

Avy Group B.V.
Donauweg 21
1043AJ Amsterdam

Financial statements 2023

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Annual Financial Report

Fiscal position

Calculation taxable amount

		2023
		€
Result before taxation		-2,591,183
Adjustments		
Limited deductible costs		0
		-2,591,183
Participation exemption		
Positive and negative results from participations	-2,342,314	
		-2,342,314
Taxable amount		-248,869

Corporation tax calculation

		2023
		€
%		
19.00%	of	
	Taxable amount	
	€	
	0	0

Loss compensation

Year	Compensable loss	Already compensated in old years	To be compensated at the start of the financial year	Compensation in 2023	To be compensated at the end of the financial year
	€	€	€	€	€
Deductible loss from 2023	248,869		248,869		248,869
Deductible loss from 2022	125,546		125,546		125,546
Deductible loss from 2021	74,557		74,557		74,557
Deductible loss from 2020	26,392		26,392		26,392
	475,364	0	475,364	0	475,364

To the management of:

Avy Group B.V.

Donauweg 21

1043AJ Amsterdam

Date:

Subject: Annual accounts 2023

Dear management,

Please find enclosed the report over financial year 2023 for Avy Group B.V. located in Amsterdam.

Accountant's compilation report

The financial statements of Avy Group B.V. in Amsterdam 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 profit and loss account for the year 2023, 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 Dutch law, including the Dutch Standard 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 Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Avy Group B.V.. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics). 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.

Kind regards,

RS Finance

Mark de Beer RA

James Wattstraat 100, 1097 DM Amsterdam

Balance Sheet as at 31 December 2023

Balance Sheet after proposal distribution of result

	Ref.	31/12/2023		31/12/2022	
		€	€	€	€
Assets					
Fixed assets					
Financial fixed assets					
	5				
Participations in group companies		2		2	
Receivables from group companies		1,695,241		1,560,777	
Deferred taxes		71,305		33,974	
			1,766,548		1,594,753
Current assets					
Receivables					
	6				
Receivables from group companies		1,784		1,539	
Receivables from other accounts		15,549		9,390	
			17,333		10,929
Cash and bank					
			212		6,284
Total assets			1,784,093		1,611,966

Balance Sheet as at 31 December 2023

Balance Sheet after proposal distribution of result

	Ref.	31/12/2023		31/12/2022	
		€	€	€	€
Liabilities					
Equity					
	7				
Capital contributed and recovered		119		119	
Share premium		4,717,613		4,717,613	
Other reserves		-8,684,892		-6,131,040	
			-3,967,160		-1,413,308
Long-term debts (more than one year)					
	8				
Debts to group companies		1,117,253		1,214,503	
Other debts		158,178		153,024	
			1,275,431		1,367,527
Current liabilities					
	9				
Short term loans-debts-obligations		3,542,686		1,300,000	
Debts to suppliers and trade credits		93,315		20,520	
Debts to group companies		593,521		109,731	
Other debts		216,355		187,500	
Accrued liabilities		29,945		39,996	
			4,475,822		1,657,747
Total liabilities			1,784,093		1,611,966

Profit and loss account over 2023

	Ref.	2023		2022	
		€	€	€	€
Gross margin			0		0
Other operating expenses	10				
Other employee related expenses		92,881		81,615	
Sales related expenses		2,657		1,249	
Office expenses		0		41	
Accountants and advisory fees		125,026		35,536	
Administrative expenses		217		495	
Other expenses		0		1	
Operating result			-220,781		-118,937
Other interest income and similar income	11	165,082		50,725	
Interest and similar expenses		-193,170		-57,370	
			-28,088		-6,645
Result before taxation			-248,869		-125,582
Taxes	12		37,330		23,879
Share in result of companies in which is participated	13		-2,342,314		-1,538,038
Result after taxation			-2,553,853		-1,639,741

Accounting policies

1 General notes

1.1 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.

1.2 Going concern

The equity of the company amounts to € 3,967,160 negative as at 2023-12-31. Through the issuance of convertible bonds via the NPEX platform and investments obtained from informals, the company has obtained close to € 1 million in new financing in 2024 till date. In addition, the Company is working to raise € 5 million of new capital through a new investment round. The aim is to close this round through the course of 2024. Considering these developments, the board of directors rely on the sustainable continuation of the business activities and the financial statements have therefore been prepared on a going concern basis.

1.3 Location address, legal form and registration number chamber of commerce

Avy Group B.V. is located in Donauweg 21 1043AJ Amsterdam and is registered at the chamber of commerce under number 67928676.

2 General principles

2.1 General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and 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. In the balance sheet and profit and loss account, references are made to the Notes.

2.2 Comparison with previous year

The valuation principles (commercial) 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 notes.

3 Accounting principles applied to the measurement of assets and liabilities

3.1 Financial fixed assets

3.1.1 Participations

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

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the profit and loss account.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment, valuation takes place at the recoverable amount (see also note 'Impairment of fixed assets'); an impairment is recognised and charged to the profit and loss account.

