

**Offline Media, Inc.** (the “Company”) a North Carolina Corporation

Financial Statements (unaudited) and  
Independent Accountant’s Review Report

Year ended December 31, 2022



## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To Management  
Offline Media, Inc.

We have reviewed the accompanying financial statements of the Company which comprise the statement of financial position as of December 31, 2022, and the related statements of operations, statement of changes in shareholder equity, and statement of cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Going Concern**

As discussed in Note 8, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

Vince Mongio, CPA, CIA, CFE, MACC  
Miami, FL  
March 15, 2024

*Vincenzo Mongio*

### Statement of Financial Position

|  | As of December 31,<br>2022 |
|--|----------------------------|
| <b>ASSETS</b>                              |                            |
| Current Assets                             |                            |
| Cash and Cash Equivalents                  | 1,815,333                  |
| Accounts Receivable                        | 27,107                     |
| Prepaid Expenses                           | 2,892                      |
| Other                                      | 4,590                      |
| Total Current Assets                       | 1,849,922                  |
| Non-current Assets                         |                            |
| Computers, net of Accumulated Depreciation | 16,843                     |
| Security Deposits                          | 675                        |
| Total Non-Current Assets                   | 17,518                     |
| <b>TOTAL ASSETS</b>                        | <b>1,867,439</b>           |
| <b>LIABILITIES AND EQUITY</b>              |                            |
| Liabilities                                |                            |
| Current Liabilities                        |                            |
| Accounts Payable                           | 125,842                    |
| Payroll Liabilities                        | 5,501                      |
| Short Term Debt                            | 14,583                     |
| Deferred Revenue                           | 130,683                    |
| Other Liabilities                          | 4,437                      |
| Total Current Liabilities                  | 281,045                    |
| <b>TOTAL LIABILITIES</b>                   | <b>281,045</b>             |
| EQUITY                                     |                            |
| Common Stock                               | 148,570                    |
| Preferred Stock                            | 101,821                    |
| Additional Paid in Capital                 | 5,177,570                  |
| Accumulated Deficit                        | (3,841,567)                |
| Total Equity                               | 1,586,394                  |
| <b>TOTAL LIABILITIES AND EQUITY</b>        | <b>1,867,439</b>           |

### Statement of Changes in Shareholder Equity

|                            | Common Stock       |           | Preferred Stock    |           | APIC      | Accumulated Deficit | Total Shareholder Equity |
|----------------------------|--------------------|-----------|--------------------|-----------|-----------|---------------------|--------------------------|
|                            | # of Shares Amount | \$ Amount | # of Shares Amount | \$ Amount |           |                     |                          |
| Beginning Balance 1/1/2022 | 266,053            | 148,570   | 618,036            | 101,821   | 2,773,974 | (3,023,458)         | 906                      |
| Issuance of Stock          | 2,940              | -         | 395,571            | -         | 2,403,597 | -                   | 2,403,597                |
| Series CF Financing Costs  | -                  | -         | -                  | -         | -         | (38,914)            | (38,914)                 |
| Net Income (Loss)          | -                  | -         | -                  | -         | -         | (779,195)           | (779,195)                |
| Ending Balance 12/31/2022  | 268,993            | 148,570   | 1,013,607          | 101,821   | 5,177,570 | (3,841,567)         | 1,586,394                |

## Statement of Operations

|  | Year Ended December 31,<br>2022 |
|--|---------------------------------|
| Revenue                                    | 912,145                         |
| Cost of Revenue                            | 119,414                         |
| Gross Profit                               | 792,731                         |
| Operating Expenses                         |                                 |
| Advertising and Marketing                  | 323,394                         |
| General and Administrative                 | 1,077,368                       |
| Research and Development                   | 278,401                         |
| Rent and Lease                             | 2,700                           |
| Depreciation                               | 2,517                           |
| Total Operating Expenses                   | 1,684,380                       |
| Operating Income (loss)                    | (891,649)                       |
| Other Income                               |                                 |
| Interest Income                            | 3,103                           |
| ERC Credits                                | 109,398                         |
| Other                                      | 895                             |
| Total Other Income                         | 113,397                         |
| Other Expense                              |                                 |
| Interest Expense                           | 943                             |
| Total Other Expense                        | 943                             |
| Earnings Before Income Taxes               | (779,195)                       |
| Provision for Income Tax Expense/(Benefit) | -                               |
| Net Income (loss)                          | (779,195)                       |



