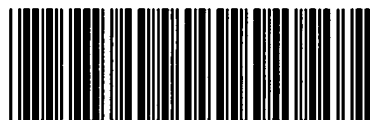


**REGISTERED NUMBER: 12471710 (England and Wales)**

Annual report and Financial Statements  
for the year ended 31 December 2021  
for  
GEMINI INTERGALACTIC UK, LTD  
(Formerly GEMINI EUROPE SERVICES, LTD)

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GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

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GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

### Company Information

**DIRECTORS**

Ms. G. Lynch (appointed 7 October 2022)  
Ms. S. Ramezan (appointed 7 October 2022)  
Mr. T Winklevoss (resigned 7 October 2022)  
Mr. B Halliday (resigned 22 September 2022)  
Mr. M Breu (resigned 10 February 2021)

**SECRETARY**

Vistra Cossec Limited

**REGISTERED OFFICE**

Suite 1, 7th Floor  
50 Broadway,  
London, United Kingdom,  
SW1H 0LB

**REGISTERED NUMBER**

12471710 (England and Wales)

**AUDITORS**

Deloitte Ireland LLP  
Deloitte & Touche House  
29 Earlsfort Terrace,  
Dublin 2  
D02 AY28  
Ireland

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Strategic Report

### Review of Business

Gemini Intergalactic UK, Ltd (formerly, Gemini Europe Services, Ltd) (the "Company") is a private company, limited by shares, registered in England and Wales under the Companies Act 2006. The Company is a directly wholly owned subsidiary of Gemini Intergalactic, LLC ("the Parent"), a limited liability company registered and headquartered in the United States of America and an indirectly wholly owned subsidiary of Gemini Space Station LLC ("Space Station"), a limited liability company registered and headquartered in the United States of America. The Company, the Parent and Space Station are part of the Gemini corporate group of entities ("Gemini Group"). The Gemini Group's primary activity is as a cryptocurrency exchange and custodian that allows customers to buy, sell and store digital assets.

The Company was incorporated on 19 February 2020, with its first accounting period running from this date until 31 December 2020 (the "Prior Period"). This shorter reporting period ended 31 December 2020 was presented to align the reporting period of the Company with that of Space Station and the Gemini Group.

Since 19 August 2020, the Company has been registered with the Financial Conduct Authority ("FCA") under the "Cryptoassets: anti-money laundering and counter-terrorist financing (AML/CTF) regime".

The Company's principal activity is to provide digital asset exchange and custody services to consumers and institutions in the United Kingdom, which includes fulfilment of digital asset buy and sell transaction orders and digital asset wallet services. The Company provides these services by acting as a limited risk distributor of the digital asset exchange platform and services of both Gemini Trust Company LLC and Gemini Liquidity LLC, affiliates of the Company within the Gemini Group, for which the Company receives turnover in the form of a distributor fee, based on a target operating margin model. Electronic money ("e-money") services and related payment services are offered to its customers via Gemini Payments UK, Ltd., an affiliate of the Company within the Gemini Group, authorised by the FCA as an electronic money institution. Gemini Payments UK, Ltd provides customers with an online Gemini account into which customers can use fiat funds (both pound sterling and euro) to purchase e-money, at par value. Gemini Payments UK, Ltd introduces these customers to the Company, which allows the customers to use their funds to buy crypto currencies offered on the Gemini crypto currency exchange.

The Company reports an operating profit of £371,596 (2020: £17,181) for the year ended 31 December 2021. The Company has net current assets of £816,133 (2020: £13,918) as at 31 December 2021.

### Principal key performance indicators ("KPIs") used by management to monitor performance

The Company monitors KPIs to measure its performance against the key elements of its business strategy. These include supporting customer retention and growth, supporting the Gemini brand in the United Kingdom, continuing to develop and expand risk management and compliance through robust anti-money laundering and "know your customer" processes.

The volume of new customer accounts and the percentage of actively trading customer accounts were deemed to be the primary KPIs for the Company. Based on the Company's business, these KPIs are an indicator of the Company's ability to effectively execute its business strategy and grow its customer base.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Strategic Report (continued)

During the first 12-month period of trading from 1 October 2020 to 30 September 2021, the Company achieved 713% of its targeted new customer account volumes, which was largely due to the strong bull crypto market experienced in mid 2021. This is further evidenced by the fact that the new customer account volume target for the second year of trading has been exceeded over the 3-month period from 1 October 2021 to 31 December 2021.

The Company monitors actively trading account volumes on a calendar year basis. Over the year 2021, 37% (2020: 11.5%) on average of customer accounts were deemed to be actively trading. This KPI has risen since 2020 as per the directors expectations, when the shortened trading period in 2020 was considered, and is now and is in line with expectations when compared to group standards.

