

Favorit United N.V.
Willemstad

Favorit United N.V.

at Willemstad

Annual report 2024

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1. Accountants report

Favorit United N.V.
Willemstad

Favorit United N.V.
Abraham Mendez Chumaceiro Boulevard 03
Willemstad

June 30, 2025

1.1 ACCOUNTANT'S COMPILATION REPORT

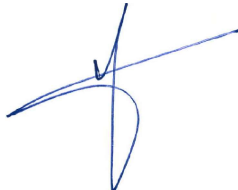
The financial statements of Favorit United N.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2024 and the income statement for the year 2024 for the year then ended with the accompanying explanatory notes. These 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 Favorit United N.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 December 29th, 2010.

Activities

The activities of Favorit United N.V. primarily consist of:

1. 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.
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.

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>2024</u> EUR
<i>Calculation taxable amount</i>	
Result before taxation	1,069,022
Exempt income items	
Non-domestic income	<u>(1,065,142)</u>
	3,880
Deductible losses	<u>(3,880)</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 2024 EUR	Available for compensation at the end of the financial year EUR
2021	5,011	-	5,011	3,880	1,131
2022	640	-	640	-	640
2023	<u>1,257</u>	<u>-</u>	<u>1,257</u>	<u>-</u>	<u>1,257</u>
	<u><u>6,908</u></u>	<u><u>-</u></u>	<u><u>6,908</u></u>	<u><u>3,880</u></u>	<u><u>3,028</u></u>

Favorit United N.V.
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	World income/expen ses EUR	Domestic income/expen ses EUR
Cost Allocation		
Revenue	10,775,358	-
Causal expenses foreign	(9,702,404)	-
Causal expenses domestic	(35,343)	-
Gross Margin	1,037,611	-
Gross Margin domestic	-	3,766
Non causal	31,411	114
Total	1,069,022	3,880

Real presence / permanent establishment

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

2.1 BALANCE SHEET AS AT 31 DECEMBER 2024

		31-12-2024		31-12-2023	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
<i>Financial assets</i>	1		69,141		69,041
Current assets					
<i>Receivables</i>					
Trade receivables		(85,399)		-	
Receivables from group companies	2	1,998,875		2,052,093	
Loans receivable	3	71,834		-	
Other receivables and current assets	4	1,637,216		1,743,066	
			3,622,526		3,795,159
<i>Cash and cash equivalents</i>					
Other banks			175,974		11,903
Total assets			<u>3,867,641</u>		<u>3,876,103</u>
EQUITY AND LIABILITIES					
Equity					
Issued share capital	5	12,725		12,725	
Other reserves	6	(459,898)		(1,528,920)	
			(447,173)		(1,516,195)
Current liabilities					
Short term loans	7	2,845,885		2,801,694	
Trade payables	8	872,058		2,332,593	
Other payables and short term liabilities	9	596,871		258,011	
			4,314,814		5,392,298
Total equity and liabilities			<u>3,867,641</u>		<u>3,876,103</u>

2.2 INCOME STATEMENT FOR THE YEAR 2024

		2024	2023
		EUR	EUR
Net turnover	10	10,775,358	20,415,561
Causal costs	11	9,737,747	19,780,589
Other operating expenses	12	<u>117,545</u>	<u>219,922</u>
Total operating expenses		<u>9,855,292</u>	<u>20,000,511</u>
Operating result		920,066	415,050
Financial income and expense	13	<u>148,956</u>	<u>150,853</u>
Result before taxation		1,069,022	565,903
Taxation		<u>-</u>	<u>-</u>
Net result after taxation		<u><u>1,069,022</u></u>	<u><u>565,903</u></u>

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Favorit United N.V. is Abraham Mendez Chumaceiro Boulevard 03, in Willemstad, Curacao. Favorit United N.V. is registered at the Chamber of Commerce under number 121466.

General notes

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 Favorit United N.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 interest income and related income

Interest income are recognised on a pro rata basis, taking account of the effective interest rate of the assets 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 2024

ASSETS

	31-12-2024	31-12-2023
	EUR	EUR
1 Financial assets		
Participations in group companies	2,000	2,000
Loans	67,141	67,041
	<u>69,141</u>	<u>69,041</u>

Financial assets

	Participations in group companies	Loans	Total
	EUR	EUR	EUR
Balance as at 1 January 2024			
Principal value	2,000	67,041	69,041
Balance as at 1 January 2024	<u>2,000</u>	<u>67,041</u>	<u>69,041</u>
Movements			
Interest	-	100	100
Balance movements	<u>-</u>	<u>100</u>	<u>100</u>
Balance as at 31 December 2024			
Principal value	2,000	67,141	69,141
Balance as at 31 December 2024	<u>2,000</u>	<u>67,141</u>	<u>69,141</u>

Participations in group companies

Bintpash Ltd., 100%, Cyprus	<u>2,000</u>	<u>2,000</u>
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The net equity of the company as at December 31, 2024 amounts to EUR 437,144 (December 31, 2023 EUR 350,425).

	<u>31-12-2024</u>	<u>31-12-2023</u>
	EUR	EUR
Loans		
Bintpash Ltd.	<u>67,141</u>	<u>67,041</u>

This regards a long term loan to Bintpash Ltd. The principal amount of the loan is in total EUR 62,000. The loan carries an annual interest of 2%. Repayment date is December 31,2025.