**Statement of Cash Flows**

**Year Ended December 31,  
2022**

| <b>OPERATING ACTIVITIES</b>   |           |
|---|-----------|
| Net Income (Loss)   | (779,195) |
| Adjustments to reconcile Net Income to Net Cash provided by operations:       |           |
| Depreciation  | 2,517     |
| Accounts Payable and Accrued Expenses   | 60,319    |
| Accounts Receivable   | (23,360)  |
| Payroll Liabilities   | 2,025     |
| Deferred Revenue  | 40,608    |
| Other   | 3,549     |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | 85,658    |
| Net Cash provided by (used in) Operating Activities                           | (693,538) |
| <b>INVESTING ACTIVITIES</b>   |           |
| Fixed Assets - Computers  | (13,373)  |
| Security Deposits   | (675)     |
| Net Cash provided by (used by) Investing Activities                           | (14,048)  |
| <b>FINANCING ACTIVITIES</b>   |           |
| Proceeds from Issuance of Stock   | 2,403,597 |
| Series CF Financing Costs   | (38,914)  |
| Proceeds from Issuance of Debt  | 14,557    |
| Net Cash provided by (used in) Financing Activities                           | 2,379,240 |
| Cash at the beginning of period   | 143,680   |
| Net Cash increase (decrease) for period                                       | 1,671,655 |
| Cash at end of period   | 1,815,333 |

**Offline Media, Inc**  
**Notes to the Unaudited Financial Statements**  
**December 31st, 2022**  
**SUSD**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Offline Media, Inc (“the Company”) was formed in North Carolina on February 23, 2012. The Company earns revenue using a consumer subscription platform that uses algorithmic matchmaking to connect diners and restaurants. The Company’s headquarters is in Raleigh, North Carolina. The Company’s customers will be located in the United States.

The Company will conduct a crowdfunding campaign under regulation CF in 2024 to raise operating capital.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Our fiscal year ends on December 31. The Company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Concentrations of Credit Risks

The Company’s financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company’s management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

## Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, “Revenue Recognition” following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize Revenue When or As Performance Obligations Are Satisfied

The Company’s primary revenue source is selling a recurring subscription service to its customers. The Company’s payments are collected on the renewal date of the contract, typically the 1st of the month for monthly contracts or annually on their subscription renewal date. The Company's performance obligation is to provide the customer with their offers for the month they maintain a membership with the Company. For annual subscriptions, the revenue is recognized ratably over the period of the annual contract as the separate monthly performance obligations are satisfied. The Company's deferred revenue balance of \$130,683 for the year ended 2022 are for prepaid subscriptions with remaining performance obligations.

The Company also has a secondary revenue source that is event revenue. The Company curates and works together with small businesses to host events. Members of the Company can sign up for these events and are charged for admission to them. The Company's performance obligation is holding the event itself. Revenue is recognized after the event is held and the performance obligation is satisfied. The payment for admission to these events are charged the month after the event occurs and after the performance obligation has been satisfied.

## Property and Equipment

Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation is provided using the straight-line method, based on useful lives of the assets.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized as equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment for December 31, 2022.

A summary of the Company’s property and equipment is below.

|                          | <b>2022</b>   |
|--------------------------|---------------|
| Computers                | 19,941        |
| Accumulated Depreciation | (3,098)       |
| <b>Fixed Assets, Net</b> | <b>16,843</b> |

## Accounts Receivable

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Payments are generally collected upfront, but some of the merchants that products are sold through have a delay between collecting from the customer and sending to the Company.

