



FINANCIAL STATEMENTS 2023

Curaçao Chamber of Commerce: 140803

Scharlooweg 39 U.5

Willemstad, Curaçao

Galaktika N.V.

Galaktika N.V.

Financial Statements

December 31, 2023

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Galaktika N.V.

**Financial Statements
December 31, 2023**

MANAGING DIRECTOR:

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

Galaktika N.V.

Financial Statements
December 31, 2023

DIRECTOR'S REPORT:

We are pleased to present you herewith the Financial Statements for the period January 1, 2023 through December 31, 2023.

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 2.528.870, details of which are set out in the attached Profit and Loss account.

Curaçao, December XX, 2024

Allyant Group B.V.
Managing Director

Galaktika N.V.

Balance Sheet as at December 31, 2023

(In EUR, before appropriation of results)

ASSETS	Notes	2023	2022
<u>Intangible assets</u>			
Acquired intangible assets	4	259.140	385.308
		<u>259.140</u>	<u>385.308</u>
<u>Financial fixed assets</u>			
Shares in group company	5	2.000	1.000
		<u>2.000</u>	<u>1.000</u>
<u>Current assets</u>			
Current account subsidiaries	6	713.150	879.828
Other receivables and accrued income	7	5.659.836	--
Cash at banks	8	505.001	271.923
		<u>6.877.987</u>	<u>1.151.751</u>
TOTAL ASSETS		<u>7.139.127</u>	<u>1.538.059</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
<u>Shareholders' equity</u>			
	9		
Issued and fully paid share capital		1	1
Accumulated deficit		(3.118.025)	(3.499.842)
Net result for the year		2.528.870	381.817
		<u>(589.154)</u>	<u>(3.118.024)</u>
<u>Non-current liabilities</u>			
Loan shareholder	10	1.371.562	1.371.562
		<u>1.371.562</u>	<u>1.371.562</u>
<u>Current liabilities</u>			
Current account shareholder	11	1.000	1.000
Creditors		658.175	145.980
Accounts payable		3.506.159	2.993.527
Interest payable		164.588	144.014
Other liabilities, accruals and deferred income	12	2.026.797	--
		<u>6.356.719</u>	<u>3.284.521</u>
TOTAL EQUITY AND LIABILITIES		<u>7.139.127</u>	<u>1.538.059</u>

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Profit and Loss Account for the period January 1, 2023 through December 31, 2023

(In EUR)

	Notes	2023	2022
<u>Income</u>			
Revenue		32.912.841	46.278.244
Direct cost	13	29.945.611	45.437.131
Gross profit/(loss)		2.967.230	841.113
<u>Expenses</u>			
Amortisation		126.168	126.168
General and administrative expenses	14	312.192	333.128
		438.360	459.296
Result before taxation		2.528.870	381.817
Profit tax		--	--
NET RESULT FOR THE YEAR		2.528.870	381.817

Galaktika N.V.

Notes to the Financial Statements 2023

(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 2023

(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 2023

(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.

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Notes to the Financial Statements 2023

(In EUR)

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.

4 INTANGIBLE ASSETS

Acquired intangible assets	2023	2022
Balance as at January 1,		
Historical costs	700.965	700.965
Cummulative impairment losses and amortisation	(315.657)	(189.489)
Book value	1.016.622	511.476
<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	(441.825)	(315.657)
Book value	259.140	385.308
Amortisation rates	20%	20%

5 SHARES IN GROUP COMPANY	DOMICILE	OWNERSHIP	2023	2022
Unionstar Limited	Cyprus	100%	1.000	1.000
Lerola Limited	Nicosia	100%%	1.000	--
			2.000	1.000

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Notes to the Financial Statements 2023

(In EUR)

6 CURRENT ACCOUNT SUBSIDIARIES

2023

2022

Unionstar Limited

Opening balance	879.828	94.945
Movements during the year:		
- Received funds obo the Company	(165.678)	21.065.194
- Invoices paid obo the Company	--	(19.880.311)
- Other movements	--	(400.000)
Ending balance	<u>714.150</u>	<u>879.828</u>

Lerola Limited

Opening balance	--	--
Movements during the year:		
- Received funds obo the Company	--	--
- Invoices paid obo the Company	--	--
- Other movements	(1.000)	--
Ending balance	<u>(1.000)</u>	<u>--</u>
	<u>713.150</u>	<u>879.828</u>

7 OTHER RECEIVABLES AND ACCRUED INCOME

2023

2022

Crypto Wallet	960.316	--
PSP balances	4.699.520	--
	<u>5.659.836</u>	<u>--</u>

8 CASH AT BANKS

2023

2022

Paymix eWallet Account	428.049	117.705
Payswix EUR account	--	154.040
Payswix USD account	--	178
Jusan-USD Account	10.221	--
Jusan KZT-Account	66.731	--
	<u>505.001</u>	<u>271.923</u>

Galaktika N.V.

Notes to the Financial Statements 2023

(In EUR)

9 SHAREHOLDERS' EQUITY

2023

1 share @ USD 1.00

Issued and fully paid share capital

USD

CCY

0,81407

1,00

Movements in the shareholders' equity accounts are as follows:

	Issued and fully paid share capital	Accumulated deficit	Result for the year
Opening balance	1	(3.499.842)	381.817
Result appropriation	--	381.817	(381.817)
Movements during the year	--	--	2.528.870
Ending balance	<u>1</u>	<u>(3.118.025)</u>	<u>2.528.870</u>

In the General Meeting of Shareholders it will be proposed to add the result for the year to the accumulated deficit.

10 LOAN SHAREHOLDER

2023

2022

Loan shareholder

1.371.562

1.371.562

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.

11 CURRENT ACCOUNT SHAREHOLDER

2023

2022

Opening balance

1.000

1.000

Movements during the year:

- Invoices paid obo the Company

--

--

Ending balance

1.000

1.000

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Notes to the Financial Statements 2023

(In EUR)

12 OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME	2023	2022
Accrued expenses	2.026.797	--
	<u>2.026.797</u>	<u>--</u>
13 DIRECT COST	2023	2022
Outside services - 3rd party	22.366.137	37.702.688
Marketing & Advertising expenses	2.754.842	2.637.930
License and Services	1.800.616	2.033.934
Software costs	1.783.291	2.647.422
Hosting expenses	999.987	284.086
Call center expenses	203.354	--
Payout to players	37.384	41.917
Lease cost	--	89.154
	<u>29.945.611</u>	<u>45.437.131</u>
14 GENERAL AND ADMINISTRATIVE EXPENSES	2023	2022
Bank charges	116.945	108.549
Management services	60.751	44.190
Currency exchange differences	47.307	94.008
Interest expenses	20.573	20.573
Administration & bookkeeping	12.000	12.560
Office lease	11.600	10.228
Notary expenses	11.040	9.920
Secondment expenses	8.250	4.500
Office charge	6.348	1.352
Local MLRO services	5.280	5.090
Local RGRO services	4.620	4.760
Billing agent fee	4.229	--
Legal expenses	2.094	10.691
Tax consultant services	900	1.142
Payment & subscriptions	430	140
Payroll Administrative services	(175)	1.473
Write off	--	2.952
	<u>312.192</u>	<u>332.128</u>
