



CONSOLIDATED SIX-MONTH UNAUDITED REPORT

Beginning of the financial period: 01.07.2023

End of the financial period: 31.12.2023

Business name: Punktid Technologies AS

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Operating activity: Activities of holding companies (64201)



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Management report

Board commentary

In the second half of 2023, Punctid group achieved the previously set goal and returned to profit. For the entire Punctid group, the main goal of the second half of the year was profit maximization, which is why major investments were suspended for that time.

In order to return to profitability, we limited ourselves to essential works and cut costs, and we also minimized wholesale sales in order to keep the focus on the stabilization of the platform launched in the first half of the year, both in terms of functionality and sales made through the platform. The decisions made brought results and we achieved profit already in the III quarter. The difference between sales through the platform in Q3 and Q4 was positive, indicating that sales had stabilized. Unfortunately, the IV quarter did not show such an increase as we are used to seeing in previous years. One major reason is the reduced purchasing power of people both in Estonia and elsewhere in the Baltic region. We can also conclude this from the fact that the website traffic had not changed much, and in the IV quarter the number of purchases increased by 12.8% compared to the III quarter, which is correlated with the turnover growth in the 2023 III quarter vs. the IV quarter of the same year, but the average shopping cart amount has decreased. In addition, we can see that there is also an upward trend in purchases paid with partial and installment payments.

Usually, sales in September increase significantly compared to the summer, but in 2023 we did not see that kind of sharp increase. September sales did increase by 7% compared to August, and sales continued to increase monthly until the end of the year, which is also usual in our sector, but overall sales numbers were still lower than the previous year. According to the management, this is mainly due to the worsening economic situation of Estonia and its immediate neighbors and people's choice on what to spend money on.

In the second half of the year, we also worked on the preparation for the expansion of the platform to new markets. Due to the problems of the payment service provider that was in use at the time, we experienced a temporary setback with this activity in the fall, when we were forced to do additional unplanned development work to integrate and set up a new payment service. In the IV quarter, we successfully integrated a new payment service and continued with preparations for expansion to new markets.

The goal of Punctid Technologies AS is to continue to remain profitable and, as possible, to continue investing in order to expand into new markets.



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.

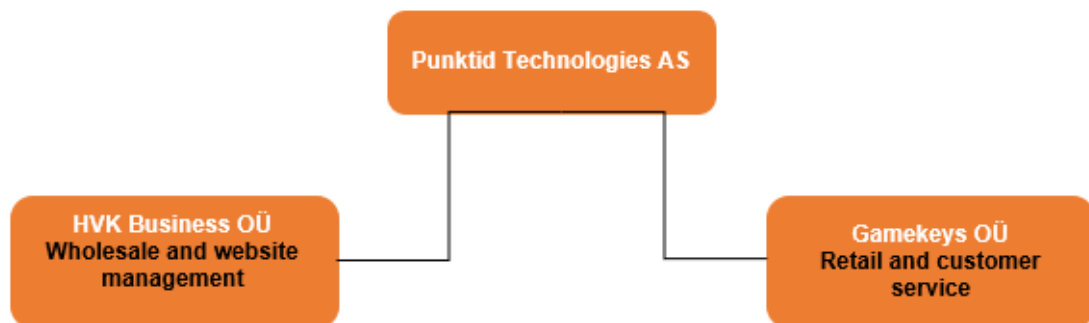
The main activity of HVK Business OÜ is the wholesale of video games and gift cards for business customers, Punktid.com IT project development and sale of the right to use the Punktid.com platform. The company's largest supplier and cooperation partner is Sony Corporation.