**Principal risks and uncertainties**

The Company's financial risks and management of those risks is outlined in Note 13 to the financial statements. These risks are deemed to be the principal risks and uncertainties facing the Company.

*Regulatory Risk*

The Company provides services relating to digital assets. International or local governments may restrict the use and exchange of digital assets in the future. There is also uncertainty over the current and future accounting, tax, legal and regulatory requirements relating to digital assets or transactions utilizing digital assets. Any unfavourable government regulations, accounting, tax, legal or regulatory treatment of digital assets or transactions could materially and adversely affect the Company's business.

The Company and the Gemini Group proactively engage with regulators to understand and embrace the evolving regulatory landscape of the crypto industry. The Gemini Group has a dedicated and experienced compliance team to ensure that the business and staff is fully informed of any relevant regulatory changes, financial service licensing options and operational impacts of new regulations.

*Information Security Risks*

The Company obtains and processes a large amount of sensitive data. Any real or perceived improper or unauthorised use of, disclosure of, or access to such data could harm the Company's reputation as a trusted brand, as well as have a material and adverse effect on its business. The Company has administrative, technical, and physical security measures in place, and has policies and procedures in place to contractually require third parties to whom it transfers data to implement and maintain appropriate privacy and security measures. However, if the Company's privacy and security measures or those of the previously mentioned third parties are inadequate or are breached as a result of third-party action, employee error, malfeasance, malware, phishing, hacking attacks, system error, software bugs or defects in its products, trickery, process failure, or otherwise, and, as a result, there is improper disclosure of or someone obtains unauthorised access to or misappropriates funds, or sensitive information, including personally identifiable information, on the Company's systems or its partners' systems, or if it suffers a ransomware or advanced persistent threat attack, or if any of the foregoing is reported or perceived to have occurred, the Company's reputation and business could be damaged. If the sensitive information is lost or improperly disclosed or threatened to be disclosed, the Company could incur significant liability, financial loss, and be subject to regulatory scrutiny and penalties, including costs associated with remediation. The Gemini Group has appropriate business continuity and response plans in place, as well as a highly skilled information security team in order to mitigate these risks.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Strategic Report (continued)

*Compliance Risks*

As the Company is a registered crypto asset business with the FCA and needs to meet compliance requirements related to, among other things, know-your-customer, and anti-money laundering. Failures to meet these compliance requirements may expose the Company to adverse penalties and consequences.

The Gemini Group has a dedicated and experienced compliance team to ensure that the business and staff is fully informed of any relevant regulatory changes, financial service licensing options and operational impacts of new regulations.

*Off Balance Sheet Risk - Digital Assets Under Custody*

The Company holds digital assets under custody in an agency capacity for its customers. This arrangement holds an off-balance sheet risk for the Company to return the assets under custody to the customers at any point in time. These are assets that the Company holds directly or indirectly on behalf of customers under a custody arrangement and are beneficially owned by the Company's customers. In accordance with FRS102, these assets and liabilities are not included on the Company's balance sheet.

Under the Company's standard user agreement with customers, customers may deposit digital assets that are transferred into the custody of the Company and held in one or more Gemini pooled digital wallets controlled and secured by the Company. Customers have a beneficial ownership interest in the digital assets that are allocated to them on Gemini's ledger. Digital asset balances held in the customer deposit accounts are restricted from general use by the Company.

Digital assets under custody totaled £185.3 million as at December 31, 2021 (2020: £287.6 million). During January 2020, the Gemini Group engaged Nakamoto, LLC, an affiliated captive insurer domiciled in Bermuda, to provide \$200 million in insurance coverage for digital assets held in Gemini Custody cold storage. The hot wallet insurance coverage protects against theft from a security breach or hack, a fraudulent transfer, or employee theft. Additionally, during 2020 the Gemini group began allowing its customers to purchase additional insurance for their segregated digital assets.

*Environmental Risk*

The digital asset industry continues to come under scrutiny due to its environmental impact, primarily because of the energy consumption required for the mining process by which new coins are brought into circulation or for transactions in certain digital assets which require the "proof of work" system, which is effectively a verification system to secure the network and ensure the same token or coin cannot be spent twice. This scrutiny has led to additional pressure on the industry from consumers as well as policy makers. This presents several risks to the Company such as pressure to invest in lower-carbon technology or a potential shift in customer demand for more climate-conscious products.

