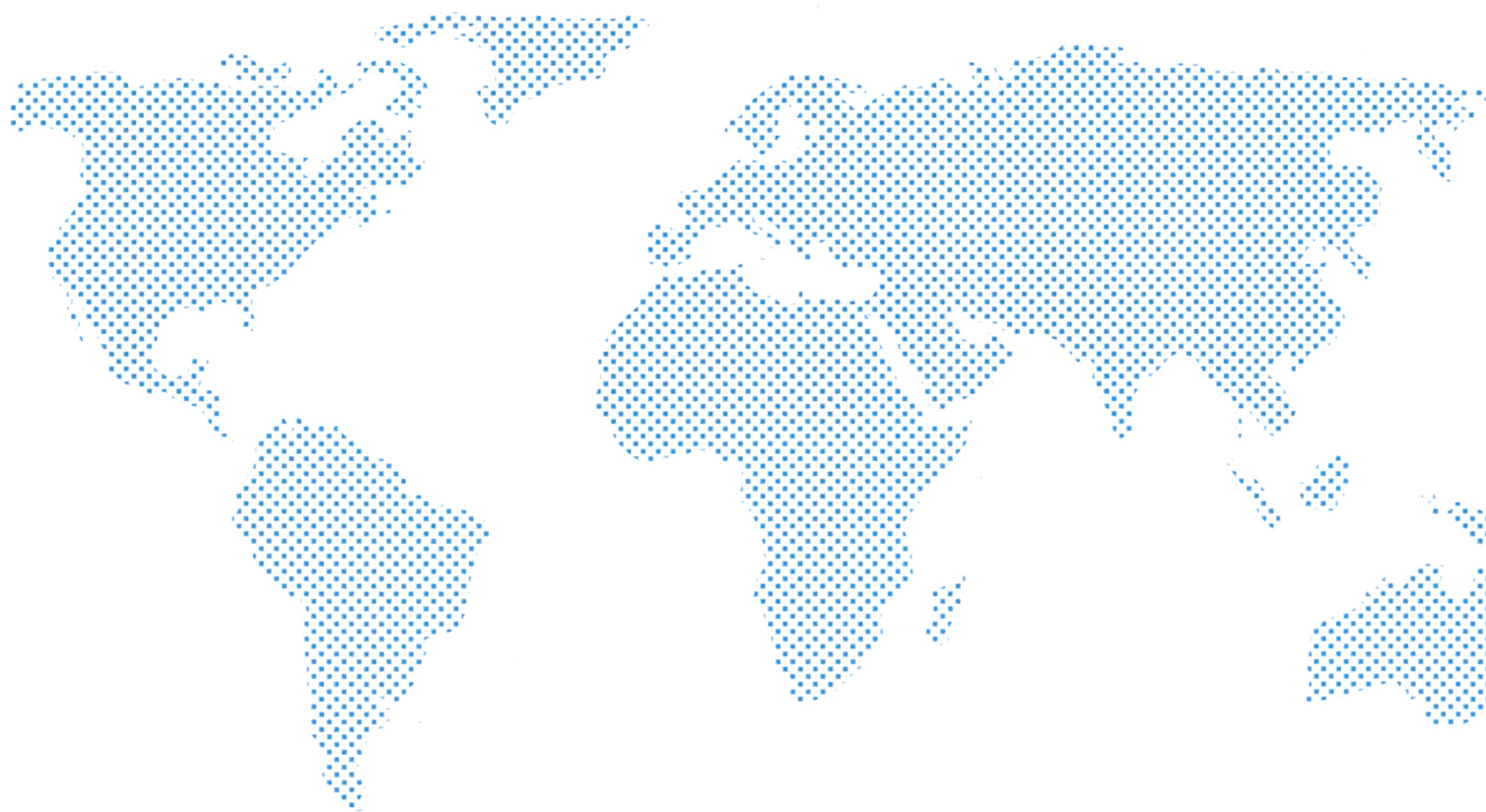


AIBA - INTERNATIONAL BOXING ASSOCIATION, LAUSANNE

REPORT OF THE INDEPENDENT AUDITOR
ON THE FINANCIAL STATEMENTS
ENDED 30 JUNE 2021



MOORE

Report of the independent auditor
to the Board of Directors of
AIBA – International Boxing Association
Lausanne

As independent auditor and in accordance with your instructions, we have audited the accompanying financial statements of International Boxing Association, which comprise the balance sheet, income statement and notes, for the year ended 30 June 2021.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the association's articles. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

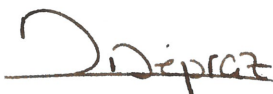
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements for the year ended 30 June 2021 comply with Swiss law and the association's articles.

