

Invicta Networks N.V.

E-Commerce Park, Vredenberg, Curaçao

FINANCIAL STATEMENTS 2018

Invicta Networks N.V.

**Annual Report
December 31, 2018**

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Invicta Networks N.V.

**Annual Report
December 31, 2018**

MANAGING DIRECTOR:

eMoore N.V.
Landhuis Groot Kwartier
Groot Kwartierweg 12
Curaçao

BUSINESS ADDRESS:

Heelsumstraat 51
E-Commerce Park, Vredenberg
Curaçao

CORRESPONDENCE ADDRESS:

PO Box 422
Curaçao

Invicta Networks N.V.

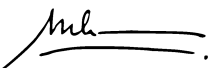
**Annual Report
December 31, 2018**

DIRECTOR'S REPORT:

We are pleased to present you with the Annual Report for the period January 1, 2018 through December 31, 2018.

During the period under review, the Company recorded a net profit of EUR 753.173. Details of which are set out in the attached Profit and Loss account.

Curaçao,



eMoore N.V.
Managing Director

Invicta Networks N.V.

Balance Sheet as at December 31, 2018

(In EUR, before appropriation of results)

ASSETS	Notes	2018	2017
<u>Fixed Assets</u>			
Participations	4	2.000	1.000
Loan receivables	5	57.872	56.737
		<u>59.872</u>	<u>57.737</u>
<u>Current Assets</u>			
Other receivables	6	1.054.829	19.130
Receivable from related parties	7	1.036.881	373.990
Cash and cash equivalent	8	1.212.145	745.817
		<u>3.303.855</u>	<u>1.138.937</u>
TOTAL ASSETS		<u>3.363.727</u>	<u>1.196.674</u>

SHAREHOLDER'S EQUITY AND LIABILITIES

<u>Shareholder's equity</u>			
Issued and fully paid share capital	9	1	1
Capital Surplus		11.445	11.445
Retained Earnings		1.169.181	614.347
Net result for the year		753.173	554.834
		<u>1.933.800</u>	<u>1.180.627</u>
<u>Long-term Liabilities</u>			
Loan payable	10	190.000	-
<u>Current Liabilities</u>			
Accounts payable	11	1.218.225	500
Provision for profit tax		20.702	14.547
Current account shareholder		1.000	1.000
		<u>1.239.927</u>	<u>16.047</u>
TOTAL EQUITY AND LIABILITIES		<u>3.363.727</u>	<u>1.196.674</u>

Invicta Networks N.V.

Profit and Loss Account for the period January 1, 2018 through December 31, 2018

(In EUR)

	Notes	2018	2017
<u>Operational Income / (Expense)</u>			
Gaming revenue		175.131.103	18.444.821
Operating costs	12	(174.242.945)	(17.766.003)
General and administrative expenses	13	<u>(120.436)</u>	<u>(90.347)</u>
		767.723	588.471
<u>Financial Income / (Expense)</u>			
Depreciation expense		-	(23.421)
Interest income	5	<u>1.135</u>	<u>1.107</u>
		1.135	(22.314)
Currency exchange differences		(314)	-
Result before profit tax		<u>768.544</u>	<u>566.157</u>
Profit tax		(15.371)	(11.323)
NET RESULT FOR THE YEAR		<u>753.173</u>	<u>554.834</u>

Invicta Networks N.V.
Notes to the Annual Report
January 1, 2018 through December 31, 2018
(In EUR)

1 GENERAL

Company's Information and Principal Activities

The Company is a limited liability company that was incorporated on August 4, 2011 under the laws of Curaçao.

The Company is registered with the Chamber of Commerce and Industry of Curaçao under number 123787.

The Company is solely engaged in e-gaming activities.

2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

a. General principles

The accompanying Financial Statements have been prepared in accordance with the local accounting principles generally accepted in Curaçao, according to International Accounting Standard Board (IASB) set out in Book 2 of the Civil Code of Curaçao.

b. Comparison with previous year

The principles of valuation and determination of result remained unchanged compared to the previous year.

3 SIGNIFICANT ACCOUNTING POLICIES

a. General

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

b. Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances.

