

Purple Bay B.V.

Financial Statements

for the period July 12, 2021 - December 31, 2022

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Statement of financial position

(All amounts in EUR)

	Note	31-Dec 2022
Assets		
Current assets		
Cash and cash equivalents	4	3,142,306
Receivable from shareholders		100
Total current assets		3,142,406
Non-current assets		
Intangible assets	5	45,000
Security deposits		400
Total non-current assets		45,400
Total assets		3,187,806
Equity and liabilities		
Current liabilities		
Accounts payable		201,328
Payable to players		32,140
Accrued expenses		258,429
Payable to group companies	6	7,810
Total current liabilities		499,707
Non-current liabilities		
Loans payable	7	3,182,183
Total non-current liabilities		3,182,183
Equity		
Issued capital	8	100
Retained earnings / (Accumulated losses)		-494,184
Total equity		-494,084
Total equity and liabilities		3,187,806

See accompanying notes.



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Statement of profit or loss

(All amounts in EUR)

	Note	Jul 12, 2021 - Dec 31, 2022
Revenue	9	4,058,399
Direct cost	10	-2,052,003
Gross profit / (loss)		2,006,396
Selling and marketing expenses		-2,110,888
Amortization	5	-5,000
Administrative expenses	11	-252,335
Profit / (loss) from operations		-361,827
Finance cost	12	-132,357
Profit / (loss) before tax		-494,184
Profit tax expense	3	-
Profit / (loss) for the period		-494,184
Other comprehensive income		-
Total comprehensive income / (loss) for the period		-494,184
Attributable to the owners		-494,184

See accompanying notes.



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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Capital issued on July 12, 2021	100	-	100
Profit / (loss) for the period	-	-494,184	-494,184
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	-494,184	-494,184
Balance, December 31, 2022	100	-494,184	-494,084

See accompanying notes.



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Statement of cash flows

(All amounts in EUR)

	Note	Jul 12, 2021 - Dec 31, 2022
Cash flow from operating activities		
Profit / (loss) for the period		-494,184
Add: Amortization		5,000
(Increase) / decrease in receivable from shareholders		-100
(Increase) / decrease in deposits		-400
Increase / (decrease) in accounts payable		201,328
Increase / (decrease) in payable to players		32,140
Increase / (decrease) in accrued expenses		258,429
Increase / (decrease) in payable to group companies		7,810
Net cash generated from operating activities		10,023
Cash flow from investing activities		
(Increase) / decrease in intangible assets		-50,000
Net cash generated from investing activities		-50,000
Cash flow from financing activities		
Increase / (decrease) in issued capital		100
Increase / (decrease) in loans payable		3,182,183
Net cash generated from financing activities		3,182,283
Net increase / (decrease) in cash		3,142,306
Cash at the beginning of the period		-
Cash at the end of the period	4	3,142,306

See accompanying notes.

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Notes to financial statements**1. General information**

Purple Bay B.V. (the company) was established on July 12, 2021 in Curaçao as a private limited liability company. The address of its registered office is Fransche Bloemweg, 4, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 157944.

The main objectives of the company are:

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising of all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries, poker and other interactive games, for clients established or residing outside of Curaçao.
2. The corporation is authorized to perform everything requisite or profitable to the accomplishment of its purpose or incidental thereto or connected therewith in – the widest sense of the word.
3. The corporation has no authority to invoke the annulment of legal acts performed by the corporation, which exceed the corporate objective.

The management of the company is borne by a board of directors. As of December 31, 2022, the management of the company is borne by a single statutory director:

- Executive Corporate Management B.V.

Statutory Director

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. The financial statements are presented in Euro (EUR) and all values are presented in actual, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

The financial statements are prepared for a period greater than one year, from July 12, 2021, being the date of incorporation to December 31, 2022, as per the Articles of Association.



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Foreign currency transactions

The financial statements are presented in EUR, which is the company's functional and presentation currency. Transactions denominated in foreign currencies are translated at the exchange rate prevailing when the transaction is realized. The exchange results are recorded in the statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the end of the period.

Intangible assets

Intangible assets are initially recognized at cost and amortized over the useful life of the assets.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through statement of profit or loss.

The financial assets include cash and cash equivalents, deposits and other assets.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The financial liabilities include accounts payable, accrued expenses and other payables.

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Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification.

Revenue recognition

Gaming revenue is represented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.

Impairment of long-lived assets

Long-lived assets, other than goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets, the assets' carrying value is adjusted to fair value. The company regularly evaluates its long-lived asset for indicators of possible impairment. To date no impairment has been recorded.

Concentration of credit risk and certain other risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The company does not have significant exposure to any individual client or counter party. Management of credit risk involves a number of considerations, such as financial profile of the counter party, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however management believes that the company's exposure to credit risk associated with non-performance of its counter party is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the company.

3. Profit taxes

The company is subject to a territorial tax system, wherein the income earned in Curaçao is subject to 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.



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4. Cash and cash equivalents

	<u>2022</u>
Balances at PSP	1,402,825
Balances at bank	1,133,870
Cash in transit	605,611
	<u>3,142,306</u>

5. Intangible assets

	<u>2022</u>
Brands	50,000
Less: Amortization	-5,000
	<u>45,000</u>

6. Payable to group companies

	<u>2022</u>
North Point Holding N.V.	7,810
	<u>7,810</u>

The above payable does not carry any interest and is repayable on demand.

7. Loans payable

	<u>2022</u>
Loans from North Point Holding N.V.	3,182,183
	<u>3,182,183</u>

The interest on the loan is at a rate of four percent (4%) per annum and the loan is repayable on demand.

8. Issued capital

The issued capital of the company as at December 31, 2022 consists of 100 common shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividends were declared in 2022.



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9. Revenue

	2022
Gaming revenue - Casino (RNG)	4,651,948
Other adjustments	55,507
Bonus wagered	-649,056
	4,058,399

10. Direct cost

	2022
Payment wallet charges	1,190,715
Game provider fees	423,057
Gaming platform fees	295,015
Software expenses	102,243
Service fee	21,476
Chargebacks	11,009
License and server fees	8,488
	2,052,003

11. Administrative expenses

	2022
Provision for bad debts	206,732
Professional fees	31,087
Annual compliance fees	6,750
Rent expenses	4,316
Annual management fees	3,250
Other expenses	200
	252,335

12. Finance cost

	2022
Interest expenses	52,184
Bank charges	48,291
Exchange loss	31,882
	132,357




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13. Fair value

Fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to arrive at the fair value:

Cash and cash equivalents, deposits, accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

Loan payable has been disclosed at a value which fairly approximates the value which is expected to be repaid.

14. Contingencies, commitments and legal proceedings

The company has no contingent or future purchase liabilities and is not involved in any legal actions.

15. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2022. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2022.

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16. Authorization for issue

These financial statements for the period ended December 31, 2022 were approved by the board of directors and authorized for issue on May 09, 2023.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	DocuSigned by:  8780458C677848F... DocuSigned by:  3508179679034CB...