We draw attention to Note 7 and 8 in the notes to the financial statements describing an uncertainty around operating as a going concern in the mid to long term. Indeed, the ability to continue operating for a period over 12 months is conditional upon adherence to approved budget, the capacity of AIBA to continue to find sources of revenues and to whether the risk of a potential litigation mentioned in note 7 materializes. Currently, it is not possible to predict whether, and if so, to what extent, AIBA will have to pay for any damages, consequently, a material uncertainty exists in relation to this contingency. Nevertheless, our opinion is not qualified in respect of this matter.

Nyon, 6 December 2021

MOORE STEPHENS REFIDAR SA



Déborah Dépraz
Licensed Audit Expert
Auditor in charge



Jacques Grossen
Licensed Audit Expert

Enclosure: Financial statements (balance sheet, income statement and notes)



AIBA
International Boxing Association, Lausanne

STATUTORY ACCOUNTS

AS OF JUNE 30, 2021

Lausanne, 3rd December 2021

AIBA - INTERNATIONAL BOXING ASSOCIATION, LAUSANNE

BALANCE SHEET AS OF JUNE 30, 2021

	NOTES	June 30, 2021 CHF	June 30, 2020 CHF
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		30'946'936	317'212
Shares	3.1	5'043'632	0
Trade Accounts Receivable:			
- Receivables from third parties		1'672'564	1'984'576
- Receivables from related company - WSB	3.6	1'432'070	0
- Receivables from related group company - FBB		23'109	13'202
- Receivables Valuation Adjustment	3.4	(1'399'851)	(1'399'927)
Other Current Receivables		4'007	219'152
Prepaid Expenses and Accrued Income		2'390'335	58'954
TOTAL CURRENT ASSETS		40'112'802	1'193'170
NON-CURRENT ASSETS			
Investments:			
- Investment in WSB	3.6	1	1
Property, Plant and Equipment:			
- Furniture and equipment	3.2	17'958	25'576
- IS (computers, softwares)	3.2	0	5'698
- Leasehold improvement	3.2	1'329	2'054
- Building	3.2	720'493	793'164
TOTAL NON-CURRENT ASSETS		739'780	826'493
TOTAL ASSETS		40'852'582	2'019'663
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Trade Account Payable:			
- Payables due to third parties		1'026'077	357'969
- Payables due to related party - WSB	3.6	0	1'370'342
Other Current Liabilities:			
- Liability in relation to guarantee on WSB AO loan from third party	3.7	0	960'741
- Other current liabilities		249'353	397'478
Accruals and deferred income:			
- Accruals		705'863	1'035'352
- Deferred Income International Olympic Committee	3.8	0	0
- Other Deferred income		44'035'731	1'036'186
TOTAL CURRENT LIABILITIES		46'017'024	5'158'067
NON-CURRENT LIABILITIES			
Other non-current liabilities:			
- Liability in relation to guarantee on WSB AO loan from third party	3.7	0	6'725'187
TOTAL NON-CURRENT LIABILITIES		0	6'725'187
TOTAL LIABILITIES		46'017'024	11'883'254
UNRESTRICTED FUNDS			
Unrestricted operating funds		(9'863'591)	(17'605'188)
Result for the period - Gain / (Loss)		4'699'149	7'741'597
TOTAL UNRESTRICTED FUNDS	3.9	(5'164'442)	(9'863'591)
TOTAL LIABILITIES AND FUNDS		40'852'582	2'019'663