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

c. Fixed Assets

The investments in subsidiaries are stated at cost.

d. 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.

In the event of exchange gains or losses, they will be reflected in the profit and loss account.

		2018	2017	
Exchange rates used:	1 EUR =	1,1438	1,1979	USD

e. Recognition of Income and Expenses

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

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(In EUR)

4 PARTICIPATIONS	2018	2017
<u>Brivio Ltd, Cyprus</u> 1000 shares @ Euro 1,- each	1.000	1.000
<u>Lambrie Investments Ltd, Cyprus</u> 1000 shares @ Euro 1,- each	1.000	-
	<u>2.000</u>	<u>1.000</u>

5 LOANS RECEIVABLE				2018	2017
Name	Domicile	Rate	Repayment Date		
Sapphire Curaçao N.V.	Curaçao	2%	January 1, 2020		
Opening balance				56.737	50.630
Movements during the period				-	5.000
Interest				1.135	1.107
Ending balance				57.872	56.737

As at December 31, 2018 the accrued interest amounts to EUR 1,135.

6 OTHER RECEIVABLES		
<u>Prepayments</u> Sublicense fees 2018 - Antillephone Sevices N.V. Emoore N.V.	10.808 3.922	10.313 -
	<u>14.730</u>	<u>10.313</u>
<u>Merchants</u> Wirecard Bank Merchant Brivio Wirecard Bank Merchant reserve account Brivio	693.263 346.836	- -
	<u>1.054.829</u>	<u>10.313</u>

7 RECEIVABLES FROM RELATED PARTIES	2018	2017
<u>Easydock Investment Ltd.</u> Current account	2.582	2.582
<u>Lambrie Investments Ltd, Cyprus</u> Current account	33.972	276.614
<u>Brivio Ltd, Cyprus</u> Current account	1.000.327	94.794
	<u>1.036.881</u>	<u>373.990</u>

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Notes to the Annual Report

January 1, 2018 through December 31, 2018

(In EUR)

8 CASH AND CASH EQUIVALENTS

	2018	2017
<u>Cash in hand</u>	1	1
<u>United International Bank N.V., Curaçao</u> EUR current account	-	698.151
<u>South American International Bank</u> EUR current account	1.212.144	47.665
	<u>1.212.145</u>	<u>745.817</u>

9 SHAREHOLDER'S EQUITY

2018

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

	Issued and fully paid share capital	Capital Surplus	Retained earnings	Result for the year
Opening balance	1	11.445	614.347	554.834
Allocation of result prior year	-	-	554.834	(554.834)
Movements during the year	-	-	-	753.173
Ending balance	<u>1</u>	<u>11.445</u>	<u>1.169.181</u>	<u>753.173</u>

10 LOAN

2018

2017

<u>Brivio Ltd, Cyprus</u> Interest free loan repayable in 5 years	<u>190.000</u>	<u>-</u>
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11 ACCOUNTS PAYABLE

2018

2017

Players liabilities	1.181.826	-
Software fees	35.899	-
Tax Advisory fees	500	500
	<u>1.218.225</u>	<u>500</u>

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Notes to the Annual Report

January 1, 2018 through December 31, 2018

(In EUR)

12 DIRECT COSTS	2018	2017
Marketing, advertising & affiliates expenses	2.666.283	554.478
Software-, Hosting & internet expenses	1.156.644	919.669
Operating expenses	387.956	40.508
Sponsoring fees	954.745	628.210
Reseller license fees	173.063	59.229
Recharge- and Agency expenses	10.386.867	9.280.691
Other operating expenses subsidiaries	158.493.882	6.261.940
Sublicense fees - Antillephone Services N.V.	11.545	10.238
Bandwidth expenses - E-Commercepark N.V.	11.960	11.040
	<u>174.242.945</u>	<u>17.766.003</u>
13 GENERAL AND ADMINISTRATIVE EXPENSES	2018	2017
Management fees	53.971	50.854
Consultancy fees	45.594	26.521
Legal and professional fees	1.082	-
Bank charges	19.788	12.527
Advisory fees	-	445
	<u>120.436</u>	<u>90.347</u>
