



# Loucas & Loucas


CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS

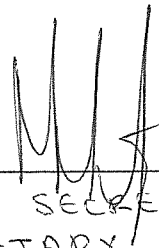
## CARLETTA LIMITED

### FINANCIAL STATEMENTS

For the period from 22 September 2016 to 31 December 2017

Η ΕΚΘΕΣΗ ΤΟΥ ΔΙΟΙΚΗΤΙΚΟΥ ΣΥΜΒΟΥΛΙΟΥ  
ΚΑΙ ΤΩΝ ΕΛΕΓΚΤΩΝ ΚΑΙ ΟΙ ΟΙΚΟΝΟΜΙΚΕΣ  
ΚΑΤΑΣΤΑΣΕΙΣ ΑΠΟΤΕΛΟΥΝ ΠΙΣΤΟ ΑΝΤΙΓΡΑΦΟ  
ΑΥΤΩΝ ΠΟΥ ΕΧΟΥΝ ΚΑΤΑΤΕΘΕΙ ΕΝΩΠΙΟΝ  
ΤΗΣ ΓΕΝΙΚΗΣ ΣΥΝΕΛΕΥΣΗΣ.

  
IRENE EVRYVIADOY  
DIRECTOR

  
VALIA SECRETARIAL LTD  
SECRETARY

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# CARLETTA LIMITED

## FINANCIAL STATEMENTS

For the period from 22 September 2016 to 31 December 2017

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# CARLETTA LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

### Board of Directors:

Irene Evriviadou  
(appointed on 7 April 2017)

Myrofora Symeou  
(appointed on 7 April 2017)

Meridian Directors Ltd  
(appointed on 22 September 2016)  
(resigned on 7 April 2017)

Maria Severiadou  
(appointed on 22 September 2016)  
(resigned on 7 April 2017)

### Company Secretary:

VALIA SECRETARIAL LTD

### Independent Auditors:

LOUCAS & LOUCAS AUDITORS LTD  
CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS  
12 Demostheni Severi  
6th Floor, Office 602  
1080 Nicosia  
Cyprus

### Registered office:

12 Demostheni Severi  
6th Floor, Office 601  
1080 Nicosia  
Cyprus

### Registration number:

HE360353

## **Independent Auditor's Report**

### **To the Members of CARLETTA LIMITED**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of CARLETTA LIMITED (the "Company"), which are presented in pages 5 to 13 and comprise the statement of financial position as at 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 22 September 2016 to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the period from 22 September 2016 to 31 December 2017 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Material Uncertainty Related to Going Concern**

We draw attention to note 2 to the financial statements which indicates that the Company incurred a loss of €1,835 during the period from 22 September 2016 to 31 December 2017, and, as of that date Company's current liabilities exceeded its current assets by €835. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### **Responsibilities of the Board of Directors for the financial statements**

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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## Independent Auditor's Report (continued)

### To the Members of CARLETTA LIMITED

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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## Independent Auditor's Report (continued)

### To the Members of CARLETTA LIMITED

#### Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Michalis Louca  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**LOUCAS & LOUCAS AUDITORS LTD**  
**CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED**  
**AUDITORS**

12 Demostheni Severi  
6th Floor, Office 602  
1080 Nicosia  
Cyprus

Nicosia, 13 June 2018

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## CARLETTA LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 22 September 2016 to 31 December 2017

	Note	2017 €
Administration expenses	5	(1,685)
Other expenses	6	(150)
<b>(Loss) before tax</b>		<b>(1,835)</b>
<b>Net loss for the period</b>		<b>(1,835)</b>
<b>Other comprehensive income</b>		<b>-</b>
<b>Total comprehensive income for the period</b>		<b><u>(1,835)</u></b>

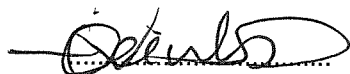
The notes on pages 9 to 13 form an integral part of these financial statements.

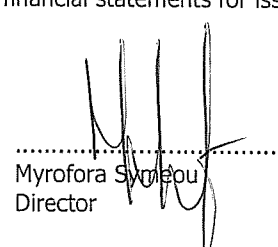
# CARLETTA LIMITED

## STATEMENT OF FINANCIAL POSITION 31 December 2017

	Note	2017 €
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Current assets</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	9	1,000
Accumulated losses		<u>(1,835)</u>
<b>Total equity</b>		<u>(835)</u>
<b>Current liabilities</b>		
Other payables	10	<u>835</u>
		<u>835</u>
<b>Total equity and liabilities</b>		<u><u>-</u></u>

On 13 June 2018 the Board of Directors of CARLETTA LIMITED authorised these financial statements for issue.

  
Irene Evriviadou  
Director

  
Myrofora Symeou  
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

## CARLETTA LIMITED

### STATEMENT OF CHANGES IN EQUITY

For the period from 22 September 2016 to 31 December 2017

	Note	Share capital €	Accumulated losses €	Total €
<b>Comprehensive income</b>				
Net loss for the period		-	(1,835)	(1,835)
<b>Transactions with owners</b>				
Issue of share capital	9	1,000	-	1,000
<b>Balance at 31 December 2017</b>		<b>1,000</b>	<b>(1,835)</b>	<b>(835)</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

## CARLETTA LIMITED

### CASH FLOW STATEMENT

For the period from 22 September 2016 to 31 December 2017

	2017 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
(Loss) before tax	(1,835)
	<u>(1,835)</u>
Changes in working capital:	
Increase in other payables	835
Cash used in operations	<u>(1,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of share capital	1,000
Net cash generated from financing activities	<u><u>1,000</u></u>

The notes on pages 9 to 13 form an integral part of these financial statements.