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



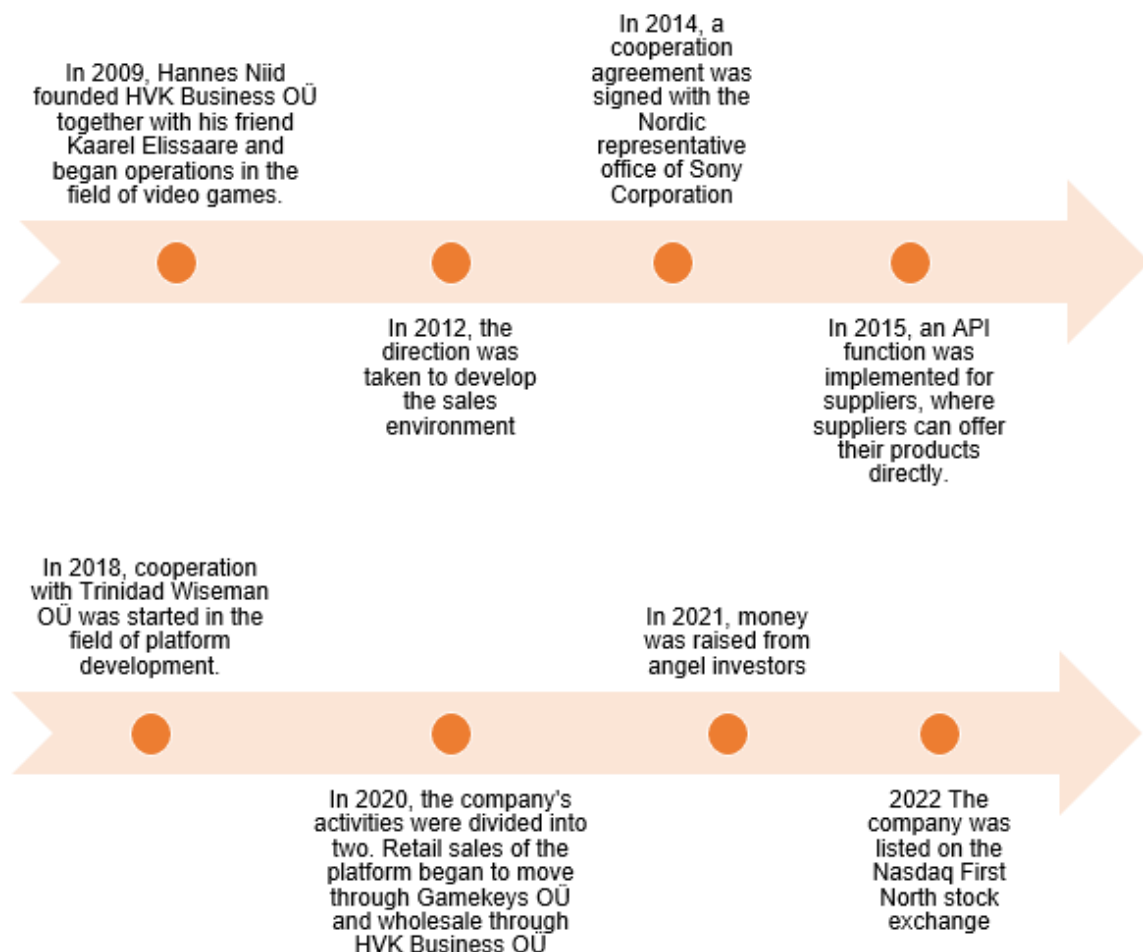
- to improve the image of video games, highlighting also the positive effects of video games such as the development of creativity and strategic thinking
- to offer a high-level service that meets the wishes and expectations of the company's customers and ensures customer satisfaction, while we distinguish ourselves from our competitors primarily in terms of exemplary customer support.

Numerical objectives

At the beginning of the year, we increased the platform's retail turnover forecast to 3 million euros by the end of 2023 and the wholesale forecast to 1 million euros, which were 10% higher for retail sales compared to the numbers presented at the IPO (previous forecast 2.7 million EUR, new forecast 3 million EUR) and 20% higher for wholesale sales (earlier forecast EUR 0.8 million, new forecast EUR 1 million). During the year, however, the economic situation in the Baltic region worsened and in addition, we had to cut costs at the expense of both the team and the marketing budget in order to reach a profit, and the additional funding included was also less than we had set the goal for. In addition, due to the economic situation, it was not possible to organize larger financial investments. For the above reasons, we were forced to change the goals set at the beginning of the year again.

1.3 million EUR was set as the real goal of mediation services through the Punktid platform in 2023, and we brought the wholesale forecast back to 0.8 million EUR.

History





Economic environment and competition

The second half of 2023 passed in a similar mood compared to the first half. In the last months of the year, the annual inflation slowed somewhat faster than expected both in Estonia and elsewhere in the euro area, but its impact on consumption continued in a negative rhythm. In the second half of the second half of 2023, base interest rates remained at 4%.

By the second half of 2023, the increase in Euribor had reached consumers' wallets. The various cost components that satisfy basic needs had all become more expensive, and the purchasing power of consumers declined sharply. Reduced free money also leads to more critical purchasing decisions that are not related to basic needs, and fewer decisions are made in favor of entertainment such as video games.

The Punktid platform competes internationally with all platforms that mediate digital game keys. There are rather few local competitors in today's target markets. At the same time, it can be noticed that a local platform or one from the same region has a certain advantage over international platforms due to payment methods and customer service.

The market volume of game consoles gives an idea of the potential volume growth of the Punktid platform. The game console market is forecast to grow from USD 13.81 billion in 2019 to USD 32.99 billion by 2027. The cumulative annual growth rate for the period 2020-2027 is forecast to be 11.5%. 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 first quarter, which accounts for 143% of the annual average quarterly result. Therefore, the strongest quarter is about 62% 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>.

