

Palau Holdings N.V.

FINANCIAL STATEMENTS

Year Ended December 31, 2022

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General Information

Directors(s)

Global Related Services B.V.

Registered Address

Kaya Richard J. Beaujon Z/N
Willemstad
Curaçao

Company Registration Number

140044

Incorporation Date

May 09, 2016

Nominal Capital

1,000 share(s) with a nominal capital of EUR 1.00 each

Nature of Business

Online wagering

Palau Holdings N.V.
DIRECTORS' REPORT
for the financial year ended December 31, 2022

The board of directors is pleased to present its report to the shareholder(s) together with the financial statements of Palau Holdings N.V. for the financial year ended December 31, 2022.

Principal activities

Palau Holdings N.V. is a company incorporated and domiciled in Curaçao, Dutch Caribbean, with registered office at Kaya Richard J. Beaujon Z/N, Willemstad, Curaçao. The Company is engaged in organizing, marketing, promoting, managing, supporting and operating all types of remote gaming activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries, poker and other interactive games for clients established or residing outside of Curaçao.

Results and appropriations

The results of the Company for the year ended December 31, 2022 are set out in the Company's financial statements on page 4. No interim dividend has been issued during the financial year and the directors do not recommend distribution of a final dividend.

Current & Future Developments

There was no material current and post balance sheet events, which have a bearing on the understanding of the financial statements.

Statement by directors

The board of directors in their capacity as directors of the company, do hereby state that, in their opinion:

(I) the financial statements and the notes to the financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2022 and the results of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

For and on behalf of the Managing Director

Global Related Services B.V.

Palau Holdings N.V.
BALANCE SHEET
As at: December 31, 2022
before allocation of the result of the year

ASSETS	notes	<i>EUR</i> 12/31/2022	<i>EUR</i> 12/31/2021
Non-current assets			
Investment in subsidiary	3	1,000	1,000
Total Non-current assets			
Current assets			
Current accounts	4	227,864	213,020
Other receivables	5	2,477,721	608,080
Cash and cash equivalents	6	48,870	83
Total Current Assets		<u>2,754,455</u>	<u>821,183</u>
TOTAL ASSETS		<u>2,755,455</u>	<u>822,183</u>

SHAREHOLDERS' EQUITY AND LIABILITIES	notes	<i>EUR</i> 12/31/2022	<i>EUR</i> 12/31/2021
Shareholders' Equity	7		
Nominal capital		1,000	1,000
Dividend distributions		(807,712)	(807,712)
Retained earnings		1,298,069	1,303,513
Result current year		<u>(4,195,115)</u>	<u>(5,444)</u>
		<u>(3,703,758)</u>	<u>491,357</u>
Liabilities			
Current accounts	8	1,197,146	31,945
Other Liabilities and accruals	9	<u>5,262,067</u>	<u>298,881</u>
Total Liabilities		<u>6,459,213</u>	<u>330,826</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>2,755,455</u>	<u>822,183</u>

Approved by

Global Related Services B.V.
Managing director

The accompanying notes are an integral part of these financial statements.

Palau Holdings N.V. INCOME STATEMENT for the period ending December 31, 2022			
	notes	EUR 2022	EUR 2021
Revenue			
Casino revenue		8,045,169	7,357,588
Direct costs	10	(10,064,162)	(6,816,926)
Gross Profit/ (Loss)		(2,018,993)	540,662
Expenses			
Management fees		2,500	2,500
Membership & contribution fees		90	90
Compliance fees		5,113	-
Corporate secretarial fees		1,439	2,569
Legal fees		325	445
Accounting expenses		6,083	2,575
Tax advisory fees		1,125	900
Professional fees		1,461,819	915,730
Gaming license fees		25,412	14,347
Hosting expenses		75,823	20,754
Bank charges		20,077	7,762
Other general expenses		487	440
Total Expenses		1,600,293	968,112
Operating profit		(3,619,286)	(427,450)
Miscellaneous gains/losses		(575,829)	438,200
Result before Taxes		(4,195,115)	10,750
Profit Taxes previous years		-	-
Result after taxes		(4,195,115)	10,750
Unrealized gain/(loss) on exchange differences		-	(16,194)
Net Profit/(Loss)		(4,195,115)	(5,444)

The accompanying notes are an integral part of these financial statements.