AIBA - INTERNATIONAL BOXING ASSOCIATION, LAUSANNE

**INCOME STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2021**

		<u>Jul. 01 - Jun.30</u> <u>2020 - 2021</u>	<u>Jul. 01 - Jun.30</u> <u>2019 - 2020</u>
		12 months	12 months
	NOTES	CHF	CHF
OPERATING INCOME			
Revenue from Sale of Goods and Services:			
Olympics	3.8	0	2'152'722
Sponsorship and TV Rights Revenue		7'729'167	990'383
Licensing		401'792	472'031
Sport Events		0	5'500'000
Membership Fees		15'298	48'266
Sales of Merchandising Products		0	6'013
Examination Income		0	26'696
Income from affiliated company - WSB		1'315'537	0
Miscellaneous income		0	10'416
		<hr/>	<hr/>
Total Revenues		9'461'794	9'206'528
		<hr/>	<hr/>
Impairment on receivables	3.4	(23'322)	(76)
		<hr/>	<hr/>
TOTAL OPERATING INCOME		9'438'472	9'206'452
		<hr/>	<hr/>
OPERATING EXPENSES			
President Office		(52'166)	(121'751)
Personnel Expenses		(477'360)	(793'349)
HQ - Rent & Utilities		(82'003)	(82'251)
HQ - Office expenses		(308'965)	(146'694)
HQ - Travel expenses		(33'883)	(3'786)
HQ - External services		(1'055'740)	(123'959)
AIBA representatives travel & expenses		(10'716)	(83'755)
Marketing Expenses		(530'496)	0
Communication Expenses		(635'799)	(30'947)
Confederation Support		(703'268)	0
Commissions		(232)	0
AIBA Meetings		(263'501)	(68'502)
AOB Championships & Events		(978'909)	0
Training & Education expenses		(28'867)	(5'500)
Ethics & Anti-doping		(224'971)	9'131
Depreciation	3.2	(91'422)	(115'873)
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		(5'478'298)	(1'567'236)
		<hr/>	<hr/>
OPERATING RESULT - GAIN / (LOSS)		3'960'174	7'639'216
		<hr/>	<hr/>
OTHER INCOME AND EXPENSES			
Financial Income		44'653	215
Financial Expenses		(69'639)	(13'936)
Foreign Exchange Gain		894'078	105'048
Foreign Exchange Loss		(139'066)	(91'929)
Extraordinary non-recurring Income		11'356	3'379'636
Extraordinary non-recurring Expenses		0	(3'273'747)
		<hr/>	<hr/>
TOTAL OTHER INCOME AND EXPENSES		741'381	105'287
		<hr/>	<hr/>
RESULT BEFORE TAXES		4'701'555	7'744'503
		<hr/>	<hr/>
Taxes	3.3	(2'406)	(2'906)
		<hr/>	<hr/>
NET GAIN		4'699'149	7'741'597
		<hr/>	<hr/>
Accumulated loss at beginning of year		(9'863'591)	(17'605'188)
		<hr/>	<hr/>
ACCUMULATED LOSS AT END OF YEAR		(5'164'442)	(9'863'591)
		<hr/>	<hr/>

AIBA – International Boxing Association, Lausanne

Notes to the financial statements for the period of 01 July 2020 to 30 June 2021

A. General information

1. Accounting principles

The accounts have been prepared based on the principles set out in the Swiss code of obligations (CO) in particular CO 957 – 962. The financial statements for the period ended 30 June 2021 have been prepared in accordance with the provisions of the Swiss Law regarding accounting and financial reporting.

Currency and exchange rate. The accounts are maintained in Swiss Francs (CHF).

Assets and liabilities denominated in currencies other than Swiss Francs are recorded in the balance sheet based on exchange rates at the year-end. Transactions denominated in currencies other than Swiss Francs are recorded at monthly average rates; all exchange losses and realized exchange gains are recognized as financial income or expense.

At June 30 2021, the period end exchange rate USD / CHF is 0.92436.

At June 30 2021, the period end exchange rate EUR / CHF is 1.09464.

At June 30 2021, the period end exchange rate GBP / CHF is 1.27695.

2. Going Concern

The fact that AIBA's liabilities exceed its assets (i.e. is over-indebted) is mainly due to CHF 44'035'731.00 of current deferred income. This amount is related to events and sponsorship revenues cashed in advance. The entire amount will be released to the profit and loss statement as revenue over the period running from July 2021 to December 2022.

As at the date of preparation of these financial statements, AIBA is still operating and its underlying activity remains profitable.

Furthermore:

- The management prepared cash flow forecast, for the next twelve months, shows the association has been able to secure sufficient cash thanks to agreements for sponsorship and the organisation of competitions (see note 8).
- In relation to the guarantee on WSB AO loan from Benkons, AIBA has settled the entire amount as per 21 May 2021 (see note 3.7).

Consequently, the Board of Directors conclusion is that AIBA will remain as a going concern over the next twelve months, and should resolve its over-indebtedness during the same period in accordance to the budget adopted by the board on 26th November 2021.

3. Information, breakdowns and explanations relating to items on the balance sheet and in the profit and loss account

Balance Sheet

3.1 Cash and Cash Equivalents & Shares

CHF 5'000'000.00 have been invested in a low risk fund.

3.2 Fixed assets

Fixed assets are recorded on the balance sheet at the acquisition value and depreciated on a straight line basis.

Useful life:

Furniture and equipment	8 years
IS, computer, hardware and software	3 years
Other electronic device, office machine	5 years
Office improvements	8 years
Building	25 years
License	5 years

3.3 Taxes

AIBA is exonerated from its liabilities to income and capital taxes because its activity is considered as of pure public usefulness.

3.4 Receivables Valuation Adjustment

Adjustments to the value of receivables have been made based on the following principle:

- Falling due within 12 months – no adjustment
- Falling due within 12 to 24 months – 50% adjustment
- Falling due after 24 months – 100% adjustment

The provision schedule has been accelerated when specific risks were identified.

3.5 Financial engagements / lease commitments

There are no lease commitments.

3.6 World Series of Boxing SA

World Series of Boxing SA (WSB) is a Swiss corporation with its registered office in Lausanne. Its statutory purpose is to develop a single professional boxing championship. It is wholly owned by AIBA, as of prior year the share capital amount has been fully impaired to a nominal value of CHF 1 from the original share capital amount of CHF 300,000.

