

Taktonum Group N.V.

Financial Statements

for the years ended December 31, 2023 and December 31, 2022

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Taktonum Group N.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents	4	56,453	-
Intangible assets	5	317,275	-
Other assets	6	8,536	-
Total current assets		382,264	-
Non-current assets			
Other assets		-	-
Total non-current assets		-	-
Total assets		382,264	-
Equity and liabilities			
Current liabilities			
Accounts payable	7	88,857	11,560
Accrued expenses		4,400	-
Payable to players		49,346	-
Loan payable	8	301,000	-
Other payables	9	5,145	50,427
Total current liabilities		448,748	61,987
Equity			
Issued capital	10	87	87
Retained earnings / (Accumulated losses)		-144,355	-62,074
Unrealized gain / (loss) on intangible assets		77,784	-
Total equity		-66,484	-61,987
Total liabilities and equity		382,264	-

See accompanying notes.

Taktonum Group N.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue (Net)	11	851,238	-
Direct cost	12	-714,443	-
Gross profit / (loss)		136,795	-
Selling and distribution expenses		-132,291	-
Administrative expenses	13	-80,597	-37,674
Profit / (loss) from operations		-76,093	-37,674
Finance cost	14	-6,188	-
Profit / (loss) before tax		-82,281	-37,674
Profit tax expense	3	-	-
Profit / (loss) for the year		-82,281	-37,674
Unrealized gain / (loss) on intangible assets		77,784	-
Total comprehensive income / (loss) for the year		-4,497	-37,674
Attributable to the owners		-4,497	-37,674

See accompanying notes.

Taktonum Group N.V.

Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Unrealized gain / (loss) on intangible assets	Total
Balance, December 31, 2021	87	-24,400	-	-24,313
Profit / (loss) for the year	-	-37,674	-	-37,674
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the year	-	-37,674	-	-37,674
Balance, December 31, 2022	87	-62,074	-	-61,987
Profit / (loss) for the year	-	-82,281	-	-82,281
Other comprehensive income	-	-	77,784	77,784
Total comprehensive income / (loss) for the year	-	-82,281	77,784	-4,497
Balance, December 31, 2023	87	-144,355	77,784	-66,484

See accompanying notes.

Taktonum Group N.V.

Statement of cash flows

(All amounts in EUR)

	Note	2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		-82,281	-37,674
Add / (less): Unrealized gain / (loss) on intangible assets		77,784	-
(Increase) / decrease in prepaid expenses		-	14,826
(Increase) / decrease in other assets		-8,536	-
Increase / (decrease) in accounts payable		77,297	22,848
Increase / (decrease) in accrued expenses		4,400	-
Increase / (decrease) in payable to players		49,346	-
Increase / (decrease) in other payables		-45,282	-
Net cash generated from operating activities		72,728	-
Cash flow from investing activities			
(Increase) / decrease in intangible assets		-317,275	-
Net cash generated from investing activities		-317,275	-
Cash flow from financing activities			
Increase / (decrease) in loan payable		301,000	-
Net cash generated from financing activities		301,000	-
Net increase / (decrease) in cash		56,453	-
Cash at the beginning of the year		-	-
Cash at the end of the year	4	56,453	-

See accompanying notes.

Notes to financial statements

1. General information

Taktonum Group N.V. (the company) was established on November 18, 2021 in Curaçao as a limited liability company. The address of its registered office is Abraham de Veerstraat 9, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 159208.

The main objectives of the company are -

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising all types of games, betting and other operations of betting exchange, interactive casinos, bingos, lotteries and other interactive games for clients established or residing outside of Curaçao.
2. The company has the power to perform every act and thing profitable or requisite to the accomplishment of its purposes or connected therewith or incidental thereto in the widest sense of the word.
3. The company is authorized to enter into a corporate agreement in writing as meant in article 2:127 of the Civil Code.

The management of the company is borne by a board of directors. As of December 31, 2023, the management of the company is borne by:

- Eduards Kalniņš

Statutory Director

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

The separate financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. The financial statements are presented in Euro (EUR) and all values are presented in actual, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Intangible assets

Intangible assets are measured initially at cost. Subsequent measurement is done using the revaluation model at fair value. Any gain/loss on revaluation is recognized in the statement of comprehensive income. Impairment testing is done at the end of each year.

