Palau Holdings N.V.
Curaçao

Annual report 2021

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1. Report

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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 2021.

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 2021 and the profit and loss account for the year 2021 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, April 29, 2024
ICAS B.V.
On behalf of:

Magdi Shaker M.Sc RA
Ref.: 21S24429/MS/PH

2. Financial statements

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2.1 Balance sheet as at 31 December 2021

(After proposal result)

Assets	Note		EUR 12/31/2021		EUR 12/31/2020
Financial assets					
Investment	1	1,000		1,000	
			1,000		1,000
Current assets					
Other receivables	2	608,080		620,389	
Accounts receivable		-		2,421	
Current accounts	3	213,020		248,369	
Cash & cash equivalents	4	83		53,833	
			821,183		925,012
Total assets			**822,183**		**926,012**

Equity & Liabilities	Note		EUR 12/31/2021		EUR 12/31/2020
Shareholders equity	5				
Nominal capital		1,000		1,000	
Dividends paid		(807,712)		(807,712)	
Retained earnings		1,303,513		520,488	
Result for the year		(5,444)		783,025	
			491,357		496,801
Short term liabilities					
Current accounts	6	31,945		1,000	
Other Liabilities and accruals	7	298,881		428,211	
			330,826		429,211
Total equity & liabilities			**822,183**		**926,012**

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2.2 Statement of income and expenses for the year 2021

		EUR 2021		EUR 2020	
Turnover	8	7,357,588		5,016,577	
Direct costs	9	6,816,926		3,079,849	
Gross margin			540,662		1,936,728
IT and other operating expenses	10	14,347		20,231	
Administrative & general expenses	11	953,765		937,790	
			(968,112)		(958,021)
Operating result			**(427,450)**		**978,707**
Financial results	12		422,006		(195,682)
Result before tax			**(5,444)**		**783,025**
Income tax expense			-		-
Net result for the period			**(5,444)**		**783,025**

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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.

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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.

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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 12/31/2021	EUR 12/31/2020
Dibilam Ltd. (Cyprus)	100%	1,000	1,000
Ending balance		**1,000**	**1,000**

	EUR 12/31/2021	EUR 12/31/2020
2. Other receivables		
Vpos	261,048	42,585
Boombill	-	40,837
Omni Excellence	173,626	156,520
Gigadat Inc.	33,046	22,112
TrustPay	31,146	11,942
iMerchant Service Group	1,495	1,495
Zion	(295,122)	(270,084)
DCC	-	150,715
Moneygram Ria	-	87,689
Holdback DCC	-	147,044
Holdback Omni Excellence	69,499	246,148
Holdback TrustSpay	35,434	(16,614)
Holdback VPOS	296,199	-
Retainer A-One Data Ltd.	975	-
Retainer G-Force Corporate Services B.V.	734	-
	608,080	620,389

	EUR 12/31/2021	EUR 12/31/2020
3. Current accounts		
Current account Oblatec Ltd.	212,020	-
Current account Dibilam Ltd.	-	247,369
Current account shareholder	1,000	1,000
	213,020	**248,369**

	EUR 12/31/2021	EUR 12/31/2020
4. Cash & cash equivalents		
Payment Execution	83	53,766
Paytah	-	61
Sai Bank	-	6
	83	**53,833**

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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	1,303,513	1,304,513
Dividends paid		(807,712)	(807,712)
Movements	-	(5,444)	(5,444)
Balance as at December 31st	**1,000**	**490,357**	**491,357**

	EUR 12/31/2021	EUR 12/31/2020
6. Current accounts		
Due to Dibilam Ltd.	31,945	1,000
	31,945	**1,000**

	EUR 12/31/2021	EUR 12/31/2020
7. Other Liabilities and accruals		
Accounts payable	295,531	423,661
Accrual tax fees	850	1,500
Accrual accounting fees	2,500	3,050
	298,881	**428,211**

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2.5 Notes to the statement of income and expenses

	2021	2020
	EUR	EUR
8. Turnover		
Casino revenue	7,357,588	5,016,577
	7,357,588	5,016,577
9. Direct costs		
Payouts	5,176,910	-
Payment processing fees	444,336	1,087,063
Royalty fees	-	1,141,478
Software development fees	808,608	453,750
Affiliate expenses	-	92,922
Marketing expenses	387,072	304,636
	6,816,926	3,079,849
10. IT and other operating expenses		
Gaming license fees	14,347	19,981
ICT maintenance & support fees	-	250
	14,347	20,231
11. Administrative & general expenses		
Management fees	2,500	3,370
Membership & contribution fees	90	90
Corporate secretarial fees	2,569	3,620
Legal fees	445	50
Accounting expenses	2,575	2,150
Tax advisory fees	900	2,609
Consultancy fees	915,730	914,536
Hosting expenses	20,754	-
Bank charges	7,762	11,246
Other general expenses	440	119
	953,765	937,790
12. Financial results		
Miscellaneous gains/losses	438,200	(109,643)
Unrealized gain/(loss) on exchange differences	(16,194)	(60,165)
Realized gain/(loss) on exchange differences	-	(25,874)
	422,006	(195,682)

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3. Other Information

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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 2021 in the amount of EUR 5,444 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 2021 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	

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