

PurpleBay B.V.

# BUSINESS PLAN

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Business Plan Version: [1.2]

## **Contents**

Our Mission

Company Management Structure

Our Services

Our Competitive Advantage

Financial Considerations

Conclusions

## Our Mission

Purple Bay B.V. was established and running operations since 2021.

Purple Bay's mission is to revolutionize the casino industry by providing a world-class casino experience that exceeds the expectations of our players. Our mission is to become the preferred choice for gaming enthusiasts, offering a diverse selection of games, a commitment to responsible gaming, and fast payouts. We believe that our platform will appeal to both casual and hardcore gamers, who are looking for a fun, fair, and secure way to enjoy their favourite casino games.

Purple Bay currently operates the following brands:

- Betzino – betzino.com launched in 2021
- Amoncasino - amoncasino.com launched in 2023
- Racasino – racasino.com launched in 2023

All brands offer a wide range of casino games, such as slots, table games, live casino and more. The plan is to engage more of the best suppliers in the market who will provide us with high-quality and engaging games that will suit the preferences and tastes of our target audience. The brands are offered into traditional markets where there is a high demand for online casino games, but also into niche markets where there is less competition and more potential for growth. We believe that by entering these markets, we can gain a competitive edge and establish a loyal customer base.

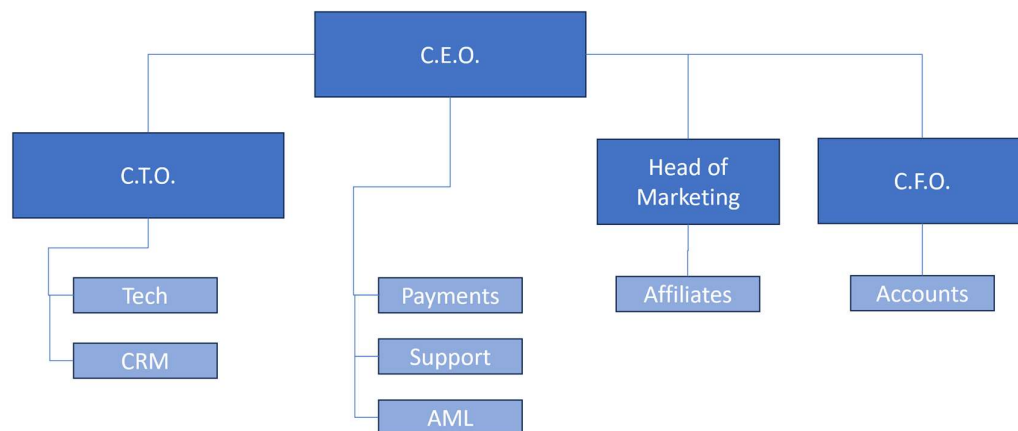
All operators have the same game suppliers, give similar promotional offers. Purple Bay is trying to build its USPs (Unique Selling Propositions) on excellent customer service, effective payment solutions and fast payouts and extensive use of data by using AI driven CRM tools. We believe that these factors are crucial for attracting and retaining customers in the online casino industry. By providing excellent customer service, we will ensure that our customers are satisfied and happy with our platform and games. By offering effective payment solutions and fast payouts, we will make it easy and convenient for our customers to make transactions and withdraw their winnings. By using extensive data and AI driven CRM tools, we will be able to personalize our offers and promotions for each customer, as well as optimize our marketing campaigns and game performance.

## Company Management Structure

Purple Bay B.V. has assembled a seasoned management team for its core operations. Some of the services like customer services, payments, affiliation and marketing are outsourced to other companies outside the group.

The Mill Adventure (<https://www.themill.io/>) is the platform provider used by Purple Bay. The team works very closely with The Mill and this experience will facilitate the running of the operations since it knows what will be delivered, the tools and the backoffice provided by the provider.

## Company Control Structure



## Our Services

### Brands

PURPLE BAY currently has 3 brands targeting different geos.

### Markets

PURPLE BAY is planning to target the following markets:

#### *Brazil*

The Brazilian gaming industry is one of the most dynamic and fast-growing in the world. According to Statista, the revenue in the video games market is projected to reach US\$2,612.00m in 2023, with a compound annual growth rate (CAGR) of 7.97% from 2023 to 2027. Brazil is also the largest market in Latin America and the 12th in the world for game revenues. The Brazilian gaming industry also has a strong presence in the eSports scene. The Brazilian gaming industry is expected to continue growing and innovating in the coming years, as more gamers and developers join this exciting and creative field.