Foreign currency transactions

The financial statements are presented in EUR, which is the company's functional and presentation currency. Transactions denominated in foreign currencies are translated at the exchange rate prevailing when the transaction is realized. The exchange results are recorded in the statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the end of the year.

Financial instruments**Financial assets****Initial recognition and measurement**

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through statement of profit or loss.

The company's financial assets include cash and cash equivalents and other assets.

Financial liabilities**Initial recognition and measurement**

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company's financial liabilities include accounts payable, accrued expenses, loan payable and other payables.

Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification.

Revenue recognition

Casino revenue is represented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.

Impairment of long-lived assets

Long-lived assets, other than goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets, the assets' carrying value is adjusted to fair value. The company regularly evaluates its long-lived asset for indicators of possible impairment. To date no impairment has been recorded.

Concentration of credit risk and certain other risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The company does not have significant exposure to any individual client or counter party. Management of credit risk involves a number of considerations, such as financial profile of the counter party, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however management believes that the company's exposure to credit risk associated with non-performance of its counter party is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning January 01, 2023 and not early adopted

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the company.

3. Profit taxes

The company is subject to a territorial tax system, wherein the income earned in Curaçao is subject to 15% taxes on income up to 500,000 ANG and 22% above it and the foreign source of income is subject to 0% of profit taxes.

4. Cash and cash equivalents

	2023	2022
Balances with PSPs	56,453	-
	56,453	-

5. Intangible assets

This represents crypto currency balances outstanding as on December 31, 2023. As per IFRS, crypto currency balances are treated as Intangible asset as the company would earn benefits in the future and is not held for sale in the ordinary course of business. These assets have been measured using the revaluation model using IAS 38 - Intangible assets, wherein the asset is initially recognized at cost and subsequently revalued at the market value as on December 31, 2023.

6. Other assets

	2023	2022
Techcore Holding B.V.	8,536	-
	8,536	-

7. Accounts payable

	2023	2022
Accounts payables to Fabeltra LTD	11,560	11,560
	11,560	11,560

8. Loan payable

	2023	2022
Loan payable - Techcore Holdings N.V.	300,000	-
Loan interest payable - Techcore Holdings N.V.	1,000	-
	301,000	-

The above loan carries the interest of 4% per annum and the loan is payable on maturity date December 31, 2025.

9. Other payables

	2023	2022
Aurasoft LTD	5,145	-
	5,145	-

10. Issued capital

The issued capital of the company as on December 31, 2023 and December 31, 2022 consists of 100 shares with a nominal value of USD 1 each and subscribed for EUR 87.

No dividends were declared in 2023 and in 2022.

11. Revenue (Net)

	2023	2022
Gross gaming revenue	1,001,656	-
Less: Bonuses	-162,784	-
Add/Less: Player balance revaluation	12,366	-
	851,238	-

12. Direct cost

	2023	2022
Software expenses	519,890	-
Payment wallet charges	109,547	-
License and server fees	82,916	-
Agency fees	1,190	-
Other direct costs	900	-
	714,443	-

13. Administrative expenses

	2023	2022
Professional and legal fees	63,047	34,381
Annual compliance fees	4,400	-
Other expenses	13,150	3,293
	80,597	37,674

14. Finance cost

	2023	2022
Bank charges	5,188	-
Interest expenses	1,000	-
	6,188	-

15. Fair value

Fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to arrive at the fair value:

Cash and cash equivalent, accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

Loan payable has been disclosed at a value which fairly approximates the value which is expected to be repaid.

16. Contingencies, commitments and legal proceedings

The company has no contingent or future purchase liabilities and is not involved in any legal actions.

17. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as on December 31, 2023.

18. Authorization for issue

These financial statements for the year ended December 31, 2023 was approved by the board of directors and authorized for issue on June 12, 2024.

Board of Directors:

Name

Function

Signature

Eduards Kalniņš

Statutory Director

