

Clubhouse Media N.V.

Financial Statements

for the years ended December 31, 2023 and December 31, 2022

Table of Contents

Statement of financial position	3
Statement of profit and loss	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to financial statements	7

Clubhouse Media N.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents	4	5,379	13,121
Prepaid expenses		24,094	13,350
Total current assets		29,473	26,471
Non-current assets			
Investment in subsidiary	5	1,000	1,000
Total non-current assets		1,000	1,000
Total assets		30,473	27,471
Equity and liabilities			
Current liabilities			
Accounts payable		64,036	31,649
Payable to subsidiary	6	60,756	60,756
Other payables	7	186,049	127,095
Total current liabilities		310,841	219,500
Equity			
Issued capital	8	4,200	4,200
Retained earnings / (Accumulated losses)		-284,568	-196,229
Total equity		-280,368	-192,029
Total liabilities and equity		30,473	27,471

See accompanying notes.

Clubhouse Media N.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue	9	55,100	109,801
Direct cost	10	-60,344	-74,908
Gross profit / (loss)		-5,244	34,893
Marketing expenses		-16,318	-14,090
Administrative expenses	11	-48,171	-47,183
Profit / (loss) from operations		-69,733	-26,380
Finance cost	12	-18,606	-14,219
Profit / (loss) before tax		-88,339	-40,599
Profit tax expense	3	-	-
Profit / (loss) for the year		-88,339	-40,599
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-88,339	-40,599
Attributable to the owners		-88,339	-40,599

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, 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
Profit / (loss) for the year	-	-88,339	-88,339
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-88,339	-88,339
Balance, December 31, 2023	4,200	-284,568	-280,368

See accompanying notes.

Clubhouse Media N.V.

Statement of cash flows

(All amounts in EUR)

	Note	2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		-88,339	-40,599
(Increase) / decrease in prepaid expenses		-10,744	-13,350
(Increase) / decrease in other assets		-	7,569
Increase / (decrease) in accounts payable		32,387	31,649
Increase / (decrease) in payable to subsidiary		-	2,500
Increase / (decrease) in other payables		58,954	16,925
Net cash generated from operating activities		-7,742	4,694
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		-7,742	4,694
Cash at the beginning of the year		13,121	8,427
Cash at the end of the year	4	5,379	13,121

See accompanying notes.

Clubhouse Media N.V.

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, 2023, the management of the company is borne by a single managing director:

- Xecutive Corporate Management B.V. Managing 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 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.

Clubhouse Media N.V.

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.

Clubhouse Media N.V.

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, 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.

4. Cash and cash equivalents

	2023	2022
Balances with		
Gigadat Inc	5,379	3,992
ConnectPay, UAB	-	9,129
	5,379	13,121

Clubhouse Media N.V.

5. Investment in subsidiary

As at December 31, 2023 and December 31, 2022, the company owns 100% of shares of the following company incorporated and domiciled in the Republic of Cyprus:

	<u>2023</u>	<u>2022</u>
Stillesque Holdings Ltd (1,000 shares of EUR 1 each)	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

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

	<u>2023</u>	<u>2022</u>
Stillesque Holdings Ltd	60,756	60,756
	<u>60,756</u>	<u>60,756</u>

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

7. Other payables

	<u>2023</u>	<u>2022</u>
C/A Virid Pty Ltd*	185,944	126,682
L Tech	105	413
	<u>186,049</u>	<u>127,095</u>

*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, 2023 and December 31, 2022 consists of 500 ordinary shares with a nominal value of USD 10 and subscribed for EUR 4,200.

As of December 31, 2023, and 2022, Blue Oxford Media Ltd., a company domiciled in Anguilla, held 100% of shares of the company.

No dividend was declared in 2023 and 2022.

Clubhouse Media N.V.

9. Revenue

	2023	2022
Gaming revenue	71,461	140,401
Less: Payouts	-16,361	-30,600
	55,100	109,801

10. Direct cost

	2023	2022
Game insurance expenses	28,590	32,088
Royalties and fees	12,002	11,000
License and server fees	10,649	5,300
Payment wallet charges	9,103	17,964
Agency fees	-	8,556
	60,344	74,908

11. Administrative expenses

	2023	2022
Professional fees	35,222	27,858
Annual management fees	3,750	3,000
Rent expenses	3,044	6,625
Annual compliance fees	2,750	5,450
Compliance fees	2,700	4,050
Software expenses	505	-
Other expenses	200	200
	48,171	47,183

12. Finance cost

	2023	2022
Bank charges	17,407	13,132
Interest expenses	1,064	1,055
Exchange loss	135	32
	18,606	14,219

Clubhouse Media N.V.

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

Clubhouse Media N.V.

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 June 24, 2024.

Board of Directors:

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