

Purple Bay B.V.

Financial Statements

for the year ended December 31, 2023 and
for the period July 12, 2021 - December 31, 2022

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents	4	7,386,486	3,142,306
Receivable from shareholders		100	100
Total current assets		7,386,586	3,142,406
Non-current assets			
Intangible assets	5	61,525	45,000
Security deposits		400	400
Total non-current assets		61,925	45,400
Total assets		7,448,511	3,187,806
Equity and liabilities			
Current liabilities			
Accounts payable		714,685	201,328
Payable to players		326,313	32,140
Accrued expenses		666,953	258,429
Payable to group companies	6	7,810	7,810
Total current liabilities		1,715,761	499,707
Non-current liabilities			
Loans payable	7	5,005,027	3,182,183
Total non-current liabilities		5,005,027	3,182,183
Equity			
Issued capital	8	100	100
Retained earnings / (Accumulated losses)		727,623	-494,184
Total equity		727,723	-494,084
Total equity and liabilities		7,448,511	3,187,806

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2023	Jul 12, 2021 - Dec 31, 2022
Revenue	9	16,522,915	4,058,399
Direct cost	10	-6,939,864	-2,052,003
Gross profit / (loss)		9,583,051	2,006,396
Selling and marketing expenses		-7,610,991	-2,110,888
Amortization	5	-12,175	-5,000
Administrative expenses	11	-486,699	-252,335
Profit / (loss) from operations		1,473,186	-361,827
Finance cost	12	-251,379	-132,357
Profit / (loss) before tax		1,221,807	-494,184
Profit tax expense	3	-	-
Profit / (loss) for the period		1,221,807	-494,184
Other comprehensive income		-	-
Total comprehensive income / (loss) for the period		1,221,807	-494,184
Attributable to the owners		1,221,807	-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
Profit for the year	-	1,221,807	1,221,807
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	1,221,807	1,221,807
Balance, December 31, 2023	100	727,623	727,723

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Note	2023	Jul 12, 2021 - Dec 31, 2022
Cash flow from operating activities			
Profit / (loss) for the year		1,221,807	-494,184
Add: Amortization		12,175	5,000
(Increase) / decrease in receivable from shareholders		-	-100
(Increase) / decrease in deposits		-	-400
Increase / (decrease) in accounts payable		513,357	201,328
Increase / (decrease) in payable to players		294,173	32,140
Increase / (decrease) in accrued expenses		408,524	258,429
Increase / (decrease) in payable to group companies		-	7,810
Net cash generated from operating activities		2,450,036	10,023
Cash flow from investing activities			
(Increase) / decrease in intangible assets		-28,700	-50,000
Net cash generated from investing activities		-28,700	-50,000
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	100
Increase / (decrease) in loans payable		1,822,844	3,182,183
Net cash generated from financing activities		1,822,844	3,182,283
Net increase / (decrease) in cash		4,244,180	3,142,306
Cash at the beginning of the year		3,142,306	-
Cash at the end of the year	4	7,386,486	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 Korporaalweg 10, 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, 2023, the management of the company is borne by a single statutory director:

- Executive Corporate Management B.V.

Statutory Director

2. Summary of material 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 comparative 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 year.

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 2023 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 15% taxes on income up to 500,000 ANG and 22% above it and the foreign source of income is subject to 0% of profit taxes.

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4. Cash and cash equivalents

	2023	2022
Balances at PSP	3,143,057	1,402,825
Cash in transit	2,753,250	605,611
Balances at bank	1,490,179	1,133,870
	7,386,486	3,142,306

5. Intangible assets

	2023	2022
Brands	50,000	50,000
Less: Amortization	-10,000	-5,000
	40,000	45,000
Computer software	28,700	-
Less: Amortization	-7,175	-
	21,525	-
	61,525	45,000

6. Payable to group companies

	2023	2022
North Point Holding N.V.	7,810	7,810
	7,810	7,810

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

7. Loans payable

	2023	2022
Loans from North Point Holding N.V.	5,005,027	3,182,183
	5,005,027	3,182,183

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

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8. Issued capital

The issued capital of the company as at December 31, 2023 and 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 2023 and 2022.

9. Revenue

	2023	2022
Gaming revenue - Casino (RNG)	19,530,973	4,651,948
Other adjustments	241,550	55,507
Bonus wagered	-3,249,607	-649,056
	16,522,916	4,058,399

10. Direct cost

	2023	2022
Payment wallet charges	3,932,773	1,190,715
Game provider fees	1,629,250	423,057
Gaming platform fees	856,276	295,015
Software expenses	444,513	102,243
Service fee	61,307	21,476
License and server fees	12,996	8,488
Chargebacks	2,749	11,009
	6,939,864	2,052,003

11. Administrative expenses

	2023	2022
Professional fees	261,579	31,087
Provision for bad debts	203,552	206,732
Compliance fees	9,000	-
Rent expenses	5,588	4,316
Annual management fees	3,750	3,250
Annual compliance fees	2,750	6,750
Other expenses	480	200
	486,699	252,335

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12. Finance cost

	2023	2022
Interest expenses	122,843	52,184
Bank charges	119,488	48,291
Exchange loss	9,048	31,882
	251,379	132,357

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, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

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16. Authorization for issue

These financial statements for the year ended December 31, 2023 were approved by the board of directors and authorized for issue on April 17, 2024.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	DocuSigned by:  3508179679034CB... DocuSigned by:  E9C1A4A3F74E4ED...