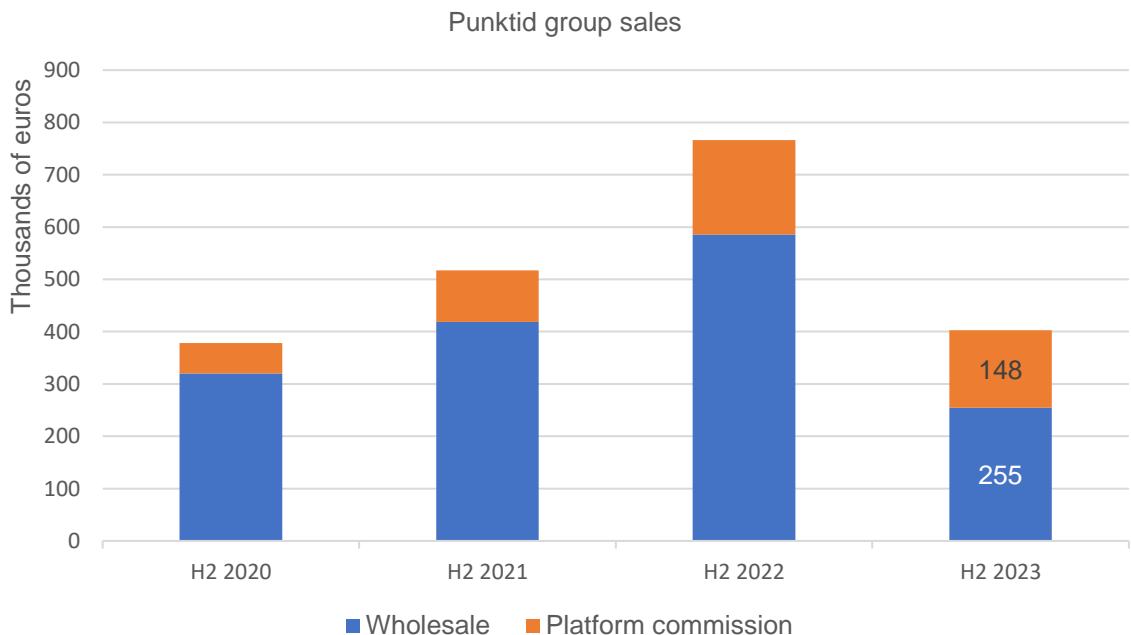


ECONOMIC INDICATORS

The volume of goods moved through the Punktid platform and wholesale in period 01.07-31.12.23 was EUR 803 000 (2022: EUR 1 543 000), of which wholesale made up EUR 255 000 (2022: EUR 568 000) and goods moved through the platform EUR 548 000 (2022: EUR 974 000).

Revenue

Punktid Group’s sales revenue decreased by 46% compared to the second half of 2022, reaching 403 thousand euros in the second half of 2023. Of this, 148 thousand euros was the fee for the intermediary service of the Punktid platform, and 255 thousand euros came from wholesale sales.

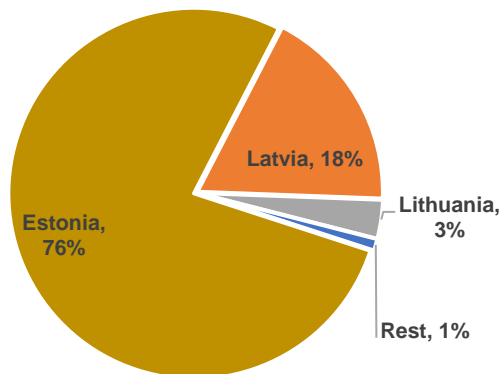


Punktid platform sales and gross merchandise volume (GMV) (Gamekeys OÜ)

The sales revenue of the Punktid platform is formed by the commission fee for the goods sold on the platform. In the period 01.07.2023-31.12.2023, retail consumers made purchases through the Punktid platform for a total amount of 548 thousand euros, from which the company earned 148 thousand euros as commission or sales revenue, which was 17% less compared to 2022. The main reason for this was a significant drop in sales volumes.

Estonia and the neighboring countries - Latvia and Lithuania - are considered the largest markets for the platform. Their share covers 97% of the volume of goods passing through the platform. In the second half of the year, the share of Lithuania's sales increased,