The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

#### Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred.

#### General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

#### Equity Based Compensation

The Company accounts for stock options issued to employees under ASC 718 (Stock Compensation). Under ASC 718, share-based compensation cost to employees is measured at the grant date, based on the estimated fair value of the award, and is recognized as an item of expense ratably over the employee's requisite vesting period. The Company has elected early adoption of ASU 2018-07, which permits measurement of stock options at their intrinsic value, instead of their fair value. An option's intrinsic value is defined as the amount by which the fair value of the underlying stock exceeds the exercise price of an option. In certain cases, this means that option compensation granted by the Company may have an intrinsic value of \$0.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505 (Equity). The fair value of the option issued or committed to be issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to expense and credited to additional paid-in capital.

There is not a viable market for the Company's common stock to determine its fair value, therefore management is required to estimate the fair value to be utilized in determining stock-based compensation costs. In estimating the fair value, management considers recent sales of its common stock to independent qualified investors, placement agents' assessments of the underlying common shares relating to our sale of preferred stock and validation by independent fair value experts. Considerable management judgment is necessary to estimate the fair value. Accordingly, actual results could vary significantly from management's estimates. Management has concluded that the estimated fair value of the Company's stock and corresponding expense is negligible.

The following is an analysis of options to purchase shares of the Company's stock issued and outstanding:

|  | <b>Total Options</b> | <b>Weighted Average<br/>Exercise Price</b> |
|--|----------------------|--|
| Total options outstanding, January 1, 2022   | 97,515               | \$2.75                                     |
| Granted                                      | 277,462              | \$1.03                                     |
| Exercised                                    | (2,940)              | \$1.55                                     |
| Expired/cancelled                            | (6,283)              | \$1.96                                     |
| Total options outstanding, December 31, 2022 | 365,754              | \$1.47                                     |
| Options exercisable, December 31, 2022       | 85,359               | \$2.47                                     |

|                                      | <b>Nonvested<br/>Options</b> | <b>Weighted<br/>Average<br/>Fair<br/>Value</b> |
|--------------------------------------|------------------------------|--|
| Nonvested options, January 1, 2022   | 15,738                       | \$ -   |
| Granted                              | 277,462                      | \$ -   |
| Vested                               | (12,805)                     | \$ -   |
| Forfeited                            | -                            | \$ -   |
| Nonvested options, December 31, 2022 | 280,395                      | \$ -   |

**Warrants** - The Company accounts for stock warrants as either equity instruments, derivative liabilities, or liabilities in accordance with ASC 480, Distinguishing Liabilities from Equity (ASC 480), depending on the specific terms of the warrant agreement. The Warrants below do not have cash settlement provisions or down round protection; therefore, the Company classifies them as equity. Management considers the equity-based compensation expense for 2022 to be negligible.

The following table summarizes information with respect to outstanding warrants to purchase common stock of the Company, all of which were exercisable, at December 31, 2022:

| <b>Exercise Price</b> | <b>Number Outstanding</b> | <b>Expiration Date</b> |
|-----------------------|---------------------------|------------------------|
| 1.4                   | 3,935                     | 9/9/2023               |
|                       | <u>3,935</u>              |                        |

A summary of the warrant activity for the years ended December 31, 2022 is as follows:

|   | <b>Shares</b> | <b>Weighted-Average<br/>Exercise Price</b> | <b>Weighted-Average<br/>Remaining Contractual<br/>Term<br/>(in years)</b> | <b>Aggregate Intrinsic<br/>Value in \$</b> |
|---|---------------|--|---|--|
| Outstanding at January 1, 2022                      | 3,935         | 1.4  | 20  | 956  |
| Grants  | -             | -  | -   | -  |
| Exercised   | -             | -  | -   | -  |
| Canceled  | -             | -  | -   | -  |
| Outstanding at December 31, 2022                    | 3,935         | 1.4  | 8   | 956  |
| Vested and expected to vest at<br>December 31, 2022 | 3,935         | 1.4  | 8   | 956  |
| Exercisable at December 31, 2022                    | 3,935         | 1.4  | 8   | 956  |

