



CONSOLIDATED SIX-MONTH UNAUDITED REPORT

Beginning of the financial period: 01.01.2023

End of the financial period: 30.06.2023

Business name: Punktid Technologies AS

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Operating activity: Activities of holding companies (64201)



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Management report

Board commentary

The first six months of 2023 were difficult for us. We were forced to abandon several planned activities, and therefore the results also fell short of the set expectations. However, despite the difficulties, we still managed to set a group-wide sales record. However, we have not lost hope and are aiming to break even by the end of the year. To do this, we have changed our strategy, focusing more on profit than growth. At the end of the second quarter, we reached zero with the break-even point, which shows that our strategic decisions are beginning to bear fruit.

From the second half of 2022, we prepared to raise additional funds in the Latvian market, which is our second largest market. However, the uncertainty and pessimism in the financial market at the beginning of 2023 forced us to adjust our plans and cancel the planned additional investments in marketing and the platform.

At the end of the first quarter, in cooperation with Trinidad Wiseman OÜ (TWN) and under the leadership of our former board member, Andres Lüiste, we came up with a completely new platform and web design. The launch of the new platform turned out to be full of challenges, leading to more technical problems in the operation of the system than expected, which also left a negative mark on the results of the II quarter (mainly April). In the close cooperation between TWN and the Punktid team, they immediately started to eliminate the discovered errors. The problems that were gradually fixed during the spring also stabilized the results.

Since January, we have been focused on the positive direction of the company's cash flow, reducing the number of services purchased and reducing the size of the team. However, the problematic second quarter had an impact on the company's liquidity, and the company's manager and major owner, Hannes Niid, was forced to give the company a EUR 90,000 loan. By the end of the first half of the year, the loan balance had dropped to EUR 81,000. By the end of the second quarter, sales and expenses stabilized, thereby creating an opportunity to achieve positive cash flows in the future.

Due to reduced marketing efforts and team size, management sees that previous forecasts for 2023 may no longer be met, but we have prepared updated forecasts that are more realistic. We plan to handle EUR 2.1 million worth of goods, including platform turnover of EUR 1.3 million and wholesale turnover of EUR 0.8 million.

We will continue our commitment and efforts to restore profitability and financial stability.

We thank our investors for their trust and support.

Best wishes,

Punktid Group management



General information

Punktid Technologies AS is a new generation computer game and gift card intermediary service provider, containing valuable content throughout the gaming sector.

The company provides all services under the Punktid brand and maintains a leading position in Estonia in the video game and gift card intermediary service market.

Punktid Group owns and develops Estonia's largest online sales environment for video games, Nintendo, PlayStation and Xbox digital codes, where professional support is offered to both beginners and experienced gamers in the national language of the target country of the video game buyer.

The main activity of Gamekeys OÜ is the mediation of the world's best-known video games and video game gift cards in an online environment and the related customer service and marketing both in Estonia and abroad. The online mediation service has been the main focus of Punktid Group for the past few years, and future investments will be aimed at the development of this line of business. Gamekeys OÜ operates all domains and web environments necessary for the operation of the web-based intermediary service.

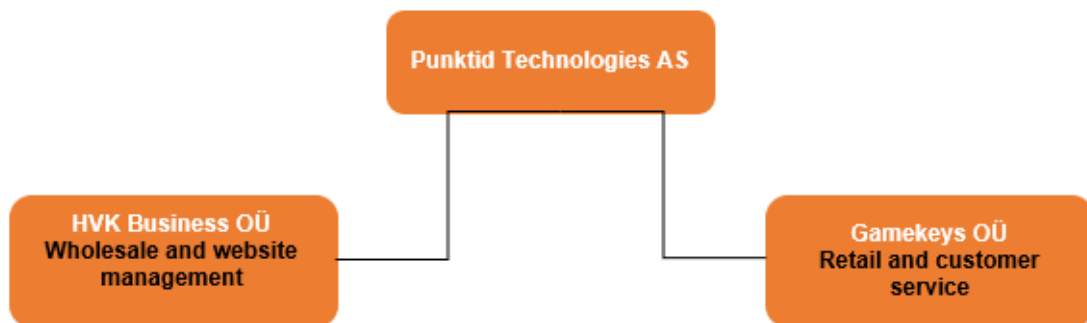
The main activity of HVK Business OÜ is the wholesale of video games and gift cards for business customers, Punktid.com IT project development and sale of the right to use the Punktid.com platform. The company's largest supplier and cooperation partner is Sony Corporation.

Structure

The parent company of the Punktid group is Punktid Technologies AS, it brings together HVK Business OÜ and Gamekeys OÜ.

Wholesale trade is carried out through HVK Business OÜ, and in order to spread risks, HVK Business OÜ also owns the Punktid website.

The main activity of Gamekeys OÜ is retail sales of the Punktid group through the Punktid online platform and related customer support.



Mission and objectives

The mission of the Punktid group is to bring the digital game world closer to every person, so it's just a few mouse clicks away.

To achieve this, the company has goals to strive for:

- influence purchasing behavior by bringing customers from global pages to the unique shopping environment of Punktid, where the entire purchasing process and support is in the local national language from start to finish and it is possible to use local payment options
- to improve the image of video games, highlighting also the positive effects of video games such as the development of creativity and strategic thinking



