



**Avy Group B.V.
Attn. Mr P. Zaman
Donauweg 21
1043 AJ AMSTERDAM**

Annual report 2021

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Annual report 2021

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1. FINANCIAL REPORT

Avy Group B.V.
Mr P. Zaman
Donauweg 21
1043 AJ AMSTERDAM

Subject: Annual report 2021

Amsterdam, August 30 2022

Dear mister Zaman,

Herewith we submit you a report of our activities on the annual account 2021 of your company.

The balance sheet as of 31 December 2021, the profit and loss account 2021 and the notes, together forming part of the annual report 2021 are components of this report.

1.1 Instructions

Introduction

On the basis of information provided by the company's management, we have compiled the financial statements of Avy Group B.V., Noordwijk, for the year 2021.

Scope

We have compiled the financial statements in accordance with Dutch law. Our procedures were limited primarily to gathering, processing, classifying and summarising financial information.

Confirmation

Based on the information provided to us, we have compiled the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.

We trust to have been of service. We are available to provide further explanation.

Yours sincerely,

RS Finance

1.2 Fiscal position

Calculation taxable amount 2021

The indebted corporate income tax for the financial year 2021 amounts € ,0. This amount is calculated as follows:

	2021	
	€	€
Result after taxation		-2.899.929
		<u>-2.899.929</u>
Less:		
Share in the result of associated companies	-2.832.827	
Corporate income tax, movement in deferred tax	<u>7.455</u>	
		<u>-2.825.372</u>
Taxable amount 2021		<u><u>-74.557</u></u>

Deductible losses

At 31 december 2021 the company possesses the following deductible losses. These losses can be deducted against future fiscal profits.

	Balance	Deducted	Remaining	Deductible until
	€	€	€	
Deductible loss from 2020	26.392	-	26.392	
Deductible loss from 2021	<u>74.557</u>	-	<u>74.557</u>	
	<u><u>100.949</u></u>	<u>-</u>	<u><u>100.949</u></u>	
Deductible tax				
Deferred tax assets	10%	of	100.949	<u><u>10.095</u></u>

2. FINANCIAL STATEMENTS

2.1 Balance sheet as of 31 December 2021

(After result appropriation)

ASSETS	31 December 2021		31 December 2020	
	€	€	€	€
Fixed assets				
<i>Financial fixed assets</i>				
Participations in group companies	811		2	
Receivables from group companies	386.250		1.211.334	
Other receivables	<u>10.095</u>		<u>2.640</u>	
		397.156		1.213.976
Current assets				
<i>Receivables</i>				
Receivables from group companies	-		74.191	
Taxes and premiums social insurance	12.973		12	
Other receivables	125.000		-	
Other prepayments and accrued income	<u>21.060</u>		<u>10.530</u>	
		159.033		84.733
<i>Cash at bank and in hand</i>		212.736		684.917
Total assets		<u><u>768.925</u></u>		<u><u>1.983.626</u></u>

2.1 Balance sheet as of 31 December 2021

(After result appropriation)

LIABILITIES	31 December 2021		31 December 2020	
	€	€	€	€
Shareholders' equity				
Issued share capital	119		100	
Share premium	4.717.613		1.569.347	
Legal reserves	282.038		-	
Other reserves	<u>-4.774.642</u>		<u>-1.592.675</u>	
		225.128		-23.228
Non-current liabilities				
Debts to participants and companies	93.750		1.541.250	
Other debts	<u>292.500</u>		<u>379.346</u>	
		386.250		1.920.596
Current liabilities				
Accounts payable	25.634		-	
Debts to participants and companies	-		72.978	
Other debts	125.000		-	
Accrued liabilities	<u>6.913</u>		<u>13.280</u>	
		157.547		86.258
Total liabilities		<u>768.925</u>		<u>1.983.626</u>