Current assets

Receivables

2 Receivables from group companies

Bintpash Ltd. - Agent	<u>1,998,875</u>	<u>2,052,093</u>
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3 Loans receivable

Loan receivable from Highbet B.V.	<u>71,834</u>	<u>-</u>
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During the financial year, the company entered into two loan agreements with Favorit United N.V., under identical terms:

On August 1, 2024, a loan agreement was signed for a maximum amount of EUR 50,000.

On November 1, 2024, a second loan agreement was signed, also for EUR 50,000, under the same conditions.

As of the reporting date, a total of EUR 21,500 has been drawn under the second agreement; the full amount of the first loan is assumed to have been drawn.

Both loans bear interest at an annual rate of 2%, accrue interest on a daily basis, and are repayable in full — including accrued interest — within 12 months from the drawdown date. Early repayment is allowed without penalty, subject to a 10-day written notice.

4 Other receivables and current assets

Merchant account balances	1,377,649	1,484,321
Prepayments	24,219	27,497
CA Attores Corporation	7,882	7,882
CA Favbet Invest LLP	13,304	13,304
CA Bet Invest Ltd.	<u>214,162</u>	<u>210,062</u>
	<u>1,637,216</u>	<u>1,743,066</u>

EQUITY AND LIABILITIES

5 Equity

	Issued share capital	Other reserves	Total
	EUR	EUR	EUR
Balance as at 1 January 2024	12,725	(1,528,920)	(1,516,195)
Appropriation of result	-	1,069,022	1,069,022
Balance as at 31 December 2024	<u>12,725</u>	<u>(459,898)</u>	<u>(447,173)</u>

6 Issued share capital

The share capital is USD 17,000 consisting of 17,000 shares each with a nominal value USD 1.

Current liabilities

	<u>31-12-2024</u>	<u>31-12-2023</u>
	EUR	EUR
7 Short term loans		
Hotor Argo Sro	1,725,394	1,717,162
Bet Invest Ltd.	58,535	57,535
Favbet Invest LLP	297,245	292,365
Transform Biz Corp Ltd.	<u>764,711</u>	<u>734,632</u>
	<u>2,845,885</u>	<u>2,801,694</u>

Hotor Argo Sro relates to a loan in the principal amount of EUR 411,600 at 2% annual and an assignment agreement which amounts to EUR 1,266,416 as at December 31, 2022.

Palliatto Group Ltd.

The unpaid principal amount of the loan is in total EUR 236,268. The loan carries an annual interest of 2%.

Repayment date is October 20, 2025.

Bet Invest Ltd.

The unpaid principal amount of the loan is in total EUR 50,000. The loan carries an annual interest of 2%.

Repayment date is December 31, 2025.

Favbet Invest LLP

The unpaid principal amount of the loan is in total EUR 244,000. The loan carries an annual interest of 2%.

Repayment date is December 31, 2025.

Transform Biz Corp Ltd. This amount regards loans assigned from Attores Corporation, FCG Development Ltd. and Palliatto Group Ltd in 2019.

8 Trade payables

Trade creditors	<u>872,058</u>	<u>2,332,593</u>
	<u>31-12-2024</u>	<u>31-12-2023</u>
	EUR	EUR

9 Other payables and short term liabilities

Current account shareholder	126,628	120,397
Player accounts	470,149	137,523
FavoritBet Ltd.	<u>94</u>	<u>91</u>
	<u>596,871</u>	<u>258,011</u>

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2024

	2024 EUR	2023 EUR
10 Net turnover		
Wagering income	10,629,054	19,881,161
White label gaming revenue	100,615	534,400
Other	45,689	-
	<u>10,775,358</u>	<u>20,415,561</u>
11 Causal costs		
Domestic causal expenses	35,343	21,834
Non-domestic causal expenses	9,702,404	19,758,755
	<u>9,737,747</u>	<u>19,780,589</u>
Domestic causal expenses		
Gaming license expenses	25,281	16,764
ICT & hosting expenses	10,062	5,070
	<u>35,343</u>	<u>21,834</u>
Non-domestic causal expenses		
PSP fees	1,812,980	1,488,860
Games software and platform license fees	2,153,647	9,898,387
Live streaming licenses & services	397,851	2,615,328
Affiliate expenses	660,376	607,506
Software development expenses	146,152	1,755,410
ICT, hosting, domain and design expenses	526,338	255,507
Software license expenses	2,135	18,156
Commission expenses	91,360	182,269
Support services	474,152	267,838
	<u>6,264,991</u>	<u>17,089,261</u>
Advertising & Marketing services	3,437,413	2,669,494
	<u>9,702,404</u>	<u>19,758,755</u>
12 Other operating expenses		
Housing expenses	2,100	-
General expenses	115,445	219,922
	<u>117,545</u>	<u>219,922</u>
Housing expenses		
Rent	<u>2,100</u>	<u>-</u>

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	<u>2024</u>	<u>2023</u>
	EUR	EUR
General expenses		
Legal expenses	14,300	63,060
Professional fees	22,497	44,260
Bank expenses	74,493	76,083
Other general expenses	<u>4,155</u>	<u>36,519</u>
	<u>115,445</u>	<u>219,922</u>

13 Financial income and expense

Interest and similar expenses	(20,815)	(21,228)
Currency translation differences	<u>169,771</u>	<u>172,081</u>
	<u>148,956</u>	<u>150,853</u>

Willemstad, June 30, 2025

Favorit United N.V.