

WHALAR LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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WHALAR LTD

COMPANY INFORMATION

Directors	N T Waller J Hegarty R A Horler R M Greenberg J J W Street A L Wong
Company secretary	OHS Secretaries Limited
Registered number	09803195
Registered office	9th Floor 107 Cheapside London EC2V 6DN
Independent auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG

WHALAR LTD

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WHALAR LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The Directors of Whalar Group are pleased to present their Strategic Report and Audited Group financial statements for the year ended 31 December 2024.

Principal Activities

Whalar Group is a global creator commerce company which enables creators, brands and social platforms to drive growth together. Whalar Group partners with brands to reach consumers using social media platforms, and to stay culturally relevant through smarter creator strategies and entertaining content at scale.

We have built a unique, end-to-end creator ecosystem to nourish creators, discover new ones, and help them grow their community.

To serve this goal, we have differentiated our services into the following 7 distinct lines of business, keeping creators at the center:

- **Whalar:** The world's leading independent global Creator and social agency.
- **Sixteenth:** One of the leading, global 360 degree Creator talent management companies.
- **The Lighthouse:** A first-of-its-kind physical Creator campus that helps Creators and their teams learn, make and belong.
- **Foam:** AI powered operating system for managing digital talent.
- **UMI Games:** A gaming studio that connects brands to Creators, building the most immersive experiences within Fortnite, Roblox and Minecraft.
- **Moby Venture:** A venture studio that brings Creators' ideas for brands and products to life.
- **The Business of Creativity:** An education and consultancy hub dedicated to helping individuals and companies unlock their creative potential to drive growth.

Our client roster includes mainly Fortune 500 clients, such as Amazon, Spotify, Google, TikTok, Skyscanner, Peacock, Mozilla.

Whalar Group is also an official marketing partner to TikTok, Meta, Snapchat, iHeartMedia, Tribeca Film Festival and YouTube.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Business review

The Financial year ended 31 December 2024 was a return to business as usual for Whalar Group, where the business improved its performance compared to 2023.

The momentum from 2024 continues, with 2025 promising to be an even stronger year. The company is fully expecting to return back to a profit position this year, and also from the newly created and acquired divisions that have started to generate revenue and profits.

Revenue recognised for FY2024 was \$109.8m
Revenue recognised for FY2023 was \$102.2m
Revenue recognised for FY2022 was \$112.0m

Operating loss for FY2024 was \$(9.5)m
Operating loss for FY2023 was \$(9.1)m
Operating profit for FY2022 was \$11.5m

Accounting adjustments in 2024:

Similar to 2023, the below adjustments were made in FY 2024:

1. Transfer Pricing Model

KPMG was engaged in the prior year by Whalar Group to conduct an in-depth analysis of Whalar Group's corporate and tax structure. A transfer pricing model was implemented in 2023 for all the subsidiaries and is applied annually.

2. UMI Games Corp. (previously known as Mempoerse Inc).

Whalar Group owns 70% interest (increased from 67.73% in prior year) in UMI Games Corp (previously known as Mempoerse Inc.), an entity incorporated in United States of America. Management has assessed UMI Games Corp to be an "Associate" to the group. Therefore, 70% share of its profit/loss is now reflected in Whalar Group's financial statements.

3. Capitalising Development Costs for FOAM

During 2022, the decision was made to capitalise Development costs for FOAM (AI powered operating system for managing digital talent). This has been reflected in the financials since 2021.

New Initiatives and Products

• Lighthouse

Whalar Group has been building physical campuses for creators and brands to collaborate, have educational sessions and host brand sponsorship events. There are currently 2 Lighthouse locations in the US. The Lighthouse at Venice Beach, California was opened in Jan 2025 to members.

The second Lighthouse in Brooklyn, New York is projected to open in Fall 2025.

Lighthouse also added two additional brand partners in early 2025, Samsung and TikTok, and it has also secured strategic investment from Fox Corporation in 2025.

• Capitalisation of Lighthouse building costs

During FY24, Lighthouse commenced the developments of its campuses in New York and California. The costs associated with construction has been included in the financial statements.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

New Initiatives and Products (continued)

- **Sixteenth**

Whalar Group acquired UK Talent Management agency, Sixteenth Ltd, in Dec 2024 to build a global presence in that division. All US and UK talent agency operations have now been rebranded under the 'Sixteenth' umbrella.

During FY24, the Group acquired 100% of Sixteenth Ltd, and the goodwill arising on consolidation has been recognised in the Group's financial statements. As the Group holds only 82.95% of Sixteenth Global Ltd, a non-controlling interest has also been recognised during the year.

- **FOAM**

Whalar Group continues to make significant R&D investment in developing the online tech platform FOAM, which is an operating system for creators.

- **AI Initiatives and Implementation**

Whalar Group has established an AI department which is working closely with FOAM and various parts of the business to incorporate AI into the company at every level.

- **Whalar FZ LLC (Dubai)**

Whalar FZ LLC is still in the process of being closed since 2023.

Principal risks and uncertainties

Whalar Group is aware of many of the risks and uncertainties it faces in the fast-changing market in which it operates. Management has been implementing policies and procedures to mitigate risks as they arise.

- **Client timelines and deliverables, impacting Revenue Recognition and Cost Accruals**

Whalar operates on a project basis, based on client contracts and deliverables. Per standard accounting practice, revenue and costs are recognised monthly based on estimated project timelines. However, there are frequent changes to delivery dates (mostly due to changing client directions and budgets). This can lead to post year-end adjustments. We are mitigating against this risk by daily monitoring of budgets and timelines. We are also using campaign profitability trend analysis to post potential cost savings in the year when the campaign was booked.

- **TikTok potential ban**

Given the current impact and influence of TikTok in our society and on our business, a potential ban on TikTok in the US will have a direct impact on Whalar Group as well as on the entire social media ecosystem. Whalar Group is monitoring the situation and also advising clients and creators to diversify their activities on other platforms.

- **Increased Competition**

Given the exponential rise in social media marketing by brands, there has also been a significant increase in competition in this space. Whalar Group however, continues to enjoy the lead that it had established as one of the early entrants in our industry, and we continue to see substantial organic growth and strong retention of our current client base. As an example, Whalar was awarded Ad Age Social Media / Influencer Agency of the Year 2025, AdWeek Social/Creator Agency of the Year 2025 and Campaign Global Social Agency of the Year 2025.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties (continued)

- **Currency Risk**

Whalar Group operates in multiple countries and transacts business in USD, GBP and EUR. Foreign exchange gains/losses occur at multiple points in the life cycle of a transaction. The company is shielded from actual foreign exchange risk in its banking operations, since we transact in all the 3 major currencies, thereby creating a natural hedge for Whalar Group.

Whalar Group also uses Netsuite as its ERP system, which supports the complexity of our business, such as multi-currency reporting and group consolidations.

Whalar Group moved its main UK banking operations to Coutts Bank in May 2024.

- **Working Capital**

Whalar Group has to manage short-term working capital closely due to the increased time lag in client collections vs payments to suppliers. Whalar Group however has an overdraft facility set up with Coutts Bank to manage its working capital.

- **Macroeconomic Conditions - Tariffs, Inflation and Interest Rates**

Current economic uncertainty could impact our business, as companies and consumers respond to projections on tariffs, inflation and interest rates; and brands adjust their priorities and budgets accordingly.

Financial key performance indicators

Whalar Group uses several key financial performance indicators, namely: Revenue Won, Gross Revenue, Gross Profit, EBITDA and Headcount. The UK GAAP KPIs for periods ended 31 December 2024 and 31 December 2023 are shown in the table below.

USD in millions:

	2024	2023	Variance	Variance %
Revenue Won	\$115	\$105	\$10	9.5%
Gross Revenue	\$109	\$102	\$7	7%
Gross Profit	\$39	\$34	\$5	11%
Year end Headcount	301	278	23	8%

In addition to the standard financial indicators, Whalar Group also uses Revenue Won as a key indicator for assessing our sales activity during a period. It is also used as an indicator for projecting future Gross Revenue and Cash Flow.

Revenue Won is not a statutory profit and loss figure, but it reflects signed contracts from clients during a period. It also forms the basis for our Contract Receivable (Unbilled Receivable) account which is on the Statement of Financial Position.