*Canada* is seen as an attractive market for PURPLE BAY due to how many people partake in gambling in the country, with almost 20 million Canadians participating in active gambling. This number puts Canada in the number 8 spot worldwide in online gambling. Due to uncertainties with state-specific licensing in the country, players take to offshore gambling sites spending at least \$4 billion in offshore casinos, meaning there is a huge demand for high quality content to be provided to players.

*India:* The Indian gambling market is another jurisdiction that is seeing a rise in activity, which can be attributed to the growth in the Indian middle class and the country-wide infrastructure is becoming more advanced and accessible all the time. The number of households in India with disposable incomes of more than US \$10,000 has risen twentyfold in twenty-five years, allowing the average Indian family to live a similar lifestyle to families all across the globe. The new prosperity is best represented by the number of mobile phone users in the country: it is believed how the number of smartphone users in 2021 will reach 760 million.

Indian middle class has access to the internet, popular smart devices, and more free time than any other social group ever had. This leads them to find a place of relaxation online, mostly at casinos that are not only suitable for desktop use, but mobile as well. Even if the smartphone user is located in a rural area, there is a high chance he has access to the internet, as India has the second-highest number of internet users in the world.

*Japan* is as another lucrative market that PURPLE BAY will target. Already a popular pastime in Japan with their Pachinko parlours, the inclusion of gaming Apps in Google Play Store opens up a huge opportunity for companies who wish to offer online casino content into Japan. With no traditional casinos available in Japan as of yet, this new ruling also provides Japanese players with Google devices the opportunity to enjoy games such as blackjack, roulette and slots which previously they would not have had exposure to.

Finally Europe. Europe is a very restricted and very competitive market. But there are still opportunities where one can find window of opportunities. Norway and Finland are two markets where PURPLE BAY sees some opportunities.

### **Extensive Gaming Options**

PURPLE BAY will offer a broad range of traditional and modern casino games, including slots, table games like blackjack, roulette, and poker, as well as electronic gaming machines.

Initially the following suppliers will be engaged:

- Evolution and subsidiaries (Netent, RedTiger, BigTimeGaming, NoLimitCity)
- PlayNGo
- Yggdrasil
- Pragmatic Play
- ISoftBet
- Relax Gaming (through Relax Playson, Spribe, Wazdan, PGSoft, Swintt.. and much more)
- Quickspin
- Push Gaming

### **Tools**

The Mill Adventure will provide the platform for zumibet.com. FastTrack will be used as a CRM tool. FastTrack is a real-time data platform so players can be engaged in real-time. This will result in higher player value since targeted promotions can be automated resulting also in saving in bonus costs. From experience 15-20% can be saved in bonus costs and get a higher player lifetime value of 10%

### **Responsible Gaming**

PURPLE BAY will implement strict responsible gaming policies to ensure the safety and well-being of its customers.

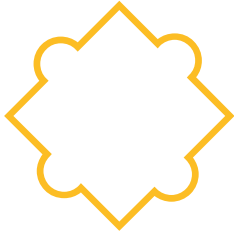
## Our Competitive Advantage

PURPLE BAY is a new online gaming company that aims to revolutionize the gaming industry by offering a unique and immersive experience for players. Unlike other potential competitors, PURPLE BAY has the following features that make it stand out from the rest:

- **Agility:** PURPLE BAY will be agile from the start, meaning that it will be able to adapt quickly to changing customer needs and market trends. PURPLE BAY will keep the team lean but efficient, ensuring that there is no waste of time or resources. PURPLE BAY will also beat the competitors for time to market, launching its platform and games faster than anyone else.
- **Data-driven:** Data is king they say and in gaming it's truer than anywhere else. PURPLE BAY will put data on the forefront of its business strategy, using it to optimize every aspect of its operations. By leveraging data, PURPLE BAY can save lots of costs on marketing, increase player lifetime value, save on bonus cost, offer personalized recommendations to players and the list goes on. Data will also help PURPLE BAY to understand its customers better and deliver more satisfying and engaging games.
- **AI-powered:** The platform and other tools that will be used by PURPLE BAY will have data and AI models built from the start. This means that PURPLE BAY will be able to automate many processes and tasks that would otherwise require human intervention or manual work. For example, PURPLE BAY will be able to generate dynamic content, adjust game difficulty levels, provide feedback and support, and create personalized offers and promotions for each player. All the player journey can be automated which will result in a personalized experience to the players that will make them stick.
- **Payment solutions:** Last but not least, PURPLE BAY will have some of the best payment solutions available in the market. PURPLE BAY will offer a variety of payment methods and currencies for its customers, making it easy and convenient for them to make transactions. PURPLE BAY will also ensure that its payment systems are secure, reliable, and compliant with all relevant regulations and standards.

