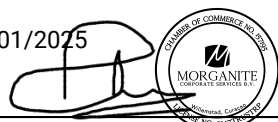


Financial Statements – Right5 Online N.V.
Fiscal Year 2023 compared to Fiscal Year
2022

Right5 Online N.V.
Balance Sheet
December, 31, 2023
EUROS (000)

	Dec/23	Dec/22	Note
Assets			
Current Assets			
Cash and Equivalents			
Accounts Receivable			
Prepaid expenses		4,3	
Total Current Assets	-	4,3	
Non-Current Assets			
Accounts Receivable - shareholders	5,0		
Total Non-Current Assets	5,0	-	
Total Assets	5,0	4,3	
Liabilities and Equity			
Current Liabilities			
Accounts Payable - shareholders	36,6	11,3	.2
Accounts Payable	7,2	6,4	
Dividends to be paid			
Total Current Liabilities	43,8	17,7	
Equity			
Paid in capital	5,0	5,0	
Cumulative Income / (Losses)	- 43,8	- 18,5	
Total Equity	- 38,8	- 13,5	
Total Liabilities and Equity	5,0	4,3	

04/01/2025



Morganite Corporate Services B.V.
 Managing Director

Right5 Online N.V.
Profit and Loss
December, 31, 2023
EUROS (000)

	Dec/23	Dec/22
Revenue		
Cost of Services	25,33	11,63
Gross Margin	<u>- 25,33</u>	<u>- 11,63</u>
SG&A Expenses		
Operating Income / (expenses)	<u>- 25,33</u>	<u>- 11,63</u>
Other income / (expenses)		
Income before income tax	- 25,33	- 11,63
Income Tax Provision	-	-
Net income	<u>- 25,33</u>	<u>- 11,63</u>

04/01/2025



Morganite Corporate Services B.V.
 Managing Director

Explanatory Notes to the Financial Statements of Right5 N.V.

In the preparation of these financial statements, Right5 Online N.V. provides the accompanying explanatory notes, which serve to clarify and offer comprehensive insight into the various items presented within the financial reports. These notes are an integral component of the financial statements, providing detailed explanations of significant accounting policies, methodologies, and critical judgments applied in compiling the financial data for the fiscal year ended 2023 compared to 2022. They are essential for a thorough understanding of the underlying operations, financial performance, and overall financial position conveyed in the reports. The notes cover key areas such as asset valuation, liabilities, equity, and significant related party transactions, ensuring stakeholders are fully informed about the company's financial dealings. By detailing the assumptions and judgments applied, the notes offer transparency, enhance comprehension, and ensure that the financial statements align with the expectations and requirements of users and regulatory frameworks.

NOTE 1: Nature of Operations

Right5 Online N.V. is a company incorporated on December 30, 2020, in Curaçao. The company's registered address is Abraham de Veerstraat 1, Curaçao. It is primarily engaged in the organization, marketing, promotion, management, support, and operation of remote gaming activities. These activities encompass a wide range of gaming services, including but not limited to:

1. **Interactive Casinos:** Offering a variety of casino games such as slots, poker, blackjack, and roulette to an international clientele.
2. **Betting and Betting Exchange Operations:** Providing platforms for sports betting and betting exchanges, allowing clients to place and trade bets on various sports events.
3. **Bingo and Lotteries:** Operating online bingo games and lottery draws for users outside of Curaçao.

Market of Operation and Industry Sector

Right5 Online N.V. operates within the global online gaming and gambling industry, a sector characterized by rapid technological advancements and growing consumer demand. The industry is segmented into various categories, including online casinos, sports betting, and lotteries, each with its own dynamics and growth potential.

Growth Drivers

The industry's growth is fueled by increased internet penetration, mobile device usage, and the legalization of online gambling in various jurisdictions.

Technological Innovations

Advancements in virtual reality (VR), augmented reality (AR), and blockchain technology are reshaping the gaming experience, offering immersive and secure platforms for users.

Competitive Landscape

The online gaming industry is highly competitive, with numerous global players vying for market share. Key competitors include:

1. **Established Operators:** Large, well-established gaming companies with extensive brand recognition and diverse gaming portfolios.
2. **Emerging Startups:** Innovative startups leveraging new technologies to disrupt traditional gaming models.
3. **Regional Competitors:** Localized operators focusing on specific markets or niches, often with deep cultural and regulatory knowledge.

Right5 Online N.V. differentiates itself through its strategic location in Curaçao, offering a favorable regulatory environment and efficient licensing processes. The company focuses on delivering high-quality gaming experiences and maintaining strong customer relationships.