Palau Holdings N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

1 General Information

Palau Holding N.V. is a company incorporated on May 09, 2016. The Company is a limited liability company and domiciled in Curaçao, Dutch Caribbean.

The principal activities of the Company are that of organizing, marketing, promoting, managing, supporting and operating all types of remote gaming activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries, poker and other interactive games for clients established or residing outside of Curaçao.

The Company is registered with the Curaçao Chamber of Commerce under number 140044.

2 General Accounting Principles

Basis of Preparation

The Financial Statements have been prepared in accordance with applicable accounting standards generally accepted and the provision of Book 2 Curaçao Civil Code. They have been prepared under the historical costs basis. Unless stated otherwise, all assets and liabilities are stated at their nominal value.

Accounting Method

The financial statements are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred.

Foreign Currencies

The financial statements are presented in Euros (EUR or €). Foreign currency transactions are translated into the functional currency using daily ECB exchange rates. Exchange differences arising on the settlement of monetary items are recognized as realized foreign exchange gains or losses on the income statement. Exchange differences arising on translating monetary items at the end of the reporting period are recognized as unrealized financial gains or losses.

Palau Holdings N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand. All cash is directly available to the Company.

Taxes

Profit tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authorities. Current profit taxes are recognized in the income statement and are adjusted for any differences between the estimated and actual tax payable in prior years.

		<i>EUR</i>	<i>EUR</i>
3 Investment in subsidiary		12/31/2022	12/31/2021
Dibilam Ltd. (Cyprus)	100%	1,000	1,000
Ending balance		1,000	1,000

Represents 1000 ordinary shares, being 100% of the capital of a Cypriot subsidiary.

		<i>EUR</i>	<i>EUR</i>
4 Current accounts		12/31/2022	12/31/2021
Current account Oblatec Ltd.		226,864	212,020
Current account shareholder		1,000	1,000
		227,864	213,020

Palau Holdings N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

	<i>EUR</i>	<i>EUR</i>
5 Other receivables	12/31/2022	12/31/2021
Vpos	854,714	261,048
Boombill	108,372	-
Omni Excellence	173,626	173,626
Gigadat Inc.	233,657	33,046
TrustPay	188,577	31,146
iMerchant Service Group	1,495	1,495
Zion	52,960	(295,122)
DCC	16,671	-
Moneygram Ria	10,556	-
Holdback DCC	821	-
Holdback Omni Excellence	278,454	69,499
Holdback TrustSpay	46,857	35,434
Holdback VPOS	508,269	296,199
Retainer A-One Data Ltd.	708	975
Retainer G-Force Corporate Services B.V.	1,984	734
	2,477,721	608,080

	<i>EUR</i>	<i>EUR</i>
6 Cash and cash equivalents	12/31/2022	12/31/2021
Payment Execution	48,870	83
	48,870	83

7 Shareholders' Equity

The capital of the company consist of 1,000 shares with a nominal value of EUR 1 each.

Movements in equity were as follows:	Issued share capital	Accum. Results	Total
	EUR	EUR	EUR
Balance as at January 1 st	1,000	495,801	496,801
Movements	-	(4,195,115)	(4,195,115)
Balance as at December 31 st	1,000	(3,699,314)	(3,698,314)

Palau Holdings N.V.
NOTES TO THE FINANCIAL STATEMENTS
For the period January 1, 2022 though December 31, 2022

	<i>EUR</i>	<i>EUR</i>
8 Current accounts	12/31/2022	12/31/2021
Due to Dibilam Ltd.	1,197,146	31,945
	1,197,146	31,945

	<i>EUR</i>	<i>EUR</i>
9 Other Liabilities and accruals	12/31/2022	12/31/2021
Accounts payable	350,248	295,531
Dream finance	2,082,383	-
Player balances	2,822,736	-
Accrual tax fees	1,700	850
Accrual accounting fees	5,000	2,500
	5,262,067	298,881

	<i>EUR</i>	<i>EUR</i>
10 Direct costs	12/31/2022	12/31/2021
Payouts	6,958,266	5,176,910
Payment processing fees	1,584,519	444,336
Software development fees	1,251,580	808,608
Affiliate expenses	15,200	-
Marketing expenses	254,597	387,072
Total Direct costs	10,064,162	6,816,926

Appropriation of result

The General Meeting shall determine how the result of the financial year will be appropriated.