Since the competition finals of season VIII in 2018, WSB's activities are on hold. Any WSB surplus profit is repaid to AIBA, conversely WSB's shortage is financed by AIBA.

The total contribution due by AIBA to WSB for prior periods has been settled in June 2021. As of the current financial period the net position is now a receivable of CHF 1'432'070 due by WSB to AIBA (30-06-2020: CHF 1'370'342 due by AIBA to WSB).

3.7 Liability in relation to guarantee on WSB AO loan from third party

On 18 November 2010, AIBA granted a guarantee in relation to a USD 10.0M loan made by Benkons MMC (Baku) to WSB America Operations SA (WSB AO SA), due for repayment on 18 November 2013.

WSB AO S.A. was a Swiss corporation having its registered office in Lausanne, which was wholly owned by WSB S.A. This company has been written off from the trade register following its closure due to bankruptcy.

On 14 April 2021, Benkons and AIBA signed an amendment to the original settlement agreement. The effect of this agreement was payments to be made in EUR instead of USD (total of EUR 6,688,000), and the postponement of the first term payment to 30 April 2021. AIBA fully settled its debt with Benkons with two payments, made on 20 April 2021 and on 19 May 2021.

3.8 Revenues from Sale of Goods and Services Olympics

In the year of the Olympic Summer Games, AIBA used to receive a Contribution from the International Olympic Committee (IOC). It was considered that these proceeds, which are only received once every four years, represent a core financing of AIBA both for the year of the Games and the succeeding three years. It is recognized as income and made available for operating expenditure on a prorata basis over four years, starting with the year of the Olympic Summer Games. AIBA received a total of USD 17.3 million (CHF 17.2 million) in 3 instalments for the 2016 Olympic Games.

In May and June 2019, the International Olympic Committee (IOC) decided to provisionally suspend AIBA's recognition and to remove from AIBA the organisation of the Olympic Boxing Tournament Tokyo 2020. A decision by the IOC with respect to AIBA's recognition was expected in August 2020. However, due to the postponement of the Olympic Games Tokyo 2020 in summer 2021, a decision by the IOC on AIBA's future recognition has also been postponed and is expected after the Tokyo Olympic Games by the end of 2021 or in 2022.

3.9 Unrestricted Funds

For the business year under review, the unrestricted funds are CHF 5'164'442 overdrawn (30-06-2020: 9'863'591 overdrawn), see note 2

Profits and loss

3.10 Revenue Recognition and related expenditure

Revenues and expenses related to AIBA are recognized in the appropriate period.

Instalments received in advance are stated on the liabilities side of the balance sheet under "Deferred income" while commissions and due expenses are on the assets side of the balance sheet under "Deferred expenses".

B. Detailed information (CO 959c (2))

4. Business name, legal form and registered office

International Boxing Association is an association having its registered office in Lausanne (Vaud, Switzerland).

5. Number of full-time positions on annual average

The business year review closed with 7 full-time positions.

6. Investments in affiliated companies

AIBA holds the following direct and indirect participations:

Direct participations:

- 100% of the shares and voting rights in WSB, Lausanne, i.e. 300 shares of a nominal value of CHF 1'000

7. Contingent liabilities and Legal Matters

First Commitment International Trade (FCIT) has initiated a debt enforcement procedure on 30th September 2020 by having an order to pay served on AIBA for CHF 18'991'229 + 5% interest since 10 December 2016, resulting in a total claim of around CHF 23'400'000 as of today. A further procedure was initiated on 11th October 2021 to renew the claim and prevent its automatic closure.

AIBA filed an objection to each order to pay and rejects this claim on the basis that AIBA does not owe anything to FCIT.

The rejected claim of CHF 18'991'229 actually relates to a loan between FCIT and BMA, which is now dissolved.

Consequently no booking has been made into the accounts, however CHF 300'000 has been accrued in provision for potential legal costs.

8. Subsequent events & future perspectives

The following contracts for the organisation of competitions have been signed and event fees have been partially collected even though the events had to be delayed due to the COVID-19 crisis:

- Global Boxing Cup for an amount of CHF 5'000'000 with CHF 933'427.29 collected in September 2020 and CHF 4'066'572.71 collected in December 2020
- World Men Championship for an amount of CHF 5'000'000 collected entirely in November 2021.

During the next twelve months, a range of measures will be implemented. A brand relaunch is expected, as are new competitions. In the mid to long term, these measures should enable AIBA to increase and diversify its revenue streams on the one hand, while further reinforcing financial stability.

There remains uncertainty, however, over the issue of Olympic status and revenue (as further discussed in 3.8). This uncertainty is based on the question of boxing's future in the Olympic Games and the question of AIBA's recognition by the International Olympic Committee (IOC) as the body responsible for the boxing tournament therein.