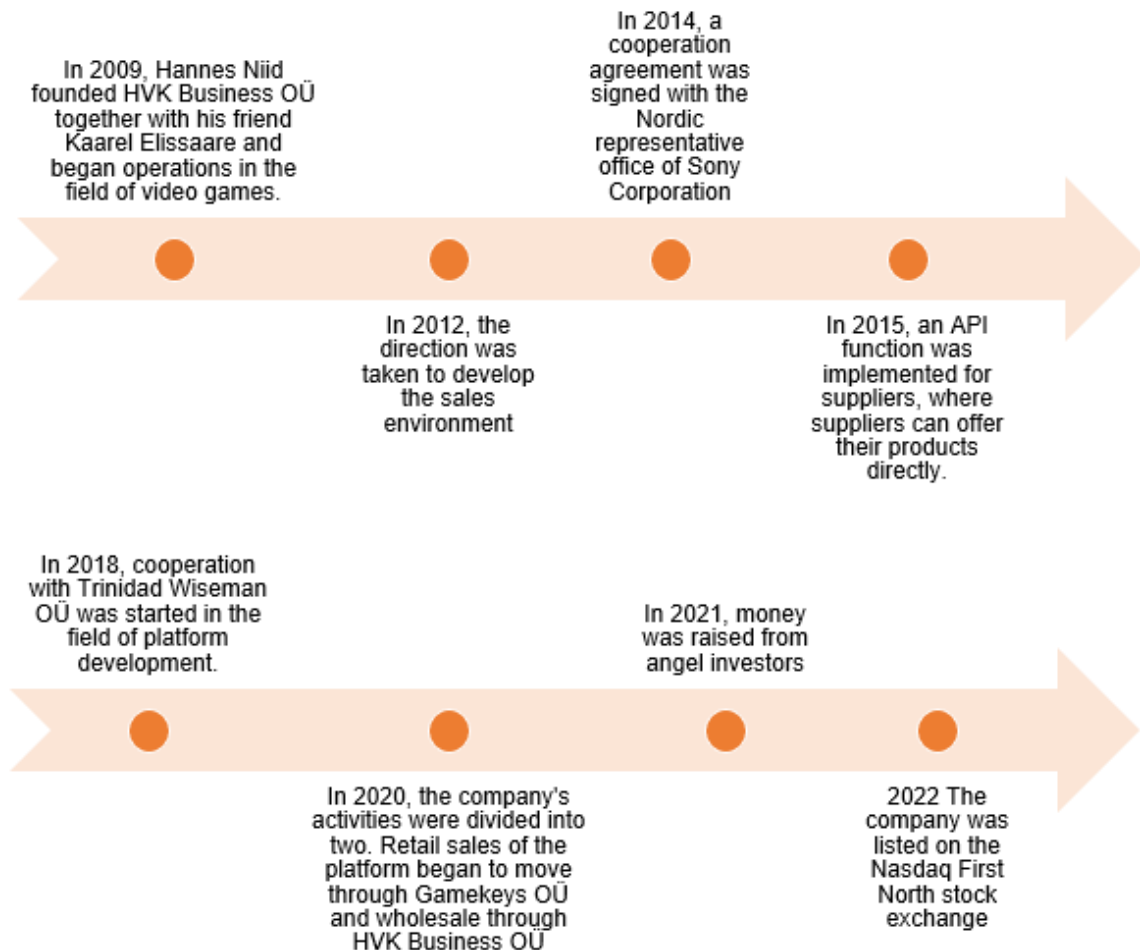
- to offer a high-level service that meets the wishes and expectations of the company's customers and ensures customer satisfaction, while we distinguish ourselves from our competitors primarily in terms of exemplary customer support.

Numerical objectives

During 2023, the goal was to handle EUR 3 million worth of goods through the platform. At the beginning of the year, we raised the platform's retail sales forecast to EUR 3 million and wholesale sales to EUR 1 million in 2023, which are 10% higher in retail sales (previous forecast EUR 2.7 million, new forecast EUR 3 million) and 20% higher in wholesale sales compared to the figures presented at the IPO (earlier estimate EUR 0.8 million, new estimate EUR 1 million)" However, due to the fact that the economic situation has continuously worsened, in order to reach a profit, various expenses have been cut both at the expense of the team and in terms of marketing, it is not possible to raise more money in the near future, and the funds already raised have been smaller than desired, it is not possible to meet the 2023 goal set at the beginning of the year.

The new 2023 real goal of mediation services through the Punktid platform is EUR 1.3M, and the forecast for wholesale sales is EUR 0.8M.

History



Economic environment and competition

The first 6 months of 2023 passed in similar moods compared to 2022. High inflation and interest rates rising at a record speed gradually began to have an impact on the general economic environment. By the end of the half year, the base interest rates already reached 4%.

During the first 6 months of 2023, consumers received an increased level of Euribor. The various cost components that satisfy basic needs were thus all more expensive, from which it can be concluded that less money was left for entertainment.



The Punktid platform competes with all platforms that mediate digital game keys. There are few local competitors in today's target markets. At the same time, it is noticeable that a local or same-region platform has a certain advantage.

The Punktid platform market size growth gives an idea of game console market size. The game console market is forecast to grow from USD 13.81 billion in 2019 to USD 32.99 billion by 2027, at a CAGR of 11.5% during the period 2020-2027. Notable market players among video games include Sony Corporation, NVIDIA Corporation, Microsoft and Nintendo.

RISK MANAGEMENT

Risk is the possibility that events or circumstances may adversely affect an organization's goals, resulting in financial loss, operational disruption, reputational damage, or other undesirable outcomes. The purpose of risk management is to discover, recognize and mitigate possible scenarios deviating from expectations.

Punktid group uses four main strategies to manage risks.

- Punktid Group implements various measures to mitigate risks, including the involvement of partners. One such example is using insurance or outsourcing professional services. In addition, the company's data is backed up on the partner's servers, ensuring that the company is not harmed if the device is lost or destroyed. Such measures help Punktid Group to ensure the security and continuity of business-critical data.
- Risk avoidance. For example, they try to refrain from entering high-risk markets, the selection of critical partners is based on tried-and-tested solutions. Avoiding risk may limit growth opportunities or raise other issues, but in some cases it is reasonable.
- Risk reduction. Risks are reduced, for example, by building the principle of multiple eyes into processes and developing security protocols. By reducing the probability of occurrence or severity of the risk, the level of risk can become acceptable in certain cases.
- Risk acceptance. In the case of risks with low probability or low impact, it is sometimes more reasonable to accept them than to spend resources on mitigating them.

Main risks

To avoid credit risk, Punktid Technologies does not sell products on its platform without first receiving money for them. This reduces growth opportunities, but the reduced risk means that there is no need to have a credit sales department. Since sales without credit are common in online commerce, the Punktid group does not consider the methods used to avoid this risk too inhibiting growth.

Punktid Group has no exchange rate risk, as income and expenses are in the same currency.

Interest rate risks are hedged, because the loan obligations of the Punktid group are taken at a fixed rate and their size is insignificant.

Efforts are made to reduce operational risk by using reliable suppliers, keeping the platform up-to-date and purchasing know-how when necessary.

In order to mitigate procurement risks, Punktid group has a long-term cooperation with Sony Nordic. Almost 10 years of cooperation ensures trust and sustainability.

Upgrading the platform was one of the main goals of Punktid Group in offering shares through First North in 2022. The new platform will be launched during the second quarter of 2023.

Punktid purchase services from various experts in their field. Since it is extremely important that all company operations comply with applicable laws, regulations and standards, the services of several advisors are used, such as legal, tax and accounting.



Seasonality of business

Punktid Group's business activity is significantly dependent on the season, when, as a rule, the fourth quarter has significantly better sales figures compared to the summer months (June, July and August).

The seasonality of the points platform, i.e. retail sales, is significantly stronger than in wholesale sales. The third quarter has the lowest turnover, which largely coincides with the summer months. The third quarter result was 81% of the average quarterly result. The strongest numbers are characteristic of the retail trade in the fourth quarter, which accounts for 129% of the annual average quarterly result. Therefore, the strongest quarter is about 50% better than the quarter with the lowest turnover numbers.