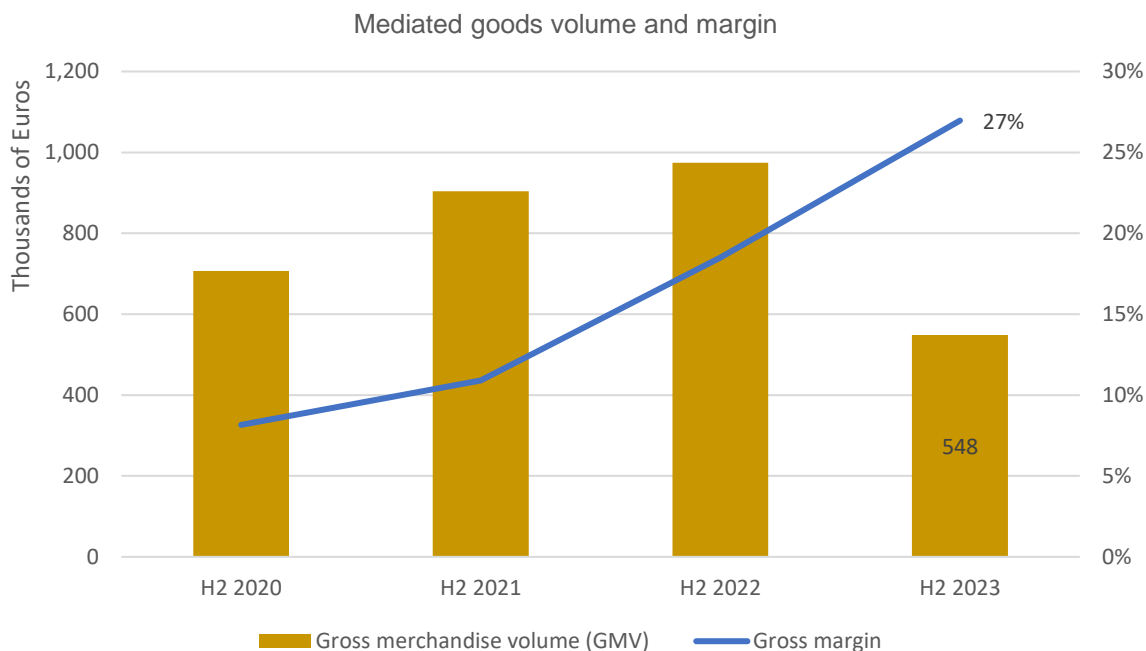
Volume of goods sold by destination country





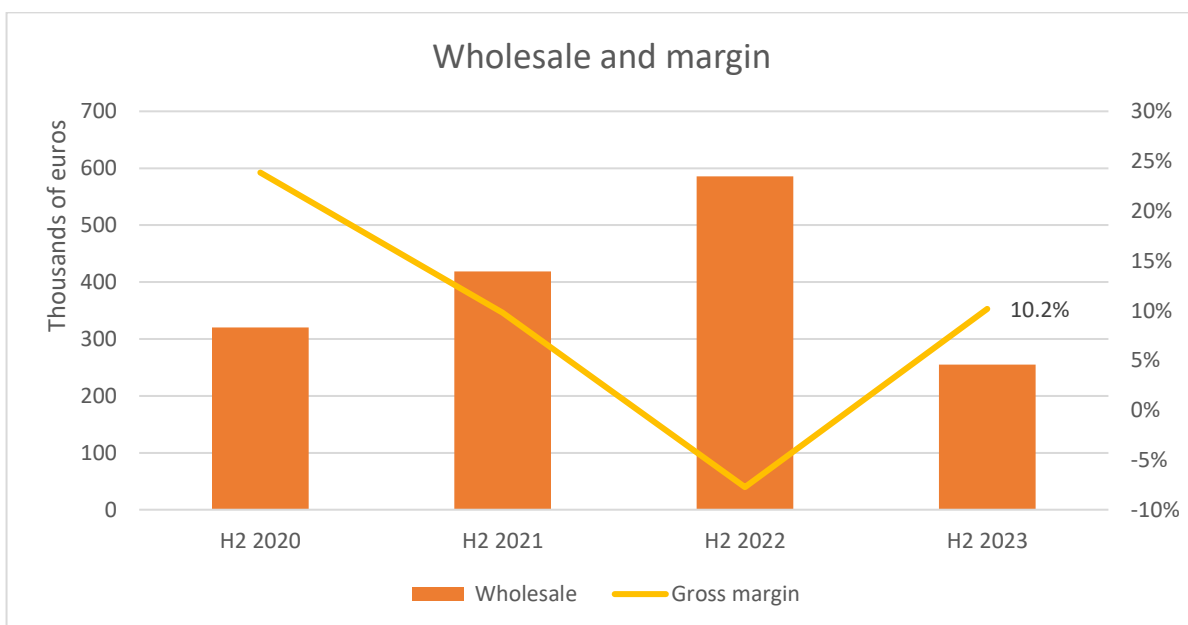
but it remained marginal overall. Until the payment service was closed in the fall, sales to other countries also increased.

The total volume of goods sold on the Punktid platform (GMV - Gross merchandise value) in the period 01.07.2023-31.12.2023 was 548 thousand euros. Compared to the period 01.07.2022-31.12.2022, the volume of goods sold on the platform decreased by 426 thousand euros, or 44%. At the same time, the commission margin for goods mediated by the Punktid platform increased to 27% in the second half of 2023, compared to 19% in the second half of 2022.



Punktid wholesale (HVK Business OÜ)

Punktid wholesale consists of the sale of goods purchased from the warehouse to distributors. Wholesale sales totaled EUR 255 000 period 01.07-31.12.2023. Compared to the previous year, the decrease was 55%.





Expenses

Operating expenses (various operating expenses and labor) decreased by EUR 247 000 and by 72% to EUR 97 000.