3.1.2 Accounts receivable from group companies

Receivables recognised under financial fixed assets are initially valued at the fair value including transaction cost (if material). 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.

3.1.3 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 tax assets are valued at their nominal value.

3.2 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.

3.3 Cash at bank and in hand

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.

3.4 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 profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

3.5 Current liabilities

Short-term liabilities are measured at fair value on initial recognition. Short-term liabilities are valued after initial recognition at the amounts against which the debt must be repaid.

4 Principles for the determination of the result

4.1 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.

4.2 Costs

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

4.3 Financial income and expenses

4.3.1 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.

4.4 Taxes

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.

In the financial statements of subsidiaries, a tax charge is calculated based on the commercial result. The taxes owed by subsidiaries are settled through the intercompany account with Avy Group B.V..

4.5 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 Avy Group B.V..

Notes to the financial statements - Assets

5. Financial fixed assets

	31/12/2023	31/12/2022
	€	€
Participations Avy B.V.	1	1
Receivables from group companies	1,695,241	1,560,777
Participations Avy Technologies B.V.	1	1
Receivables from group companies	1,695,242	1,560,778
Deferred taxes	71,305	33,974
	1,766,548	1,594,753

Receivables from group companies - specification

	31/12/2023	31/12/2022
	€	€
Receivables from Avy B.V.	1,695,241	8,305
Loan Avy B.V. (COL INH)	0	337,969
Loan Avy B.V. I	0	128,750
Loan Avy B.V. II	0	727,699
Loan Avy B.V. III	0	358,054
	1,695,241	1,560,777

3% annual interest rate has been charged on loans. No securities have been provided.

Deferred taxes - specification

	31/12/2023	31/12/2022
	€	€
Deferred tax asset compensable losses	71,305	33,974

Differed tax asset of compensable losses based on management assesment calculated as 15% rate of deductible loss for 2023.

6. Receivables

	31/12/2023	31/12/2022
	€	€
Receivables from group companies - Avy Technologies B.V.	1,784	1,539
Receivables Value added tax	15,549	9,390
Receivables from other accounts	15,549	9,390
	17,333	10,929

Notes to the financial statements - Liabilities

7. Equity

	31/12/2023	31/12/2022
	€	€
Capital contributed and recovered	119	119
Share premium	4,717,613	4,717,613
Other reserves	-8,684,892	-6,131,040
	-3,967,160	-1,413,308

Other reserves - specification

	31/12/2023	31/12/2022
	€	€
Other reserves	-6,131,039	-4,491,299
Proposal distribution of result	-2,553,853	-1,639,741
	-8,684,892	-6,131,040

Disclosure of paid-up and called-up share capital

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)

8. Long term debts

	31/12/2023	31/12/2022
	€	€
CLA Orange Wings Investments Cooperatief I.U.A.	1,117,253	1,214,503
Other debts	158,178	153,024
	1,275,431	1,367,527

Other debts - specification

	31/12/2023	31/12/2022
	€	€
Loan - Innovatiefonds Noord-Holland B.V.	83,178	153,024
Loan - Co-Fin COL Orange Wings B.V.	75,000	0
	158,178	153,024

Loan - Innovatiefonds Nord-Holland B.V.:The principal amount is € 375.000. Annual interest rate is 3%. The first interest payment was done on the 1st of october 2021. Repayment: In 8 quarter terms of € 46.875 for the first time on the 30th of september 2022. No securities are provided.

9. Current liabilities

	31/12/2023	31/12/2022
	€	€
Short term convertible loans-debts-obligations	3,542,686	1,300,000
Debts to suppliers and trade credits	93,315	20,520
Orange Wings Investments Cooperatief I U.A.	411,485	0
Debts to participants - Patrique Holding B.V.	182,036	0
Other debts	0	109,731
Repayment obligations of long term debts	216,355	187,500
Other debts	216,355	297,231
Accrued liabilities	29,945	39,996
	4,475,822	1,657,747

Notes to the financial statement - Profit and loss account

10. Other operating expenses

	2023	2022
	€	€
Other employee related expenses	92,881	81,615
Sales related expenses	2,657	1,249
Office expenses	0	41
Accountants and advisory fees	125,026	35,536
Administrative expenses	217	496
	220,781	118,937

11. Other interest income and similar income

	2023	2022
	€	€
Other interest income and similar income	165,082	50,725

12. Taxes

	2023	2022
	€	€
Taxes on profit or loss	-37,330	-23,879

13. Share in result of companies in which is participated

	2023	2022
	€	€
Share in result of companies in which is participated	-2,342,314	-1,538,038

Signing owners and/or responsible parties for approval:

Amsterdam,
Avy Group B.V.

Patrique Holding B.V.
Represented by:

P.D.L. Zaman