Wholesale volumes are stable year-over-year and do not depend significantly on the season

Environmental and social impacts

For us, sustainability in e-commerce is not just a buzzword; it is the main pillar of our activity. We recognize the urgent need to address the environmental challenges of the digital landscape and have implemented robust measures to reduce our ecological footprint. Our commitment to green behavior is demonstrated by our investments in energy-efficient infrastructure and technology. By optimizing our data centers, deploying renewable energy sources and promoting responsible resource management, we strive to reduce our carbon emissions and contribute to a greener future.

In addition to our environmental efforts, we are also committed to social responsibility. We believe that technology should be accessible to everyone, regardless of their abilities. That's why we prioritize creating an inclusive experience by following accessibility standards and guidelines. By ensuring that our platforms and software are accessible to people with disabilities, we strive to bridge the digital divide and empower people from diverse backgrounds. In addition, we understand the importance of customer data privacy and implement strict security measures to protect sensitive information. By complying with data protection regulations and promoting a culture of trust and transparency, we prioritize the well-being and privacy of our customers.

Punktid Group's activities do not have a significant impact on the natural environment, but based on the company's responsible behavior, Punktid Group operates in an energy-efficient manner. Since computers, office spaces and servers are one of the biggest sources of energy consumption, Punktid Group uses only LED lighting in its office, employees have significantly more environmentally friendly laptops instead of large desktop computers, and the servers are located in the Netherlands, where nearly 14% of the country's energy comes from renewable energy sources. All the goods we sell is digital, and the digital delivery method reduces the ecological footprint by over 95% compared to the amount of waste and pollution associated with the production, packaging and delivery of game boards.

Governance and ethics are paramount to our operations and we have established strict governance practices to ensure ethical behavior throughout our organization. We place a strong emphasis on licensing compliance, working closely with software developers and publishers to ensure that all software keys sold on our platform comply with license agreements and copyright laws. Transparency is at the heart of our business practices and we communicate openly with our customers, providing accurate and clear information about the software keys we offer. In addition, we maintain strong relationships with our suppliers, ensuring that they share our commitment to sustainability and ethical business practices. Through these efforts, we strive to foster a responsible and honest culture while promoting responsible behavior in the digital software industry.

1. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Renewable_energy_statistics.
2. <https://www.euronews.com/green/2020/02/17/is-playing-video-games-making-climate-change-worse>.

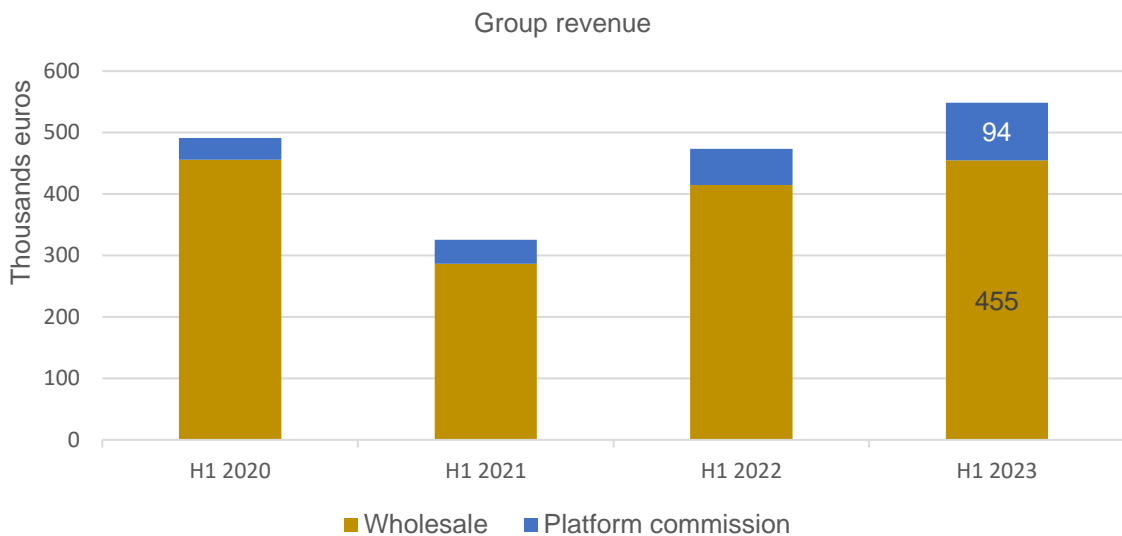


ECONOMIC INDICATORS

The total volume of goods moved through the Punktid platform and wholesale in the first half of 2023 was EUR 1,163 thousand (2022 I half: EUR 1,275 thousand), of which wholesale accounted for EUR 442 thousand (2022 I half: EUR 400 thousand) and goods moved through the platform EUR 721 thousand(2022 I semester: EUR 875 thousand).

Revenue

Punktid group's sales revenue increased by 16% compared to the first half of 2022, reaching EUR 536 thousand in the first half of 2023. Of this, EUR 94 thousand was the Punktid platform commission, and EUR 442 thousand was wholesale.



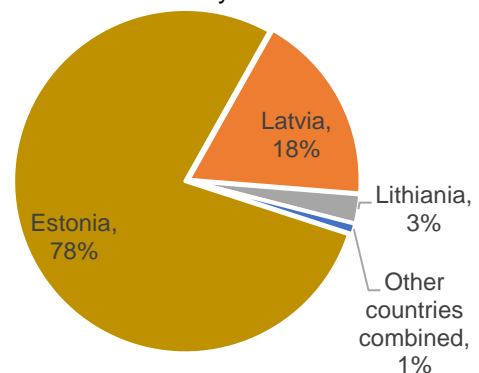
Punktid platform sales and gross merchandise volume (GMV) (Gamekeys OÜ)