Strategic Objectives

In alignment with IFRS 8 - Operating Segments, Right5 Online N.V. has identified key strategic objectives to drive growth and profitability:

- **Innovation and Development:** Investing in the development of new gaming platforms and features to attract and retain users.
- **Regulatory Compliance:** Ensuring compliance with international gaming regulations and maintaining high standards of corporate governance;
- **Customer Engagement:** Enhancing customer engagement through personalized marketing strategies and loyalty programs;
- **Sustainability and Social Responsibility:** Implementing responsible gaming practices and contributing to community development initiatives.

Operational Structure

The company operates through a streamlined organizational structure designed to optimize efficiency and responsiveness to market changes. This includes:

- **Dedicated Teams:** Specialized teams focusing on technological development, customer service, marketing, and compliance.
- **Partnerships and Alliances:** Collaborating with technology providers, gaming content creators, and payment processors to enhance service offerings.

Risk Management

Right5 Online N.V. employs a comprehensive risk management framework to identify, assess, and mitigate risks associated with its operations. Key risks include:

- **Regulatory Changes:** Monitoring and adapting to changes in gaming laws and regulations across different jurisdictions.
- **Cybersecurity Threats:** Implementing robust security measures to protect against data breaches and cyber-attacks.
- **Market Competition:** Continuously analyzing competitive dynamics to maintain a competitive edge.

NOTE 2: Accounts Payable

Acknowledgment of Loan Agreement of €28,000

Entity: Right5 Online N.V.

Parties Involved: Morganite Corporate Services B.V. and UBO

Serves to formally acknowledge the existence of a loan agreement totaling €28,000, established between Right5 Online N.V., represented by its Morganite Corporate Services B.V., and the Ultimate Beneficial Owner (UBO). For the fiscal years 2023, the UBO generously provided financial support from his personal funds to cover the operational costs and essential expenses of Right5 Online N.V. This arrangement was necessitated by the company's ongoing process of establishing a corporate bank account, a process that has experienced delays and is yet to be completed.

Utilization of Funds: Breakdown and Context:

Operational License Costs (Master License): A significant portion of the funds was allocated to securing the Master License required for Right5 Online N.V. to legally operate in Curaçao. This license is a prerequisite for conducting business and ensures compliance with local regulatory standards. The cost associated with obtaining and maintaining this license is crucial for the company's operational viability.

Compliance Maintenance Costs: These expenses encompass a range of activities essential for adhering to compliance standards, which are vital for maintaining the company's good standing and operational integrity. These include:

1. **Regulatory Reporting:** Costs associated with preparing and submitting mandatory reports to regulatory bodies in Curaçao.
2. **Legal Consultations:** Fees for legal advice to ensure ongoing compliance with local laws and regulations.
3. **Audit Fees:** Expenses related to conducting regular audits to verify compliance with financial and operational standards.
4. **KYC/AML Compliance:** Implementation and maintenance of Know Your Customer (KYC) and Anti-Money Laundering (AML) procedures, which are critical for preventing illicit financial activities.

Key Considerations under IAS 24

In accordance with International Financial Reporting Standards (IFRS), specifically IAS 24 (Related Party Disclosures), the financial assistance provided by the UBO is classified as a related party transaction and requires comprehensive disclosure. These standard mandates that companies disclose transactions with related parties to ensure transparency and prevent potential conflicts of interest. Its disclosure must present:

1. **Nature of the Relationship:** Clearly disclose the relationship between Right5 Online N.V. and the UBO;
2. **Transaction Details:** Provide detailed information about the loan agreement, including the amount, terms, and purpose;
3. **Outstanding Balances:** Disclose any outstanding balances related to the loan agreement at the end of the reporting period;
4. **Impact on Financial Position:** Assess and disclose the impact of the loan agreement on the company's financial position and performance;

Additionally, the loan should be accounted for under IAS 39 (Financial Instruments: Recognition and Measurement) or IFRS 9 (Financial Instruments), depending on the applicable accounting standards in effect at the time of recognition. The loan should be

initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, if applicable.

In conclusion, the explanatory notes presented above offer a detailed and comprehensive overview of the financial activities, significant transactions, and accounting practices of Right5 Online N.V. for the period under review, ending on 2023, compared to 2022. These notes are designed to ensure transparency and provide stakeholders, including investors, creditors, and regulatory bodies, with essential information needed to accurately interpret the company's financial health, performance, and future prospects. We affirm that these notes are prepared in accordance with applicable International Financial Reporting Standards (IFRS) and related interpretations, and truthfully reflect the company's financial dealings, providing a fair and accurate representation of the company's financial status. Furthermore, any material uncertainties or significant assumptions that could impact the financial statements have been disclosed, allowing for a more informed assessment of the company's financial risks and opportunities.

Curaçao, March 24, 2025

04/01/2025



Morganite Corporate Services B.V.
Managing Director