Conscious of these factors, in June 2021, the Gemini Group launched Gemini Green, a long-term initiative to incorporate climate-conscious practices into their business, the initial focus of which is the energy consumption of the Bitcoin Network. The Company also continues to expand and diversify its digital asset offering to include digital asset classes which do not rely on the "proof of work" system as such have a lower carbon footprint.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

### Strategic Report (continued)

*Adverse effects as a result of macroeconomic factors*

Macroeconomic factors are influential fiscal, natural or geopolitical events that broadly affect economies and as such may have a knock-on impact on the operating results of the Company. Although the Company does not hold crypto assets directly, the Company's operating results are dependent on crypto asset prices, the general health of the crypto economy and the broader overall economy. The Company's operating results may fluctuate significantly as a result of a variety of factors, many of which are unpredictable and in certain instances outside of the Company's control. The relevant key macroeconomic factors identified as at the reporting date include:

- The continued volatility in crypto asset prices along with a loss of confidence in the sector, particularly in relation to retail customers, as a result of the ongoing turbulence in the market.
- The increase in interest rates in the UK from 0.25% at the start of 2022 to 4.5% by May 2023, has generally led to a lower appetite for perceived high-risk/high-return assets such as crypto assets.
- Inflation has increased in the UK since the start of 2022, which has led to an increase in the cost of living and less disposable income.
- The ongoing geopolitical situation in Eastern Europe has a pronounced impact on global markets and heightened ongoing economic challenges, such as rising inflation, supply chain disruption and the cost of living.

As a result of these factors, it is difficult for the Company to forecast growth and future performance accurately, particularly in the short term, and as such there is an inherent risk that forecasted performance will not align to actual. However, to date the Company has remained profitable and all necessary management actions have been taken in order to ensure that there are sufficient resources in place to meet ongoing costs and support the Company's operations and future growth.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:



13780E5A9E6841B  
Ms. Stephanie Ramezan

Director

22 June 2023

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Report of the Directors

The Directors present herewith their annual report and audited financial statements of Gemini Intergalactic UK, Ltd (the "Company") for the year ended 31 December 2021. The Statement of Directors' responsibilities in relation to the financial statements is on page 10. The financial statements have been prepared in accordance with, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Please refer to the Strategic Report on pages 3 to 6 for review of business, key performance indicators and the principal risks and uncertainties of the Company.

### Directors

The Directors of the Company during the year ended 31 December 2021 and up to the date of signing were:

Tyler Winklevoss	(resigned 7 October 2022)
Blair Halliday	(resigned 22 September 2022)
Michael Breu	(resigned 10 February 2021)
Gillian Lynch	(appointed 7 October 2022)
Stephanie Ramezan	(appointed 7 October 2022)

### Results and Dividends

The results for the period are shown per the statement of comprehensive income on page 15.

The Directors did not declare nor pay any dividend during 2021 or in the prior period.

### Going Concern

The financial statements have been prepared on a going concern basis for the year ended 31 December 2021, which the Directors consider to be appropriate for the following reasons.

There has been a pronounced decline in prices in the crypto market in 2022, which along with other macroeconomic factors such as rising inflation and interest rates, has resulted in a prolonged bear market. As a result, there have been a number of entities within the wider crypto economy which have experienced financial, operational and liquidity difficulties, which in some cases have resulted in bankruptcy. The Gemini Group has had no material exposure to these entities. The Directors believe that this turmoil may drive the need for more regulation and oversight in the crypto economy in order to restore customers' confidence in the market. As Gemini has placed regulation and security at the centre of how the business is run since the outset, this increased focus on regulation may result in Gemini being well positioned once the markets recover.

However, in the short-term trading volumes and revenues across the group have declined as customer confidence in the market has waned. The Gemini Group has taken steps to ensure that the Company, and the Gemini Group, continue as a going concern throughout this period. Forecasts have been recalculated based on current market conditions and costs have been managed through rightsizing, managing discretionary spend and refocused spending plans to ensure the company continues to be profitable even at reduced revenue levels. In addition, as at the date the financial statements were approved, the Company has sufficient cash reserves held in order to fund the Company's own operations for a twelve month period.

The Company has been profitable for the year ended 31 December 2021, with an available operating cash balance of £227,190 and is in a net asset position.



GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

**Report of the Directors (continued)**

The Company's ability to continue as a going concern under its current operational structure as a non-exclusive limited risk distributor for the Gemini cryptocurrency exchange and custody services in the United Kingdom is inherently linked to the ability of the Gemini Group to operate as a going concern.

The Directors believe that the Company is a going concern based on the stand-alone business prospects of the Company after considering forecasted revenue and expenses both at the Company and the Gemini Group level. Together with the current strong financial position, cash reserves and the continued support from its Parent, the Directors believe that the Company is well placed to manage its business risks successfully going forward and are satisfied that the Company has and will maintain sufficient financial resources to enable it to continue operating in the foreseeable future.

