

Palau Holdings N.V.
Curaçao

Annual report 2022

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1. Report

1.1 General

Palau Holdings N.V. (hereinafter: "the Company") is a company incorporated on May 9, 2016. The Company is a limited liability company and domiciled in Curaçao, Dutch Caribbean.

Reporting period

These annual accounts have been prepared for the fiscal year ended on 31 December 2022.

Activities

The activities of the Company, having its legal seat at Curaçao, primarily consist 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.

To the board of directors and the shareholders of
Palau Holdings N.V.
Curaçao

ACCOUNTANT'S COMPILATION REPORT

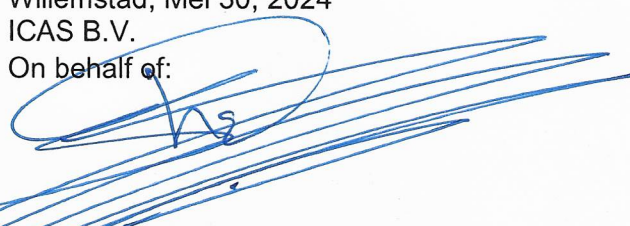
The financial statements of Palau Holdings N.V. based in Curaçao have been compiled by us using the information provided by the management. The financial statements comprise the balance sheet as at 31 December 2022 and the profit and loss account for the year 2022 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Curaçao law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Curaçao Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding Palau Holdings N.V. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Willemstad, Mei 30, 2024
ICAS B.V.
On behalf of:



Magdi Shaker M.Sc RA
Ref.: 22S24530/MS/PH

2. Financial statements

2.1 Balance sheet as at 31 December 2022*(After proposal result)*

		EUR		EUR	
Assets		12/31/2022		12/31/2021	
Financial assets					
Investment	1	<u>1,000</u>	1,000	<u>1,000</u>	1,000
Current assets					
Other receivables	2	2,477,721		608,080	
Current accounts	3	279,864		213,020	
Cash & cash equivalents	4	<u>48,870</u>		<u>83</u>	
		2,806,455			821,183
Total assets		<u>2,807,455</u>		<u>822,183</u>	
		EUR		EUR	
Equity & Liabilities		12/31/2022		12/31/2021	
Shareholders equity					
Nominal capital	5	1,000		1,000	
Dividends paid		(807,712)		(807,712)	
Retained earnings		1,298,069		1,303,513	
Result for the year		<u>(3,065,997)</u>		<u>(5,444)</u>	
		(2,574,640)			491,357
Short term liabilities					
Current accounts	6	120,028		31,945	
Other Liabilities and accruals	7	<u>5,262,067</u>		<u>298,881</u>	
		5,382,095			330,826
Total equity & liabilities		<u>2,807,455</u>		<u>822,183</u>	

2.2 Statement of income and expenses for the year 2022

		EUR	EUR
		2022	2021
Turnover	8	8,045,169	7,357,588
Direct costs	9	<u>8,935,044</u>	<u>6,816,926</u>
Gross margin		(889,875)	540,662
IT and other operating expenses	10	25,412	14,347
Administrative & general expenses	11	<u>1,574,881</u>	<u>953,765</u>
		(1,600,293)	(968,112)
Operating result		<u>(2,490,168)</u>	<u>(427,450)</u>
Financial results	12	(575,829)	422,006
Result before tax		<u>(3,065,997)</u>	<u>(5,444)</u>
Income tax expense		-	-
Net result for the period		<u><u>(3,065,997)</u></u>	<u><u>(5,444)</u></u>

2.3 Notes to the financial statements

General

The financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Curaçao Civil Code and accounting principles generally accepted in the Netherlands.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Continuity

These financial statements have been prepared based on going concerns basis. The going concern basis of presentation assumes that the company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management is of the opinion, that the company's shareholders or other group companies will give the necessary support in case the assumption above mentioned is not realized. Consequently the Company has applied accounting principles based on going concerns.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the prevailing at exchange rates balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Accounting policies in respect of the valuation of assets and liabilities

General

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Financial fixed assets

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by the Company.

