet Sportsbook” provided it concerns aforementioned services.
2. The corporation is authorized to perform everything requisite or profitable to the accomplishment of its purpose or incidental thereto or connected therewith in the widest sense of the word.
3. The corporation has no authority to invoke the annulment of legal acts performed by the corporation, which exceeded the corporate objective.

1.3 FISCAL POSITION

General

Part of the profit realized by the company is foreign profit in accordance with Article 1C, paragraph 2 of the National Ordinance on Profit Tax 1940. No profit tax is payable on this profit.

	<u>2022</u> EUR
<i>Calculation taxable amount</i>	
Result before taxation	520,979
Exempt income items	
Foreign income	<u>(520,979)</u>
Taxable amount	<u><u>-</u></u>

Real presence / permanent establishment

In accordance with art. 1C WB is assumed that AE Group B.V. meets the real presence and permanent establishment requirements. The actual management is located in Curaçao.

Calculation taxable income

	<u>Net income world</u> EUR	<u>Net income Curacao</u> EUR
Net revenues	703,471	-
Causal cost foreign	(165,751)	-
Causal cost domestic	-	-
BM world	<u>537,720</u>	-
Non causal	<u>(16,741)</u>	-
Total net income	<u><u>520,979</u></u>	<u><u>-</u></u>

2.1 BALANCE SHEET AS AT 31 DECEMBER 2022

		31-12-2022		31-12-2021	
		EUR	EUR	EUR	EUR
ASSETS					
Current assets					
<i>Receivables</i>					
Receivables from group companies	1	187,231		433,104	
Accrued income and prepaid expenses	2	2,500		3,500	
			189,731		436,604
<i>Cash and cash equivalents</i>					
Other banks			1,000,519		225,572
Total assets			<u>1,190,250</u>		<u>662,176</u>
EQUITY AND LIABILITIES					
Equity					
Issued share capital	3				
General reserve	4	92		92	
		<u>1,063,714</u>		<u>542,735</u>	
			1,063,806		542,827
Current liabilities					
Trade payables	5	3,172		3,120	
Taxes and social security contributions	6	175		175	
Other payables and short term liabilities	7	<u>123,097</u>		<u>116,054</u>	
			126,444		119,349
Total equity and liabilities			<u>1,190,250</u>		<u>662,176</u>

Mitko Todorov: 

2.2 INCOME STATEMENT FOR THE YEAR 2022

		2022	2021
		EUR	EUR
Revenues	8	703,471	464,625
Cost of sales	9	<u>(151,665)</u>	<u>(167,838)</u>
Gross margin		551,806	296,787
Other operating expenses	10	<u>16,742</u>	<u>21,832</u>
Operating result		535,064	274,955
Financial income and expense	11	<u>(14,085)</u>	<u>(2,894)</u>
Result before taxation		520,979	272,061
Taxation		<u>-</u>	<u>-</u>
Net result after taxation		<u>520,979</u>	<u>272,061</u>

Mitko Todorov: 

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of AE Group B.V. is Abraham Mendez Chumaceiro Boulevard 03, in Willemstad, Curaçao. AE Group B.V. is registered at the Chamber of Commerce under number 143574.

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 the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

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

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.

Current assets

Current assets are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Equity

When AE Group 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.

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.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as AE Group B.V. has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the income statement.

Interest expenses and related expenses

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

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

Current assets

Receivables

	31-12-2022	31-12-2021
	EUR	EUR
1 Receivables from group companies		
Nova Zvezda 100D	187,231	433,104
Other receivables and current assets		
Miscellaneous prepaid expenses	2,500	3,500

EQUITY AND LIABILITIES

3 Equity

	Issued share capital	General reser- ve	Total
	EUR	EUR	EUR
Balance as at 1 January 2022	92	542,735	542,827
Appropriation of result	-	520,979	520,979
Balance as at 31 December 2022	92	1,063,714	1,063,806

4 Issued share capital

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

Current liabilities

5 Trade payables

Trade creditors	3,172	3,120
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6 Taxes and social security contributions

Corporate tax payable	175	175
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	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR
7 Other payables and short term liabilities		
Current account shareholder	56,102	56,102
Player balances	49,295	42,251
Sanevian	15,000	15,000
Other accruals	2,700	2,701
	<u>123,097</u>	<u>116,054</u>

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2022

	2022 EUR	2021 EUR
8 Revenues		
Bets placed	17,694,985	16,278,840
Winnings	(16,892,490)	(15,718,434)
Bonus	(99,024)	(95,781)
	<u>703,471</u>	<u>464,625</u>
9 Cost of sales		
Cost of sales	<u>151,665</u>	<u>167,838</u>
Cost of sales		
License and server fees	106,922	109,039
Payment gateway charges	43,151	50,018
Revenue share	1,592	8,781
	<u>151,665</u>	<u>167,838</u>
10 Other operating expenses		
Housing expenses	-	350
General expenses	16,742	21,482
	<u>16,742</u>	<u>21,832</u>
Housing expenses		
Rent	<u>-</u>	<u>350</u>
General expenses		
Management fees	7,742	8,104
Compliance fees	-	3,895
Professional fees	9,000	5,571
Bank expenses	-	3,461
Other general expenses	-	451
	<u>16,742</u>	<u>21,482</u>
11 Financial income and expense		
Interest and similar expenses	(5,669)	(3,975)
Currency translation differences	(8,416)	1,081
	<u>(14,085)</u>	<u>(2,894)</u>

AE Group B.V.
Willemstad

	<u>2022</u>	<u>2021</u>
	EUR	EUR
Interest and similar expenses		
Interest liabilities to group companies	<u>5,669</u>	<u>3,975</u>

Willemstad, July 13, 2023
AE Group B.V.