Other key performance indicators

Whalar Group also uses numerous key non financial performance indicators including but not limited to: Campaign Profitability, Number of campaigns, Types of campaigns, Average price per campaign, Revenue distribution by region and business unit.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Directors Duties Section 172

Section 172 of the Companies Act 2006 requires that Directors of a company must act in ways that they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Directors of Whalar Group make their decisions keeping the Creator Economy as the key focal point. It is Whalar Group's goal to become the go-to company for all matters which help grow and support Creators and the Creator economy. With this in mind, the company has expanded in and set up 7 distinct business units which all support Creators in growing their business and brand in different areas.

The employee engagement and culture of Whalar Group is just as important to the Directors, and so there are frequent All-hands meetings, and frequent information sharing across the company. Employees get just as energised and committed to the growth of the creator economy every time a new business unit plan is unveiled to them.

Given the current importance and presence of social media in the world, Whalar Group serves a critical role by representing creators and connecting them to brand, thereby fuelling mini-business ventures for each creator that it serves.

Whalar Group is also very aware of the responsibility that it carries as it represents these creators aka "entrepreneurs", and that the reputation of the company is of prime importance to continue being a leading voice in this industry. Building the Lighthouse as a physical campus for creators was very much an idea that came from this goal in mind, to meet a need for the creator community.

This report was approved by the board and signed on its behalf.

Neil Waller

N T Waller
Director

Date: 16 September 2025

WHALAR LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The directors present their report and the financial statements for the year ended 31 December 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to \$9,955,808 (2023 - loss \$9,335,283).

Directors

The directors who served during the year were:

N T Waller
J Hegarty
R A Horler
R M Greenberg
J J W Street
A L Wong

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Going concern

As at year end, the Group had net assets of \$2,449,401 (2023: \$9,108,886) and cash position of \$1,683,176 (2023: \$6,938,332). The Financial statements have been prepared on a going concern basis. The Directors have prepared cash flow forecasts covering 12 month period beyond the approval date of these financial statements. These forecasts project the potential revenue profiles and cash generated from the continued operation of the business. They consider there to be sufficient existing resources to operate for the foreseeable future and to enable the group to meet its liabilities as they become due. The Group has an Overdraft facility with Coutts Bank upto GBP 7.5m. In 2025, the Group has also secured \$11m in additional SAFE investments in Whalar Group Ltd from Shopify, Time Ventures Holdings LLC (Marc Benioff's Family Office) and Neal Moritz. Lighthouse also separately secured another \$2.5m investment from Fox Corporation. Further, The Co-founder, Neil Waller, has provided a Director's Loan of \$5m to the business in February 2025. The Co-founders, Neil & James, have also converted their individual loans of \$1.315m each into SAFE investments in 2025. Therefore, the Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

Disabled employees

Whalar employs individuals with disabilities, especially since Whalar had acquired assets of C-Talent agency in 2022. C-Talent was a talent agency which represented and employed individuals with disabilities.

Donations

During the year, the group made charitable donations of \$24,755 (2023 - \$1,216).

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. Whalar has Management Liability insurance and D&O insurance.

Financial Risk Management and policies

Details of financial risk management and policies can be found in the Strategic Report.

R&D activity

Whalar has a dedicated Product & Engineering team which has been working on developing a proprietary Saas platform (FOAM) for creators and talent managers to streamline brand collaborations and drive growth.

Employee engagement

Details of Employee engagement can be found in the Strategic Report under Section 172 statement.

Business relationships

Details of business relationships can be found in the Strategic Report under Section 172 statement.

Engagement with suppliers, customers and others

Details of this can be found in the Strategic Report under Section 172 statement.

WHALAR LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Energy and carbon reporting

The Group is required to prepare a streamlined energy and carbon report which quantifies our UK energy consumption and our annual emissions.

Whilst preparing our ESG strategy, we identified that our systems do not capture all of the necessary information. Data will be collated and disclosed in future periods if it is above the required threshold in UK.

Post balance sheet events

Group Reorganisation and New Holding Company

In March 2025, the Group underwent a corporate reorganisation whereby a new holding company, Whalar Group Ltd, was established. This reorganisation was completed post year end and, as a result, for the financial year ending 31 December 2025, the consolidated financial statements will be prepared at the Whalar Group Ltd level.

Acquisition of The Garage Entertainment Ltd

In April 2025, Whalar Group Ltd acquired 100% of the share capital of The Garage Entertainment Ltd, a business operating in the creativity and entertainment sector. The acquisition will be accounted for as a business combination in the FY25 consolidated financial statements.

Strategic Investment Raised

During 2025, Whalar Group Ltd successfully secured strategic investment funding totalling \$11 million from new investors: Time Ventures (Marc Benioff's Family office), Shopify, and Neal Moritz. Further, Lighthouse also separately secured another \$2.5 million investment from Fox Corporation. These injections of capital will support the Group's strategic growth initiatives.

Director and Co-founder Loan Transactions

In February 2025, the Co-founder, Neil Waller, provided a \$5 million Director's Loan to the business to support working capital and strategic initiatives. Additionally, in 2025, both Co-founders, Neil Waller and James, converted their individual loans of \$1.315 million each into SAFE (Simple Agreement for Future Equity) instruments in Lighthouse by Whalar Inc.

Change in Control – UMI Games

In February 2025, the board composition of UMI Games Corp. (previously known as Mempoverse Inc.) changed, resulting in Whalar Inc gaining control and significant influence over the operations of the entity. As a consequence, the Group will account for UMI Games Corp. (previously known as Mempoverse Inc.) as a subsidiary rather than as an associate from that date onwards in future consolidated financial statements.

WHALAR LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

On 18 November 2024, the Group's auditors changed their name from Haysmacintyre LLP to HaysMac LLP. The auditors, HaysMac LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Neil Waller

N T Waller
Director

Date: 16 September 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHALAR LTD

Opinion

We have audited the financial statements of Whalar Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHALAR LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHALAR LTD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non compliance with laws and regulations related to Companies Act 2006 and UK tax legislation, and we considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

WHALAR LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHALAR LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Krupa Shah

Krupa Shah (Senior Statutory Auditor)

for and on behalf of
HaysMac LLP

10 Queen Street Place
London
EC4R 1AG
Date: 16 September 2025

WHALAR LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
Turnover	4	109,759,807	102,160,940
Cost of sales		(70,550,984)	(68,512,315)
Gross profit		<u>39,208,823</u>	<u>33,648,625</u>
Administrative expenses		(48,693,458)	(42,796,454)
Operating (loss)	5	<u>(9,484,635)</u>	<u>(9,147,829)</u>
Share of results of associates	13	(376,191)	(342,164)
Interest receivable and similar income		12,444	-
Interest payable and similar expenses	9	(324,872)	(73)
(Loss) before taxation		<u>(10,173,254)</u>	<u>(9,490,066)</u>
Tax on (loss)	10	(88,509)	154,783
(Loss) for the financial year		<u>(10,261,763)</u>	<u>(9,335,283)</u>
(Loss) for the year attributable to:			
Non-controlling interests		(305,955)	-
Owners of the parent Company		(9,955,808)	(9,335,283)
		<u>(10,261,763)</u>	<u>(9,335,283)</u>

The notes on pages 26 to 63 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 \$	2023 \$
Fixed assets			
Intangible assets	11	23,447,118	18,689,276
Tangible assets	12	13,134,375	263,002
Investments	13	4,282,023	4,218,886
		<u>40,863,516</u>	<u>23,171,164</u>
Current assets			
Debtors: amounts falling due after more than one year	15	4,406,959	-
Debtors: amounts falling due within one year	15	27,397,371	21,900,425
Cash at bank and in hand	16	1,683,176	6,938,332
		<u>33,487,506</u>	<u>28,838,757</u>
Creditors: amounts falling due within one year	17	(61,507,203)	(40,651,788)
Net current liabilities		<u>(28,019,697)</u>	<u>(11,813,031)</u>
Total assets less current liabilities		<u>12,843,819</u>	<u>11,358,133</u>
Creditors: amounts falling due after more than one year	18	(7,716,866)	-
Provisions for liabilities			
Deferred taxation	21	(2,677,552)	(2,249,247)
		<u>(2,677,552)</u>	<u>(2,249,247)</u>
Net assets		<u>2,449,401</u>	<u>9,108,886</u>
Capital and reserves			
Called up share capital	22	193	193
Share premium account	23	918,838	918,838
Foreign exchange reserve	23	(205,571)	(169,226)
Share option reserve	23	1,807,749	754,366
Other reserves	23	8,723,663	7,356,923
Profit and loss account	23	(9,423,991)	247,792
Equity attributable to owners of the parent Company		<u>1,820,881</u>	<u>9,108,886</u>
Non-controlling interests		628,520	-
		<u>2,449,401</u>	<u>9,108,886</u>

