



FINANCIAL STATEMENTS 2022

Curaçao Chamber of Commerce: 140803

Scharlooweg 39 U.5

Willemstad, Curaçao

Galaktika N.V.

Galaktika N.V.

Financial Statements
December 31, 2022

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Financial Statements
December 31, 2022

MANAGING DIRECTORS:

Allyant Group B.V.
Scharlooweg 39
Willemstad
Curaçao

Galaktika N.V.

Financial Statements
December 31, 2022

DIRECTOR'S REPORT:

We are pleased to present you herewith the Financial Statements for the period January 1, 2022 through December 31, 2022.

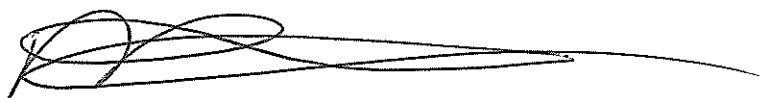
Summary of activities

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.

Result for the year

During the period under review, the Company recorded a net result of EUR 381,817, details of which are set out in the attached Profit and Loss account.

Curaçao, March 15, 2024



Allyant Group B.V.
Managing Director

Galaktika N.V.

Balance Sheet as at December 31, 2022

(In EUR, before appropriation of results)

ASSETS	Notes	2022	2021
<u>Intangible assets</u>			
Acquired intangible assets	4	385,308	511,476
		<u>385,308</u>	<u>511,476</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>			
Current account subsidiary	6	879,828	94,945
Cash at banks	7	271,923	280,291
		<u>1,151,751</u>	<u>375,236</u>
TOTAL ASSETS		<u>1,538,059</u>	<u>887,712</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
<u>Shareholders' equity</u>			
	8		
Issued and fully paid share capital		1	1
Retained earnings		(3,499,842)	(248,450)
Net result for the year		381,817	(3,251,392)
		<u>(3,118,024)</u>	<u>(3,499,841)</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>			
	10		
Current account shareholder		1,000	1,000
Creditors		145,980	709,951
Accounts payable		2,993,527	2,181,599
Interest payable		144,014	123,441
		<u>3,284,521</u>	<u>3,015,991</u>
TOTAL EQUITY AND LIABILITIES		<u>1,538,059</u>	<u>887,712</u>

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Profit and Loss Account for the period
January 1, 2022 through December 31, 2022
(In EUR)

	Notes	2022	2021
<u>Income</u>			
Revenue		46,278,244	30,140,577
Direct cost	11	45,437,131	33,054,594
Gross profit/(loss)		841,113	(2,914,017)
<u>Expenses</u>			
Amortization		126,168	126,168
General and administrative expenses	12	333,128	211,207
		459,296	337,375
Result before taxation		381,817	(3,251,392)
Profit tax		--	--
NET RESULT FOR THE YEAR		381,817	(3,251,392)

Galaktika N.V.

Notes to the Financial Statements January 1, 2022 through December 31, 2022 (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.

Galaktika N.V.

Notes to the Financial Statements

January 1, 2022 through December 31, 2022

(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, 2022 through December 31, 2022

(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's 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, 2022 through December 31, 2022 (in EUR)

4 INTANGIBLE ASSETS

Acquired intangible assets	2022	2021
Balance as at January 1		
Historical costs	700,965	700,965
Cummulative impairment losses and Amortisation	(189,489)	(63,321)
Book value	890,454	637,644
<i>Movements:</i>		
Investments website	--	--
Investments software	--	--
Disposals	--	--
Amortisation	(126,168)	(126,168)
Impairments	--	--
Amortisations of disposals	--	--
Balance	(126,168)	(126,168)

Balance as at December 31

Historical costs	700,965	700,965
Cummulative impairment losses and Amortisation	(315,657)	(189,489)
Book value	385,308	511,476

Amortisation rates	20%	20%
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5 SHARES IN GROUP COMPANY

	<u>DOMICILE</u>	<u>OWNERSHIP</u>	2022	2021
Unionstar Limited	Cyprus	100%	1,000	1,000
			<u>1,000</u>	<u>1,000</u>

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Notes to the Financial Statements January 1, 2022 through December 31, 2022 (In EUR)

6	CURRENT ACCOUNT SUBSIDIARY	2022	2021
	<i>Unionstar Limited</i>		
	Opening balance	94,945	133,714
	Correction opening balance	--	1,403
	Movements during the year:		
	- Received funds obo the Company	21,065,194	3,060,000
	- Invoices paid obo the Company	(19,880,311)	(3,100,172)
	- Other movements	(400,000)	--
	Ending balance	<u>879,828</u>	<u>94,945</u>

7	CASH AT BANKS	2022	2021
	Migom Bank #7083	--	1,522
	Paymix eWallet Account	117,705	233,075
	Migom #12991	--	1,473
	Migom #493	--	8
	Migom #968	--	(51)
	Sber Bank EUR-account	--	2,211
	Sber Bank KZT- account	--	42,053
	Payswix EUR	154,040	--
	Payswix Usd account	178	--
		<u>271,923</u>	<u>280,291</u>

8	SHAREHOLDERS' EQUITY	CCY	2022
	1 share @ USD 1.00		
	Issued and fully paid share capital	USD	<u>0.81407</u> <u>1.00</u>

Movements in the shareholders' equity accounts are as follows:

	Issued and fully paid share capital	Retained earnings	Result for the year
Opening balance	1	(248,450)	--
Movements during the year	--	(3,251,392)	381,817
Ending balance	<u>1</u>	<u>(3,499,842)</u>	<u>381,817</u>

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Notes to the Financial Statements January 1, 2022 through December 31, 2022 (In EUR)

9 NON-CURRENT LIABILITIES	2022	2021
Loan shareholder	<u>1,371,562</u>	<u>1,371,562</u>

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 fixed interest rate of 1.5% per annum calculated from the effective date. The loan amount has to be repaid no later than December 31, 2026.

10 CURRENT ACCOUNT SHAREHOLDER	2022	2021
Opening balance	1,000	1,000
Movements during the year:		
- Invoices paid obo the Company	--	--
Ending balance	<u>1,000</u>	<u>1,000</u>

11 DIRECT COST	2022	2021
Hosting expenses	284,086	620,803
Lease cost	89,154	467,638
Software costs	2,647,422	3,582,447
Marketing & Advertising expenses	2,637,930	1,387,490
Payout to players	41,917	49,244
Outside services - 3rd party	37,702,688	24,230,497
Call center expenses	-	14,498
License and Services	2,033,934	2,701,977
	<u>45,437,131</u>	<u>33,054,594</u>

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Notes to the Financial Statements January 1, 2022 through December 31, 2022 (In EUR)

12 GENERAL AND ADMINISTRATIVE EXPENSES	2022	2021
Legal expenses	10,691	2,625
Notary expenses	9,920	--
Interest expenses	20,573	20,573
Consultancy fees	--	79,772
Bank charges	108,549	75,921
Management services	44,190	30,316
Administration & bookkeeping	12,560	2,000
Local MLRO services	5,090	--
Local RGRO services	4,760	--
Payment & subscriptions	140	--
Office charge	1,352	--
Tax consultant services	1,142	--
Payroll Administrative services	1,473	--
Office lease	10,228	--
Secondment expenses	4,500	--
Currency exchange differences	94,008	--
Write off	2,952	--
	<u>332,128</u>	<u>211,207</u>
