

Financial Statements 2024

Discord Netherlands B.V.

Schiphol Boulevard 195

1118 BG Schiphol

The Netherlands

Discord Netherlands B.V.

Schiphol

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Discord Netherlands B.V.
Schiphol

General information

1. General

The operations of Discord Netherlands B.V. (“the Company”) are mainly comprised of business development and customer experience services in support of the group.

The Company has its registered office at Schiphol Boulevard 195, 1118BG Schiphol, The Netherlands.

The Company is registered at the Chamber of commerce in Amsterdam, The Netherlands, under the number 82229864.

Group structure

The Company is a subsidiary of Discord International, Inc., with the corporate seat in Delaware, U.S., which owns 100% of the shares of the capital in the Company.

Directors' report

The Company has taken advantage of Article 396 section 7, Title 9, Book 2 of the Dutch Civil Code and not presented a directors' report.

2. Summary of significant accounting policies

Principles and Basis of Presentation

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP.

Comparative figures

The accounting policies have been consistently applied to all the years presented.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements, including the accompanying notes. The estimates and assumptions are based on historical factors, current circumstances, and the experience and judgment of management. Estimates are evaluated and assumed on an ongoing basis. Actual results could differ from those estimates.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Foreign currency

Items included in the financial statements of the Company are valued with due regard for the currency in the economic environment in which the Company carries out most of its activities (the functional currency).

The financial statements are denominated in EUR, this is both the functional currency and presentation currency of the Company.

Transactions, receivables and liabilities

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, are recorded in the statement of operations.

3. Principles of valuation of assets and liabilities

CURRENT ASSETS

Receivables

Accounts receivables and allowance for doubtful accounts

Accounts receivables are recorded at invoice value, net of allowance for doubtful accounts. On an ongoing basis, the Company evaluates its accounts receivable balance and determines whether to provide an allowance based on prior period history of write off's, collections, and current business and credit conditions. Outstanding balances will be written off, against the allowance, if the Company assesses collection efforts as unrecoverable. As of December 31, 2023 and 2024, the Company did not record any allowance for doubtful accounts.

Cash and cash equivalents

Discord Netherlands B.V.'s cash represent cash at banks, cash in hand and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand are carried at nominal value.

4. Principles for the determination of the result

Revenue recognition

Revenue from services is recognized as services are performed. Services are rendered to shareholder and consist of: providing business development services related to the expansion of Company's business; providing customer experience support services for the benefit of Company; supporting the enforcement of trust & safety guidelines for the platform of Company and any administrative support services as requested by Company from time to time.

4. Principles for the determination of the result (cont'd)

Costs

Costs are recognized based on the historical cost convention and are allocated to the reporting year to which they relate.

Income tax

Income tax is calculated on the profit/(loss) before tax in the statement of operations, considering any net operating loss carryforwards, tax-exempt items, non-deductible expenses, and return to provision adjustments. Any deferred tax assets and liabilities are measured using the enacted tax rates and laws that will be in effect for the period in which the differences are expected to be settled. For the year ended December 31, 2024, no deferred tax assets or liabilities were recorded.

Other information

Statutory audit

The financial statements of the Company are not audited as the Company is exempt from this obligation pursuant to Article 396 BW2 of the Dutch Civil Code. Consequently, no auditor's report from the independent auditor is included.

Provision in the articles of association governing the appropriation of profits

According to article 23 of the articles of association the profit is at the disposal of the general meeting of shareholders.

Appropriation of result

In anticipation of the general meeting's adoption of the financial statements, the net profit of EUR 215,221 has been added to the retained earnings.

Discord Netherlands B.V.
Schiphol

Financial Statements 2024

BALANCE SHEET AS AT 31 DECEMBER 2024

	<u>2024</u>	<u>2023</u>
	EUR	EUR
ASSETS		
Current assets		
Cash and cash equivalents	380,137	125,437
Accounts receivable net	11,589,114	7,455,402
Total current assets	<u>11,969,251</u>	<u>7,580,839</u>
TOTAL ASSETS	<u>11,969,251</u>	<u>7,580,839</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities	11,272,317	7,099,126
Total current liabilities	<u>11,272,317</u>	<u>7,099,126</u>
Shareholder's Equity		
Share capital	1	1
Retained earnings	481,712	181,973
Results for the year	215,221	299,739
Total Shareholder's Equity	<u>696,934</u>	<u>481,713</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>11,969,251</u>	<u>7,580,839</u>

Statement of operations for the year ended December 2024

	<u>2024</u>	<u>2023</u>
	EUR	EUR
Operating revenues	3,958,848	3,821,372
Total operating revenues	3,958,848	3,821,372
Operating expenses	(3,130,075)	(2,960,133)
Operating income	828,773	861,239
General and administrative expenses	(579,510)	(508,130)
Results before taxation	249,263	353,109
Income tax expense	(34,042)	(53,370)
Results after taxation	215,221	299,739

CHANGES IN SHAREHOLDER'S EQUITY

	<u>Share Capital</u> EUR	<u>Retained earnings</u> EUR	<u>Total equity</u> EUR
Balance as at January 01, 2023	1	181,973	181,974
Movements			
Results for the year	-	299,739	299,739
Balance at December 31, 2023	<u>1</u>	<u>481,712</u>	<u>481,713</u>
Balance as at January 01, 2024	1	481,712	481,713
Movements			
Results for the year	-	215,221	215,221
Balance at December 31, 2024	<u>1</u>	<u>696,933</u>	<u>696,934</u>

NOTES TO BALANCE SHEET

	December 31	December 31
	<u>2024</u>	<u>2023</u>
	EUR	EUR
<u>Current assets</u>		
Intercompany receivable (from shareholder)	11,287,936	7,329,087
Tax receivables	179,818	38,141
Prepaid expenses	73,560	42,074
Deposits	47,800	46,100
	<u>11,589,114</u>	<u>7,455,402</u>
<u>Current liabilities</u>		
Intercompany payable (to shareholder)	10,928,534	6,809,894
Creditors	6,548	13,070
Accrued expenses	108,801	94,805
Accrued PTO employees	102,844	70,663
Accrued pension	40,507	19,535
Accrued payroll	85,083	4,455
Income tax payable	-	86,704
	<u>11,272,317</u>	<u>7,099,126</u>
<u>Shareholder's Equity</u>		

The Company has an issued share capital divided into 100.000 shares with a nominal value of one eurocent (EUR 0.01). One hundred shares (100) have already been paid up.

NOTES TO THE STATEMENT OF OPERATIONS

	December 31 <u>2024</u>	December 31 <u>2023</u>
	EUR	EUR
Operating revenues		
Intercompany service revenue	3,958,848	3,821,372
	<u>3,958,848</u>	<u>3,821,372</u>
Operating expenses		
Personnel expenses	2,958,453	2,829,423
Contract services	160,300	125,067
Lodging	8,874	4,097
Software services, rental and subscription	2,448	1,546
	<u>3,130,075</u>	<u>2,960,133</u>
General and administrative expenses		
Sales and Marketing	3,300	130,838
General and administrative	576,210	377,292
	<u>579,510</u>	<u>508,130</u>

Average number of employees

During the year ended December 31, 2024, the average number of employees was 25 (2023:22).

Events after balance sheet date

There are no events after the reporting period that would have a material impact on the representation of the financial statements.

12/9/2025
Schiphol, 2025

DocuSigned by:

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T.J. Marcinkowski
Director A

DocuSigned by:

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S.A. Martha
Director B