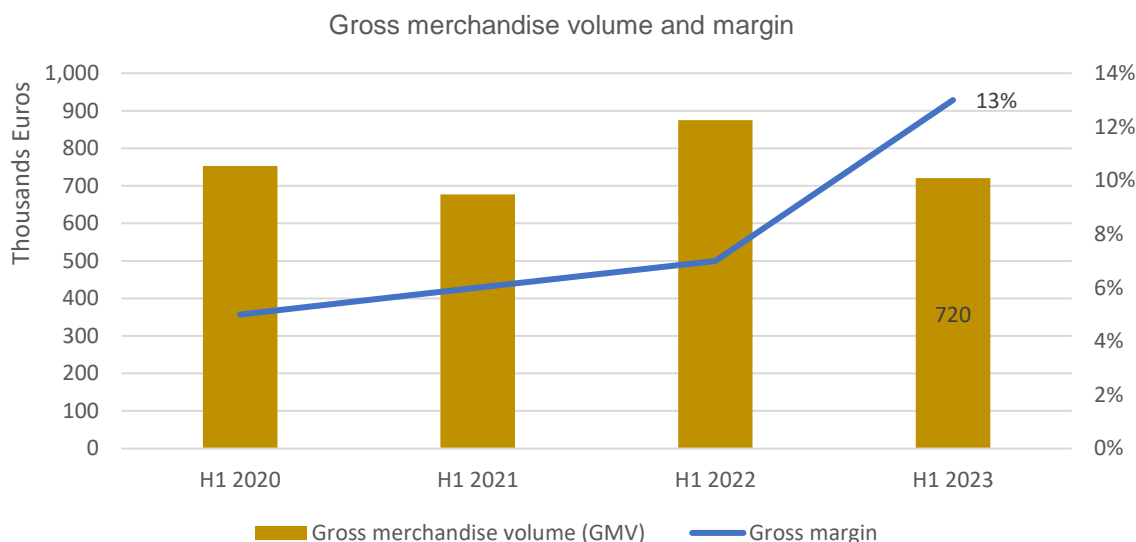
The sales revenue of the Punktid platform is formed by the commission fee for the goods sold on the platform. In the period 01.01-30.06.2023, retail consumers made purchases through the Punktid platform for a total amount of EUR 721 thousand, from which the company earned EUR 94 thousand as a commission or sales revenue, which was 49% higher compared to 2022. The main reason for this is the significantly improved margins.

Punktid platform's biggest market are Estonia and neighboring countries - Latvia and Lithuania. Their share of the volume of goods passing through the platform is 99%. In the first half of the year, the Dutch and Belgian markets also showed an increase in sales, the share of which remained marginal, but was sufficient to stand out from other markets

The total volume of goods sold on the Punktid platform (GMV - Gross merchandise value) in the period 01.01-30.06.23 was EUR 721 thousand. Compared to the period 01.01-30.06.22, the volume of goods sold on the platform decreased by EUR 154 thousand and by 8%. At the same time, the volume of goods mediated by the Punktid platform and the commission margin for the first half of 2023 remained at 13% vs. 7% for the first half.

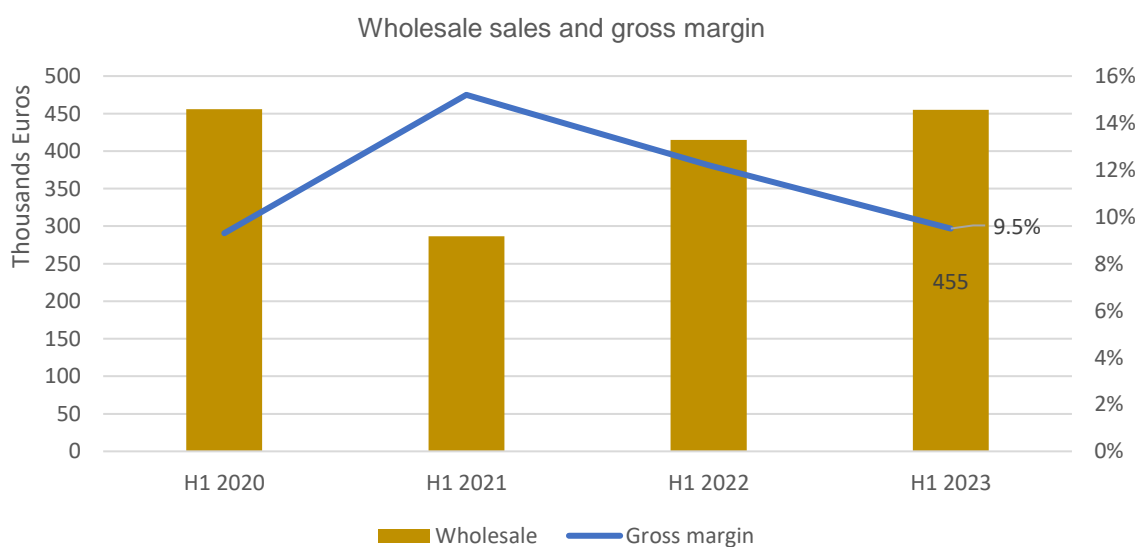
Volume of goods sold by destination country





Punktid wholesale (HVK Business OÜ)

Punktid wholesale consists of the sale of goods purchased from the warehouse to distributors. Wholesale sales totaled EUR 442 000 in period 01.01-30.06.2023. Compared to the previous year, the increase was 11%.



Expenses

Operating expenses (various operating expenses and labor) decreased by EUR 90 000 and by 28% to EUR 227 000.

Various operating expenses decreased by EUR 150 000 and 63% to EUR 87 000. Among them, the costs of marketing and legal costs showed the biggest drop.

Punktid Group's expenses for professional services (legal costs) as a company listed on the stock exchange amounted to EUR 14 000, decreasing by EUR 6 000.

Profit/loss

Punktid Group's result for period 01.01-30.06.2023 was a loss in the amount of EUR 86 thousand. This was mainly due to labor, advertising and IT costs. The activities of 2023 were aimed at ensuring the company's long-



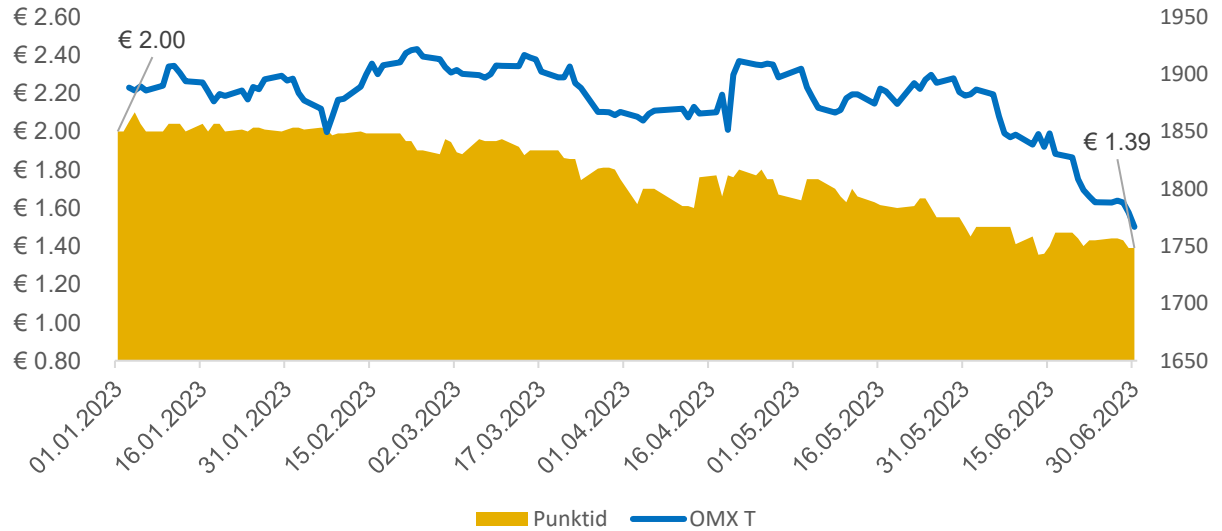
term growth and profitability. This phase focused more on launching the platform and optimizing resources to lay the foundation for future profitability and robust development. Operating loss decreased by 63% compared to the first half of 2022.