### Income Taxes

The Company is subject to corporate income and state income taxes in the state it does business. We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable

income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company does not have any uncertain tax provisions. The Company's primary tax jurisdictions are the United States and North Carolina. The Company's primary deferred tax assets are its net operating loss (NOL) carryforwards which approximates its retained earnings as of the date of these financials. A deferred tax asset as a result of NOLs have not been recognized due to the uncertainty of future positive taxable income to utilize the NOL. The Company is no longer subject to U.S. federal, state and local, tax examinations by tax authorities for years before 2019.

#### Recent accounting pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

#### **NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company follows ASC 850, "Related Party Disclosures," for the identification of related parties and disclosure of related party transactions. No transactions require disclosure.

#### **NOTE 4 – COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations. The Company does not have any long-term commitments or guarantees.

#### **NOTE 5 – DEBT**

The Company entered into a Master Cash Flow Purchase Agreement with a third party resulting in the Company receiving \$25,000 for which they are required to repay the principal of \$25,000 plus a fee of \$2,263. The entire amount was fully repaid in 2023.

#### **NOTE 6 – EQUITY**

**Common Stock:** As of December 31st, 2022, the Company had authorized 1,842,833 shares of the Company's Common Stock, no par value per share. As of December 31st, 2022, 268,993 shares of the Common Stock were issued and outstanding. An additional 3,935 shares of Common Stock were reserved for the exercise of outstanding but unexercised warrants to purchase shares of Common Stock. An additional 97,666 shares of Common Stock were reserved for issuance pursuant to the Company's 2012 Equity Incentive Plan, 90,405 of which were issued pursuant to options to purchase shares of Common Stock and 7,261 of which lapsed for issuance under the plan.

**Voting:** The holders of Common Stock are entitled to one vote per share of Common Stock.

**Dividends:** The holders of Common Stock are entitled to receive dividends when and if declared by the Company's Board of Directors (the "Board") and only if equivalent dividends have been declared and paid on the Preferred Stock (as defined below). As of the Disclosure Date, no dividends have been paid or declared.

**Preferred Stock:** As of December 31<sup>st</sup>, 2022, the Company had authorized 1,013,607 shares of the Company's Preferred Stock, no par value per share, of which 25,038 shares of the Preferred Stock were designated as Series Seed Preferred Stock, 27,062 shares of the Preferred Stock were designated as Series Seed-1 Preferred Stock, 161,180 shares of the Preferred Stock were designated as Series Seed-2 Preferred Stock, 404,756 shares of the Preferred Stock

were designated as Series Seed-3 Preferred Stock, 88,922 shares of the Preferred Stock were designated as Series Seed-4 Preferred Stock, 306,649 shares of the Preferred Stock were designated as Series Seed-5 Preferred Stock. As of December 31<sup>st</sup>, 2023, 25,038 shares of the Series Seed Preferred Stock were issued and outstanding, 27,062 shares of Series Seed-1 Preferred Stock were issued and outstanding, 161,180 shares of the Series Seed-2 Preferred Stock were issued and outstanding, and 404,756 shares of the Series Seed-3 Preferred Stock were issued and outstanding, 88,922 shares of the Series Seed-4 Preferred Stock were issued and outstanding, and 306,649 shares of the Series Seed-5 Preferred Stock were issued and outstanding, resulting in an aggregate total of 1,013,607 shares of the Preferred Stock that were issued and outstanding as of December 31<sup>st</sup>, 2022.

