

HighBet B.V.
Willemstad

HighBet B.V.

at Willemstad

Annual report 2022

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1. Accountants report

HighBet B.V.
Willemstad

HighBet B.V.
Abraham Mendez Chumaceiro Boulevard 03
Willemstad

August 4, 2023

1.1 ACCOUNTANT'S COMPILATION REPORT

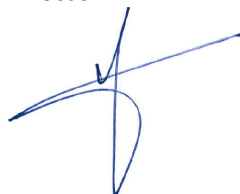
The financial statements of HighBet B.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the income statement for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with 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. 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 HighBet 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 October 3rd, 2018.

Activities

The activities of HighBet B.V. primarily consist of:

To provide off-shore games of chance and wagering through the internet, including but not limited to games of skill and internet, in compliance with the regulations of Curaçao.

This services shall be referred to for all purposes as Internet Casino / Internet Wagering / Internet Sportsbook / Internet Lottery provided it concerns aforementioned services.

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

Calculation taxable amount

Result before taxation	20,033
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Exempt income items

Foreign income	<u>(19,552)</u>
	481
Deductible losses	<u>(481)</u>
Taxable amount	<u><u>-</u></u>

Loss compensation

Year	Compensable loss EUR	Compensated with previous years EUR	Available for compensation at the beginning of the financial year EUR	Compensation during the year 2022 EUR	Available for compensation at the end of the financial year EUR
2020	17,756	-	17,756	481	17,275
2021	<u>24,426</u>	<u>-</u>	<u>24,426</u>	<u>-</u>	<u>24,426</u>
	<u>42,182</u>	<u>-</u>	<u>42,182</u>	<u>481</u>	<u>41,701</u>

These losses are deductible with future taxable profits. This claim is not represented in the balance sheet.

	World income/expenses EUR	Domestic income/expenses EUR
Cost allocation		
Revenue	274,457	-
Causal expenses domestic	(5,647)	-
Causal expenses non-domestic	(229,834)	-
Gross margin	38,976	-
Gross margin domestic	-	935
Non causal	(18,943)	(454)
Total	20,033	481

Real presence / permanent establishment

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

2.1 BALANCE SHEET AS AT 31 DECEMBER 2022

(After proposal appropriation of result)

		<u>31-12-2022</u>		<u>31-12-2021</u>	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
<i>Financial assets</i>	1		1,000		1,000
Current assets					
<i>Receivables</i>					
Trade receivables	2	39,157		-	
Receivables from group companies	3	17,709		17,709	
Accrued income and prepaid expenses	4	-		5,300	
			56,866		23,009
<i>Cash and cash equivalents</i>					
Other banks			5,271		8,050
Total assets			<u>63,137</u>		<u>32,059</u>
EQUITY AND LIABILITIES					
Equity					
	5				
Issued share capital	6	1,826		1,826	
Share premium reserve		75,061		75,061	
General reserve		(60,138)		(80,171)	
			16,749		(3,284)
Current liabilities					
Trade payables	7	39,887		23,662	
Other payables and short term liabilities	8	6,501		11,681	
			46,388		35,343
Total equity and liabilities			<u>63,137</u>		<u>32,059</u>

2.2 INCOME STATEMENT FOR THE YEAR 2022

		2022	2021
		EUR	EUR
Revenues	9	274,457	193,709
Causal costs	10	235,481	193,405
Other operating expenses	11	18,943	23,009
Total operating expenses		254,424	216,414
Operating result		20,033	(22,705)
Financial income and expense	12	-	(1,722)
Result before taxation		20,033	(24,427)
Taxation		-	-
Net result after taxation		20,033	(24,427)

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of HighBet B.V. is Abraham Mendez Chumaceiro Boulevard 03, in Willemstad, Curaçao. HighBet B.V. is registered at the Chamber of Commerce under number 148202.

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

Financial assets

Participations are valued at cost.

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.

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 HighBet 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.

Share premium

The share premium originates from overpayments on the face value of the shares.

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.

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

Fixed assets

	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR
1 Financial assets		
Participations in group companies	<u>1,000</u>	<u>1,000</u>
Participations in group companies		
Gothic Impact Ltd, 100%, Cyprus	<u>1,000</u>	<u>1,000</u>
Gothic Impact Ltd, 100%, Cyprus		
Book value as at 1 January	1,000	-
To be allocated	<u>-</u>	<u>1,000</u>
Book value as at 31 December	<u>1,000</u>	<u>1,000</u>

As at December 31, 2022 Gothic Impact Ltd. has a negative equity in the amount of EUR 28,836 (2021: negative EUR 16,671).

Current assets

Receivables

2 Trade receivables

Trade receivables	<u>39,157</u>	<u>-</u>
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3 Receivables from group companies

Gothic Impact Ltd.	<u>17,709</u>	<u>17,709</u>
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	<u>2022</u>	<u>2021</u>
	EUR	EUR
Gothic Impact Ltd.		
Balance as at 1 January		
Receivable from group company 1	<u>17,709</u>	<u>17,709</u>
Balance as at 1 January	<u>17,709</u>	<u>17,709</u>
Balance movements	<u>-</u>	<u>-</u>
Balance as at 31 December		
Receivable from group company 1	<u>17,709</u>	<u>17,709</u>
Balance as at 31 December	<u>17,709</u>	<u>17,709</u>
Other receivables and current assets		
Miscellaneous prepaid expenses	<u>-</u>	<u>5,300</u>

EQUITY AND LIABILITIES

5 Equity

	Issued share capital	Share premium reserve	General reserve	Total
	EUR	EUR	EUR	EUR
Balance as at 1 January 2022	1,826	75,061	(80,171)	(3,284)
Appropriation of result	-	-	20,033	20,033
Balance as at 31 December 2022	<u>1,826</u>	<u>75,061</u>	<u>(60,138)</u>	<u>16,749</u>

6 Issued share capital

The share capital is USD 2,000 consisting of 2,000 shares each with a nominal value USD 1.

Current liabilities

	<u>31-12-2022</u>	<u>31-12-2021</u>
	EUR	EUR
7 Trade payables		
Trade creditors	<u>39,887</u>	<u>23,662</u>
8 Other payables and short term liabilities		
Accruals	<u>6,501</u>	<u>11,681</u>

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2022

	<u>2022</u>	<u>2021</u>
	EUR	EUR
9 Revenues		
Software development income	245,000	185,000
White label gaming revenue	29,457	-
Other	-	8,709
	<u>274,457</u>	<u>193,709</u>
10 Causal costs		
Domestic causal expenses	5,647	5,647
Non-domestic causal expenses	229,834	187,758
	<u>235,481</u>	<u>193,405</u>
Domestic causal expenses		
ICT & hosting expenses	<u>5,647</u>	<u>5,647</u>
Non-domestic causal expenses		
Game software and platform fees	190,664	178,313
Agent's commission	7,000	-
Gaming License Fees	6,027	5,300
Affiliate service fees	26,143	4,145
	<u>229,834</u>	<u>187,758</u>
11 Other operating expenses		
General expenses	<u>18,943</u>	<u>23,009</u>
General expenses		
Managementfee	6,638	7,864
Professional Service Fees	6,111	10,067
Bank expenses	6,194	5,080
Other general expenses	-	(2)
	<u>18,943</u>	<u>23,009</u>

12 Financial income and expense

Interest and similar expenses
Currency translation differences

<u>2022</u>	<u>2021</u>
EUR	EUR
-	(22)
<u>-</u>	<u>(1,700)</u>
<u>-</u>	<u>(1,722)</u>

Willemstad, August 4, 2023
HighBet B.V.