In the event that the Gemini Group was to no longer be considered a going concern, the Directors believe the Company has viable alternative options to be explored for it to continue as a going concern. In the event of the decision being taken to wind down Gemini Group, the Company's ability to return, in full, the customer digital assets held under custody with Gemini Trust Company, LLC under the intra-group agreement in place is critical. The Company would be reliant on Gemini Trust Company, LLC returning the customer assets to the Company, who in turn would return them to the customers. Based on their assessment, the Directors are satisfied that Gemini Trust Company, LLC would be able to return all customer assets to the company in full in an orderly manner due to the following factors:

- Gemini Trust Company, LLC is a full reserve exchange custodian and as such all customer funds and assets held are held 1:1 and are available for withdrawal at any time.
- Gemini Trust Company, LLC is a New York State limited purpose trust company pursuant to Section 102-a of the New York Banking Law, which defines custody as a fiduciary activity and authorizes New York state-chartered limited purpose trust companies to provide custody services. As a fiduciary, in the event of an insolvency, the Directors believe that the customers' digital assets would be isolated from Gemini Trust Company, LLC's other creditors and returned to the Company's customers in full.

**Events after the reporting period**

The Company has performed an evaluation of events after the reporting period through the date the financial statements were issued. There were no additional significant subsequent events that occurred between the Balance Sheet date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements, outside of the items disclosed in note 15 to the financial statements.

**Likely future developments**

The Directors expect the Company to continue to provide digital asset exchange and custody services to its customers for the foreseeable future. The Directors expect the level of transaction activity to decrease in the forthcoming year due to the continued decline in the crypto markets and broader macroeconomic conditions. The Company will continue to support both the retention and growth of its customer base; however, the rate of growth is expected to be lower than in the preceding financial year. While the market remains muted, with digital asset values remaining low and volatility in the market, there are some signs of recovery, the Company will focus on the following strategic objectives as the market improves::

- Supporting customer retention and growth
- Supporting the Gemini brand growth in the United Kingdom
- Continuing to develop and expand the ways users can purchase digital assets and types of digital assets they can hold
- Supporting risk management and compliance policies and procedures

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Report of the Directors (continued)

**Accounting Records**

To ensure that adequate accounting records are kept in accordance with Companies Act 2006, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's registered office at 50 Broadway, London, United Kingdom.

**Statement of relevant audit information**

The Directors who held office at the date of approval of this Directors' report confirm that:

- a. so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b. that each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Independent Auditor**

On 22 March 2023, Deloitte Ireland LLP, chartered accountants and statutory audit firm, were reappointed and will continue in office in accordance with section s489 of the Companies Act 2006.

Deloitte Ireland LLP will step down as auditor of the Company following the conclusion of the 2021 financial year end process.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:



13780E5A9E6841B  
Ms. Stephanie Ramezan  
Director  
22 June 2023

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

### Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEMINI INTERGALACTIC UK, LTD

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Gemini Intergalactic UK, Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEMINI INTERGALACTIC UK, LTD

### **Other information**

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEMINI INTERGALACTIC UK, LTD

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report of the Directors has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the report of the Directors.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEMINI INTERGALACTIC UK, LTD

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christian Macmanus (Senior statutory auditor)  
For and on behalf of  
Deloitte Ireland LLP  
Statutory Auditor  
Dublin, Ireland

23 June 2023

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Statement of Comprehensive Income  
For the year ended 31 December 2021

		31 December 2021 £	31 December 2020 £
	Note		
Turnover	3	12,463,904	2,507,050
Cost of sales	4	(4,807,609)	(555,523)
Gross Profit		7,656,295	1,951,527
Administrative expenses	4	(6,714,996)	(1,934,346)
Operating profit before provisions and taxation		941,299	17,181
Other provisions	10	(569,703)	-
Operating profit before taxation		371,596	17,181
Taxation	6	(72,376)	(3,264)
<b>Profit for the year/period</b>		<b>299,220</b>	<b>13,917</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year/period</b>		<b>299,220</b>	<b>13,917</b>

The notes on pages 20 to 32 form an integral part of these financial statements.



## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Statement of Financial Position  
As at 31 December 2021

		31 December 2021 £	31 December 2020 £
	Note		
<b>Fixed assets</b>			
Intangible assets	7	66,708	-
		<u>66,708</u>	<u>-</u>
<b>Current assets</b>			
Debtors	8	2,907,704	1,951,676
Cash held at bank		227,190	-
Total current assets		<u>3,134,894</u>	<u>1,951,676</u>
Creditors: amounts falling due within one year	9	<u>(2,318,761)</u>	<u>(1,937,758)</u>
<b>Net current assets</b>		816,133	13,918
Other provisions	10	(569,703)	-
<b>Net assets</b>		<u><b>313,138</b></u>	<u><b>13,918</b></u>
<b>Shareholder's equity</b>			
Share capital	11	1	1
Retained earnings		313,137	13,917
Total shareholder's equity		<u><b>313,138</b></u>	<u><b>13,918</b></u>

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Statement of Financial Position (continued)  
As at 31 December 2021

The notes on pages 20 to 32 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 June 2023 and signed on its behalf by:.