WHALAR LTD
REGISTERED NUMBER:09803195

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Neil Waller

N T Waller

Director

Date: 16 September 2025

The notes on pages 26 to 63 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 \$	2023 \$
Fixed assets			
Intangible assets	11	21,789,247	18,184,066
Tangible assets	12	62,001	103,914
Investments	13	1,554,808	478,902
		<u>23,406,056</u>	<u>18,766,882</u>
Current assets			
Debtors: amounts falling due within one year	15	38,782,676	21,411,106
Cash at bank and in hand	16	157,573	5,214,501
		<u>38,940,249</u>	<u>26,625,607</u>
Creditors: amounts falling due within one year	17	(56,795,110)	(39,317,000)
Net current liabilities		<u>(17,854,861)</u>	<u>(12,691,393)</u>
Total assets less current liabilities		<u>5,551,195</u>	<u>6,075,489</u>
Provisions for liabilities			
Deferred taxation	21	(2,677,553)	(2,249,247)
		<u>(2,677,553)</u>	<u>(2,249,247)</u>
Net assets		<u>2,873,642</u>	<u>3,826,242</u>
Capital and reserves			
Called up share capital	22	193	193
Share premium account	23	918,838	918,838
Foreign exchange reserve	23	221,907	227,673
Share option reserve	23	1,807,749	754,014
Other reserves	23	6,456,923	6,456,923
Profit and loss account brought forward		(4,531,399)	7,339,113
Loss for the year		(2,166,107)	(11,870,512)
Other changes in the profit and loss account		165,538	-
Profit and loss account carried forward		<u>(6,531,968)</u>	<u>(4,531,399)</u>
		<u>2,873,642</u>	<u>3,826,242</u>

WHALAR LTD
REGISTERED NUMBER:09803195

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The Company's loss for the year was \$2,166,107 (2023: loss \$11,870,512).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:
Neil Waller

N T Waller
Director

Date: 16 September 2025

The notes on pages 26 to 63 form part of these financial statements.

WHALAR LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital	Share premium account	Share option reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2024	193	918,838	754,366	(169,226)	7,356,923	247,792	9,108,886	-	9,108,886
Comprehensive income for the year									
Loss for the year	-	-	-	-	-	(9,955,808)	(9,955,808)	(305,955)	(10,261,763)
Other non-controlling interest movements	-	-	-	-	-	72,480	72,480	(72,480)	-
Non-controlling interests movement on issue of SAFE notes	-	-	-	-	(303,260)	-	(303,260)	303,260	-
Issue of SAFE (Simple Agreement for Future Equity) notes	-	-	-	-	1,670,000	-	1,670,000	-	1,670,000
Currency translation differences	-	-	(410)	(36,345)	-	-	(36,755)	-	(36,755)
Shares issued on acquisition of Sixteenth Limited to non controlling interests	-	-	-	-	-	-	-	703,695	703,695
Contributions by and distributions to owners									
Share option charge	-	-	1,265,338	-	-	-	1,265,338	-	1,265,338
Share option reserve transfer	-	-	(211,545)	-	-	211,545	-	-	-
At 31 December 2024	193	918,838	1,807,749	(205,571)	8,723,663	(9,423,991)	1,820,881	628,520	2,449,401

WHALAR LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Share premium account	Share option reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2023	193	916,420	455,411	(153,416)	6,266,691	9,583,075	17,068,374	17,068,374
Comprehensive income for the year								
Loss for the year	-	-	-	-	-	(9,335,283)	(9,335,283)	(9,335,283)
Issue of SAFE (Simple Agreement for Future Equity) notes	-	-	-	-	1,090,232	-	1,090,232	1,090,232
Currency translation differences	-	-	-	(15,810)	-	-	(15,810)	(15,810)
Contributions by and distributions to owners								
Shares issued during the year	-	2,418	-	-	-	-	2,418	2,418
Share option charge	-	-	298,955	-	-	-	298,955	298,955
At 31 December 2023	193	918,838	754,366	(169,226)	7,356,923	247,792	9,108,886	9,108,886

The notes on pages 26 to 63 form part of these financial statements.

WHALAR LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Called up share capital	Share premium account	Share option reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2024	193	918,838	754,014	227,673	6,456,923	(4,531,399)	3,826,242
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(2,166,107)	(2,166,107)
Currency translation differences	-	-	-	(5,766)	-	-	(5,766)
Contributions by and distributions to owners							
Share options movement	-	-	1,219,273	-	-	-	1,219,273
Share option reserve transfer	-	-	(165,538)	-	-	165,538	-
	<u>193</u>	<u>918,838</u>	<u>1,807,749</u>	<u>221,907</u>	<u>6,456,923</u>	<u>(6,531,968)</u>	<u>2,873,642</u>
At 31 December 2024							

The notes on pages 26 to 63 form part of these financial statements.

WHALAR LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Share premium account	Share option reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2023	193	916,420	455,059	239,334	6,266,691	7,339,113	15,216,810
Comprehensive income for the year							
Loss for the year*	-	-	-	-	-	(11,870,512)	(11,870,512)
Issue of SAFE (Simple Agreement for Future Equity) notes	-	-	-	-	190,232	-	190,232
Currency translation differences	-	-	-	(11,661)	-	-	(11,661)
Contributions by and distributions to owners							
Shares issued during the year	-	2,418	-	-	-	-	2,418
Share option charge	-	-	298,955	-	-	-	298,955
Total transactions with owners	-	2,418	298,955	-	-	-	301,373
At 31 December 2023	193	918,838	754,014	227,673	6,456,923	(4,531,399)	3,826,242

The notes on pages 26 to 63 form part of these financial statements.

* The loss for the prior year includes a provision for amounts owed by group undertakings of \$10,426,579, which is eliminated on consolidation. Excluding this provision, the loss for the year is \$1,443,933.

WHALAR LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	\$	\$
Cash flows from operating activities		
Loss for the financial year	(10,261,763)	(9,335,283)
Adjustments for:		
Amortisation of intangible assets	2,412,777	164,169
Depreciation of tangible assets	102,801	177,816
Corporation tax received	-	576,984
Corporation tax paid	(34,598)	(404,102)
Interest paid	324,872	73
Associates share of loss	376,191	342,164
Taxation charge/(credit)	88,509	(154,783)
(Increase)/decrease in debtors	(8,295,294)	5,802,292
Increase in creditors	6,072,916	6,732,472
Share option charge	1,265,338	298,955
Foreign exchange	(35,251)	(15,809)
Interest received	(12,444)	-
Net cash generated from operating activities	<u>(7,995,946)</u>	<u>4,184,948</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(6,456,715)	(7,826,298)
Purchase of tangible fixed assets	(5,619,978)	(112,478)
Sale of tangible fixed assets	108,566	-
Purchase of share in associates	(439,328)	(2,685,945)
Acquisition of subsidiary, net of cash acquired	1,009,338	-
Interest received	12,444	-
Net cash from investing activities	<u>(11,385,673)</u>	<u>(10,624,721)</u>
Cash flows from financing activities		
Issue of ordinary shares	-	2,418
Interest paid	(159,400)	(73)
Proceeds from issuance of SAFE notes	1,670,000	1,090,232
Proceeds of loans from directors and related parties	12,781,610	-
Repayment of loans from directors and related parties	(6,997,700)	-
Net cash used in financing activities	<u>7,294,510</u>	<u>1,092,577</u>
Net (decrease) in cash and cash equivalents	<u>(12,087,109)</u>	<u>(5,347,196)</u>
Cash and cash equivalents at beginning of year	6,938,332	12,285,528
Cash and cash equivalents at the end of year	<u><u>(5,148,777)</u></u>	<u><u>6,938,332</u></u>

WHALAR LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Cash and cash equivalents at the end of year comprise:	2024	2023
	\$	\$
Cash at bank and in hand	1,683,176	6,938,332
Bank overdrafts	(6,831,953)	-
	<u>(5,148,777)</u>	<u>6,938,332</u>

The notes on pages 26 to 63 form part of these financial statements.

