

Lowell & Pruitt N.V.

Groot Kwartierweg 10, Livestrong Building
Willemstad, Curaçao

FINANCIAL STATEMENTS 2023

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Lowell & Pruitt N.V.
Willemstad

Director's report

We are pleased to present you with the Annual Report for the period January 1, 2023 through December 31, 2023.

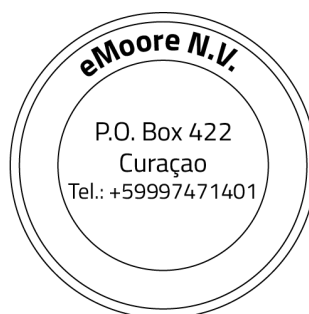
During the period under review, the Company recorded a net loss of EUR 728,595. Details of which are set out in the attached Profit and Loss account.

Curaçao,



eMoore N.V.
Managing director

Groot Kwartierweg 10
Livestrong Building
Curaçao



Balance sheet as at 31 December 2023

(Before appropriation of result)

Assets

		<u>31-12-2023</u>	<u>31-12-2022</u>
		€	€
Fixed assets			
Intangible assets	1	<u>65,647</u>	<u>86,647</u>
Financial fixed assets			
Participations	2	<u>3,017</u>	<u>1,000</u>
Current assets			
Receivables from related parties	3	219,654	-
Other receivables	4	<u>555,553</u>	<u>2,999</u>
		<u>775,207</u>	<u>2,999</u>
Cash and cash equivalents	5	<u>1,260,294</u>	<u>454,361</u>
Total assets		<u><u>2,104,165</u></u>	<u><u>545,007</u></u>
Shareholder's equity and liabilities			
Shareholder's equity	6		
Share capital		1	1
Accumulated deficit		(115,311)	(63,315)
Result for the year		<u>(728,595)</u>	<u>(51,996)</u>
		<u>(843,905)</u>	<u>(115,310)</u>
Long-term liabilities			
Loans payable	7	<u>-</u>	<u>106,400</u>
Current liabilities			
Accounts payable	8	2,266,501	138,592
Amounts due to related parties	9	-	10,459
Other payables	10	651,657	404,866
Accruals	11	<u>29,912</u>	<u>-</u>
		<u>2,948,070</u>	<u>553,917</u>
Total shareholder's equity and liabilities		<u><u>2,104,165</u></u>	<u><u>545,007</u></u>

Profit and loss account for the year 2023

	<u>2023</u>	<u>2022</u>
	€	€
Net revenue	4,375,965	279,855
Operational expenses	¹² <u>(4,977,953)</u>	<u>(279,345)</u>
Gross margin	(601,988)	510
General and administrative expenses	¹³ <u>125,818</u>	<u>51,106</u>
Operating result	(727,806)	(50,596)
Interest expenses	<u>(2,806)</u>	<u>(1,400)</u>
Result before tax	(730,612)	(51,996)
Profit tax	¹⁴ <u>-</u>	<u>-</u>
	(730,612)	(51,996)
Share in result of participations	<u>2,017</u>	<u>-</u>
Total of result after tax	<u><u>(728,595)</u></u>	<u><u>(51,996)</u></u>

Notes to the financial statements

General notes

The most important activities of the entity

Lowell & Pruitt N.V. is a limited liability company that was incorporated in Curaçao, Willemstad on September 5, 2017. The Company is registered with the Chamber of Commerce and Industry of Curaçao under number 144786.

The Company is solely engaged in e-gaming activities.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with Book 2 of the Curaçao Civil Code using the Guidelines for annual reporting of the Dutch Accounting Standards Board.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

The functional currency

Foreign currency translation and the processing of foreign currency translation differences in foreign currency transactions

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and in so far as Lowell & Pruitt N.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Notes to the balance sheet

1 Intangible assets

As at 31 December 2023 this item can be detailed as follows:

	Internet domain	Server	Total
	€	€	€
Balance as at 1 January 2023			
Cost price	105,000	500	105,500
Accumulated amortization	(18,353)	(500)	(18,853)
Book value as at 1 January 2023	86,647	-	86,647
Movements			
Amortization	(21,000)	-	(21,000)
Balance movements	(21,000)	-	(21,000)
Balance as at 31 December 2023			
Cost price	105,000	-	105,000
Accumulated amortization	(39,353)	-	(39,353)
Book value as at 31 December 2023	65,647	-	65,647

The Company purchased two domains in February 2022. Domains have a finite useful life and are amortised on a straight line basis over 5 years.

The server was disposed of during 2023.

Register of participations

The company has the following capital interests:

	Share in issued capital in %	Shareholders' equity latest a- dopted ac- counts	Result latest a- dopted ac- counts
		€	€
Arbex Technology Ltd., Cyprus	100.00	3,017	2,017

The movements in the participations were as follows:

Lowell & Pruitt N.V.

2 Participations

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Participation in group company Arbex Technology Ltd.	<u>3,017</u>	<u>1,000</u>

Participation in group company Arbex Technology Ltd.