DocuSigned by:



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Ms. Stephanie Ramezan  
Director

22 June 2023

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Statement of Changes in Equity  
For the year ended 31 December 2021

	Note	Called-Up Capital	Retained Earnings	Total Equity
		£	£	£
Initial share capital issued	11	1	-	1
Total comprehensive income for the period		-	13,917	13,917
At 31 December 2020		<b>1</b>	<b>13,917</b>	<b>13,918</b>
Total comprehensive income for the year		-	299,220	299,220
At 31 December 2021		<b>1</b>	<b>313,137</b>	<b>313,138</b>

The notes on pages 20 to 32 form an integral part of these financial statements.

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Statement of Cash Flows  
For the year ended 31 December 2021

		31 December 2021	31 December 2020
	Note	£	£
<b>Cash flow from operating activities</b>			
Profit for the year/period		299,220	13,917
<b>Adjustment for:</b>			
Amortisation of intangibles	7	9,329	-
Other provisions	10	569,703	-
Increase in debtors	8	(956,028)	(1,951,676)
Increase in creditors	9	381,003	1,937,758
<b>Net cash flow from operating activities</b>		<u>303,227</u>	<u>(1)</u>
<b>Cash flows from investing activities</b>			
Payments to acquire intangible fixed assets	7	(76,037)	-
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital	11	-	1
<b>Net cash flow from financing activities</b>		<u>-</u>	<u>1</u>
Increase in cash and cash equivalents		227,190	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		<u>227,190</u>	<u>-</u>

The notes on pages 20 to 32 form an integral part of these financial statements.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Notes to the Financial Statements

**1. GENERAL INFORMATION**

Gemini Intergalactic UK, Ltd (the "Company") is a private company, limited by shares, registered in England and Wales under the Companies Act 2006. The Company's registered number is 12471710 and its registered office is Suite 1, 7th Floor, 50 Broadway, London, SW1H 0LB United Kingdom. The Company is a directly wholly owned subsidiary of Gemini Intergalactic, LLC ("the Parent"), a limited liability company registered and headquartered in the United States of America.

**2. ACCOUNTING POLICIES**

**a) Statement of compliance**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and with the Companies Act 2006.

The accounting policies have been consistently applied by the Company and are consistent with the prior period, unless otherwise described.

**b) Basis of presentation and measurement**

The financial statements are presented in pound sterling (£), which is the functional currency of the Company.

The financial statements have been prepared on the historical cost basis.

**c) Adoption of new accounting standards**

During the financial year to 31 December 2021, the Company applied for the first-time certain standards and amendments that are relevant to its operations which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The adoption of these new standards did not result in changes to the company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current period.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Notes to the Financial Statements (continued)

**d) Critical accounting judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for certain assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

Significant accounting judgements made by the Company include;

- the determination of the level of revenue earned under contracts with group companies, which are established by applying the arm's length principle consistent with applicable transfer pricing guidelines. The Company performed benchmarking analysis to determine appropriate revenue ranges.
- the determination of the Value Added Tax ("VAT") status of the services provided by the Company. The Company continues to review its current VAT position based on guidance from HM Revenue and Customs as well as industry guidance.
- the determination that digital assets held under custody by the Company in an agency capacity for its customers do not meet the asset recognition criteria under FRS102.
- the carrying value of intangibles in the statement of financial position.

**e) Revenue recognition**

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates or duty.

The Company primarily derives its revenue from the limited risk distributor services that it provides to its customers using both Gemini Trust Company LLC's and Gemini Liquidity LLC's exchange and custody platforms, both of which are fellow Gemini group companies. The services are considered to be provided over time, as it involves a number of acts over a period of time. The consideration received for these services is based on the Company retaining a service fee based on an agreed upon target operating margin. If exchange fees earned are insufficient to reach the target operating margin, additional revenue is received from both Gemini Trust Company LLC and Gemini Liquidity LLC, to meet the target operating margin.

The Company also generates revenue from software licensing, which is considered to be provided over time, as it involves a number of acts over a period of time.

**f) Foreign currencies**

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are recognized in the statement of comprehensive income and are included in administrative expenses.

**g) Financial Instruments**

The Company has chosen to account for financial instruments in accordance with Sections 11 and 12 of FRS 102.

The Company's financial assets and liabilities comprise trade and other receivables, cash and cash equivalents and trade and other payables. The accounting policies for these items are described below.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Notes to the Financial Statements (continued)

*Basic financial instruments – financial assets other than equity investments*

Trade and other receivables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method.

Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses. Impairment is measured on an incurred loss model which requires the Company to assess whether there is any objective evidence of impairment at the end of the reporting period. An asset is impaired if and only if the loss is incurred at the reporting date as a result of one or more events that occurred after initial recognition of the asset.

*Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. Such balances are considered highly liquid with minimal risk of default and typically funds are received in less than 3 days.

*Basic financial instruments - financial liabilities*

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

**h) Taxation**

Current income tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where deemed necessary.

**i) Intangible assets**

Intangible assets consist of identifiable intangible assets resulting from asset acquisitions. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Customer contracts - 5 years/contract duration

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Notes to the Financial Statements (continued)

## j) Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

## 3. TURNOVER

Turnover during the year was as follows:

	31 December 2021 £	31 December 2020 £
Customer trading fees	12,386,542	572,704
Intragroup distributor services	-	1,934,346
Software licensing	77,362	-
	<b>12,463,904</b>	<b>2,507,050</b>

Customer trading fees during the year consisted of trading fees earned from customers for the purchase and sale of cryptocurrencies on the Gemini exchange as well as custody fees for cryptocurrencies held in custody on their behalf. Turnover from related party services agreements is as outlined in note 14.

Software licensing relates to customer contracts obtained as part of the purchase of certain business assets of CoinAmp Limited as outlined in note 7, whereby the Company acts as a licensor of the software acquired by the Gemini Group.



## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Notes to the Financial Statements (continued)

**4. OPERATING PROFIT**

Operating profit is stated after charging:

	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cost of Sales</b>		
Trading fees payable	4,807,609 (1)	555,523
<b>Administration expenses</b>		
Professional services	-	7,740
Intragroup payment services and staffing fees	6,366,914 (2)	1,821,555
Other operating expenses	271,719	47,091
Auditors' remuneration	69,714 (3)	57,960
Foreign exchange (gains)/losses	6,649	-
	<u>6,714,996</u>	<u>1,934,346</u>
	<u><b>11,522,605</b></u>	<u><b>2,489,869</b></u>

(1) Cost of sales consist of trading fees earned from customers, returned to group companies in the Company's capacity as a non-exclusive limited risk distributor as outlined in note 14.

(2) Intragroup payment services and staffing fees are intra-group outsourcing fees and intra-group e-money and introducer services fees payable to Gemini Payments UK, Ltd as outlined in Note 14.

(3) The independent auditor did not provide any services to the Company other than audit services during the Period.

**5. STAFF COSTS**

The Company employed no staff during the current year or Prior Period (including executive directors). As such staff costs were £ nil for the period.

No directors were remunerated by the Company during the period. Directors' remuneration is borne by group undertakings.

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Notes to the Financial Statements (continued)

**6. TAX**

The major components of income tax expense for the year ended 31 December 2021 were:

	31 December 2021 £	31 December 2020 £
<i>Current tax</i>		
UK corporation tax on income for the year/period	72,376	3,264
Total current tax charge for the year/period	72,376	3,264
 Total tax charge for the year/period	 72,376	 3,264

The tax assessed on the profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are reconciled below:

	31 December 2021 £	31 December 2020 £
Profit before taxation	371,596	17,181
<i>Effects of:</i>		
Profit before taxation at standard rate of corporation tax in the UK of 19% (2020 - 19%)	70,603	3,264
Expenses not deductible for tax purposes	1,773	-
Total tax charge for the year/period	72,376	3,264

The Company recognised nil deferred tax assets or liabilities as at 31 December 2021 (2020: nil).

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Notes to the Financial Statements (continued)

## 7. INTANGIBLES

	£
<u>Cost</u>	
At January 2021	-
Additions during the year	76,037
At 31 December 2021	<u>76,037</u>
<u>Amortisation</u>	
At January 2021	-
Provided during the year	(9,329)
At 31 December 2021	<u>(9,329)</u>
Carrying amount at 31 December 2021	<u>66,708</u>

Intangibles held by the Company consist entirely of customer contracts that are normally amortised evenly over the duration of the contract. The contract acquired has exceeded its initial term and is now on a rolling term which will continue until either party notified the other of an intention to terminate. As the useful life therefore cannot be reliably estimated, the intangible asset is being amortised over a 5-year period on a straight line basis.

## 8. DEBTORS

	31 December 2021 £	31 December 2020 £
Amounts owed by group companies	2,880,561	1,951,529
Prepayments	-	147
Vendor Advances	27,143	-
	<u>2,907,704</u>	<u>1,951,676</u>

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Notes to the Financial Statements (continued)

Amounts owed by group companies related to short term funding are interest free and have a rolling 365-day notice period. Amounts owed by group companies under the agreements as outlined in note 14 are due within 90 days. All debtors fall due within one year.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 December 2021 £	31 December 2020 £
Amounts owed to group companies	2,055,484	1,868,794
Accrued Expenses	263,277	68,964
	<u>2,318,761</u>	<u>1,937,758</u>

Amounts owed to group companies related to short term funding are interest free and have a rolling 365-day notice period. Amounts owed to group companies under the agreements as outlined in note 14 are due within 90 days. All creditors fall due within one year.