Punktid Group's expenses for professional services (legal costs) as a company listed on the stock exchange amounted to EUR 10 000, decreasing by EUR 8 000.

Profit/loss

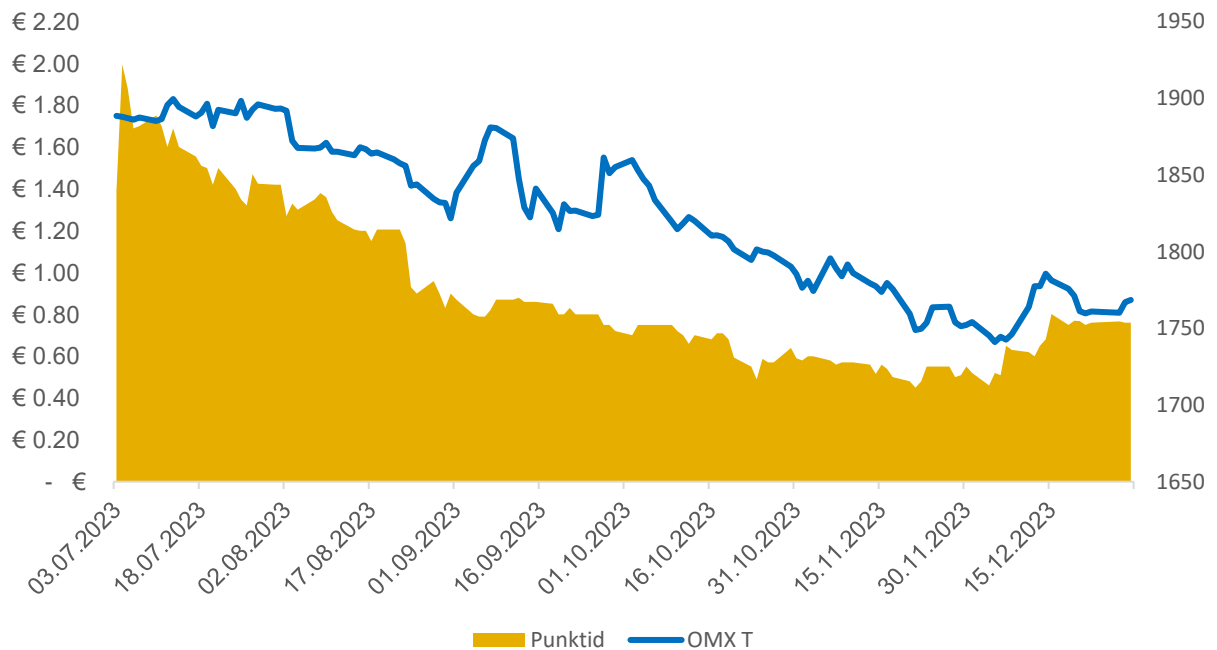
Punktid Groups's profit for the second half of 2023 was 66 thousand euros. This was mainly due to cutting labour, advertising and IT costs. The activities of the second half of 2023 were aimed at ensuring the company's long-term growth and profitability. This phase focused more on upgrading the platform and optimizing resources to lay the foundation for future profitability and fast development. The operating loss decreased by 129% compared to the second half of 2022.

Points investments

The volume of investments of Punktid Technologies AS in the second half of 2023 reached 41 thousand euros. In the same period last year, the investments were 180 thousand euros, so the investments fell more than 4 times.

Points group share

Stock movement from July 2023 to December 29. 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 second half of 2023, there were 1,461 shareholders, or 81% of those who subscribed.



Points group shareholders

5 major shareholders as of 31.12.2023

Name	Shares	Stock number
Niid Holding OÜ	65,38%	1 405 625
Hypotus OU	9,20%	197 858
Punktid Technologies AS	7,94%	170 882
Cethegus OÜ	3,83%	82 515
Codemind OÜ	1,09%	23 600

The main indicators of the stock

Indicators	03.07-29.12.2023
Average share price	€0,91
Maximum share price	€1,99
Minimum share price	€0,45
Closing price of the share	€0,76
Number of shares	2 149 816
Stock turnover during the period	€59 087
The market value of the company as of the last day of the period (closing share price * number of shares)	€ 1 646 759
Earnings per share (EPS) (net profit / number of shares)	€0,03
Price Earnings Ratio (P/E) (market value of the company / net profit)	€24,89



Key financial ratios

	31.12.2023	31.12.2022
Sales revenue	€402 810	€744 379
Gross profit	€190 746	€115 574
Operating profit before depreciation (EBITDA)	€93 860	€-228 626
Consumption	€-23 742	€-14 982
Operating profit (EBIT)	€70 118	-€243 608
Net profit (loss)	€66 144	€-244 132
Gross profit margin (gross profit/sales revenue)	47%	16%
EBITDA margin (EBITDA/sales revenue)	23%	-31%
Operating profit margin (operating profit/sales revenue)	17%	-33%
Net profit margin (net profit/sales revenue)	16%	-33%
Short-term debt coverage ratio (current assets / short-term liabilities)	3,01	2,82
Assets to equity ratio (assets / equity)	1,44	1,27
Return on equity (ROE) (net profit/equity)	12%	-44%
Return on Assets (ROA) (net profit/assets)	8%	-34%