# CARLETTA LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 22 September 2016 to 31 December 2017

### 1. Incorporation and principal activities

#### Country of incorporation

The Company CARLETTA LIMITED (the "Company") was incorporated in Cyprus on 22 September 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 12 Demostheni Severi, 6th Floor, Office 601, 1080 Nicosia, Cyprus.

#### Principal activities

The Company's activity is the license income from online gaming. The Company has not commenced its operations yet.

### 2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

#### Going concern basis

The Company incurred a loss of €1,835 for the period from 22 September 2016 to 31 December 2017, and, as of that date Company's current liabilities exceeded its current assets by €835. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated his intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of and investment property.

#### Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 22 September 2016.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

#### Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 22 September 2016 to 31 December 2017

**2. Significant accounting policies (continued)****Tax (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

**Share capital**

Ordinary shares are classified as equity.

**3. Financial risk management****Financial risk factors**

The Company is exposed to liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

**3.1 Liquidity risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

<b>31 December 2017</b>	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Payables to related parties	145	145	-	145	-	-	-
	<b>145</b>	<b>145</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4. Critical accounting estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Judgments**

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Going concern basis**

The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 2.



## CARLETTA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the period from 22 September 2016 to 31 December 2017

#### 5. Administration expenses

	2017 €
Annual levy	350
Courier expenses	45
Accounting fees	690
Management fees	600
	<u>1,685</u>

#### 6. Other expenses

	2017 €
Incorporation expenses	150
	<u>150</u>

#### 7. Expenses by nature

	2017 €
Other expenses	1,835
<b>Total expenses</b>	<u>1,835</u>

#### 8. Tax

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2017 €
(Loss) before tax	<u>(1,835)</u>
Tax calculated at the applicable tax rates	(229)
Tax effect of expenses not deductible for tax purposes	62
Tax effect of tax loss for the period	<u>167</u>
<b>Tax charge</b>	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the period, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

# CARLETTA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 22 September 2016 to 31 December 2017

### 9. Share capital

	2017 Number of shares	2017 €
<b>Authorised</b>		
Ordinary shares of €1 each	<u>1,000</u>	<u>1,000</u>
<b>Issued and fully paid</b>		
Issue of shares	<u>1,000</u>	<u>1,000</u>
<b>Balance at 31 December</b>	<u>1,000</u>	<u>1,000</u>

#### Authorised capital

Under its Memorandum the Company fixed its share capital at 1,000 ordinary shares of nominal value of €1 each.

#### Issued capital

Upon incorporation on 22 September 2016 the Company issued to the subscribers of its Memorandum of Association 1,000 ordinary shares of €1 each at par.

### 10. Other payables

	2017 €
Shareholders' current accounts - credit balances (Note 12.1)	145
Accruals (1)	<u>690</u>
	<u>835</u>

(1) Accrual expenses as at 31 December 2017 represent accounting fees €655 and courier fees of €35.

The fair values of other payables due within one year approximate to their carrying amounts as presented above.

### 11. Recent volatility in global financial markets

According to the Cyprus Statistical Service, economic growth for 2016 was estimated at + 2,8% compared to 2015. Even though the financial services sector showed negative growth, there has been an increase in the Gross Domestic Product which is mainly attributed to the hotels, construction, manufacturing and the wholesale and retail trade sectors. The economic growth was mainly driven by the increase in private consumption, which benefited from the reduction in unemployment and the consequent increase in disposable income. The growth was also supported by the slower pace of reductions in public spending and the increase in investments. On 17 March 2017 the credit rating of the country rose from BB to BB +.

Despite the significant steps towards economic recovery, a degree of uncertainty still exists, as certain issues remain to be resolved, such as the high index of non-performing loans, the high unemployment and the implementation of privatization and reforms of the public services sector.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

# CARLETTA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 22 September 2016 to 31 December 2017

### 11. Recent volatility in global financial markets (continued)

To the extent that information is available, Management has reflected revised estimates of expected future cash flows in its impairment assessments. Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

### 12. Related party transactions

As at 31 December 2017 the Company's shares were wholly owned by an individual non-Resident in the Republic of Cyprus.

The following transactions were carried out with related parties:

#### 12.1 Shareholders' current accounts - credit balances (Note 10)

	2017
	€
Shareholders' current account	145
	<u>145</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

### 13. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2017.

### 14. Commitments

The Company had no capital or other commitments as at 31 December 2017.

### 15. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent auditor's report on pages 2 to 4**

## CARLETTA LIMITED

### DETAILED INCOME STATEMENT

For the period from 22 September 2016 to 31 December 2017

	Page	2017 €
<b>Revenue</b>		
<b>Operating expenses</b>		
Administration expenses	15	<u>(1,685)</u>
		<u>(1,685)</u>
<b>Other operating expenses</b>		
Incorporation expenses		<u>(150)</u>
<b>Net loss for the period before tax</b>		<u><u>(1,835)</u></u>

## CARLETTA LIMITED

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### SELLING AND DISTRIBUTION EXPENSES

For the period from 22 September 2016 to 31 December 2017

	2017 €
<b>Administration expenses</b>	
Annual levy	350
Courier expenses	45
Accounting fees	690
Management fees	600
	<u>1,685</u>

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