**10. OTHER PROVISIONS**

	31 December 2021 £	31 December 2020 £
Provision for Value Added Taxes	569,703	-
	<u>569,703</u>	<u>-</u>

Due to the evolving guidance from the tax authorities, the determination of the Value Added Tax ("VAT") status of the exchange and custody services provided by the Company to its customers is currently an area of uncertainty for the Company as well as the industry as a whole. The Company has recognised a provision for the potential VAT liability that it may suffer once authoritative guidance has been established. This provision has been prepared by performing a review of the underlying digital assets on which the revenue has been earned. Based on the guidance available and the characteristics and use cases of the underlying digital assets, a provision has been established which is the Company's best estimate of the VAT exposure as at 31 December 2021. This position is reviewed on an ongoing basis to account for new digital assets offered by the Company, the current status of existing digital assets offered, as well as evolving guidance from the tax authorities.

## GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

## Notes to the Financial Statements (continued)

**11. ALLOTTED AND ISSUED SHARE CAPITAL**

	31 December 2021 £	31 December 2020 £
<i>Allotted, issued and fully paid</i>		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

All shares have full rights in the Company with respect to voting, dividends, and distributions.

**12. FINANCIAL INSTRUMENTS**

Financial instruments held by the Company were as follows:

	31 December 2021 £	31 December 2020 £
<b>Financial assets</b>		
<i>Financial assets at amortised cost</i>		
Cash held at bank	227,190	-
Amounts owed by group companies	2,880,561	1,951,529
Vendor advances	27,143	-
	<u>3,134,894</u>	<u>1,951,529</u>
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost</i>		
Amounts owed to group companies	2,055,484	1,868,794
Accounts payable and accrued expenses	263,277	68,964
	<u>2,318,761</u>	<u>1,937,758</u>

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Notes to the Financial Statements (continued)

**13. FINANCIAL RISK MANAGEMENT**

The Board of Directors has overall responsibility for the oversight and establishment of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management strategy and policies. As a result of its operations the Company has exposure to various risks, however appropriate measures and methods have been put in place to manage these risks during the period.

*Liquidity Risk*

The Company's main risk exposure currently, is to liquidity risk from its operating activities. The Company actively monitors current cash flow requirements and forecasts future cash flows in order to maintain adequate levels of liquidity, which ensures there are sufficient funds available to maintain its operations. The Directors consider current cash balances to be sufficient to meet cash requirements.

*Market risk*

Market risk is the risk associated with the effect of changes in market factors on the value of the assets and liabilities held on the Company's statement of financial position, including interest rates, foreign exchange rates, prices of crypto assets, or volatilities such as market volatility or product liquidity.

*Interest rate risk*

The Company has cash held at bank of £227,190 (2020: £nil) as of 31 December 2021. These amounts are held with banks in interest bearing accounts. The Company's strategy primarily attempts to preserve capital and meet liquidity requirements without significantly increasing risk. A change in bank interest rates would primarily impact interest income recorded in the statement of comprehensive income. In a stress tested scenario of a 100 basis points increase or decrease in interest rates, there would be no material impact on the Company's financial results.

*Foreign currency risk*

The Company has exposure to foreign currency translation gains and losses arising from financial transactions denominated in a currency other than the Company's functional currency. As a result, changes in exchange rates may affect the Company's future operating results upon translation. The Company's main foreign currency exposure is to U.S. dollars, primarily due to transactions with U.S. dollar functional currency group companies. These transactions primarily relate to centrally managed contractor cost recharges. Currently, the Company does not enter into derivatives or other financial instruments in order to hedge or manage its foreign exchange risk. In a stress tested scenario of a 10% increase or decrease in exchange rates, there would be no material impact on the Company's financial results.

*Credit risk*

The Company's cash held at bank £227,190 (2020: £nil) as of 31 December 2021 is potentially subject to credit risk. Cash held at banks is placed with financial institutions which are of high credit quality. As of 31 December 2021, the Company has not experienced losses on its cash held at bank and believes the Company is not exposed to significant risk on such accounts. Amounts owed by group companies make up a substantial portion of the balance sheet, however the Company has not experienced any losses or issues in terms of the repayment of these balances. They are paid on a quarterly basis within the 90-day terms per the relevant agreements and as such the Company believes it is not exposed to significant risk on these balances.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Notes to the Financial Statements (continued)

**14. RELATED PARTY DISCLOSURES**

The Company is a directly wholly owned subsidiary of Gemini Intergalactic, LLC and an indirectly wholly owned subsidiary of Gemini Space Station LLC, both of which are limited liability companies registered and headquartered in the United States of America.