2.2 Profit and loss account 2021

	2021		2020	
	€	€	€	€
Net turnover		5.265		63.548
Gross operating result		<u>5.265</u>		<u>63.548</u>
General costs	78.771		66.299	
Total operating costs	<u>78.771</u>	78.771	<u>66.299</u>	66.299
Operating result		<u>-73.506</u>		<u>-2.751</u>
Interest and similar income	47.547		24.107	
Interest and similar expenditure	<u>-48.598</u>		<u>-47.748</u>	
Total financial income and expenditure		-1.051		-23.641
Result before taxation		<u>-74.557</u>		<u>-26.392</u>
Taxation		7.455		2.640
Share in the result of associated companies		-2.832.827		-351.301
Result after taxation		<u><u>-2.899.929</u></u>		<u><u>-375.053</u></u>

2.3 Notes to the annual report

General notes

Activities

The activities of Avy Group B.V., having its registered office at Noordwijk primarily consist of:

- establishing, participating in any way in, managing and supervising enterprises and companies;
- financing enterprises and companies;
- borrowing, lending and raising funds, including the issuance of bonds, debentures or other securities, as well as entering into related agreements;
- providing advice and services to companies with which the company is affiliated in a group and to third parties;
- providing guarantees, binding the company and encumbering the company's assets on behalf of companies and companies with which the company is affiliated in a group and on behalf of third parties;
- acquiring, managing, exploiting and alienating registered property and assets in general;
- trading currencies, securities and assets in general;
- exploiting and trading patents, trademarks, licenses, know-how and other industrial property rights;

The actual activities are carried out at Donauweg 21, Amsterdam.

Registered office, legal form and registration number at the chamber of commerce

Avy Group B.V., Noordwijk has been registered at the Chamber of Commerce under file number 67928676.

Estimates

In applying the principles and policies for drawing up the financial statements, the management of the Company makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under art. 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

General accounting policies

General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

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.

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

2.3 Notes to the annual report

ACCOUNTING POLICIES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

Participations

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as the company can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Loans to associates

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments are taken into account.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income taxes are recognised at nominal value.

Accounts receivable

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. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash at bank and in hand

Cash at bank 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 bank and in hand is carried at nominal value.

Non-current liabilities (Long-term debts)

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

2.3 Notes to the annual report

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, less transaction costs. This usually is the nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

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.

Costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expense

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) 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.

Result from participations (valued at net asset value)

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to the company.

2.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Financial fixed assets

Participations in associated companies

Participations in associated companies have been divided as follows:

Name	Place of business	Share in capital	Equity in accordance with last annual account	Result in accordance with last annual account
		%	€	€
Avy B.V.		100	810	-1.483.999
Avy Technologies B.V.		100	-6.538	-1.273

31-12-2021	31-12-2020
€	€

Participations in associated companies

Avy B.V.	810	1
Avy Technologies B.V.	1	1
	<u>811</u>	<u>2</u>

Receivables from group companies

Loan I Avy B.V.	-	1.021.334
Loan II Avy B.V.	-	190.000
Receivable from Avy B.V. (i.r.t. COL INH)	292.500	-
Receivable from Avy B.V. (i.r.t. Orange Wings)	93.750	-
	<u>386.250</u>	<u>1.211.334</u>

2.4 Notes to the balance sheet

	2021	2020
	€	€
<i>Loan I Avy B.V.</i>		
Value as of 1 January 2021	1.021.334	-
Provided funds	-	1.000.000
Transfer to C/A Avy B.V.	-1.021.334	-
	-	1.000.000
Interest	-	21.334
Value as of 31 december	-	1.021.334

<i>Loan II Avy B.V.</i>		
Value as of 1 January 2021	190.000	-
Provided funds	-	190.000
Transfer to C/A Avy B.V.	-190.000	-
Value as of 31 december	-	190.000

<i>Receivable from Avy B.V. (i.r.t. COL INH)</i>		
Value as of 1 January 2021	-	-
Transfer from C/A Avy B.V.	379.346	-
Interest 2021	6.904	-
Short-term part of receivable	-93.750	-
Value as of 31 december	292.500	-

<i>Receivable from Avy B.V. (i.r.t. Orange Wings)</i>		
Value as of 1 January 2021	-	-
Transfer from C/A Avy B.V.	125.000	-
Short-term part of receivable	-31.250	-
Value as of 31 december	93.750	-

No securities have been given.