WHALAR LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	At 1 January 2024 \$	Cash flows \$	Acquisition of subsidiaries \$	At 31 December 2024 \$
Cash at bank and in hand	6,938,332	(6,609,468)	1,354,312	1,683,176
Bank overdrafts	-	(6,831,953)	-	(6,831,953)
	<u>6,938,332</u>	<u>(13,441,421)</u>	<u>1,354,312</u>	<u>(5,148,777)</u>

The notes on pages 26 to 63 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. General information

Whalar Ltd is a private company, limited by shares, registered in England and Wales, registration number 09803195. The registered office and trading address is 9th Floor 107 Cheapside, London, EC2V 6DN.

The principal activity of the company in the period under review was that of using social media influencers to promote brands.

The Group consists of Whalar Ltd and all of its subsidiaries (see note 13).

The Group continues to use the transfer pricing model in which Whalar Ltd continues to own contracts with customers and invoice these customers, however, the US customer revenue and directly attributable cost of sales in Whalar Ltd were transferred to Whalar Inc. via a transfer pricing recharge. Whalar Ltd recharged Whalar Inc. a licensing fee for use of intellectual property. There has been recharges to and from Whalar Ltd and Whalar Inc. for overhead costs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements are prepared in United States Dollars (USD), which is the functional and presentational currency of the Group.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.3 Reduced disclosure

The Company is a qualifying entity for the purposes of FRS 102, being a member of a Group where the parent of that Group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent Company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share-based Payment'. Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

2.4 Going concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate. During the year, the Group made a loss after tax of \$10,261,763 (2023: loss of \$9,335,283). As at the year-end, the Group had net assets of \$2,449,401 (2023: \$9,108,886) and cash position of \$1,683,176 (2023: \$6,938,332).

The loss for the year was attributable to the slow down across the industry, business restructuring and investments made in the year in new ventures. Directors confirm that sufficient cash is available to meet the Group and Company's liabilities as they fall due for the foreseeable future and at least twelve months from the date of approval of these financial statements.

The directors have prepared cash flow forecasts for a period of 12 months from the approval of these financial statements. The cash flow forecasts are for the Group and Company's future cash requirements, taking account of sensitivities, expected growth, reasonably possible downsides, mitigating actions such as deferral of expenditure and overhead spend and further funding obtained post year end. The Group has a £7.5m overdraft facility with Coutts Bank. In 2025, the Group has secured \$11m in additional SAFE investments, \$2.5m from an external investor and \$5m via loans from a director.

The directors are satisfied that the Group and Company has sufficient cash, working capital and lending facilities available to meet its liabilities as they fall due for a period of 12 months from the approval of these financial statements.

As a result, the directors are confident that the Group and Company has the ability to navigate any challenges and will continue to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Consequently, the financial statements have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.5 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into USD at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.6 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured.

Revenue in respect of influencer marketing campaigns is recognised based on two separately identifiable elements, being the management fee and the remaining campaign fee. The management fee is recognised on signing of the contract and the remaining element of the fees is measured at the fair value of the consideration receivable, recognised over the life of the contract.

Talent management revenue is recognised when the underlying performance obligation is satisfied, revenue can be measured reliably and future economic benefits are probable.

Partnership revenues are commissions charged to Brand Partners for collaborations with the Group and its members. This can vary from sponsored events, workshops, office hours, physical brand integrations, memberships etc. Membership fees are recognised over the term of the membership. All other revenue are recognised either at a point in time or when the performance condition has been satisfied.

Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

In arrangements where another party is involved in providing specified services to a customer, the Group evaluates whether the Company is the principal or agent. The determination of whether the Group is acting as a principal or an agent in a transaction involves an assessment of who controls a specified service before it is transferred to a customer, as well as other indicators such as the party primarily responsible for fulfilment and discretion in establishing the price.

2.7 Contract assets and deferred income

Upon inception of a contract, at the point whereby the contract becomes legally binding, the Group recognise the full value of the contract as a contract receivable. Contract receivables represent the total value of unearned, unbilled contracts net of any expected impairment losses. Any contract receivables not billed are deferred as contract liabilities until the point at which revenue is recognised on the contracts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.8 Cost accruals

Cost accruals represent an estimate of costs accrued not yet invoiced at the balance sheet date. Cost accruals are based upon the cost budget per the statement of works. When contracts have been substantially completed at the balance sheet date, management will adjust the cost accrual to reflect the actual costs received after the balance sheet date.

2.9 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, over a period of 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.14 Share based payments

The Group grants share options ("equity-settled share-based payments") to certain employees.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Group plans

The expense in relation to options over the Company's shares granted to employees of a subsidiary is recognised by the subsidiary as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

Modifications and cancellations

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions (the "original fair value") and under the modified terms and conditions (the "modified fair value") are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.16 Intangible assets

Development costs

The Company capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following as:

- The technical feasibility of completing the development so the intangible asset will be available for use or sale.
- Its intention to complete the development and to use or sell the intangible asset.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development expenditure is amortised on a straight line basis over its useful life, which is 5 years. The directors consider these useful lives to be appropriate based on the useful economic life of the asset. Amortisation of development costs commences once the developed product or service is utilised.

All research expenditure and development expenditure that does not meet the above conditions is expensed as incurred.

Development cost - 5 years straight line

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Intellectual property - 5 years straight line

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over 10 years to the Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.17 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 4 years straight line
Office equipment	- 3 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under construction

Assets in the course of construction are carried at cost, less any identified impairment loss. Cost includes tenant improvement allowance and directly attributable costs that are necessary to bring the leasehold properties to its operating condition. Depreciation commences when the assets are ready for their intended use.

2.18 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.19 Fixed asset investments

Investments in subsidiaries in company only financial statements are measured at cost less accumulated impairment.

Other unlisted investments are measured at cost and are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the profit or loss.

2.20 Investments in associates

Undertakings in which the Group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The Group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 31 December 2024.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of profit or loss, other comprehensive income and equity of associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying value of an investment in associates are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

2.21 Debtors

Debtors are measured at transaction price, less any impairment.

2.22 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.23 Creditors

Creditors are measured at the transaction price.

2.24 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.25 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

2.26 Equity instruments

Equity instruments issued by the Group are recorded at the fair value of the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The directors consider the most significant estimates required in the preparation of the financial statements are in respect of provision against receivables, recognition of income, the depreciation of tangible fixed assets. The significant elements of estimation uncertainty are described in the associated accounting policies.

Revenue recognition

The Group recognise revenue based upon the probability that the economic benefits will flow to the Group and that revenues can be reliably measured. There are two steps to the recognition of revenue, being a management fee which is recognised upfront, and the remaining campaign fee which is recognised across the life of the contract. Management estimate the expected end date of the contract, which represents the point at which all risks and rewards are transferred to the customer, for contracts which span the year-end. The end date of the contract may differ post year-end which could have a significant impact on the period over which revenue is recognised. Management also factors in any changes in scope of work and changes to start and end date when recognising revenue.

Share option charge

The Group issues equity settled share options to certain directors and employees. Equity settled share options are measured at fair value at the date of grant, with the charge being recognised within the statement of comprehensive income over the vesting period. The fair value of these options on the date of grant has been determined using the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The directors consider this the most suitable model for calculating the fair value of the options. The price of the shares may differ to the estimated price which could have a significant impact on the share option charge recognised. The management believe that there will not be only one acceptable choice for estimating the fair value of share- based payment arrangements. The judgements and estimates that management apply in determination of the share-based payments charge are summarised below:

- Selection of valuation model.
- Making assumptions used in determining the variables used in a valuation model such as expected life of the option, expected volatility and risk free interest rates.

Campaign cost accruals

The Group recognise cost accruals based upon the agreed campaign budget. Campaign cost accruals are recognised in line with the campaign fee, which is recognised across the life of the contract. As such, there is a significant estimate relating to the campaign end date which impacts the recognition of costs.

