



FINANCIAL STATEMENTS 2021

Curacao chamber of Commerce: 140803

Scharlooweg 39 U.5

Willemstad, Curaçao

Galaktika N.V.

Galaktika N.V.

Financial Statements
December 31, 2021

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**Financial Statements
December 31, 2021**

MANAGING DIRECTORS:

**Allyant Group B.V.
Scharlooweg 39
Willemstad
Curaçao**

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Financial Statements
December 31, 2021

DIRECTOR'S REPORT:

We are pleased to present you herewith the Financial Statements for the period January 1, 2021 through December 31, 2021.

Summary of activities

To organize, market, promote, manage, support and operate all types of remote and stationary activities, and sports betting activities, comprising of all types of games, betting transactions, and other operation of betting exchanges, interactive casinos, bingos, lotteries, poker and other interactive games and to carry out any activities ancillary thereto by offering goods or services to persons who participate in licensed online gaming, for clients established or residing outside of Curaçao.

Result for the year

During the period under review, the Company recorded a net loss of EUR -3251392,. details of which are set out in the attached Profit and Loss account.

Curaçao, 20 July 2023



Allyant Group B.V.
Managing Director

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Balance Sheet as at December 31, 2021

(In EUR, before appropriation of results)

ASSETS	Notes	2021	2020
<u>Intangible assets</u>			
Acquired intangible assets	4	511,476	637,644
		<u>511,476</u>	<u>637,644</u>
<u>Financial Fixed Assets</u>			
Shares in Group Company	5	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
<u>Current Assets</u>			
Accounts receivables		-	537,838
Current account subsidiary	6	94,945	133,714
Cash at banks	7	280,291	934,608
		<u>375,236</u>	<u>1,606,160</u>
TOTAL ASSETS		<u>887,712</u>	<u>2,244,804</u>
SHAREHOLDER'S EQUITY AND LIABILITIES			
<u>Shareholders' equity</u>	8		
Issued and fully paid share capital		1	1
Retained earnings		(248,450)	(1,249,545)
Net result for the year		(3,251,392)	1,001,094
		<u>(3,499,841)</u>	<u>(248,450)</u>
<u>Non-Current Liabilities</u>	9		
Loan		1,371,562	1,371,562
		<u>1,371,562</u>	<u>1,371,562</u>
<u>Current Liabilities</u>			
Current account shareholder	10	1,000	1,000
Creditors		709,951	--
Accounts payable		2,181,599	1,017,824
Interest payable		123,441	102,868
		<u>3,015,991</u>	<u>1,121,692</u>
TOTAL EQUITY AND LIABILITIES		<u>887,712</u>	<u>2,244,804</u>

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Profit and Loss Account for the period January 1, 2021 through December 31, 2021

(In EUR)

	Notes	2021	2020
<u>Income</u>			
Revenue		30,140,577	39,126,031
Direct cost	11	33,054,594	36,385,340
Gross profit/(loss)		(2,914,017)	2,740,691
<u>Expenses</u>			
Amortization		126,168	63,321
General and administrative expenses	12	211,207	1,676,276
		337,375	1,739,597
Result before taxation		(3,251,392)	1,001,094
Profit tax		--	--
NET RESULT FOR THE YEAR		(3,251,392)	1,001,094

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Notes to the Financial Statements January 1, 2021 through December 31, 2021 (In EUR)

1 GENERAL

Company's Information and Principal Activities

The Company is a limited liability company that was incorporated on July 14, 2016 under the laws of Curaçao.

The articles of incorporation have been amended as per January 27, 2020.

The Company is registered with the Chamber of Commerce and Industry of Curaçao under number 140803.

Principal activities

To organize, market, promote, manage, support and operate all types of remote and stationary gaming activities, and sports betting activities, comprising of all types of games, betting transactions, and other operation of betting exchanges, interactive casinos, bingos, lotteries, poker and other interactive games and to carry out any activities ancillary thereto by offering goods or services to persons who participate in licensed online gaming, for clients established 'or residing outside of Curaçao.

2 BASIS OF PREPARATION

a. General principles

The financial statements have been prepared in accordance with Book 2 of the Curaçao Civil Code using the Guidelines for annual reporting of the Dutch Accounting Standards Board.

b. Functional and presentation currency

The financial statements are presented in Euro which is the functional currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

a. General

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

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

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Notes to the Financial Statements January 1, 2021 through December 31, 2021 (In EUR)

b. Intangible Fixed Assets

Acquired intangible assets

Intangible assets acquired separately consist mainly of software licences and domain names and are capitalised at cost. Those acquired as part of a business combination are recognised separately from goodwill if the fair value can be measured reliably. These intangible assets are amortised over the useful life of the assets, which for software licences is between one and five years and for domain names is five years.

c. Internally generated intangible assets

Expenditure incurred on development activities of the gaming platform is capitalised only when the expenditure will lead to new or substantially improved products or processes, the products or processes are technically and commercially feasible and the Company has sufficient resources to complete development.

