

Raging Rhino N.V.

FINANCIAL STATEMENTS

Financial Year Ended 31 December 2023

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1. General

Constitution of the Company

Established

The company was established on 21st September 2018, by Deed of a Civil Law Notary in Curaçao.

Registered Office

Abraham de Veerstraat 9
Willemstad
Curaçao

Company Number

148106

Board of Directors

Dimche Karakabakov

2. Report of the Director for the year ended 31 December 2023

Accounts

The Director herewith submits the Financial Statements of Raging Rhino N.V. for the year ended 31 December 2023. The Financial Statements of the Company consist of Profit and Loss, Balance Sheet and Change in Equity.

Principal activity

The Company's principal activity is to carry on all betting activities in relation to casino type games.

Results

The results for the year are stated in the statement of comprehensive income on page 7.

Dividends

During the year the entity has made a dividend distribution of EUR 0 (2022: EUR 68,600,000).

Events after reporting period

There were no other events after the reporting period which require disclosure in these financial statements.

Future Developments

The Company is not envisaging any changes in operating activities for the forthcoming year.

Scope of services rendered

The activities consisted mainly in collecting, classifying, processing and summarising of financial data. Due to the nature and scope of these activities it cannot result in the kind of accuracy of the financial statement, which can be obtained from an audit review.

Raging Rhino N.V.

Financial Statements 2023

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Dimche Karakabakov

Director

Abraham de Veerstraat 9

Willemstad

Curaçao

3. Statement of Director's Responsibilities for the year ended 31 December 2023

The Director is required to prepare the annual financial statements which give a true and fair view of the state of affairs of the company at the end of each financial period and of their profit or loss for that period. In preparing the financial statement, the Director is responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern

The Director is also responsible for designing, implementing and maintaining internal controls relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. 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.

4. Statement of Comprehensive Income

	2023	2022
	EUR	EUR
Revenue	56,230,313	124,491,984
Direct costs	<u>(15,787,386)</u>	<u>(39,530,382)</u>
Gross profit	40,442,928	84,961,602
Operating expenses	<u>(22,044,217)</u>	<u>(32,569,630)</u>
Profit before tax	18,398,710	52,391,972
Taxation	<u>-</u>	<u>-</u>
Profit for the year	<u><u>18,398,710</u></u>	<u><u>52,391,972</u></u>

There were no transactions to be reported as "other comprehensive income" during the period.

5. Statement of Financial Position

	2023	2022
	EUR	EUR
ASSETS		
Non-current assets		
Tangible assets	657,959	748,732
Current assets		
Trade and other receivables	25,562,116	21,378,642
Cash and cash equivalents	1,507,351	3,688,732
Total current assets	<u>27,069,467</u>	<u>25,067,374</u>
TOTAL ASSETS	<u>27,727,426</u>	<u>25,816,106</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	4,354	4,354
Retained Earnings	26,590,226	8,191,515
Total equity	<u>26,594,579</u>	<u>8,195,869</u>
Liabilities		
Current liabilities		
Trade and other payables	<u>1,132,846</u>	<u>17,620,237</u>
TOTAL EQUITY AND LIABILITIES	<u>27,727,426</u>	<u>25,816,106</u>

6. Statement of Equity

	Share capital EUR	Retained Earnings EUR	Total Equity EUR
Balance as at 01 January 2023	4,354	8,191,515	8,195,869
Comprehensive income			
Profit of the year	-	18,398,710	18,398,710
Distributions to owners			
Dividends paid	-	-	-
Transactions with the owners			
Issuance of share capital	-	-	-
Balance as at 31 December 2023	4,354	26,590,226	26,594,579
Balance as at 01 January 2022	4,354	24,399,543	24,403,897
Comprehensive income			
Profit of the year	-	52,391,972	52,391,972
Distributions to owners			
Dividends paid	-	(68,600,000)	(68,600,000)
Transactions with the owners			
Issuance of share capital	-	-	-
Balance as at 31 December 2022	4,354	8,191,515	8,195,869

7. Notes to the Financial Statements for the year ended 31 December 2023

Basis of preparation

The financial statements have been prepared on a historical cost basis and in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB).

Functional and presentation currency

The reporting currency used for the preparation of the financial statements is the Euro (EUR). The Share Capital of the company is denominated in USD. The official closing rate of exchange between the United States Dollar and the Euro issued by the European Central Bank for 21. September 2018 stood at EUR1:1.1759 USD

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for short term receivables and payables that do not have a significant financing component which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Other transaction costs on financial instruments are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Classification and Measurement of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the above, the Company may make irrevocable elections at initial recognition of financial assets:

- The presentation of subsequent changes in fair value of an equity investment in other comprehensive income, insofar as the equity investment is not held for trading and is not contingent consideration recognised by an acquirer in a business combination.
- The designation of debt investments meeting the amortised cost or FVTOCI criteria as measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses (ECL), through the expected life of the debt instrument to its gross carrying amount on initial recognition. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Company recognises an impairment for debt instruments classified at amortised cost and FVTOCI. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on

historical credit loss experience, adjusted for current and future (forecasted) conditions at the reporting date.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. In other cases, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL expected to result from default events on a financial instrument possible within 12 months after the reporting date.

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company considers both qualitative and quantitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

If a financial instrument has low credit risk, the Company assumes that the credit risk has not increased significantly since initial recognition. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

The measurement of ECL is a function of the probability of default, loss given default and the exposure at default. The probability of default and the loss given default are assessed based on historical data adjusted by forward-looking information. The exposure at default is the asset's gross carrying amount at the reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount. In the case of debt instruments at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position

Derecognition of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Company transfers the financial assets and substantially all risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset:

- In the case of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.
- In the case of a financial asset measured at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.
- In the case of an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is transferred to retained earnings.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and FVTOCI. For financial assets that have not become credit-impaired, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest income is recognised in profit or loss

Financial liabilities and equity*Classification as Debt or Equity*

Debt or equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method, unless they are contingent consideration of an acquirer in a business combination, held-for-trading or designated as at FVTPL.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows and are presented in current liabilities on the statement of financial position.

Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer. The Company earns revenue from gaming transactions. Revenue is recognised when the Company transfers the service to the customer, that is, the player. Revenue is measured by calculating the amount wagered by players (net of jackpot contributions) minus the winnings returned to players.

Currency translation

The financial statements of the company are presented in its functional currency, the Euro (€), being the currency of the primary economic environments in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt in profit or loss.

Share capital and reserves

The Share Capital of the company is USD 5,000 and is divided in 500 ordinary shares of USD 10 each.

Dividends

Dividends are recognized when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Director. In the case of final dividends, this is when approved by the shareholders at the AGM.