Punktid investments

The volume of investments for Punktid Technologies AS in the first half of 2023 reached EUR 117 thousand. In the same period last year, investments were EUR 16 thousand, so investments grew more than 7 times.

Punktid Group's share

Stock movement from January 1 to June 30, 2023. For comparison, the curve of the OMX Tallinn stock exchange index from the same period is also shown on the chart.



During the IPO, 1,801 investors subscribed to us, and at the end of the first half of 2023, there were 1,465 shareholders, or 81% of those who subscribed. Of the IPO subscribers, 1,287 investors are still there, or 71%.

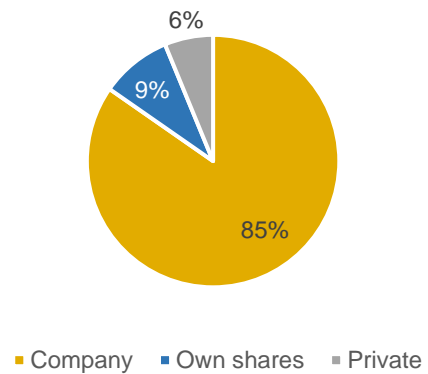
Punktid Group's shareholders

Shareholders of the Punktid group as of 30.06.2023 are divided into three main groups, companies, private individuals and Punktid Technologies AS itself.

The companies own 85% of the Punktid group's shares.

9% of the company is owned by Punktid Technologies AS as own shares. It is mainly intended as an option reserve for future employees.

6% of the company's shares are owned by private individuals.





Key financial ratios

	30.06.2023	30.06.2022
Sales revenue	€536 479	€462 575
Gross profit	€165 287	€94 651
Operating profit before depreciation (EBITDA)	€-63 031	€-224 162
Consumption	€22 656	€8 427
Operating profit (EBIT)	€-85 687	-€232 589
Net profit (loss)	€-86 896	€-236 394
Gross profit margin (gross profit/sales revenue)	30,81%	20,46%
EBITDA margin (EBITDA/sales revenue)	-11,75%	-48,46%
Operating profit margin (operating profit/sales revenue)	-15,97%	-50,28%
Net profit margin (net profit/sales revenue)	-16,20%	-51,10%
Short-term debt coverage ratio (current assets / short-term liabilities)	1,38	5,93
Assets to equity ratio (assets / equity)	1,43	1,17
Return on equity (ROE) (net profit/equity)	-18%	-29%
Return on Assets (ROA) (net profit/assets)	-13%	-25%



The annual accounts

Consolidated statement of financial position

(in Euros)

	30.06.2023	30.06.2022	Note nr
Assets			
Current assets			
Cash and cash equivalents	21 152	591 313	
Financial investments	0	199	
Receivables and prepayments	37 560	21 932	2
Inventories	219 222	175 760	3
Total current assets	277 934	789 204	
Non-current assets			
Property, plant and equipment	47 088	23 545	6
Intangible assets	351 549	125 241	7
Total non-current assets	398 637	148 786	
Total assets	676 571	937 990	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	98 086	9 750	8
Payables and prepayments	102 880	123 358	9
Total current liabilities	200 966	133 108	
Non-current liabilities			
Loan liabilities	3 279	1 528	8
Total non-current liabilities	3 279	1 528	
Total liabilities	204 245	134 636	
Equity			
Equity held by shareholders and partners in parent company			
Share capital	214 982	214 982	10
Share premium	983 260	983 260	
Own shares	-1	-1	
Retained earnings (loss)	-639 019	-158 493	
Annual period profit (loss)	-86 896	-236 394	
Total equity held by shareholders and partners in parent company	472 326	803 354	
Total equity	472 326	803 354	
Total liabilities and equity	676 571	937 990	



Consolidated income statement

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022	Note nr
Revenue	536 479	462 575	11
Capitalized self-constructed assets	39 564	0	
Other income	564	513	
Goods, raw materials and services	-411 320	-368 437	12
Other operating expenses	-119 955	-196 201	13
Labor expense	-107 933	-122 128	14
Depreciation and impairment loss	-22 656	-8 427	6,7
Other expenses	-430	-484	
Operating profit (loss)	-85 687	-232 589	
Interest expenses	-1 211	-3 682	
Other financial income and expenses	2	-123	
Profit (loss) before tax	-86 896	-236 394	
Annual period profit (loss)	-86 896	-236 394	



Consolidated statement of cash flows

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Cash flows from operating activities		
Operating profit (loss)	-85 687	-232 624
Adjustments		
Depreciation and impairment loss (reversal)	22 656	8 427
Profit (loss) on sale of fixed assets	-191	0
Other adjustments	334	-123
Total adjustments	22 799	8 304
Changes in receivables and prepayments related to operating activities	45 923	-2 700
Changes in inventories	-20 491	-61 285
Changes in payables and prepayments related to operating activities	-54 601	40 975
Total cash flows from operating activities	-92 057	-247 330
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-116 771	-16 260
Disposal of fixed assets	7 000	0
Interest received	0	6
Total cash flows from investing activities	-109 771	-16 254
Cash flows from financing activities		
Loans received	90 500	0
Repayments of loans received	-9 000	-24 174
Change in overdraft balance	15 000	-10 593
Repayments of finance lease liabilities	-1 348	-1 379
Interest paid	-1 211	-3 682
Received from the issue of shares	0	868 701
Total cash flows from financing activities	93 941	828 873
Total cash flows	-107 887	565 289
Cash and cash equivalents at beginning of period	129 039	26 154
Change in cash and cash equivalents	-107 887	565 289
The effect of changes in foreign exchange rates	0	-130
Cash and cash equivalents at end of period	21 152	591 313



Consolidated statement of changes in equity

(in Euros)

	Equity held by shareholders and partners in parent company				Total
	Share capital	Share premium	Own shares	Retained earnings (loss)	
	Restated balance 01.01.2022	195 390	134 151	-1	
Annual period profit (loss)	0	0	0	-236 394	-236 394
Issued share capital	0	776 063	0	0	776 063
Changes in other contributions from owners	19 592	73 046	0	0	92 638
30.06.2022	214 982	983 260	-1	-394 887	803 354
Restated balance 01.01.2023					
Restated balance 01.01.2023	214 982	983 260	-1	-639 019	559 222
Annual period profit (loss)	0	0	0	-86 896	-86 896
30.06.2023	214 982	983 260	-1	-725 915	472 326



Notes

Note 1 Accounting policies

General information

The unaudited interim report of financial statements of Punktid Technologies AS (hereinafter also referred to as “the Company”) for the financial period 01.01.2023-30.06.2023 are prepared in accordance with the Accounting Act and Estonian Financial Reporting Standard. The Estonian Financial Reporting Standard comply with the internationally acknowledged accounting and reporting principles, and which is supplemented by the guidelines issued by the Estonian Accounting Standards Board.