Associated companies with negative net equity value are valued at nil. If the Company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from associated company are taken into account.

Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

Accounts receivable

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Equity

Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

Current liabilities

Upon initial recognition, current liabilities are stated at fair value and then valued at amortized cost.

Accounting policies in respect of determination

Turnover

Turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes. Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Other operating expenses

Costs are taken into account under the historical cost convention and allocated to the period concerned.

Net financial result

Interest income and expenses consist of interest received from or paid to third parties.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.

2.4 Notes to the balance sheet

1. Investment

The Company is holder of 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Dibilam Ltd. incorporated on August 9th 2019, registered at Riga Feraiou, 7-9 Lizantia Court, Flat/Office 310 Agioi Omologites, 1087, Nicosia, Cyprus.

		EUR 12/31/2022	EUR 12/31/2021
Dibilam Ltd. (Cyprus)	100%	1,000	1,000
Ending balance		1,000	1,000

		EUR 12/31/2022	EUR 12/31/2021
2. Other receivables			
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

		EUR 12/31/2022	EUR 12/31/2021
3. Current accounts			
Current account Oblatec Ltd.		226,864	212,020
Current account shareholder		53,000	1,000
		279,864	213,020

		EUR 12/31/2022	EUR 12/31/2021
4. Cash & cash equivalents			
Payment Execution		48,870	83
		48,870	83

5. Shareholders equity

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

	Issued Share capital EUR	Accum. Results EUR	Total EUR
Balance as at January 1 st	1,000	1,298,069	1,299,069
Dividends paid		(807,712)	(807,712)
Movements	-	(3,065,997)	(3,065,997)
Balance as at December 31 st	1,000	(2,575,640)	(2,574,640)

6. Current accounts

Due to Dibilam Ltd.

EUR 12/31/2022	EUR 12/31/2021
120,028	31,945
120,028	31,945

7. Other Liabilities and accruals

Accounts payable

Dream finance

Player balances

Accrual tax fees

Accrual accounting fees

EUR 12/31/2022	EUR 12/31/2021
350,248	295,531
2,082,383	-
2,822,736	-
1,700	850
5,000	2,500
5,262,067	298,881

2.5 Notes to the statement of income and expenses

	<u>2022</u>	<u>2021</u>
	EUR	EUR
8. Turnover		
Casino revenue	8,045,169	7,357,588
	<u>8,045,169</u>	<u>7,357,588</u>
9. Direct costs		
Payouts	5,801,688	5,176,910
Payment processing fees	1,611,979	444,336
Software development fees	1,251,580	808,608
Affiliate expenses	15,200	-
Marketing expenses	254,597	387,072
	<u>8,935,044</u>	<u>6,816,926</u>
10. IT and other operating expenses		
Gaming license fees	25,412	14,347
	<u>25,412</u>	<u>14,347</u>
11. Administrative & general 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
Consultancy fees	1,461,819	915,730
Hosting expenses	75,823	20,754
Bank charges	20,077	7,762
Other general expenses	487	440
	<u>1,574,881</u>	<u>953,765</u>
12. Financial results		
Miscellaneous gains/losses	(575,829)	438,200
Unrealized gain/(loss) on exchange differences	-	(16,194)
	<u>(575,829)</u>	<u>422,006</u>

3. Other Information

3.1 Statutory provision regarding appropriation of result

In the articles of incorporation it states that the profit shall be at free disposal of the general meeting. Any distribution of the profit shall be made after approval of the annual account. Consequently the following has been presented concerning the appropriation of the result.

3.2 Appropriation of result

The management of the company proposes to appropriate the result as follows:

The negative result for the year 2022 in the amount of EUR 3,065,997 will be deducted from the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2022 for the company.

3.3 Subsequent events

There are no events after the balance sheet date that have significant impact on these financial statements, that require further disclosure.

Name:

Position:

Signature:

Global Related Services B.V.

Statutory director