For campaigns which are significantly complete at year-end, the Group will recognise any cost savings relating to these campaigns in the financial period. Such savings are recognised for projects which are closed out three months after the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty
(continued)**

Capitalisation of development costs

Management has reviewed activity relating to internal product development projects during the period and capitalised costs where it is considered that the FRS102 criteria have been met. Management review the work of developers during the period and make the following judgements and estimates when capitalising development costs:

- Internal work relating to product development is reviewed against FRS102 criteria and is capitalised if management consider that the criteria have been met.
- Internal work relating to the maintenance of products is expensed to the statement of comprehensive income.
- Assessment of technical, financial and other resources required and available to complete development.
- Technical feasibility of completing the development work.
- Completion status of the development work.
- Expected useful life of the asset once completed.

SAFE (Simple Agreement for Future Equity) notes treated as equity

The company has issued SAFE ("simple agreement for future equity) notes which meets the definition of a financial instrument as the contractual rights and contractual obligations encompass both those that are conditioned on the occurrence of a specified event and those that are not.

Management makes judgements to determine whether the SAFE note should be classed as debt or equity. The management judgement applied was to assess whether the company has an unconditional right to avoid delivering cash or equity to the holder of the instrument. The delivery of cash or equity is conditional and subject to shareholder approval / decisions.

Management assessed whether shareholder decisions are treated as entity decisions that result in the company having an unconditional right to avoid delivering cash or another financial asset.

Management have concluded that the company's management that form part of shareholders decisions can avoid an outflow of cash from the entity by not proposing an action requiring such an approval and on this basis the events noted in the contractual terms of the SAFE notes are within the control of the company and on this basis the SAFE notes are to be treated as equity.

Recoverability of amounts owed by group undertakings

Management applies judgements when assessing the recoverability of amounts owed by group undertakings to the parent company Whalar Ltd. The recoverability assessment is based on the underlying profitability and cash generation to repay the debt. Provisions are made where necessary.

Valuation of investments in associates

The investments held are reviewed annually for impairment. Judgements are made by management on the future value of investments held in associates, which is based on future performance of the investment. If there is an indication of impairment, management will impair the asset to its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty
(continued)**

Investments in associates (note 13)

The Group held 70% (2023: 67.73%) shares in UMI Games Corp. (previously known as Mempoverse Inc.) via a subsidiary company, Whalar Inc. Management has assessed whether the investment should be accounted for as a subsidiary, associate or other investment. Judgements applied by management to conclude that the Group does not have control over UMI Games Corp. (previously known as Mempoverse Inc.) despite holding a substantial shareholding and on this basis it has not been accounted for as a subsidiary. However it has the power to exercise significant influence and on this basis the investment has been accounted for as an associate.

Share consideration and Deferred consideration (note 14)

The total consideration in relation to the acquisition of Sixteenth Limited includes deferred consideration and share consideration, being shares issued in Sixteenth Global Limited. The Group has estimated the value of share consideration and deferred consideration. When assessing the value of deferred consideration, management considered the forecasts up to the date of the future earn out period. The share consideration was estimated based on the fair market value of shares in Sixteenth Global Limited at the acquisition date. The judgement and estimates takes into consideration various valuation methodologies and inputs. The value of share consideration at acquisition date may differ to the estimated value which could have a significant impact on the share consideration recognised.

Goodwill

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may be impaired. Management's assumptions and estimates are based on the on the forecasts. Future events could cause the forecast assumptions used in impairment assessments to change with a consequential adverse impact on the results as the actual cash flows may differ from forecasts.

Fixed asset investments

Fixed asset investments are impaired only if there is an indication of impairment. At the reporting date the management carried out a review of the values included within the fixed asset investments and concluded that there was no impairment.

Lease incentives

During the year, the group entered into two property lease arrangements. The group has received tenant improvement allowances from the landlord in relation to the property leases for The Lighthouse Brooklyn LLC and The Lighthouse Venice LLC. Tenant improvement allowances have been provided by the lessor to the lessee to enter into a new operating lease. Management has exercised judgements to evaluate the nature of the leasehold improvements in respect of whether they represent a lease incentive or an asset of the lessor. Management has concluded that the tenant improvement allowances are lease incentives as they are provided as an incentive for the group to enter in to the lease arrangement.

WHALAR LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

4. Turnover

An analysis of turnover by class of business is as follows:

	2024	2023
	\$	\$
Influencer marketing	81,980,581	77,860,650
Talent management	27,065,315	24,300,290
Partnership fees	713,911	-
	<u>109,759,807</u>	<u>102,160,940</u>

Analysis of turnover by country of destination:

	2024	2023
	\$	\$
United Kingdom	14,305,024	20,546,870
Europe	7,792,787	-
United States of America	87,661,996	81,614,070
	<u>109,759,807</u>	<u>102,160,940</u>

5. Operating loss

The operating loss is stated after charging:

	2024	2023
	\$	\$
Exchange differences	(736,323)	2,056,062
Depreciation	102,801	177,816
Amortisation	2,412,777	164,169
Other operating lease rentals	2,595,551	715,538
Share-based payment	1,265,338	298,955
	<u>1,265,338</u>	<u>298,955</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

6. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2024 \$	2023 \$
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	297,937	133,480
	2024 \$	2023 \$
Fees payable to the Group's auditor and its associates in respect of		
Taxation compliance services	17,488	34,639
Other services relating to taxation	4,124	-
All other services	74,756	83,283
	<u>96,368</u>	<u>117,922</u>

7. Employees

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Wages and salaries	31,943,089	32,044,399	5,479,675	6,360,529
Social security costs	4,837,666	4,467,936	609,757	609,325
Cost of defined contribution scheme	876,952	754,656	137,881	176,963
	<u>37,657,707</u>	<u>37,266,991</u>	<u>6,227,313</u>	<u>7,146,817</u>

The split of employees across organisational departments, during the year was follows:

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Operations	187	179	50	51
Product development	62	63	2	2
Administration	18	26	3	6
Management	11	10	4	6
	<u>278</u>	<u>278</u>	<u>59</u>	<u>65</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. Directors' remuneration

	2024 \$	2023 \$
Director emoluments	1,649,548	2,185,868
Amounts receivable under long-term incentive schemes	144,351	92,334
Directors fees	136,638	105,501
	<u>1,930,537</u>	<u>2,383,703</u>

During the year there were no retirement benefits accruing for directors (2023 - \$nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of \$723,201 (2023: \$760,790)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$Nil (2023: \$Nil).

The number of directors who exercised share options during the year was Nil (2023: Nil).

The number of directors who received shares under long term incentive schemes was 3 (2023: 3).

9. Interest payable and similar expenses

	2024 \$	2023 \$
Other loan interest payable	<u>324,872</u>	<u>73</u>

WHALAR LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. Taxation

	2024 \$	2023 \$
Corporation tax		
Current tax on profits for the year	(631,801)	(1,048,044)
Adjustments in respect of previous periods	-	(673)
	<u>(631,801)</u>	<u>(1,048,717)</u>
Foreign tax		
Foreign tax on income for the year	292,004	36,227
	<u>292,004</u>	<u>36,227</u>
Total current tax	<u>(339,797)</u>	<u>(1,012,490)</u>
Deferred tax		
Origination and reversal of timing differences	428,306	857,707
	<u>428,306</u>	<u>857,707</u>
Total deferred tax	<u>428,306</u>	<u>857,707</u>
Tax on charge or (credit) on loss	<u>88,509</u>	<u>(154,783)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2023 - higher than) the standard rate of corporation tax in the UK of 25% (2023 - 23.52%). The differences are explained below:

	2024 \$	2023 \$
Loss on ordinary activities before tax	(9,867,300)	(9,490,066)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.52%)	(2,466,825)	(2,232,116)
Effects of:		
Fixed asset differences	159	(248)
Expenses not deductible for tax purposes	252,355	159,203
Income not taxable for tax purposes	(13,725)	(26,248)
Deferred tax not recognised	1,666,852	1,688,650
Other permanent differences	248	(30,053)
Adjustments to tax charge in respect of prior periods	6,039	(18,185)
Short-term timing difference leading to an increase (decrease) in taxation	(1,224)	-
Additional deduction for R&D expenditure	(730,307)	(1,073,613)
Surrender of tax losses for R&D tax credit refund	947,701	1,134,108
Remeasurement of deferred tax for changes in tax rate	-	50,757
Adjustments to tax charge in respect of previous periods - Deferred tax	(55,893)	-
Difference in foreign tax rates	446,177	175,450
Other adjustments	36,952	17,512
Total tax charge for the year	88,509	(154,783)

Factors that may affect future tax charges

Deferred tax assets have not been recognised in some overseas subsidiaries who hold tax losses as a result of timing of the reversal being unknown. The Group has only recognised the deferred tax where the reversal is within the foreseeable future.