The consolidated annual accounts have been prepared in euros.

The income statement has been prepared pursuant to format 2.

The financial statements have been prepared on the basis of cost model.

Preparation of consolidated statements

In consolidated accounts, all subsidiaries of the Group have been consolidated on a line-by-line basis. If necessary, the financial statements of subsidiaries have been adjusted in order to comply with the accounting policies of the Group.

All intra-group receivables and payables, transactions between the Group companies and the unrealised profits and losses, which have arisen as a result thereof, have been eliminated.

Financial assets

Financial assets are cash, a contractual right to receive cash or other financial assets (e.g. trade receivables) from another party and to exchange financial assets with another party on potentially favourable terms and conditions.

Financial assets are initially recognised at their acquisition cost, which is the fair value of the consideration payable or receivable for particular financial assets. The initial acquisition cost includes all transaction costs directly attributable to the financial assets. Sales of financial assets under ordinary market terms and conditions are recognised on the date of the transaction.

Cash and cash equivalents

Cash in hand, balances of current accounts, cash in transit and term deposits with a term of up to three months are recognised as cash and cash equivalents in the balance sheet and the cash flow statement.

Foreign currency transactions and assets and liabilities denominated in foreign currency

Foreign currency transactions are recorded at the Euro foreign exchange reference rates that are fixed by the European Central Bank. Foreign currency monetary items and those non-monetary items that are carried at fair value, are retranslated according to the Euro foreign exchange reference rates that are fixed by the European Central Bank. Non-monetary items, which are not carried at fair value (i.e. prepayments, inventories, tangible and intangible assets) are not retranslated; instead, in euros according to the Euro foreign exchange reference rates that are fixed by the European Central Bank. Gains and losses from foreign currency transactions are recorded in the income statement on net basis.



Financial investments

Equity investments (except shareholding in a subsidiary or associate), whose fair value can be reliably measured, are recorded on the balance sheet at their fair value.

Equity investments, that's fair value cannot be reliably measured and the related derivatives, are recorded on the balance sheet at cost less any write-down.

Shares of subsidiaries and associates

All entities controlled by the parent company are considered to be subsidiaries. Control is considered to be effective when the parent company has, directly or indirectly through subsidiaries, 50% of voting power in the subsidiary or the parent company is controlling the operating and financial policies of the subsidiary in some other way.

Receivables and prepayments

Trade receivables

Current and non-current trade receivables are recorded at amortized cost, i.e. at their net present value, from which doubtful accounts are deducted.

Trade receivables, which partly or fully are not expected to be collected, are expensed and reported in the income statement as "Miscellaneous expenses". Receivables, collection of which is not feasible nor economically justified, are considered to be non-collectible and written-off from the balance sheet.

Inventories

Goods for resale, equipment held for resale and service providing for which it is not possible to record revenues yet based on the completion method, are recorded at cost, which comprises purchase price, non-refundable taxes as well as other direct acquisition expenditures, less discounts and subsidies received.

Inventories are stated at the lower of cost or net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and making the sale.

Plant, property and equipment and intangible assets

Assets held for use in the production or supply of goods and services, or for administrative purposes in the company's own economic activity, with useful life of over one year and a value of 300 EUR or more are considered to be tangible assets. Assets below the minimum cost level or useful life less than one year shall be expensed at the time they are taken into use and may be accounted for off-balance sheet.

Tangible fixed assets are initially taken into account at their acquisition cost, which consists of the purchase price and other expenses directly related to acquisition, which are necessary to bring the asset to its working condition and location. Tangible fixed assets are recorded in the balance sheet at their acquisition cost, from which accumulated depreciation and possible discounts resulting from a decrease in value have been deducted. Accounting for capital leased tangible fixed assets is done similarly to purchased fixed assets

Tangible assets are recorded at cost, which comprises purchase price and other directly attributable expenditures that are necessary for bringing the asset to its operating condition and location.

In the balance sheet property, plant and equipment are recorded at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the straight-line method.



Intangible assets

An asset is an intangible asset when it has useful life of more than one year and is controlled by the Company, the cost of the asset can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company. Intangible assets are recorded at cost, which comprises purchase price and other directly attributable expenditures that are necessary for bringing the asset to its operating condition and location. Intangible assets shall be carried in the balance sheet at their cost, less accumulated amortisation and any accumulated impairment losses. Amortisation of intangible assets is calculated on the straight-line method.

Minimal acquisition cost 300

Useful life by assets group (years)

Assets group name	Useful life
Means of transport	10
Computers and systems	5
Other machinery and equipment	5-10
Other fixed assets	5

Leases

Finance lease means a lease where all significant risks and rewards of ownership of the asset item in question are transferred to the lessee. Other lease contracts are recognised as operating leases.

Company as a lessee

An asset held under finance lease is recognized as an asset and a liability of the Company at its fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in income statement on accrual basis of accounting.

Assets held under operating lease are not reported on the balance sheet. Rentals payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease, irrespectively from disbursements.

Financial liabilities

Financial liabilities comprise trade and other payables, accrued expenses and other short-term and long-term loans and borrowings.

Financial liabilities are initially recognised at cost, which is equal to the fair value of the consideration received for them.

The initial cost of a financial liability comprises all expenses directly related to its acquisition.

Financial liabilities are measured hereinafter at amortised cost. The amortised cost of short-term financial liabilities generally equals their nominal value; therefore short-term financial liabilities are carried in the balance sheet in their redemption amount. For calculating the amortised cost of long-term financial liabilities they are initially recognised at the fair value of the consideration payable, by calculating interest expense on the liabilities in the following periods using the effective interest rate method.



A financial liability is removed from the balance sheet when it is discharged or cancelled or expired.