	31-12-2021	31-12-2020
	€	€
Other receivables		
Deferred tax assets	10.095	2.640

<i>Deferred tax assets</i>		
Value as of 1 January 2021	2.640	-
Mutation due to taxable amount 2021	7.455	2.640
Value as of 31 december	10.095	2.640

2.4 Notes to the balance sheet

CURRENT ASSETS

Receivables

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Receivables from group companies		
Current-account Avy B.V.	-	<u>74.191</u>

	<u>2021</u>	<u>2020</u>
	€	€
<i>Current-account Avy B.V.</i>		
Value as of 1 January 2021	74.191	74.191
Transfer from long-term receivables	1.211.334	-
Transfer to long-term receivables	-504.346	-
Provided funds to Avy B.V. during 2021	2.051.051	-
Conversion to share premium reserve in Avy B.V.	-2.832.230	-
Value as of 31 december	<u>-</u>	<u>74.191</u>

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Taxes and premiums social insurance		
Corporate income tax	-	12
Value added tax	<u>12.973</u>	<u>-</u>
	<u>12.973</u>	<u>12</u>

<i>Value added tax</i>		
Value added tax last period	<u>12.973</u>	<u>-</u>

Other receivables

Short-term part of receivable	<u>125.000</u>	<u>-</u>
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Other prepayments and accrued income

Accrued income	-	10.530
Creditnote to be received	<u>21.060</u>	<u>-</u>
	<u>21.060</u>	<u>10.530</u>

Cash at bank and in hand

Current account bank	<u>212.736</u>	<u>684.917</u>
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2.4 Notes to the balance sheet

LIABILITIES

SHAREHOLDERS' EQUITY

	2021	2020
	€	€
Issued share capital		
Value as of 1 January 2021	100	100
Issue shares	19	-
Value as of 31 december	<u>119</u>	<u>100</u>

The authorised share capital amounts to € 118,64, divided 118.644 shares with a face value of € 0,001. The issued share capital amounts to € 118,64.

As of balance date the issued share capital was divided as follows:

- 70.000 shares A (€ 0,001)
- 48.644 shares B (€ 0,001)

Share premium

Value as of 1 January 2021	1.569.347	1.569.347
Share premium on capital contribution	849.981	-
Share premium from loan conversion	2.298.285	-
Value as of 31 december	<u>4.717.613</u>	<u>1.569.347</u>

Legal reserves

Value as of 1 January 2021	-	-
Addition due to capitalized development Avy B.V.	282.038	-
Value as of 31 december	<u>282.038</u>	<u>-</u>

Other reserves

Value as of 1 January 2021	-1.592.675	-1.217.622
From proposal profit appropriation	-2.899.929	-375.053
Movement legal reserve	-282.038	-
Value as of 31 december	<u>-4.774.642</u>	<u>-1.592.675</u>

Proposed appropriation of result for the financial year 2021

In accordance with the legal provisions, the loss for the financial year 2021 in the amount of € 2.899.929 has been deducted from the other reserves. This has already been incorporated in the annual accounts.

2.4 Notes to the balance sheet

NON-CURRENT LIABILITIES

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Debts to participants and companies		
Loan - Orange Wings B.V. I	93.750	1.038.333
Loan - Orange Wings B.V. II	-	502.917
	<u>93.750</u>	<u>1.541.250</u>

The part of the debts to participants and companies with a duration of longer than 5 years is zero.

