

HighBet B.V.
Willemstad

HighBet B.V.

at Willemstad

Annual report 2023

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1. Accountants report

HighBet B.V.
Willemstad

HighBet B.V.
Abraham Mendez Chumaceiro Boulevard 03
Willemstad

June 19, 2024

1.1 ACCOUNTANT'S COMPILATION REPORT

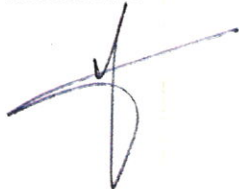
The financial statements of HighBet B.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2023 and the income statement for the year 2023 for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with International Standard on Related Services 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 the accounting policies as described in the notes. To this end we have applied our professional expertise in 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

HighBet B.V.
Willemstad

1.2 GENERAL

Incorporation company

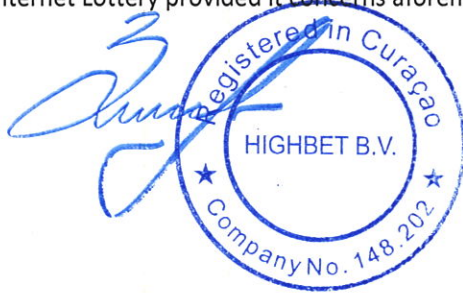
The Company was established on October 3rd, 2018.

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>2023</u> EUR
<i>Calculation taxable amount</i>	
Result before taxation	7,421
Exempt income items	
Foreign income	<u>(7,454)</u>
Taxable amount	<u><u>(33)</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 2023 EUR	Available for compensation at the end of the financial year EUR
2020	17,756	-	17,756	367	17,389
2021	24,426	-	24,426	-	24,426
2023	33				33
	<u>42,215</u>	<u>-</u>	<u>42,182</u>	<u>367</u>	<u>41,848</u>

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

**HighBet B.V.
Willemstad**

	World income/expen ses EUR	Domestic income/expen ses EUR
Cost allocation		
Revenue	229,785	-
Causal expenses domestic	(4,307)	-
Causal expenses non-domestic	(195,110)	-
Gross margin	30,368	-
Gross margin domestic	-	656
Non causal	(22,947)	(689)
Total	7,421	(33)

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 2023

		31-12-2023		31-12-2022	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
<i>Financial assets</i>	1		1,000		1,000
Current assets					
<i>Receivables</i>					
Trade receivables	2	5,771		39,157	
Receivables from group companies	3	<u>11,170</u>		<u>17,709</u>	
			16,941		56,866
<i>Cash and cash equivalents</i>					
Other banks			11,528		5,271
Total assets			<u>29,469</u>		<u>63,137</u>
EQUITY AND LIABILITIES					
Equity					
Issued share capital	4				
Share premium reserve	5	1,826		1,826	
General reserve		75,061		75,061	
		<u>(52,717)</u>		<u>(60,138)</u>	
			24,170		16,749
Current liabilities					
Trade payables	6	1,799		39,887	
Other payables and short term liabilities	7	<u>3,500</u>		<u>6,501</u>	
			5,299		46,388
Total equity and liabilities			<u>29,469</u>		<u>63,137</u>

2.2 INCOME STATEMENT FOR THE YEAR 2023

		2023	2022
		EUR	EUR
Net turnover	8	229,744	274,457
Causal costs	9	199,417	235,481
Other operating expenses	10	22,947	18,943
Total operating expenses		<u>222,364</u>	<u>254,424</u>
Operating result		7,380	20,033
Financial income and expense	11	<u>41</u>	<u>-</u>
Result before taxation		7,421	20,033
Taxation		<u>-</u>	<u>-</u>
Net result after taxation		<u><u>7,421</u></u>	<u><u>20,033</u></u>

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 statements have been prepared in accordance with the accounting policies selected and disclosed by the company, and as set out in the notes to the financial statements. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

Valuation of assets and liabilities and determination of the result take 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.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial period are taken into account if they have become known before preparation of the financial statements.

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.

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 2023

ASSETS

Fixed assets

	31-12-2023 EUR	31-12-2022 EUR
1 Financial assets		
Participations in group companies	1,000	1,000
Participations in group companies		
Gothic Impact Ltd, 100%, Cyprus	1,000	1,000
Gothic Impact Ltd, 100%, Cyprus		
Book value as at 1 January	1,000	1,000
Balance movements	-	-
Book value as at 31 December	1,000	1,000

As at December 31, 2023 Gothic Impact Ltd. has a negative equity in the amount of EUR 43,546 (2022: negative EUR 27,995).

Current assets

Receivables

2 Trade receivables

Trade receivables	5,771	39,157
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3 Receivables from group companies

Gothic Impact Ltd.	11,170	17,709
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EQUITY AND LIABILITIES

4 Equity

	Issued share capital	Share premium reserve	General reser- ve	Total
	EUR	EUR	EUR	EUR
Balance as at 1 January 2023	1,826	75,061	(60,138)	16,749
Appropriation of result	-	-	7,421	7,421
Balance as at 31 December 2023	<u>1,826</u>	<u>75,061</u>	<u>(52,717)</u>	<u>24,170</u>

5 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>31-12-2023</u> EUR	<u>31-12-2022</u> EUR
6 Trade payables		
Trade creditors	<u>1,799</u>	<u>39,887</u>
7 Other payables and short term liabilities		
Accruals	<u>3,500</u>	<u>6,501</u>

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2023

	2023 EUR	2022 EUR
8 Net turnover		
Software development income	10,000	245,000
White label gaming revenue	219,744	29,457
	<u>229,744</u>	<u>274,457</u>
9 Causal costs		
Domestic causal expenses	4,307	5,647
Non-domestic causal expenses	195,110	229,834
	<u>199,417</u>	<u>235,481</u>
Domestic causal expenses		
ICT & hosting expenses	<u>4,307</u>	<u>5,647</u>
Non-domestic causal expenses		
Game software and platform fees	128,910	190,664
Agent's commission	-	7,000
Gaming License Fees	27,514	6,027
Affiliate service fees	38,686	26,143
	<u>195,110</u>	<u>229,834</u>
10 Other operating expenses		
General expenses	<u>22,947</u>	<u>18,943</u>
General expenses		
Managementfee	8,113	6,638
Professional Service Fees	3,327	6,111
Bank expenses	11,506	6,194
Other general expenses	1	-
	<u>22,947</u>	<u>18,943</u>

HighBet B.V.
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11 Financial income and expense

Currency translation differences

<u>2023</u>	<u>2022</u>
EUR	EUR

<u>41</u>	<u>-</u>
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Willemstad, June 19, 2024

HighBet B.V.