WHALAR LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

11. Intangible assets**Group**

	Development expenditure \$	Other intangible assets \$	Goodwill \$	Total \$
Cost				
At 1 January 2024	18,184,066	756,255	-	18,940,321
Additions - Internally developed	6,456,715	-	-	6,456,715
Addition on acquisition of subsidiary	-	-	715,408	715,408
Revaluation	-	(1,504)	-	(1,504)
At 31 December 2024	<u>24,640,781</u>	<u>754,751</u>	<u>715,408</u>	<u>26,110,940</u>
Amortisation				
At 1 January 2024	-	251,045	-	251,045
Charge for the year on owned assets	2,257,052	150,629	5,096	2,412,777
At 31 December 2024	<u>2,257,052</u>	<u>401,674</u>	<u>5,096</u>	<u>2,663,822</u>
Net book value				
At 31 December 2024	<u>22,383,729</u>	<u>353,077</u>	<u>710,312</u>	<u>23,447,118</u>
At 31 December 2023	<u>18,184,066</u>	<u>505,210</u>	<u>-</u>	<u>18,689,276</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11. Intangible assets (continued)

Company

	Development expenditure \$
Cost	
At 1 January 2024	18,184,066
Additions - internal	5,862,233
At 31 December 2024	<u>24,046,299</u>
Amortisation	
Charge for the year	2,257,052
At 31 December 2024	<u>2,257,052</u>
Net book value	
At 31 December 2024	<u>21,789,247</u>
At 31 December 2023	<u>18,184,066</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

12. Tangible fixed assets

Group

	Motor vehicles \$	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Assets under construction \$	Total \$
Cost or valuation						
At 1 January 2024	-	-	354,524	397,280	-	751,804
Additions	29,395	-	38,598	173,519	12,835,099	13,076,611
Acquisition of subsidiary (note 14)	-	884	-	5,245	-	6,129
Disposals	-	-	(71,608)	(96,225)	-	(167,833)
At 31 December 2024	29,395	884	321,514	479,819	12,835,099	13,666,711
Depreciation						
At 1 January 2024	-	-	250,610	238,192	-	488,802
Charge for the year on owned assets	-	-	68,170	34,631	-	102,801
Disposals	-	-	(59,267)	-	-	(59,267)
At 31 December 2024	-	-	259,513	272,823	-	532,336
Net book value						
At 31 December 2024	29,395	884	62,001	206,996	12,835,099	13,134,375
At 31 December 2023	-	-	103,914	159,088	-	263,002

WHALAR LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Tangible fixed assets (continued)**Company**

	Office equipment \$
Cost or valuation	
At 1 January 2024	354,524
Additions	38,598
Disposals	(71,608)
At 31 December 2024	<u>321,514</u>
Depreciation	
At 1 January 2024	250,610
Charge for the year on owned assets	68,170
Disposals	(59,267)
At 31 December 2024	<u>259,513</u>
Net book value	
At 31 December 2024	<u>62,001</u>
At 31 December 2023	<u>103,914</u>

WHALAR LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. Fixed asset investments**Group**

	Investments in associates \$
Cost or valuation	
At 1 January 2024	4,218,886
Additions	439,328
Share of associate loss	(376,191)
At 31 December 2024	<u>4,282,023</u>

Investments in associates relates to 70% shares held in UMI Games Corp. (previously known as Mempoerse Inc.) by a subsidiary company, Whalar Inc. During the year the investment held in UMI Games Corp. (previously known as Mempoerse Inc.) increased from 67.73% to 70%. UMI Games Corp. (previously known as Mempoerse Inc.), is a company incorporated in the United States of America, registered office is 251 Little Falls Drive, City of Wilmington, New Castle County, Delaware, 19808. The nature of the business is that of immersive experience and connecting brands to creators.

The Group has significant influence over UMI Games Corp. (previously known as Mempoerse Inc.) however it does not have control and on this basis the investments have been accounted for as investments in associates.

Company

	Investments in subsidiary companies \$
Cost or valuation	
At 1 January 2024	478,902
Additions	130
Disposals	(2,796)
Additions - share based payments	1,078,572
At 31 December 2024	<u>1,554,808</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Nature of business	Class of shares	Holding
*The Lighthouse Brooklyn LLC	58 Kent St, Brooklyn, NY 11222	Campus for creators	Ordinary	88.20%
*The Lighthouse Venice LLC	1601 Main St, Venice CA 90291	Campus for creators	Ordinary	88.20%
*Whalar Media LLC	55 Water St, 3rd Floor, Brooklyn, New York, 11201	Support services	Ordinary	100%
The Lighthouse by Whalar Inc.	PO Box 515381, PMB 18373, Los Angeles, CA 90051-6681	Holding company	Ordinary	88.20%
*Sixteenth Limited	9th Floor 107 Cheapside, London, United Kingdom, EC2V 6DN	Talent management	Ordinary	82.95%
Sixteenth Limited Global	9th Floor 107 Cheapside, London, United Kingdom, EC2V 6DN	Holding company	Ordinary	82.95%
*Sixteenth US Corp	1209 Orange Street, Wilmington, New Castle, Delaware, 19801	Non trading	Ordinary	82.95%
Whalar Development, S.L.	Alameda Principal 21, 3-302, 29001 Malage, Spain	Product and technology development	Ordinary	100%
Whalar Estonia OÜ	Harju country, Tallinn, Kesklinna linnaosa, Pärnu mnt 15, 10141	Product and technology department	Ordinary	100%
Whalar FZ-LLC	Dubai Media City, Building 05, Commercial office desk DMC-BLD05-VD-G00-426, Dubai, UAE	Sales and marketing support to group	Ordinary	100%
Whalar GmbH	c/o R/GA Berlin, Schönhauser Allee 37, 10435 Berlin, Germany	Sales and marketing support to group	Ordinary	100%
Whalar Inc.	55 Water St, 3rd Floor, Brooklyn, New York, 11201	Influencer marketing and talent management	Ordinary	100%

*indirectly held

The results of all above subsidiaries has been included within the consolidated financial statements. On 16 October 2024, the group incorporated Sixteenth Global Limited. On 5 December 2024, Sixteenth Global Limited acquired Sixteenth Limited. Further details on the acquisition have been provided in note 14.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. Fixed asset investments (continued)

Subsidiary undertakings (continued)

In January 2024, The Lighthouse by Whalar Inc., issued 970,000 restricted shares with repurchase option to directors and key employees at a purchase price of \$0.000012 per share being total purchase price of \$11.64. As a result the investment held by Whalar Ltd in The Lighthouse by Whalar Inc. reduced from 99% to 88.95%.

Audit exemption

Sixteenth Limited has claimed exemption from the audit of its financial statements in respect of the financial year ended 31 December 2024 under s479A of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the financial statements.

In order for the subsidiary company Sixteenth Limited to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed its outstanding liabilities as at 31 December 2014 until those liabilities are satisfied in full.

Subsidiary year-ends

Sixteenth Global Limited was incorporated on 16 October 2024 and its first financial statements prepared will be from the date of incorporation to 31 December 2025. The consolidated financial statements of Whalar Limited incorporate the results of Sixteenth Global Limited from the date of incorporation to 31 December 2024.

The year ends for all other subsidiaries are co-terminus with the group.

Name	Aggregate of share capital and reserves \$	Profit/(Loss) \$
Whalar GmbH	165,954	68,846
Whalar Inc.	(10,140,604)	(5,453,392)
Whalar Development, S.L.	678,981	191,318
*Whalar Media LLC	456,890	(2,075)
Whalar Estonia OÜ	290,752	61,665
Whalar FZ-LLC	-	(17,689)
The Lighthouse by Whalar Inc	1,379,745	(629,155)
*The Lighthouse Brooklyn LLC	(1,117,121)	(1,109,624)
*The Lighthouse Venice LLC	(739,977)	(695,131)
*Sixteenth Limited	587,536	(109,991)
Sixteenth Global Limited	703,826	-
*Sixteenth US Corp	-	-

*indirectly held

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Acquisition of subsidiary

On 16 October 2024, the group incorporated Sixteenth Global Limited, an entity incorporated in England and Wales. Sixteenth Global Limited is a wholly owned subsidiary of Whalar Limited.