Gemini Payments UK, Ltd introduces customers to the Company, which allows the customers to use their e-money to buy crypto currencies offered on the Gemini crypto currency exchange. In exchange for these services the Company pays a service fee based on Gemini Payments UK, Ltd earning a profit margin in excess of the costs incurred in providing these services. During the year these fees totaled £6,111,914 (2020: £1,609,055). As at 31 December 2021, the balance outstanding in relation to these fees totaled £2,042,709 (2020: £1,609,055).

The Company has also entered into an intra-group outsourcing agreement also with Gemini Payments UK, Ltd whereby the Company agrees to receive certain services, including but not limited to, management, finance, tax and compliance. The fee is based on a percentage of Gemini Payments UK, Ltd employee's time spent providing these services to the Company. Fees paid under this agreement for the year ended 31 December 2021 totaled £255,000 (2020: £212,500). As at 31 December 2021 the balance outstanding in relation to these fees totaled £ nil. (2020: £212,500)

The Company has entered into an intra-group agreement with both Gemini Trust Company LLC and Gemini Liquidity LLC, whereby the Company acts as a non-exclusive limited risk distributor for Gemini cryptocurrency exchange and custody services in the United Kingdom. In exchange for these services the Company retains a service fee based on an agreed upon target operating margin.

If exchange fees earned are insufficient to reach the target operating margin, additional revenue is received from both Gemini Trust Company LLC and Gemini Liquidity LLC, to meet the target operating margin. Exchange fees earned for the year ended 31 December 2021 were sufficient to reach the target operating margin, however they were insufficient during the Prior Period. Additional fees earned under this arrangement for the period ended 31 December 2020 totaled £1,934,346.

During the year, the Company generated £12,386,542 (2020: £572,704) in exchange trading and custody fees in its capacity as a limited risk distributor of the digital asset exchange platform and services of both Gemini Trust Company LLC and Gemini Liquidity LLC.

GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Notes to the Financial Statements (continued)

**15. EVENTS AFTER THE REPORTING PERIOD**

***Decline in crypto markets***

Since the beginning of 2022 there has been a pronounced decline in the crypto market with both lower crypto asset prices and increased volatility. This decline in conjunction with broader current macroeconomic conditions such as increasing interest rates and inflation, has resulted in lower trading volumes and revenues for both the Company and the Gemini Group.

As a result, the Gemini Group has taken steps to ensure that the Company, and the Gemini Group, continue as a going concern throughout this period. Forecasts have been recalculated based on current market conditions, vendor relationships have been reevaluated to reduce non essential costs, whilst staff costs have been cut through reductions in headcount in both June 2022 and January 2023. Gemini Group's management views these decisions to refocused spending plans as essential to ensure the company continues to be profitable even at reduced revenue levels. The workforce supporting the UK operations was affected by this reduction.

Whilst this will impact the Company's 2022 results, it is not expected to materially impact the Company's business operations or profitability.

***Gemini Earn***

Neither Gemini Payments UK, Ltd nor Gemini Intergalactic UK, Ltd offered the Earn program to their customers. Rather, the Earn program was previously made available to Gemini Trust Company, LLC's customers through Genesis Global Capital, LLC (Genesis). On 16 November 2022, Genesis halted withdrawals due to liquidity issues in the wake of the FTX / Alameda collapse. Since then, Gemini Trust Company, LLC, acting as agent on behalf of Earn users, has been working to help find a resolution for its affected customers and on 6 February 2023 an agreement was reached in principle with Genesis, its parent company, Digital Currency Group, Inc., and certain other creditors on a plan that provides a path for Earn users to recover their assets. Gemini Trust Company, LLC will be contributing up to \$100 million for Earn users as part of the plan, further demonstrating Gemini Trust Company, LLC's continued commitment to helping Earn users achieve a full recovery.

***Ukrainian conflict***

The geopolitical situation in Eastern Europe has intensified since February 2022, with Russia's invasion of Ukraine. This has further exacerbated ongoing economic challenges including supply-chain disruption and economic sanctions. The Company has considered its direct and indirect exposures to the conflict and determined there were no material impacts to the Company's financial statements for the year ended 31 December 2021.



GEMINI INTERGALACTIC UK, LTD (REGISTERED NUMBER: 12471710)

Notes to the Financial Statements (continued)

***Transfer of customers between Gemini entities***

In August 2022, a number of non-UK based customer accounts were identified and transitioned to Gemini Intergalactic Europe Limited, an Irish based Gemini Group company. As Gemini Intergalactic Europe Limited, assumed both the customer's assets and corresponding liability, no consideration accompanied the transfer.

The Company has performed an evaluation of events after the reporting period through the date the financial statements were issued. There were no additional material subsequent events, other than those discussed above, that occurred between the Balance Sheet date and the date of signing of the financial statements, affecting the Company, which require adjustment to or disclosure in the financial statements.