

33 Threads, Inc.
Consolidated Balance Sheet
as of March 31, 2022
(Unaudited)

ASSETS

Current Assets	
Cash	\$ 989,506
Accounts receivable	1,629,377
Prepaid expenses	606,712
Other receivables	211,345
Inventories (net)	<u>4,693,289</u>
Total Current Assets	8,130,228
Property and Equipment, net	310,864
Intangible assets (net)	5,438,305
Operating Lease Right of Use Asset	125,200
Deposits	<u>26,535</u>
TOTAL ASSETS	<u>\$ 14,031,131</u>

LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities	
Accounts payable	\$ 5,101,723
Accrued expenses and other liabilities	1,267,926
Notes payable - shareholders	115,906
Note Payable - Comerica	3,293
Note Payable - Vooray	350,000
Note Payable - FGC	655,000
Capital leases payable	<u>36,486</u>
Total Current Liabilities	7,530,334
Noncurrent Liabilities	
Subordinated note payable	1,738,123
Note Payable - Comerica	144,317
Notes payable - shareholders, net of current portion	28,611
Note Payable - Vooray, net of current portion	3,038,547
Operating Lease Obligation	147,398
Capital leases payable, net of current portion	68,706
Deposits	<u>13,693</u>
Total Liabilities	12,709,730
Preferred stock	2,445,000
Common stock	1,993,946
Stock subscriptions receivable	(37,087)
Additional paid-in capital	19,700
Shareholder note receivable	(412,830)
Retained earnings	<u>(2,687,327)</u>
Total Stockholders' Equity	<u>1,321,401</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 14,031,131</u>

The accompanying financial statements for the nine month period ended March 31, 2022 are unaudited and have not been reviewed.

Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with accounting principles generally accepted in the United States of America. Therefore, the information set forth herein is likely to change upon audit or review. Operating results for the nine months ended March 31, 2022 are not necessarily indicative of the results that can be expected for the year ending June 30, 2022.

33 Threads, Inc.
Consolidated Statement of Operations
For the nine months ending March 31, 2022 and 2021
(Unaudited)

	Nine months ending 3.31.2022	
Net revenue	\$ 17,184,130	100.0%
Cost of revenue	<u>(6,116,679)</u>	-35.6%
Gross Profit	11,067,451	64.4%
Selling, General and Administrative	<u>(11,909,485)</u>	-69.3%
EBITDA	(842,034)	-4.9%
Other expenses:		
Depreciation	(102,824)	-0.6%
Amortization	(106,941)	-0.6%
Interest (net)	(211,593)	-1.2%
Gain (loss) on foreign exchange	(1,688)	0.0%
Other income (expense)	<u>573,723</u>	3.3%
Total other income (expenses)	<u>150,675</u>	0.9%
Income (loss) before taxes	(691,359)	-4.0%
Income taxes	<u>(2,231)</u>	0.0%
Net income (loss)	<u><u>\$ (693,589)</u></u>	-4.0%

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