On 5 December 2024, Sixteenth Global Limited acquired 100% issued share capital of Sixteenth Limited, an entity incorporated in England and Wales. Sixteenth Limited became a subsidiary of the group and Sixteenth Global Limited as of this date. The cost of acquisition comprised of cash consideration, share consideration and deferred consideration. The deferred consideration is based on attainment of targets set out in the sale purchase agreement. The share consideration comprised of the issuance of 17.05% B Ordinary shares in Sixteenth Global Limited, as a result the group owns 82.95% share capital of Sixteenth Global Limited.

Sixteenth Limited is one of the leading, global, 360° Creator talent management companies located in London, United Kingdom. Sixteenth Limited facilitate brand partnerships that help Creators deliver valuable, culturally-relevant content to their audiences, resulting in much deeper engagement.

Prior to acquisition, Sixteenth Limited was a start-up business and as a result of the acquisition, the Group expects to increase its presence in the UK market.

The following table summarises the consideration paid by the Group, the fair value of assets acquired and liabilities assumed at the acquisition date:

Consideration as at 5 December 2024	\$
Cash consideration	256,383
Initial consideration shares	439,058
Additional consideration shares	264,638
Earn out	368,934
Directly attributable costs	88,590
Total consideration	<u>1,417,603</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Acquisition of subsidiary (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

Balance sheet	Book value	Fair value adjustment	Fair value
	\$	\$	\$
Tangible assets	6,129	-	6,129
Cash at bank	1,354,312	-	1,354,312
Trade debtors	1,212,085	-	1,212,085
Other debtors and prepayments	4,294	-	4,294
Total current assets	2,570,691	-	2,570,691
Total assets	2,576,820	-	2,576,820
Trade creditors	849,106	-	849,106
Accruals	827,771	-	827,771
Corporation tax	88,749	-	88,749
Other creditors	108,999	-	108,999
	1,874,625	-	1,874,625
Net assets	702,195	-	702,195
Total consideration	1,417,603		1,417,603
Goodwill	715,408	-	715,408

The deferred consideration for year 1 is payable on 31 March 2025 and year 2 will be payable on 31 March 2026. The amount has not been discounted, as the effect of discounting is not material.

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:

	Current period since acquisition
	\$
Turnover	<u>845,311</u>
Loss for the period	<u>(109,991)</u>

WHALAR LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

15. Debtors

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Due after more than one year				
Other debtors	4,406,959	-	-	-

Other debtors relate to long term rent deposits in relation to properties leased in The Lighthouse Brooklyn LLC and The Lighthouse Venice LLC.

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Due within one year				
Trade debtors	14,049,841	14,564,300	12,403,854	14,564,300
Amounts owed by group undertakings	-	-	14,459,608	1,052,388
Other debtors	344,395	375,047	95,640	150,238
Prepayments, accrued income and contract assets	11,155,489	5,505,664	10,143,729	4,596,136
Tax recoverable	1,847,646	1,455,414	1,679,845	1,048,044
	<u>27,397,371</u>	<u>21,900,425</u>	<u>38,782,676</u>	<u>21,411,106</u>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

16. Cash and cash equivalents

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Cash at bank and in hand	1,683,176	6,938,332	157,573	5,214,501
Less: bank overdrafts	(6,831,953)	-	(6,831,953)	-
	<u>(5,148,777)</u>	<u>6,938,332</u>	<u>(6,674,380)</u>	<u>5,214,501</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Bank overdrafts	6,831,953	-	6,831,953	-
Trade creditors	18,625,961	17,314,627	16,050,322	16,913,831
Deferred consideration (note 14)	108,701	-	-	-
Amounts owed to group undertakings	-	-	1,684,726	841,017
Corporation tax	186,988	80,401	-	-
Other taxation and social security	702,969	328,897	335,974	4,789
Other creditors	6,347,230	3,050,714	6,127,673	2,921,820
Accruals and deferred income	28,703,401	19,877,149	25,764,462	18,635,543
	<u>61,507,203</u>	<u>40,651,788</u>	<u>56,795,110</u>	<u>39,317,000</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

During the year, the Group and Company secured a multi-currency overdraft facility of £7.5m. The overdraft facility is repayable on demand and is subject to review on 8 May 2025. The average interest rate on the bank overdraft facility is 2%-3%. At the year end, the Group and Company had withdrawn \$6,831,953 from the facility which is included in bank overdrafts.

Other creditors in Group and Company includes a loan balance of \$5,949,382 (2023: Nil) owed to the directors. Further details are provided in note 29 – related party transactions.

18. Creditors: Amounts falling due after more than one year

	Group 2024 \$	Group 2023 \$
Lease incentive creditor	7,456,633	-
Deferred consideration (note 14)	260,233	-
	<u>7,716,866</u>	<u>-</u>

Included within creditors falling due within one year and after more than one year includes \$368,934 relating to deferred consideration for the acquisition of Sixteenth Limited. Further details are provided in note 14.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

19. Lease incentive

	Group 2024 \$	Group 2023 \$
Within one year	494,695	-
Between 1-5 years	2,158,667	-
Over 5 years	4,803,271	-
	<u>7,456,633</u>	<u>-</u>

20. Financial instruments

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Financial assets				
Debt instruments measured at amortised cost - trade debtors, other debtors and accrued income (note 15)				
	<u>27,080,079</u>	<u>18,741,030</u>	<u>35,406,206</u>	<u>19,568,609</u>
Financial liabilities				
Measured at amortised cost - trade creditors, bank overdrafts, other creditors and accrued expenses (note 17 and 18)				
	<u>(46,923,808)</u>	<u>(27,798,539)</u>	<u>(43,186,043)</u>	<u>(26,868,261)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and group debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank overdrafts, group creditors and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

21. Deferred taxation**Group**

	2024 \$
At beginning of year	(2,249,246)
Charged to profit or loss	(428,306)
At end of year	<u>(2,677,552)</u>

Company

	2024 \$
At beginning of year	(2,249,246)
Charged to profit or loss	(428,306)
At end of year	<u>(2,677,552)</u>

	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
Fixed asset timing differences	(5,462,870)	(4,571,995)	(5,462,870)	(4,571,995)
Short term timing differences	6,387	7,805	6,386	7,805
Losses	2,778,931	2,314,943	2,778,931	2,314,943
	<u>(2,677,552)</u>	<u>(2,249,247)</u>	<u>(2,677,553)</u>	<u>(2,249,247)</u>

22. Share capital

	2024 \$	2023 \$
Allotted, called up and fully paid		
14,197,370 (2023 - 14,197,370) Ordinary shares of £0.00001 each	193	193

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Reserves**Share premium account**

Includes any premiums received by the company on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

Includes all exchange gains or losses accumulated on non-monetary items measured at fair value and posted in statement of comprehensive income during the period.

Share option reserve

Share option reserve includes the cumulative value of the equity-settles share-based payments, such as employee share options, recognised in the group's financial statements over time.

Other reserves

Other reserves relates to SAFE (Simple Agreement for Future Equity) note investments issued by the company. The SAFE notes gives the holder a right to subscribe for certain class of share capital in the company subject to terms and conditions and events specified in the contractual terms.

Non Controlling interest (NCI)

The non controlling interest represents the equity attributable to the non-controlling shareholders of Sixteenth Global Limited and The Lighthouse by Whalar Inc.

Profit and loss account

Includes all current and prior period retained profits and losses.

24. Financial commitments, guarantees and contingent liabilities

A composite guarantee has been given to the Group's lenders in respect of overdraft facility owing to the lenders. The guarantee is provided by a related party and Whalar Ltd with fixed and floating charges over its properties secured against the facility. At the balance sheet date, the Group and Company's indebtedness to its lenders was \$6,831,953 (2023: \$Nil)

During the year, the Group and Company ceased to utilise the invoice discounting facility. During the prior year, the Company had a fixed and floating charge over its properties as security against the invoice discounting facility with an outstanding balance as at the year end of \$nil (2023: £2,744,746) included in other creditors (note 17).