The annual accounts

Consolidated statement of financial position

(in Euros)

	01.07.2023- 31.12.2023	01.07.2022- 31.12.2022	Note nr
Assets			
Current assets			
Cash and cash equivalents	18 360	129 039	
Financial investments	0	0	
Receivables and prepayments	29 376	83 483	2
Inventories	377 184	198 731	3
Total current assets	424 920	411 253	
Non-current assets			
Property, plant and equipment	43 145	57 636	6
Intangible assets	360 777	239 676	7
Total non-current assets	403 922	297 312	
Total assets	828 842	708 565	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	21 445	3 087	8
Payables and prepayments	119 553	142 977	9
Total current liabilities	140 998	146 064	
Non-current liabilities			
Loan liabilities	113 812	3 279	8
Total non-current liabilities	113 812	3 279	
Total liabilities	254 810	149 343	
Equity			
Equity held by shareholders and partners in parent company			
Share capital	214 982	214 982	10
Share premium	1 019 437	983 260	
Own shares	-1	-1	
Retained earnings (loss)	-726 530	-394 887	
Annual period profit (loss)	66 144	-244 132	
Total equity held by shareholders and partners in parent company	574 032	559 222	
Total equity	574 032	559 222	
Total liabilities and equity	828 842	708 565	



Consolidated income statement

(in Euros)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022	Note nr
Revenue	402 810	744 379	11
Capitalized self-constructed assets	16 551	0	
Other income	198	108	
Goods, raw materials and services	-228 813	-628 913	12
Other operating expenses	-52 796	-200 136	13
Labor expense	-43 805	-143 206	14
Depreciation and impairment loss	-23 742	-14 982	6,7
Other expenses	-285	-858	
Operating profit (loss)	70 118	-243 608	
Interest expenses	-3 675	-524	
Other financial income and expenses	-299	0	
Profit (loss) before tax	66 144	-244 132	
Annual period profit (loss)	66 144	-244 132	



Consolidated statement of cash flows

(in Euros)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Cash flows from operating activities		
Operating profit (loss)	70 118	-243 608
Adjustments		
Depreciation and impairment loss (reversal)	23 742	14 982
Profit (loss) on sale of fixed assets	-157	0
Other adjustments	0	85
Total adjustments	23 585	15 067
Changes in receivables and prepayments related to operating activities	8 185	-61 550
Changes in inventories	-157 963	-23 131
Changes in payables and prepayments related to operating activities	26 769	37 252
Total cash flows from operating activities	-29 306	-275 970
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-41 289	-179 693
Disposal of fixed assets	750	241
Interest received	1	18
Total cash flows from investing activities	-40 538	-179 434
Cash flows from financing activities		
Loans received	44 144	0
Repayments of loans received	-9 360	-1 565
Change in overdraft balance	0	-3 500
Repayments of finance lease liabilities	-1 834	-1 221
Interest paid	-1 775	-524
Received from the sale of own shares	36 177	0
Other financial payments	-300	0
Total cash flows from financing activities	67 052	-6 810
Total cash flows	-2 792	-462 214
Cash and cash equivalents at beginning of period	21 152	591 313
Change in cash and cash equivalents	-2 792	-462 214
The effect of changes in foreign exchange rates	0	-60
Cash and cash equivalents at end of period	18 360	129 039



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 31.12.2022	214 982	983 260	-1	
Annual period profit (loss)	0	0	0	-87 511	-87 511
30.06.2023	214 982	983 260	-1	-726 530	471 711
Annual period profit (loss)	0	0	0	66 144	66 144
Sale of own shares	0	36 177	0	0	36 177
31.12.2023	214 982	1 019 437	-1	-660 386	574 032



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 01.07.2023-31.12.2023 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)

	31.12.2023	Within 12 months	Note nr
Accounts receivable	25 121	25 121	
Accounts receivables	25 121	25 121	
Receivables from related parties	2 700	2 700	15
Tax prepayments and receivables	821	821	4
Prepayments	734	734	
Deferred expenses	734	734	
Total receivables and prepayments	29 376	29 376	
	31.12.2022	Within 12 months	
Accounts receivable	53 634	53 634	
Accounts receivables	53 634	53 634	
Receivables from related parties	1 907	1 907	15
Tax prepayments and receivables	27 258	27 258	4
Prepayments	684	684	
Deferred expenses	684	684	
Total receivables and prepayments	83 483	83 483	

Note 3 Inventories

(in Euros)

	31.12.2023	31.12.2022
Goods for sale	375 293	193 191
Prepayments for merchandise	1 891	5 540
Total Inventories	377 184	198 731



