

Clubhouse Media N.V.

Financial Statements

for the years ended December 31, 2022 and December 31, 2021

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Clubhouse Media N.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	13,121	8,427
Prepaid expenses		13,350	-
Other assets		-	7,569
Total current assets		26,471	15,996
Non-current assets			
Investment in subsidiary	5	1,000	1,000
Total non-current assets		1,000	1,000
Total assets		27,471	16,996
Equity and liabilities			
Current liabilities			
Accounts payable		31,649	-
Payable to subsidiary	6	60,756	58,256
Other payables	7	127,095	110,170
Total current liabilities		219,500	168,426
Equity			
Issued capital	8	4,200	4,200
Retained earnings / (Accumulated losses)		-196,229	-155,630
Total equity		-192,029	-151,430
Total liabilities and equity		27,471	16,996

See accompanying notes.



Clubhouse Media N.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue	9	109,801	30,968
Direct cost	10	-74,908	-66,418
Gross profit / (loss)		34,893	-35,450
Marketing expenses		-14,090	-37,435
Administrative expenses	11	-47,183	-40,412
Profit / (loss) from operations		-26,380	-113,297
Finance cost	12	-14,219	-9,129
Profit / (loss) before tax		-40,599	-122,426
Profit tax expense	3	-	-
Profit / (loss) for the year		-40,599	-122,426
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-40,599	-122,426
Attributable to the owners		-40,599	-122,426

See accompanying notes.

Clubhouse Media N.V.

Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2020	4,200	-33,204	-29,004
Profit / (loss) for the year	-	-122,426	-122,426
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-122,426	-122,426
Balance, December 31, 2021	4,200	-155,630	-151,430
Profit / (loss) for the year	-	-40,599	-40,599
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-40,599	-40,599
Balance, December 31, 2022	4,200	-196,229	-192,029

See accompanying notes.



Clubhouse Media N.V.

Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		-40,599	-122,426
(Increase) / decrease in prepaid expenses		-13,350	-
(Increase) / decrease in receivable from subsidiary		-	5,281
(Increase) / decrease in receivable from shareholders		-	650
(Increase) / decrease in other assets		7,569	-7,569
Increase / (decrease) in accounts payable		31,649	-250
Increase / (decrease) in accrued expenses		-	-2,700
Increase / (decrease) in payable to subsidiary		2,500	58,256
Increase / (decrease) in other payables		16,925	75,102
Net cash generated from operating activities		4,694	6,344
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Issue of share capital		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash		4,694	6,344
Cash at the beginning of the year		8,427	2,083
Cash at the end of the year	4	13,121	8,427

See accompanying notes.

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

Clubhouse Media N.V. (the company) as a limited liability company was incorporated on December 28, 2017 in Curaçao. The address of its registered office is Korporaalweg 10, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce and Industry under the number 145680.

The main objectives of the company are –

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries and other interactive games;
2. The business of the company shall exclusively be conducted in an economic zone as expressed in the National Ordinance Economic Zones 2000, as amended;
3. The corporation has the power to perform every act and thing profitable or requisite to the accomplishment of its purposes or connected therewith or incidental thereto in the widest sense of the word.

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 managing director:

- Xecutive Corporate Management B.V. Managing 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 the years presented, unless otherwise stated.

Basis of presentation

The separate 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.

Cash and cash equivalents

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



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Investments

Investment in subsidiary is valued at cost, less impairment losses, if any.

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 income.

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

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 profit or loss.

The company's financial assets include cash and cash equivalents, prepaid expenses 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 company's financial liabilities include accounts payable and other payables.

Subsequent measurement

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



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Revenue recognition

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 counterparties failed to perform as contracted. The company does not have significant exposure to any individual client or counterparty. Management of credit risk involves number of considerations, such as financial profile of the counterparty, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however the management believes that the company's exposure to credit risk associated with non-performance of its counterparty is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning January 01, 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.

4. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
Balances with		
ConnectPay, UAB	9,129	4,275
Gigadat Inc	3,992	4,152
	<u>13,121</u>	<u>8,427</u>



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5. Investment in subsidiary

As at December 31, 2022 and December 31, 2021, the company owns 100% of shares of the following company incorporated and domiciled in the Republic of Cyprus:

	2022	2021
Stillesque Holdings Ltd (1,000 shares of EUR 1 each)	1,000	1,000
	1,000	1,000

The company has elected not to present consolidated financial statements. Its owners have been informed and do not object to presenting separate financial statements.

6. Payable to subsidiary

	2022	2021
Stillesque Holdings Ltd	60,756	58,256
	60,756	58,256

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

7. Other payables

	2022	2021
C/A Virid Pty Ltd*	126,682	110,170
L Tech	413	-
	127,095	110,170

*The above payable carries an interest at the rate of 2%.

8. Issued capital

The issued share capital of the company as on December 31, 2022 and December 31, 2021 consists of 500 ordinary shares with a nominal value of USD 10 and subscribed for EUR 4,200.

As of December 31, 2022, and 2021, Blue Oxford Media Ltd., a company domiciled in Anguilla, held 100% of shares of the company.

No dividend was declared in 2022 and 2021.



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9. Revenue

	2022	2021
Gaming revenue	140,401	46,876
Less: Payouts	-30,600	-15,908
	109,801	30,968

10. Direct cost

	2022	2021
Game insurance expenses	32,088	9,188
Payment wallet charges	17,964	5,282
Royalties and fees	11,000	13,006
Agency fees	8,556	24,160
License and server fees	5,300	8,756
Software expenses	-	6,026
	74,908	66,418

11. Administrative expenses

	2022	2021
Professional fees	27,858	34,012
Rent expenses	6,625	500
Annual compliance fees	5,450	2,700
Compliance fees	4,050	-
Annual management fees	3,000	3,000
Other expenses	200	200
	47,183	40,412

12. Finance cost

	2022	2021
Bank charges	13,132	7,575
Interest expenses	1,055	849
Exchange loss	32	705
	14,219	9,129

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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, prepaid expenses, accounts payable, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

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 year ended December 31, 2022 were approved by the board of directors and authorized for issue on November 20, 2023.

Board of Directors:NameFunctionSignature

Xecutive Corporate Management B.V.

Managing Director

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