	<u>2023</u>	<u>2022</u>
	€	€
Book value as at 1 January	1,000	-
Investments	-	1,000
Result participation	<u>2,017</u>	<u>-</u>
Book value as at 31 December	<u>3,017</u>	<u>1,000</u>

3 Receivables from related parties

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Receivable from Arbex Technology Ltd.	<u>219,654</u>	<u>-</u>

Receivable from Arbex Technology Ltd.

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	-	-
Movements during the year	<u>219,654</u>	<u>-</u>
Balance as at 31 December	<u>219,654</u>	<u>-</u>

In December 2022, the company entered into a Service Level Agreement with Arbex Technologies Ltd, under which Arbex Technologies Ltd agreed to provide services to Lowell & Pruitt N.V. related to revenue collection functions. These services include, but are not limited to, accepting and executing payments, transfers, deposits, and settlements on behalf of Lowell & Pruitt N.V., as directed by it.

The intercompany balance primarily represents the cash at bank balances of Arbex Technologies Ltd, which were originally transferred to and accepted by Arbex Technologies after deducting the disbursements executed on behalf of Lowell & Pruitt N.V.

Lowell & Pruitt N.V.

4 Other receivables

As at 31 December 2023 this item can be detailed as follows:

	31-12-2023	31-12-2022
	€	€
Payment service provider receivables	544,615	-
Prepaid expenses	10,589	2,650
Third party bank account	349	349
	<u>555,553</u>	<u>2,999</u>

5 Cash and cash equivalents

As at 31 December 2023 this item can be detailed as follows:

	31-12-2023	31-12-2022
	€	€
Cash in transit	805,493	-
Finance Incorporated Limited, current account	444,201	450,816
Finance Incorporated Limited, Mastercard	12,097	3,545
PayDo, current account	(1,497)	-
	<u>1,260,294</u>	<u>454,361</u>

6 Shareholder's equity

Lowell & Pruitt N.V. issued 1 share with a nominal value of 1 EUR per share.

Movements in the shareholder's equity were as follows:

	Share capital	Accumulated deficit	Profit for the year	Total
	€	€	€	€
Balance as at 1 January 2023	1	(63,315)	(51,996)	(115,310)
Appropriation of result	-	(51,996)	51,996	-
Result for the year	-	-	(728,595)	(728,595)
Balance as at 31 December 2023	<u>1</u>	<u>(115,311)</u>	<u>(728,595)</u>	<u>(843,905)</u>

7 Loans payable

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Loan to third party	-	106,400

As at 15 August 2022 the Company entered into a loan agreement with a third party for an amount of EUR 105,000. The loan bears an interest of 3.5% per annum and has to be settled not later than 15 August 2027.

As per 4 October 2023, the loan has been fully repaid.

The movements in the loans payable were as follows:

Loan to third party

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	106,400	-
Increase	-	105,000
Interest for the year	2,806	1,400
Repayment	(109,206)	-
Balance as at 31 December	-	106,400

8 Accounts payable

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Creditors	2,266,501	138,592

9 Amounts due to related parties

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Current payable to Arbex Technology Ltd.	-	9,400
Former shareholder	-	1,059
	-	10,459

Lowell & Pruitt N.V.**Current payable to Arbex Technology Ltd.**

	2023	2022
	€	€
Balance as at 1 January	9,400	-
Movement for the year	(9,400)	9,400
Balance as at 31 December	-	9,400

Former shareholder

	2023	2022
	€	€
Balance as at 1 January	1,059	1,060
Movements during the year	(1,059)	(1)
Balance as at 31 December	-	1,059

10 Other payables

As at 31 December 2023 this item can be detailed as follows:

	31-12-2023	31-12-2022
	€	€
Curent account third party	-	156,934
Players balance	651,657	247,932
	651,657	404,866

Current account third party

	2023	2022
	€	€
Balance as at 1 January	156,934	64,880
Movements during the year	(156,934)	92,054
Balance as at 31 December	-	156,934

The current account bears no interest. No repayment date is agreed upon.

11 Accruals

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Accrued expenses	<u>29,912</u>	<u>-</u>

Notes to the profit and loss account

12 Operational expenses

	2023	2022
	€	€
Marketing expenses	629,790	-
Software & IT / Hosting expenses	3,183,801	181,409
Subscription expenses	180,740	12,102
Customer support expenses	290,656	26,028
Payment processing expenses	628,505	26,693
Depreciation expenses	21,000	18,353
Sublicense fee	5,888	6,360
Agency expenses	34,516	8,400
Bandwidth & support expenses	4,116	-
Write off	(1,059)	-
	<u>4,977,953</u>	<u>279,345</u>

13 General and administrative expenses

	2023	2022
	€	€
Management expenses	55,449	37,202
Legal and professional expenses	730	11,072
Advisory fees	13,923	-
Office rent	6,890	-
Bank expenses	48,826	2,832
	<u>125,818</u>	<u>51,106</u>

14 Profit tax

The Company incurred a negative result before provision for profit tax for the year of EUR 728,595. Consequently the profit tax was calculated at nil.