Whalar Ltd is a party to a guarantee with the landlord in relation to the properties leased in subsidiaries, The Lighthouse Venice LLC and The Lighthouse Brooklyn LLC, for the rental payments in accordance with the lease agreements.

During the year, Whalar Ltd obtained a Letter of Credit facility amounting to \$1.815 million. This was issued in favour of the landlord as a security deposit relating to Lighthouse Brooklyn LLC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

25. Share-based payments

The Group operates an Enterprise Management Incentive Scheme and a non-Enterprise Management Incentive Scheme for the purpose of incentivising key members of staff. All share options issued by the company are valued at the fair value at the grant date. As at the date of the grant, management have considered the likelihood of vesting conditions being met. Based on these, management have adjusted the number of equity instruments expected to vest. The share-based remuneration expense for the period ended 31 December 2024 was \$1,265,338 (2023: \$298,955).

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

	Weighted average exercise price (pence) 2024	Number 2024	Weighted average exercise price (pence) 2023	Number 2023
Outstanding at the beginning of the year	1.08	2,537,411	0.83	2,550,000
Granted during the year	1.31	94,712	4.76	171,056
Forfeited during the year	2.66	(78,750)	1.35	(182,000)
Exercised during the year		-	1.95	(1,645)
Other movements	0.37	(10,000)		-
Outstanding at the end of the year	0.97	2,543,373	1.08	2,537,411

	2024	2023
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price (\$)	0.97	1.08
Weighted average contractual life (months)	36	36
Expected volatility	65%-80%	80%
Risk-free interest rate	4.12%-4.47%	3.41%-4.69%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

25. Share-based payments (continued)

In January 2024, The Lighthouse by Whalar Inc., issued 970,000 restricted shares with repurchase option to directors and key employees at a purchase price of \$0.000012 per share being total purchase price of \$11.64. The shares vest over a period, subject to continued employment. One third vest on 18 December 2024 and the remaining two thirds vest monthly thereafter. If an employee leaves before vesting, The Lighthouse by Whalar Inc has the right to repurchase unvested shares at the original purchase price. As the shares are legally issued and the repurchase clause applies before vesting, the award is treated as equity settled. A total expense for the year was trivial and not recognised during the year.

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to \$876,952 (2023 - \$754,656). Contributions totalling \$29,936 (2023 - \$31,225) were payable to the fund at the reporting date and are included in creditors.

27. Capital commitments

The Group had capital expenditure contracted for but not provided for in the financial statements as at 31 December 2024. As the contract can be terminated at any time with a negligible termination fee, the amount has not been disclosed. This relates capital expenditure for two properties leased from third parties. Part of this expenditure will be covered by the tenant improvement allowance provided by the landlord.

28. Commitments under operating leases

At 31 December 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024 \$	Group 2023 \$
Not later than 1 year	2,734,886	242,459
Later than 1 year and not later than 5 years	17,408,332	-
Later than 5 years	46,244,754	-
	<u>66,387,972</u>	<u>242,459</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

29. Related party transactions

As permitted by FRS102 Section 33 "related party disclosures", the financial statements do not disclose transactions with the wholly owned subsidiaries on the basis that the group financial statements are prepared.

Transactions with subsidiaries not wholly owned

The Group owns 88.2% interest in The Light House by Whalar Inc. and its subsidiaries, The Lighthouse Brooklyn LLC and The Lighthouse Venice LLC.

At the year end, the Group was owed \$9,486,145 (2023: \$346,541) from The Lighthouse by Whalar Inc. and its subsidiaries. At the year end the Company was owed \$7,209,040 (2023: \$411,597) from The Lighthouse by Whalar Inc. and its subsidiaries.

During the year, the following transactions took place with The Lighthouse by Whalar Inc. and its subsidiaries:

Salaries recharged to The Lighthouse by Whalar Inc. and its subsidiaries by the Group - \$1,444,291.
Advances and payments made to The Lighthouse by Whalar Inc. and its subsidiaries by the Group - \$7,695,340.

The Company owns 82.95% interest in Sixteenth Global Limited and its subsidiaries, Sixteenth Limited and Sixteenth Global Corp. At the year end, the Group and Company was owed \$81,645 from Sixteenth Global Limited and its subsidiaries.

All dealings between the above parties were undertaken on an arm's length basis.

Transactions with directors

During the year, Whalar Ltd received a loan of \$6,175,056 from a party related to a director and shareholder of the Group. The loan was fully repaid in the year and interest of \$109,026 was charged.

During the year, Whalar Ltd received a loan of \$5,141,553 from a director and shareholder of the Group. Interest is accruing at a rate of 7.5% per annum and the loan is repayable on demand. During the year, interest of \$28,394 was accrued and repayments of \$461,694 were made. At the year end the balance outstanding was \$4,606,334.

During the year, Whalar Ltd received a loan of \$1,465,000 from a director and shareholder of the Group. Interest is accruing at a rate of 7.5% per annum and the loan is repayable on demand. During the year, interest of \$28,043 was accrued and repayments of \$150,000 were made. At the year end the balance outstanding was \$1,343,048.

Total director's loan balance outstanding at the year included in other creditors is \$5,949,382 (2023: \$Nil).

During the year, A Wong, J Hegarty and R Greenberg invoiced Whalar Ltd \$136,638 (2023: \$105,501) for board member fees. At the year end, a total balance of \$9,413 (2023: \$9,547) was owed by Whalar Ltd in relation to these transactions and the balance is included within in trade creditors.

During the year, Whalar Inc. incurred costs of \$330,160 (2023: \$322,130) in relation to rent payment for directors and shareholders of the Group.

The Company has issued SAFE (Simple Agreement for Future Equity) notes amounting to \$nil (2023: \$2,314,662) to directors of the Company some of whom are also the shareholders of the Group.

WHALAR LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

29. Related party transactions (continued)

The total SAFE notes held by directors and shareholders at the year end amount to \$2,314,662 (2023: \$2,314,662) and the balances are included within other reserves.

Key management personnel include directors and individuals who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total key management personnel remuneration including employer's national insurance of the Group was \$4,627,072.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

30. Post balance sheet events

Group Reorganisation and New Holding Company

In March 2025, the Group underwent a corporate reorganisation whereby a new holding company, Whalar Group Ltd, was established. This reorganisation was completed post year end and, as a result, for the financial year ending 31 December 2025, the consolidated financial statements will be prepared at the Whalar Group Ltd level.

Acquisition of The Garage Entertainment Ltd

In April 2025, Whalar Group Ltd acquired 100% of the share capital of The Garage Entertainment Ltd, a business operating in the creativity and entertainment sector. The acquisition will be accounted for as a business combination in the FY25 consolidated accounts.

Strategic Investment Raised

During 2025, Whalar Group Ltd successfully secured strategic investment funding totalling \$11 million from new investors: Time Ventures (Marc Benioff's Family office), Shopify, and Neal Moritz. Further, Lighthouse also separately secured another \$2.5 million investment from Fox Corporation. These injections of capital will support the Group's strategic growth initiatives.

Director and Co-founder Loan Transactions

In February 2025, the Co-founder, Neil Waller, provided a \$5 million Director's Loan to the business to support working capital and strategic initiatives.

Additionally, in 2025, both Co-founders, Neil Waller and James, converted their individual loans of \$1.315 million each into SAFE (Simple Agreement for Future Equity) instruments.

Change in Control – UMI Games Corp. (previously known as Mempoverse, Inc.)

In February 2025, the board composition of UMI Games Corp. (previously known as Mempoverse, Inc.) changed, resulting in Whalar Inc gaining control and significant influence over the operations of the entity. As a consequence, the Group will account for UMI Games Corp. (previously known as Mempoverse, Inc.) as a subsidiary rather than as an associate from that date onwards in future consolidated accounts.

Subdivision of shares

On the 18 March 2025, Whalar Ltd sub-divided each of its 14,197,370 Ordinary shares of £0.00001 into 141,973,700 Ordinary shares of £0.000001. This sub-division did not affect the total share capital of Whalar Ltd.

Share issue

On the 20 March 2025, 6,456,922 Ordinary shares were issued for a total consideration of \$6,254,464 (£4,977,648).

31. Controlling party

In the opinion of the directors there is no ultimate controlling party.