Note 4 Tax prepayments and liabilities

(in Euros)

	31.12.2023		31.12.2022	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
VAT	0	203	0	0
Personal income tax	0	1 889	0	6 915
Income tax on fringe benefits	0	3	0	21
Social security tax	0	3 442	0	11 876
Pension Insurance tax	0	209	0	637
Unemployment Insurance tax	0	250	0	819
Interest	0	64	0	0
Other tax prepayments and liabilities	0	0	0	11
Prepayment balance	821		27 258	
Total tax prepayments and liabilities	821	6 060	27 258	20 279

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 (%)	
				31.12.2023	31.12.2022
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	31.12.2022	Other changes	31.12.2023
Gamekeys OÜ	154 000	40 000	68 000
HVK Business OÜ	784 500	445 000	923 700
Total shares of subsidiaries et end of previous period	938 500	485 000	991 700



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	
01.07.2022						
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
Acquisitions and additions	35 416	1 300	1 207	37 923	478	38 401
Depreciation	-2 684	-1 350	-171	-4 205	-113	-4 318
31.12.2022						
Carried at cost	59 583	13 584	3 097	76 264	1 206	77 470
Accumulated depreciation	-11 757	-7 247	-540	-19 545	-290	-19 834
Residual cost	47 826	6 337	2 557	56 720	916	57 636
01.07.2023						
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
Acquisitions and additions	0	0	839	839	0	839
Depreciation	-2 208	-1 033	-265	-3 506	-67	-3 573
Other changes	0	-604	-188	-792	-417	-1 209
31.12.2023						
Carried at cost	44 167	12 410	3 748	60 325	789	61 114
Accumulated depreciation	-8 080	-8 374	-1 037	-17 491	-478	-17 969
Residual cost	36 087	4 036	2 711	42 834	311	43 145



Note 7 Intangible assets

(in Euros)

			Total
	Computer software	Concessions, patents, licences, trademarks	
01.07.2022			
Carried at cost	399	-139 856	140 255
Accumulated depreciation	-142	-14 842	-14 984
Residual cost	257	125 014	125 271
Acquisitions and additions	0	125 069	125 069
Depreciation	-20	-10 644	-10 664
31.12.2022			
Carried at cost	399	264 925	265 324
Accumulated depreciation	-162	-25 486	-25 648
Residual cost	237	239 439	239 676
01.07.2023			
Carried at cost	399	395 098	395 497
Accumulated depreciation	-182	-43 766	-43 948
Residual cost	217	351 332	351 549
Acquisitions and additions	0	29 397	29 397
Depreciation	-20	-20 149	-20 169
31.12.2023			
Carried at cost	399	424 495	424 894
Accumulated depreciation	-202	-63 915	-64 117
Residual cost	197	360 580	360 777



Note 8 Loan commitments

(in Euros)

	31.12.2023	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	2024	
Loan from bank	3 705	3 705			10.5% + 6 month Euribor	EUR	2024	
Finance lease obligations	2 740	2 740			5,8%-11%	EUR	2024	
Current loans total	21 445	21 445						
Non-current loans								
Owners loan	74 150	0	74 150		4%	EUR	2028	15
Non-current loan from parent company	16 694	0	16 694		4%	EUR	2027	15
Non-current loans	600	0	600		4%	EUR	2027	
Loan from bank	21 135	0	21 135		10.5% + 6 month Euribor	EUR	2028	
Finance lease obligations	1 233	0	1 233		11%	EUR	2025	
Non-current loans total	113 812	0	113 812					
Loan commitments total	135 257	21 445	113 812					
	31.12.2022	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note nr
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
Finance lease obligations	3 087	3 087			2,99%-11%	EUR	2022-2023	
Current loans total	3 087	3 087						
Non-current loans								
Finance lease obligations	3 279	0	3 279		2,99%-11%	EUR	2024-2025	
Non-current loans total	3 279	0	3 279					
Loan commitments total	6 366	3 087	3 279					



Note 9 Payables and prepayments

(in Euros)

	31.12.2023	12 kuu jooksul	Note nr
Trade payables	37 024	37 024	
Employee payables	19 539	19 539	
Payables to related parties	4 685	4 685	15
Tax payables	6 060	6 060	
Other payables	52 245	52 245	
Interest payables	2 245	2 245	15
Other accrued expenses	50 000	50 000	
Kokku võlad ja ettemaksud	119 553	119 553	
	31.12.2022	12 kuu jooksul	Note nr
Trade payables	91 121	91 121	
Employee payables	26 689	26 689	
Payables to related parties	4 886	4 886	15
Tax payables	20 279	20 279	
Other payables	3	3	
Other accrued expenses	3	3	
Kokku võlad ja ettemaksud	142 977	142 977	

Note 10 Share capital

(in Euros)