All other development expenditure is expensed. Subsequent expenditure on intangible assets is capitalised only where it clearly increases the economic benefits to be derived from the asset to which it relates. The Company estimates the useful life of these assets as between three and five years,

d. Financial Fixed Assets

The investments in subsidiaries are stated at cost price.

e. Receivables

Receivables are valued at face value less a provision for possible uncollectable accounts.

f. Cash and cash equivalents

Cash and cash equivalents are stated at face value.

g. Shareholder's equity

Ordinary shares are classified as equity.

h. 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 and minus transaction costs. This is usually the nominal value

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Notes to the Financial Statements January 1, 2021 through December 31, 2021 (In EUR)

i. Recognition of Income and Expenses

Revenue

The services provided by the Company comprise online sports betting and casino games. Revenue from sports betting activities represents the net gain or loss from betting activities in the year plus the gain or loss on the revaluation of open positions at year end, and is net of the cost of customer promotions and bonuses incurred in the year.

Revenue from online casino's represents net winnings being amounts staked net of customer winnings and is net of customer promotions and bonuses incurred in the year.

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

j. Cost of sales

Cost of sales consists primarily of gaming duties, payment service providers' commissions, chargebacks, commission and royalties payable to third parties, all of which are recognised on an accruals basis.

k. Operating expenses

Operating expenses consist primarily of staff costs and corporate professional expenses, both of which are recognised on an accruals basis.

l. Foreign Currencies

1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

m. Profit tax

The profit tax expense represents tax payable for the year based on currently applicable tax rates.

n. Dividends

Interim dividends are recognised in equity in the year in which they are approved by the Company Directors. Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

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Notes to the Financial Statements January 1, 2021 through December 31, 2021 (In EUR)

4 INTANGIBLE ASSETS

Acquired intangible assets	2021	2020
Balance as at January 1		
Historical costs	700,965	--
Cummulative impairment losses and Amortisation	(63,321)	--
Book value	<u>764,286</u>	
<i>Movements:</i>		
Investments website	--	485,415
Investments software	--	215,550
Disposals	--	--
Amortisation	(126,168)	(63,321)
Impairments	--	--
Amortisations of disposals	--	--
Balance	<u>(126,168)</u>	<u>637,644</u>
Balance as at December 31		
Historical costs	700,965	700,965
Cummulative impairment losses and Amortisation	(189,489)	(63,321)
Book value	<u>511,476</u>	<u>637,644</u>
Amortisation rates	20%	20%

5 SHARES IN GROUP COMPANY

	<u>DOMICILE</u>	<u>OWNERSHIP</u>	2021	2020
Unionstar Limited	Cyprus	100%	<u>1,000</u>	<u>1,000</u>
			<u>1,000</u>	<u>1,000</u>

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Notes to the Financial Statements January 1, 2021 through December 31, 2021 (In EUR)

6 CURRENT ACCOUNT SUBSIDIARY	2021	2020
<i>Unionstar Limited</i>		
Opening balance	133,714	--
Correction opening balance	1,403	
Movements during the year:		
- Received funds obo the Company	3,060,000	27,651,756
- Invoices paid obo the Company	(3,100,172)	(27,518,042)
Ending balance	<u>94,945</u>	<u>133,714</u>

7 CASH AT BANKS	2021	2020
Wirecard Bank, Germany	--	906,412
Migom Bank #7083	1,522	27,931
Paymix eWallet Account	233,075	22
SaiBank	--	243
Migom #12991	1,473	--
Migom #493	8	--
Migom #968	(51)	--
Sber Bank EUR-account	2,211	--
Sber Bank KZT- account	42,053	--
	<u>280,291</u>	<u>934,608</u>

8 SHAREHOLDER'S EQUITY	CCY	2021
1 share @ USD 1.00		
Issued and fully paid share capital	USD 0.81407	<u>1.00</u>

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

	Issued and fully paid share capital	Retained earnings	Result for the year
Opening balance	1	(1,249,544)	--
Movements during the year	--	1,001,094	(3,251,392)
Ending balance	<u>1.00</u>	<u>(248,450)</u>	<u>(3,251,392)</u>

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Notes to the Financial Statements January 1, 2021 through December 31, 2021 (In EUR)

9 NON-CURRENT LIABILITIES	2021	2020
Loan shareholder	1,371,562	1,371,562

This loan have a term longer than 1 year:
As per December 31, 2017 the Company received a loan amounting to EUR 1.371.562,04 with a fix interest rate of 1.5% per annum calculated from the effective date. The loan amount has to be rep no later than December 31, 2022.

10 CURRENT ACCOUNTS SHAREHOLDER	2021	2020
Opening balance	1,000	1,000
Movements during the year:		
- Invoices paid obo the Company	--	--
Ending balance	1,000	1,000

11 DIRECT COST	2021	2020
Hosting expenses	620,803	206,035
IP licensing	--	3,900
Lease cost	467,638	477,312
Software costs	3,582,447	75,007
Marketing & Advertising expenses	1,387,490	3,908,387
Payout to players	49,244	313,919
SEO expenses	--	33,025
Outside services - 3 rd party	24,230,497	29,410,806
Call center expenses	14,498	115,440
License and Services	2,701,977	2,047,544
	33,054,594	36,591,375

12 GENERAL AND ADMINISTRATIVE EXPENSES	2021	2020
Outstaff expenses	--	14,000
Legal expenses	2,625	97,849
Interest expenses	20,573	20,573
Consultancy fees	79,772	1,299,111
Bank charges	75,921	11,178
Management services	30,316	27,530
Administration & bookkeeping	2,000	--
	211,207	1,470,241
