Palau Holdings N.V.

Curaçao

Annual report 2023

ICAS
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business advisors

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Table of contents

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 2023.

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.

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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 2023 and the profit and loss account for the year 2023 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, December 27, 2024
ICAS B.V.
On behalf of:

Magdi Shaker M.Sc RA
Ref.: 23S241227/MS/PH

2. Financial statements

2.1 Balance sheet as at 31 December 2023

(After proposal result)

Assets	Note		EUR 12/31/2023		EUR 12/31/2022
Financial assets					
Investment	1	72,415		1,000	
			72,415		1,000
Current assets					
Other receivables	2	2,275,203		2,477,721	
Current accounts	3	279,864		279,864	
Cash & cash equivalents	4	1,754		48,870	
			2,556,821		2,806,455
Total assets			**2,629,236**		**2,807,455**

Equity & Liabilities	Note		EUR 12/31/2023		EUR 12/31/2022
Shareholders equity	5				
Nominal capital		1,000		1,000	
Dividends paid		-		(807,712)	
Retained earnings		(2,575,640)		1,298,069	
Result for the year		769,371		(3,065,997)	
			(1,805,269)		(2,574,640)
Short term liabilities					
Current accounts	6	370,140		120,028	
Other Liabilities and accruals	7	4,064,365		5,262,067	
			4,434,505		5,382,095
Total equity & liabilities			**2,629,236**		**2,807,455**

2.2 Statement of income and expenses for the year 2023

		EUR 2023		EUR 2022	
Turnover	8	3,391,448		2,243,481	
Direct costs	9	1,532,185		3,133,356	
Gross margin			1,859,263		(889,875)
IT and other operating expenses	10	11,180		25,412	
Administrative & general expenses	11	1,285,023		1,574,881	
			(1,296,203)		(1,600,293)
Operating result			**563,060**		**(2,490,168)**
Financial results	12		206,311		(575,829)
Result before tax			**769,371**		**(3,065,997)**
Income tax expense			-		-
Net result for the period			**769,371**		**(3,065,997)**

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 accompanies 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 12/31/2023	EUR 12/31/2022
Dibilam Ltd. (Cyprus)	100%	1,000	1,000
Result subsidiary		71,415	-
Ending balance		**72,415**	**1,000**

	EUR 12/31/2023	EUR 12/31/2022
2. Other receivables		
Vpos	1,228,078	854,714
Boombill	-	108,372
Omni Excellence	-	173,626
Luckydogpay	19,960	-
Coinz	110,233	-
Inovapay	19,853	-
Gigadat Inc.	-	233,657
TrustPay	-	188,577
iMerchant Service Group	1,495	1,495
Zion	-	52,960
DCC	-	16,671
Moneygram Ria	10,556	10,556
Holdback DCC	-	821
Holdback Luckydogpay	50,320	-
Holdback Omni Excellence	278,454	278,454
Holdback TrustSpay	-	46,857
Holdback VPOS	553,505	508,269
Retainer A-One Data Ltd.	765	708
Retainer G-Force Corporate Services B.V.	1,984	1,984
	2,275,203	**2,477,721**

	EUR 12/31/2023	EUR 12/31/2022
3. Current accounts		
Current account Oblatec Ltd.	-	226,864
Current account shareholder	279,864	53,000
	279,864	**279,864**

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	EUR 12/31/2023	EUR 12/31/2022
4. Cash & cash equivalents		
Payment Execution	1,754	48,870
	1,754	**48,870**

5. Shareholders equity

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

	Issued Share capital	Accum. Results	Total
	EUR	EUR	EUR
Balance as at January 1st	1,000	(2,575,640)	(2,574,640)
Dividends paid		-	-
Movements	-	769,371	769,371
Balance as at December 31st	**1,000**	**(1,806,269)**	**(1,805,269)**

	EUR 12/31/2023	EUR 12/31/2022
6. Current accounts		
Due to Dibilam Ltd.	370,140	120,028
	370,140	**120,028**

	EUR 12/31/2023	EUR 12/31/2022
7. Other Liabilities and accruals		
Accounts payable	254,029	350,248
Dream finance	2,341,090	2,082,383
Zion	1,198,062	-
Player balances	266,859	2,822,736
Accrual tax fees	1,525	1,700
Accrual accounting fees	2,800	5,000
	4,064,365	**5,262,067**

2.5 Notes to the statement of income and expenses

	2023	2022
	EUR	EUR
8. Turnover		
Casino revenue	5,228,251	8,045,169
Payouts	(1,836,803)	(5,801,688)
	3,391,448	2,243,481
9. Direct costs		
Payment processing fees	643,053	1,611,979
Web servivces & maintenance	57,661	-
Software development fees	706,518	1,251,580
Game provider fees	77,999	-
Affiliate expenses	-	15,200
Domain fees	46,954	-
Marketing expenses	-	254,597
	1,532,185	3,133,356
10. IT and other operating expenses		
Gaming license fees	11,180	25,412
	11,180	25,412
11. Administrative & general expenses		
Management fees	2,500	2,500
Membership & contribution fees	105	90
License national bank fees	50	-
Domiciliation fees	250	-
Compliance fees	1,435	5,113
Travel & lodging expenses	12,182	-
Corporate secretarial fees	3,033	1,439
Notary expense	670	-
Courier expense	145	325
Accounting expenses	3,847	6,083
Tax advisory fees	415	1,125
Consultancy fees	1,238,848	1,461,819
Hosting expenses	-	75,823
Bank charges	20,830	20,077
Other general expenses	713	487
	1,285,023	1,574,881
12. Financial results		
Miscellaneous gains/losses	-	(575,829)
Result subsidiary	71,415	-
Unrealized gain/(loss) on exchange differences	134,896	-
	206,311	(575,829)

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 positive result for the year 2023 in the amount of EUR 769,371 will be added in full to the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2023 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	