	31.12.2023	31.12.2022
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)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Net sales by geographical location		
Net sales in European Union		
Total net sales in European Union	157 268	194 792
Net sales outside European Union		
Total net sales outside European Union	245 542	549 587
Total net sales	402 810	744 379
Net sales by operating activities		
Internet sales	254 940	564 071
Commission fee	147 870	180 308
Total net sales	402 810	744 379

Note 12 Goods, raw materials and services

(in Euros)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Goods for sale	-227 612	-625 002
Other	-1 201	-3 911
Total goods, raw materials and services	-228 813	-628 913

Note 13 Other operating expenses

(in Euros)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Leased	-3 788	-7 064
Miscellaneous office expenses	-1 158	-3 592
Travel expense	0	-750
IT costs	-9 060	-39 622
Legal expense	-10 199	-18 074
Consulting expenses	-810	-4 961
Marketing expenses	-7 465	-102 165
Purchased services	-10 647	-7 830
Other	-9 669	-16 078
Total other operating expenses	-52 796	-200 136



Note 14 Labor expense

(in Euros)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Wage and salary expense	-29 813	-113 311
Social security taxes	-13 992	-29 895
Total labor expense	-43 805	-143 206
Average number of employees in full time equivalent units	8	8
Average number of employees in contract units:		
A person providing services Under the contract	4	4
A person providing services Under the VÕS, Except for self-employed persons	4	4
Member of the management	1	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	31.12.2023	31.12.2022	Lisa nr
Receivables and prepayments			
Executive and senior management and private owners with a significant stake and companies under their dominant or significant influence	2 700	1 907	
Total receivables and prepayments	2 700	1 907	2
Loan liabilities			
Parent company	16 694	0	
Executive and senior management and private owners with a significant stake and companies under their dominant or significant influence	74 150	0	
Total loan liabilities	90 844	0	8
Payables and prepayments			
Parent company	249	0	
Executive and senior management and private owners with a significant stake and companies under their dominant or significant influence	6 670	4 886	
Total payables and prepayments	6 919	4 886	



LOAN LIABILITIES	01.07.2023	Loans received	Repayments of loans received	31.12.2023	Interest	Note nr
Management, higher supervisory body and individuals	0	17 444	750	16 694	249	8
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence	81 500	1 100	8 450	74 150	1 657	8
Total loan liabilities	81 500	18 544	9 200	90 844	1 906	

Remuneration and other significant benefits calculated for members of management and highest supervisory body	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Remuneration	11 931	14 500



Note 16 Non consolidated statement of financial position

(in Euros)

	31.12.2023	31.12.2022
Assets		
Current assets		
Cash and cash equivalents	22	52 588
Receivables and prepayments	751	11 795
Total current assets	773	64 383
Non-current assets		
Investments in subsidiaries and associates	991 700	938 500
Total non-current assets	991 700	938 500
Total assets	992 473	1 002 883
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and prepayments	17 143	9 386
Total current liabilities	17 143	9 386
Total liabilities	17 143	9 386
Equity		
Share capital	214 982	214 982
Share premium	1 019 437	983 260
Own shares	-1	-1
Retained earnings (loss)	-238 984	-163 570
Annual period profit (loss)	-20 104	-41 174
Total equity	975 330	993 497
Total liabilities and equity	992 473	1 002 883

Note 17 Non consolidated income statement

(in Euros)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Revenue	0	60
Good, raw materials and services	0	-60
Other operating expenses	-18 907	-34 010
Labor expense	-1 197	-7 182
Total operating profit (loss)	-20 104	-41 192
Other financial income and expense	0	18
Profit (loss) before tax	-20 104	-41 174
Annual period profit (loss)	-20 104	-41 174



Note 18 Non consolidated statement of cash flows

(in Euros)

	01.07.2023 31.12.2023	01.07.2022 31.12.2022
Cash flows from operating activities		
Operating profit (loss)	-20 104	-41 174
Adjustments		
Other adjustments	0	0
Total adjustments	0	0
Changes in receivables and prepayments related to operating activities	347	-4 117
Changes in payables and prepayments related to operating activities	1 721	6 290
Interest received	0	0
Total cash flows from operating activities	-18 036	-39 001
Cash flows from investing activities		
Purchase of other financial investments	-18 200	-450 000
Total cash flows from investing activities	-18 200	-450 000
Cash flows from financing activities		
Received from the sale of own sales	36 177	0
Total cash flows from financing activities	36 177	0
Total cash flows	-59	-489 001
Cash and cash equivalents at beginning of period	81	541 589
Change in cash and cash equivalents	-59	-489 001
Cash and cash equivalents at end of period	22	52 588



Note 19 Non consolidated statement of changes in equity

(in Euros)

					Total
	Share capital	Share premium	Own shares	Retained earnings (loss)	
31.12.2022	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
Annual period profit (loss)	0	0	0	-20 104	-20 104
Sale of own shares	0	36 177	0	0	36 177
31.12.2023	214 982	1 019 437	-1	-259 088	975 330



Signatures