

Intelligent Innovations N.V.

E-Commerce Park, Vredenberg, Curaçao

FINANCIAL STATEMENTS 2020

Intelligent Innovations N.V.

Financial Statements December 31, 2020

Directory	<u>Page</u>
Managing Director	2
Director's report	3
Financial Statements	
Balance Sheet as at December 31, 2020	4
Profit and Loss Account for the period January 1, 2020 through December 31, 2020	5
Notes	6 - 9

Intelligent Innovations N.V.

**Financial Statements
December 31, 2020**

MANAGING DIRECTOR:

EMS Management Services N.V.
Groot Kwartierweg 10
Curaçao

Registered Address of the Company:

E-Commerce Park, Vredenberg
Heelsumstraat 51
Curaçao

Correspondence Address of the Company:

PO Box 423
Curaçao

Intelligent Innovations N.V.

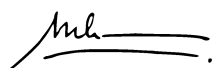
Financial Statements December 31, 2020

DIRECTOR'S REPORT:

We are pleased to present you with the Annual Report for the period January 1, 2020 through December 31, 2020.

During the period under review, the Company recorded a net loss of EUR 198,042. Details of which are set out in the attached Profit and Loss account.

Curaçao,



EMS Management Services N.V.

Managing Director

Intelligent Innovations N.V.
Balance Sheet as at December 31, 2020
(In EUR, before appropriation of results)

ASSETS	Notes	2020	2019
<u>Fixed Asset</u>			
<i>Financial fixed assets</i>			
Participation	3	-	1,000
		-	1,000
<u>Current Assets</u>			
Receivables from related parties	4	185,678	10,114
Other receivables	5	468,826	-
Cash at banks	6	509,922	434,020
		1,164,426	444,134
TOTAL ASSETS		1,164,426	445,134
SHAREHOLDER'S EQUITY AND LIABILITIES			
<u>Shareholder's equity</u>			
	7		
Issued and fully paid share capital		1	1
Retained Earnings		359,147	324,255
Net result for the year		(198,042)	34,892
		161,106	359,148
<u>Current Liabilities</u>			
Payable to related parties	8	66,010	57,695
Accounts payable	9	937,310	28,291
		1,003,320	85,986
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		1,164,426	445,134

Intelligent Innovations N.V.
Profit and Loss Account for the period
January 1, 2020 through December 31, 2020
(In EUR)

	Notes	2020	2019
Revenue		184,889	430,233
Other income		110,000	6,437
Operational cost	10	<u>(403,299)</u>	<u>(367,766)</u>
Net operating result		(108,410)	68,904
General and administrative expenses	11	<u>(62,271)</u>	<u>(34,012)</u>
Total general and administrative expenses		(62,271)	(34,012)
Exchange rate expenses		(26,361)	-
Impairment losses	3	<u>(1,000)</u>	<u>-</u>
Financial result		(27,361)	-
Result before provision for profit tax		<u>(198,042)</u>	<u>34,892</u>
Profit tax		-	-
NET RESULT FOR THE YEAR		<u>(198,042)</u>	<u>34,892</u>

Intelligent Innovations N.V.

Notes to the Financial Statements January 1, 2020 through December 31, 2020 (In EUR)

1 GENERAL

Company's Information and Principal Activities

Intelligent Innovations N.V. is a limited liability company that was incorporated in Willemstad on November 30, 2016. The Company is registered with the Chamber of Commerce and Industry of Curaçao under number 142065. The Company is solely engaged in e-gaming activities.

2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

a. General principles

The financial statements have been prepared in accordance with Book 2 of the Curaçao Civil Code using the Guidelines for annual reporting of the Dutch Accounting Standards Board.

b. Comparison with previous year

The principles of valuation and determination of result remained unchanged compared to the previous year, with the exception of the revenue determination as disclosed in note 13.

c. Participation

Shares in group companies are stated at acquisition cost or, in case of a permanent impairment of the value of the shares at, lower equity value as determined on the basis of the financial statements of the group companies.

d. Cash at banks

Cash at bank includes bank balances. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

e. Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into administration currency at the rate of exchange prevailing at balance sheet date. Transactions in foreign currencies are translated at the exchange rates in effect on the day of the transaction. Items in the Statement of Income and Expenses were revalued at the average rate of exchange during the period under review.

Exchange gains or losses are reflected in the profit and loss account.

	2020	2019
Exchange rates used: 1 USD =	0.8141	0.8929 EUR

Assets and liabilities are stated at face value unless indicated otherwise.

f. Recognition of Income and Expenses

Other income and expenses, including taxation, are recognized and reported in accordance with the accrual concept.