Revenue recognition

Income is measured at the fair value of the consideration received or receivable, taking into account the amount of any discounts as specified in the contract. Sales of goods are recognised when all significant risks and rewards related to ownership of goods have been transferred to the buyer, collection of related receivables is probable, and income and expenses incurred in respect of the transaction can be measured reliably. Sales of services are recognised in the period when the service was provided, if collection of related receivables is probable, and income and expenses incurred in respect of the transaction can be measured reliably.

Interest income is accrued on a time basis and dividend income from investments is recognised when the right to receive payment has been established.

Costs

Costs associated with income earned during an accounting period are deducted from such income. Expenses, the corresponding income of which is generated in a different period, are recognised as expenses in the period with income generated in relation to the same. If income associated with certain expenses cannot be directly identified, then indirect methods shall be used for the recognition of expenses.

Expenditure not expected to generate income is recognised as an expense at the time when it is incurred.

Taxation

In accordance with the effective Estonian Income Tax Act, dividends are taxed at the rate of 20/80 of the amount distributed as the net dividend.

From 2019, a lower tax rate on dividends of 14/86 were entered into force in Estonia for regular dividend payments. This means that a resident company will be able to both apply a lower tax rate of 14/86 and a standard tax rate of 20/80.

The income tax calculated on dividends is recognized as the income tax expense of the period in which the dividends are declared irrespective of the period for which the dividends are declared or the period in which the dividends are ultimately distributed.

Related parties

Parties are considered related if one party has significant influence by another, or one party has significant influence over another, including:

- a) Board members and their close family members
- b) Parent company
- c) Company which can be significantly affected by the same parent company or the same individual person(s)
- d) Subsidiaries
- e) Company which is under control by the joint operation agreement



Note 2 Receivables and prepayments

(in Euros)

	30.06.2023	Within 12 months	Note nr
Accounts receivable	33 374	33 374	
Accounts receivables	33 374	33 374	
Receivables from related parties	2 046	2 046	15
Tax prepayments and receivables	937	937	
Prepayments	1 203	1 203	
Deferred expenses	1 203	1 203	
Total receivables and prepayments	37 560	37 560	
	30.06.2022	Within 12 months	
Accounts receivable	1 680	1 680	
Accounts receivables	1 680	1 680	
Receivables from related parties	2 227	2 227	15
Tax prepayments and receivables	13 544	13 544	4
Other receivables	4 023	4 023	
Prepayments	458	458	
Deferred expenses	458	458	
Total receivables and prepayments	21 932	21 932	

Note 3 Inventories

(in Euros)

	30.06.2023	30.06.2022
Goods for sale	218 316	158 555
Prepayments for merchandise	906	17 204
Total Inventories	219 222	175 759



Note 4 Tax prepayments and liabilities

(in Euros)

	30.06.2023		30.06.2022	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
VAT	0	325	0	0
Personal income tax	0	3 096	0	7 302
Income tax on fringe benefits	0	10	0	0
Social security tax	0	6 204	0	13 401
Pension Insurance tax	0	303	0	741
Unemployment Insurance tax	0	418	0	975
Prepayment balance	937		13 544	
Total tax prepayments and liabilities	937	10 356	13 544	22 419

Note 5 Shares of subsidiaries

(in Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				30.06.2022	30.06.2023
12526262	Gamekeys OÜ	Eesti	Digital mediation of computer games and various gift cards through the Punktid platform	100	100
11638088	HVK Business OÜ	Eesti	Wholesale of games and game codes	100	100

Shares of subsidiaries, detailed information			
Name of subsidiary	30.06.2022	Other changes	30.06.2023
Gamekeys OÜ	114 000	40 000	154 000
HVK Business OÜ	374 500	445 000	819 500
Total shares of subsidiaries et end of previous period	488 500	485 000	973 500



Note 6 Property, plant and equipment

(in Euros)

						Total
	Transportation	Computers and systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	
01.01.2022						
Carried at cost	24 167	12 595	1 890	38 652	729	39 381
Accumulated depreciation	-7 865	-6 233	-258	-14 356	-104	-14 460
Residual cost	16 302	6 362	1 632	24 296	625	24 921
Acquisitions and additions	0	1 169	0	1 169	0	1 169
Depreciation	-1 208	-1 153	-111	-2 472	-73	-2 545
30.06.2022						
Carried at cost	24 167	13 764	1 890	39 821	729	40 550
Accumulated depreciation	-9 073	-7 386	-369	-16 828	-177	-17 005
Residual cost	15 094	6 378	1 521	22 993	552	23 545
01.01.2023						
Carried at cost	59 583	13 584	3 097	76 264	1 206	77 470
Accumulated depreciation	-11 757	-7 247	-540	-19 544	-290	-19 834
Residual cost	47 826	6 337	2 557	56 720	916	57 636
Depreciation	-2 722	-1 281	-232	-4 235	-121	-4 356
Sales	-6 809	0	0	-6 809	0	-6 809
Other changes	0	-617	0	-617	0	-617
30.06.2023						
Carried at cost	44 167	13 014	3 097	60 278	1 206	61 484
Accumulated depreciation	-5 872	-7 341	-772	-13 985	-411	-14 396
Residual cost	38 295	5 673	2 325	46 293	795	47 088



Note 7 Intangible assets

(in Euros)

			Total
	Computer software	Concessions, patents, licences, trademarks	
01.01.2022			
Carried at cost	399	107 336	107 735
Accumulated depreciation	-122	-9 010	-9 132
Residual cost	277	98 326	98 603
Acquisitions and additions	0	32 520	32 520
Depreciation	-50	-5 832	-5 882
30.06.2022			
Carried at cost	399	139 856	140 255
Accumulated depreciation	-172	-14 842	-15 014
Residual cost	227	125 014	125 241
01.01.2023			
Carried at cost	399	264 925	265 324
Accumulated depreciation	-162	-25 486	-25 648
Residual cost	237	239 439	239 676
Acquisitions and additions	0	130 173	130 173
Depreciation	-20	-18 280	-18 300
30.06.2023			
Carried at cost	399	395 098	395 497
Accumulated depreciation	-182	-43 766	-43 948
Residual cost	217	351 332	351 549



Note 8 Loan commitments

(in Euros)

	30.06.2023	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note nr
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
Overdraft	15 000	15 000			14%	EUR	2023	
Owners loan	81 500	81 500			4%	EUR	2023	15
Current loans								
Finance lease obligations	1 586	1 586			5,8%- 11%	EUR	2023	
Current loans total	98 086	98 086						
Non-current loans								
Finance lease obligations	3 279	0	3 279		11%	EUR	2024-2025	
Non-current loans total	3 279	0	3 279					
Loan commitments total	101 365	98 086	3 279					
	30.06.2022	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note nr
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
Overdraft	3 500	3 500			14%	EUR	2022- 2023	
Current loans	1 574	1 574			10%	EUR	2022	
Finance lease obligations	4 676	4 676			5,8%- 11%	EUR	2022- 2023	
Current loans total	9 750	9 750						
Non-current loans								
Finance lease obligations	1 528	0	1 528		11%	EUR	2024-2025	
Non-current loans total	1 528	0	1 528					
Loan commitments total	11 278	9 750	1 528					