	<u>2021</u>	<u>2020</u>
	€	€
<i>Loan - Orange Wings B.V. I</i>		
Value as of 1 January 2021	1.038.333	500.000
New financing	775.000	500.000
Transfer from Loan - Orange Wings B.V. II	502.917	-
Accrued interest	31.363	-
Reclassification to share premium reserve	-2.222.613	-
Short term part of liability	-31.250	-
	<u>93.750</u>	<u>1.000.000</u>
Interest	-	38.333
Value as of 31 december	<u>93.750</u>	<u>1.038.333</u>

Repayment: In 8 quarterterms of € 15.625 for the first time on the 30th of september 2022.
No securities have been provided

	<u>2021</u>	<u>2020</u>
	€	€
<i>Loan - Orange Wings B.V. II</i>		
Value as of 1 January 2021	502.917	-
New financing	-	500.000
Transfer to Loan - Orange Wings B.V. I	-502.917	-
	<u>-</u>	<u>500.000</u>
Interest	-	2.917
Value as of 31 december	<u>-</u>	<u>502.917</u>

Other debts

Loan - Innovatiefonds Noord-Holland B.V.	<u>292.500</u>	<u>379.346</u>
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The part of the other debts with a duration of longer than 5 years is zero.

2.4 Notes to the balance sheet

	<u>2021</u>	<u>2020</u>
	€	€
<i>Loan - Innovatiefonds Noord-Holland B.V.</i>		
Value as of 1 January 2021	379.346	-
New financing	-	375.000
Short-term part of liability	<u>-93.750</u>	<u>-</u>
	285.596	375.000
Interest	6.904	4.346
Value as of 31 december	<u><u>292.500</u></u>	<u><u>379.346</u></u>

The principal amount is € 375.000. Interest is 3% a year. The first interest payment was done on the 1st of october 2021.

Repayment: In 8 quarterterms of € 46.875 for the first time on the 30th of september 2022.

No securities are granted.

CURRENT LIABILITIES

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Trade creditors		
Creditors	<u>25.634</u>	<u>-</u>

Debts to participants and companies

Current-account Patrique Holding B.V.	<u>-</u>	<u>72.978</u>
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	<u>2021</u>	<u>2020</u>
	€	€
<i>Current-account Patrique Holding B.V.</i>		
Value as of 1 January 2021	72.978	70.912
Interest	2.694	2.066
Reclassification to share premium reserve	<u>-75.672</u>	<u>-</u>
Value as of 31 december	<u><u>-</u></u>	<u><u>72.978</u></u>

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Other debts		
Short-term part of liabilities	<u>125.000</u>	<u>-</u>

Accrued liabilities

Accrued liability	<u>6.913</u>	<u>13.280</u>
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2.5 Notes to the profit and loss account

	2021	2020
	€	€
Net turnover		
Management fee Avy B.V.	5.265	63.548
	<u>5.265</u>	<u>63.548</u>
The net turnover of 2021 decreased by 91,7% versus prior year.		
General costs		
Administrative costs	7.555	2.750
Counselling costs	65.689	-
Management fees	5.265	63.549
Other general costs	262	-
	<u>78.771</u>	<u>66.299</u>
Financial income and expenditure		
Interest and similar income		
Interest - Avy B.V.	40.722	24.107
Interest - Patrique Holding B.V.	6.825	-
	<u>47.547</u>	<u>24.107</u>
Interest and similar expenditure		
Interest - Innovatiefonds Noord-Holland B.V.	11.380	-
Interest - Orange Wings B.V.	29.342	45.596
Interest - Patrique Holding B.V.	6.825	2.065
Interest Rabobank	953	-
Banking fees and provision	98	87
	<u>48.598</u>	<u>47.748</u>
Taxation		
Movement deferred tax liability	-7.455	-2.640
	<u>-7.455</u>	<u>-2.640</u>
Share in the result of associated companies		
Share in result of Avy B.V.	-2.831.421	-351.301
Share in result of Avy Technologies B.V.	-1.406	-
	<u>-2.832.827</u>	<u>-351.301</u>