Intelligent Innovations N.V.

Notes to the Financial Statements January 1, 2020 through December 31, 2020 (In EUR)

3 PARTICIPATION

	Registered office	Number of shares	2020	2019
<u>Verbenaz Limited</u>				
The participation had been recorded at cost	Cyprus	1000		
Opening balance			1,000	1,000
Impairment loss			(1,000)	-
Ending balance			-	1,000

4 RECEIVABLES TO RELATED PARTIES

	2020	2019
<u>Verbenaz Limited</u>		
Opening balance	10,114	3,677
Movements during the year	175,564	6,437
Ending balance	185,678	10,114

5 OTHER RECEIVABLES

	2020	2019
Prepaid expenses *	5,395	-
PSP wallets receivables **	463,431	-
	468,826	-

* PREPAID EXPENSES

	2020	2019
Sublicense expenses	5,395	-
	5,395	-

** PSP WALLETS RECEIVABLES

Direct Payments Ltd	(11,369)	-
Muchbetter	220	-
Pradexx OU	5,434	-
Pure Transfer	469,146	-
	463,431	-

Intelligent Innovations N.V.

Notes to the Financial Statements January 1, 2020 through December 31, 2020 (In EUR)

6 CASH AT BANKS	2020	2019
<u>SAI Bank</u>		
Current account EUR	-	434,020
	-	434,020
<u>PayMix Ltd</u>		
Current account EUR	9,248	-
	9,248	-
<u>3rd party Account</u>		
Current account EUR	500,674	-
	500,674	-
	509,922	434,020

7 SHAREHOLDER'S EQUITY

The Company's authorized share capital amounts to USD 1 (EUR 0.91) and consists of 1 share with a nominal value of USD 1,00 each.

Movements in the shareholder's equity accounts are as follows:

	<u>Issued and fully paid share capital</u>	<u>Retained earnings/ Accumulated deficit</u>	<u>Result current year</u>	<u>Total</u>
Opening balance	1	324,255	34,892	359,148
Allocation of result previous year	-	34,892	(34,892)	-
Movements during the year	-	-	(198,042)	(198,042)
Ending balance	1	359,147	(198,042)	161,106

8 PAYABLE TO RELATED PARTIES	2020	2019
<u>Shareholder</u>		
Opening balance	57,695	52,806
Movements during the year	8,315	4,889
Ending balance	66,010	57,695

Intelligent Innovations N.V.

Notes to the Financial Statements

January 1, 2020 through December 31, 2020

(In EUR)

9 ACCOUNTS PAYABLE	2020	2019
Trade payables	239,883	21,445
Profit tax 2018	6,846	6,846
Players balance liability	690,581	-
	<u>937,310</u>	<u>28,291</u>

10 OPERATIONAL COST	2020	2019
Software and License expenses	269,029	-
Support expenses	4,211	-
Marketing and Advertising expenses	28,020	296,780
Affiliate expenses	-	119
Other direct expenses	76,853	100
Revenue share expenses	6,718	359
Commission expenses	-	100
Leasing expenses	-	30,141
Sublicense expenses	4,865	4,500
Design and Development expenses	-	35,667
Agent expenses	13,603	-
	<u>403,299</u>	<u>367,766</u>

11 GENERAL AND ADMINISTRATIVE EXPENSES	2020	2019
Management expenses	2,500	2,500
Legal and Professional expenses	38,143	21,342
Rent expenses	7,360	-
Other expenses	2,500	208
Bank charges	1,654	9,962
Correction previous year	10,114	-
	<u>62,271</u>	<u>34,012</u>

12 During 2020, it was decided to change the valuation method from cash accounting to accrual accounting, due to the fact that the Company is growing, and accrual accounting provides a better view of the revenue, and liabilities. The difference between 2020 and 2019 is the player liability, which is a provision of the unearned income at year end, which is now recognized as a liability on the Balance sheet. This unearned income was immaterial in the past, but as the Company grows it is important to account for this liability, since it reflects a liability the company has with its players considering the funds are in the Company's possession but are not yet played on the platform.

13 The Company incurred a negative result before provision for profit tax for the year of EUR 198,042. On the foreign sourced income of the company, a profit tax rate of 0% is applicable, based on the territorial approach. On the domestic net result incurred by the Company, a profit tax rate of 22% is applicable. Consequently the profit tax is calculated at EUR 0.