With these features, PURPLE BAY hopes to become a leader in the online gaming industry and attract millions of loyal and happy customers around the world.

## SWOT Analysis

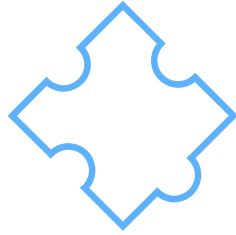


### Strengths

Experienced founders who have been in the industry for a long time

Knowledge and availability to the best payment solutions for the different geos

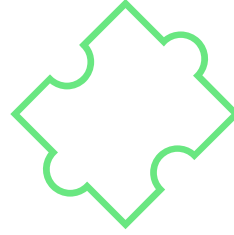
Extensive use of data by using AI driven CRM tools



### Weaknesses

Difficulty in attracting and retaining skilled and experienced staff

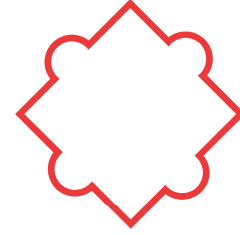
High competition and saturation in some markets that drives prices up for acquisition, high bonus cost...



### Opportunities

Explore new markets and segments that have a high demand for gaming

Develop new features and updates that enhance product value and increase LTV of the players



### Threats

Regulatory changes both in Curacao or elsewhere that will effect operations

Changes in customer preferences or behaviors that reduce the demand for the product

New entrants or existing competitors that are willing to pay unprofitable prices for marketing that will drive prices up for acquisition

## Financial Considerations

Attached you will find the financial statements for 2022. Some key points to highlight and assumptions that underlie our future projections:

- **Marketing strategy:** Our initial marketing strategy will be based on Revenue share only for the launch of new brands. This means that we will pay a percentage of our revenue to our marketing partners, such as affiliates, media buyers, and influencers, who will promote our brand and drive traffic to our platform. This way, we can minimize our upfront costs and risks, while building a loyal customer base and a strong reputation in the market. Once we have built enough capital, we plan to create a second brand and increase our marketing investment by going for more expensive hybrid deals or pure CPA deals (Cost Per Acquisition) to increase our revenues exponentially. Hybrid deals are a combination of revenue share and fixed payments per customer acquisition, while pure CPA deals are only based on fixed payments per customer acquisition. These types of deals will allow us to reach a wider audience and scale up our business faster.
- **Revenue share agreements:** As mentioned above, PURPLE BAY will be very diligent in the beginning and go only for revenue share agreements with its external partners. This applies not only to marketing, which is the biggest cost driver already mentioned above, but also to game suppliers, platform and tool providers, and other service providers that are essential for running our online gaming platform. By opting for revenue share agreements, we can reduce our fixed costs and pay only for what we use or generate. We can also leverage the expertise and resources of our partners, who have proven track records and reputations in their respective fields. We have carefully selected our partners based on their quality, reliability, innovation, and compatibility with our vision and values.
- **Personnel:** The number of personnel that we will hire for PURPLE BAY will be very minimal since most of the functionality will be either automated or provided by our platform provider. Our platform provider offers a comprehensive solution that includes game integration, payment processing, customer support, security, compliance, analytics, and more. Therefore, we do not need to hire many staff members to handle these tasks internally. The team that we currently have is set up to work fully remotely from different locations around the world. This allows us to save on office rent and other overhead costs, while also giving us access to a diverse pool of talent and skills. Once our team grows as our business expands, we will most likely shift to a hybrid model where some staff members will work from a physical office while others will continue working remotely.

## Statement of financial position

(All amounts in EUR)

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

## Statement of profit or loss

(All amounts in EUR)

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

Statement of changes in equity

(All amounts in EUR)

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

## Conclusions

PURPLE BAY is run by a group with extensive expertise in the online gaming sector. PURPLE BAY have mechanisms in place that follow national (Curacao – CIFA) and international AML regulations. Finally PURPLE BAY will strive to offer a premium gaming and entertainment experience while maintaining the highest standards of safety and responsible gaming practices. By focusing on customer satisfaction and constantly innovating, we aim to become a prominent player in the vibrant gaming industry of Curacao.