Note 9 Payables and prepayments

(in Euros)

	30.06.2023	12 kuu jooksul	Note nr
Trade payables	57 004	57 004	
Employee payables	30 490	30 490	
Payables to related parties	4 685	4 685	15
Tax payables	10 356	10 356	
Other payables	345	345	
Interest payables	345	345	15
Kokku võlad ja ettemaksud	102 880	102 880	
	30.06.2022	12 kuu jooksul	Note nr
Trade payables	73 507	73 507	
Employee payables	22 509	22 509	
Payables to related parties	4 432	4 432	15
Tax payables	22 419	22 419	
Other payables	491	491	
Other accrued expenses	491	491	
Kokku võlad ja ettemaksud	123 358	123 358	

Note 10 Share capital

(in Euros)

	30.06.2023	30.06.2022
Share capital	214 982	214 982
Number of shares (pcs)	2 149 820	2 149 820
Nominal value	0.10	0.10



Note 11 Net sales

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Net sales by geographical location		
Net sales in European Union		
Total net sales in European Union	139 548	70 824
Net sales outside European Union		
Total net sales outside European Union	396 931	391 751
Total net sales	536 479	462 575
Net sales by operating activities		
Internet sales	442 838	399 840
Commission fee	93 641	62 735
Total net sales	536 479	462 575

Note 12 Goods, raw materials and services

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Goods for sale	-402 187	-362 405
Other	-9 133	-6 032
Total goods, raw materials and services	-411 320	-368 437

Note 13 Other operating expenses

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Leased	-8 521	-8 148
Miscellaneous office expenses	-2 854	-2 425
Travel expense	0	-2 936
IT costs	-18 617	-16 443
Legal expense	-14 447	-20 487
Consulting expenses	-6 249	-10 066
Marketing expenses	-34 553	-88 755
Purchased services	-13 778	-7 892
Other	-20 936	-39 048
Total other operating expenses	-119 955	-196 201



Note 14 Labor expense

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Wage and salary expense	-77 862	-91 138
Social security taxes	-30 071	-30 990
Total labor expense	-107 933	-122 128
Average number of employees in full time equivalent units	7	10
Average number of employees in contract units:		
A person providing services Under the contract	3	6
A person providing services Under the VÕS, Except for self-employed persons	4	3
Member of the management	0	1

Note 15 Related parties

(in Euros)

Name of the parent company	Niid Holding OÜ
Country where the parent company is registered	Eesti

Balances with related parties by categories

CURRENT	30.06.2022	30.06.2021	Lisa nr
Receivables and prepayments			
Executive and senior management and private owners with a significant stake and companies under their dominant or significant influence	2 046	2 227	
Total receivables and prepayments	2 046	2 227	2
Loan liabilities			
Executive and senior management and private owners with a significant stake and companies under their dominant or significant influence	81 500	0	
Total loan liabilities	81 500	0	8
Payables and prepayments			
Executive and senior management and private owners with a significant stake and companies under their dominant or significant influence	6 348	4 432	
Total payables and prepayments	6 348	4 432	2



LOAN LIABILITIES	01.01.2022	Loans received	Repayments of loans received	30.06.2022	Interest	Note nr
Management, higher supervisory body and individuals	18 521	0	18 521	0	0	
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence	2 639	0	2 639	0	0	
Total loan liabilities	21 160	0	21 160	0	0	

LOAN LIABILITIES	01.01.2023	Loans received	Repayments of loans received	30.06.2023	Interest	Note nr
Management, higher supervisory body and individuals	0	90 500	9 000	81 500	345	8,9
Total loan liabilities	0	90 500	9 000	81 500	345	

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Remuneration	8 529	36 000



Note 16 Non consolidated statement of financial position

(in Euros)

	30.06.2023	30.06.2022
Assets		
Current assets		
Cash and cash equivalents	81	541 589
Receivables and prepayments	1 098	7 677
Total current assets	1 179	549 266
Non-current assets		
Investments in subsidiaries and associates	973 500	488 500
Total non-current assets	973 500	488 500
Total assets	974 679	1 037 766
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and prepayments	15 422	3 095
Total current liabilities	15 422	3 095
Total liabilities	15 422	3 095
Equity		
Share capital	214 982	214 982
Share premium	983 260	983 260
Own shares	-1	-1
Retained earnings (loss)	-204 744	-64 911
Annual period profit (loss)	-34 240	-98 659
Total equity	959 257	1 034 671
Total liabilities and equity	974 679	1 037 766

Note 17 Non consolidated income statement

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Other operating expenses	-29 453	-97 468
Labor expense	-4 788	-1 197
Total operating profit (loss)	-34 241	-98 665
Profit (loss) from subsidiaries		
Interest income	0	0
Other financial income and expense	1	6
Profit (loss) before tax	-34 240	-98 659
Annual period profit (loss)	-34 240	-98 659



Note 18 Non consolidated statement of cash flows

(in Euros)

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Cash flows from operating activities		
Operating profit (loss)	-34 240	-98 665
Adjustments		
Other adjustments	0	0
Total adjustments	0	0
Changes in receivables and prepayments related to operating activities	10 697	-3 542
Changes in payables and prepayments related to operating activities	6 036	-1 579
Interest received	0	5
Total cash flows from operating activities	-17 507	-103 781
Cash flows from investing activities		
Purchase of other financial investments	-35 000	-230 000
Total cash flows from investing activities	-35 000	-230 000
Cash flows from financing activities		
Received from the issue of shares	0	868 702
Total cash flows from financing activities	0	868 702
Total cash flows	-52 507	534 921
Cash and cash equivalents at beginning of period	52 588	6 668
Change in cash and cash equivalents	-52 507	534 921
Cash and cash equivalents at end of period	81	541 589



Note 19 Non consolidated statement of changes in equity

(in Euros)

					Total
	Share capital	Share premium	Own shares	Retained earnings (loss)	
01.01.2022	195 390	134 151	-1	-64 911	264 629
Annual period profit (loss)	0	0	0	-98 659	-98 659
Issued share capital	19 592	849 109	0	0	868 701
30.06.2022	214 982	983 260	-1	-163 570	1 034 671
01.01.2023					
01.01.2023	214 982	983 260	-1	-204 744	993 497
Annual period profit (loss)	0	0	0	-34 240	-34 240
30.06.2023	214 982	983 260	-1	-238 984	959 257



Signatures