**Voting:** The holders of Preferred Stock are entitled to one vote per share of Preferred Stock on an as converted to Common Stock basis.

**Dividends:** The holders of Preferred Stock are entitled to receive dividends when and if declared by the Board. Any such dividends on Preferred Stock are in preference and prior to any payment of any dividend on Common Stock and are not cumulative. As of the Disclosure Date, no dividends have been paid or declared.

**Redemption:** The holders of Preferred Stock do not have any redemption rights.

**Conversion:** Each series of Preferred Stock converts into Common Stock at an initial rate of 1 share of Preferred Stock to 1 share of Common Stock, subject to anti-dilution adjustments (of which none have been made as of the Disclosure Date) (the "Conversion Rate"). Each holder of Preferred Stock has the right to convert such shares of Preferred Stock into Common Stock at the Conversion Rate at any time. Additionally, all shares of Preferred Stock will automatically convert into Common Stock at the Conversion Rate at the earliest of (i) the closing of the sale of shares of Common Stock in a firm-commitment underwritten public offering with total gross proceeds to the Company of not less than \$15,000,000 and (ii) upon the vote or written consent of the holders of a majority of the outstanding shares of Preferred Stock to convert all shares of Preferred Stock to Common Stock.

**Anti-Dilution:** The Conversion Rate of each series of Preferred Stock is subject to adjustment based on broad-based weighted basis upon the issuance of any shares of capital stock of the Company at a price less than the original issue price of each series of Preferred Stock, subject to customary exceptions.

**Liquidation Preference:** In the event of any liquidation, dissolution, or winding up of the Company, before any payment to the holders Series Seed-4 Preferred Stock, the holders of Series Seed-3 Preferred Stock, the holders of Series Seed-2 Preferred Stock, the holders of Series Seed-1 Preferred Stock, the holders of Series Seed Preferred Stock or the holders of Common Stock by reason of their ownership thereof, the holders of shares of Series Seed-5 Preferred Stock then outstanding shall be entitled to be paid out of the funds and assets available for distribution to its shareholders, an amount equal to the greater of (a) \$6.5221 per share for each share of Series Seed-5 Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of Preferred Stock been converted into Common Stock immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event.

After payment in full of the Series Seed-5 Preferred Stock, but before any payment shall be made to the holders of Series Seed-3 Preferred Stock, the holders of Series Seed-2 Preferred Stock, the holders of Series Seed Preferred Stock or the holders of Common Stock by reason of their ownership thereof, the holders of shares of Series Seed-4 Preferred Stock then outstanding shall be entitled to be paid out of the funds and assets available for distribution to its shareholders, an amount equal to the greater of (a) \$4.4874 per share for each share of Series Seed-4 Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of Preferred Stock been converted into Common Stock immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event.

After payment in full of the Series Seed-4 Preferred Stock, but before any payment shall be made to the holders of Series Seed-2 Preferred Stock, the holders of Series Seed-1 Preferred Stock, the holders of Series Seed Preferred Stock or the holders of Common Stock by reason of their ownership thereof, the holders of shares of Series Seed-3 Preferred Stock then outstanding shall be entitled to be paid out of the funds and assets available for distribution to its shareholders, an amount equal to the greater of (a) \$5.9436 per share for each share of Series Seed-3 Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all



shares of Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event.

After payment in full of the Series Seed-3 Preferred Stock, but before any payment shall be made to the holders of Series Seed-1 Preferred Stock, the holders of Series Seed Preferred Stock or the holders of Common Stock by reason of their ownership thereof, the holders of shares of Series Seed-2 Preferred Stock then outstanding shall be entitled to be paid out of the funds and assets available for distribution to its shareholders, an amount equal to the greater of (a) \$4.465 per share for each share of Series Seed-2 Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event.

After payment in full of the Series Seed-2 Liquidation Preference, but before any payment shall be made to the holders of Series Seed Preferred Stock or the holders of Common Stock by reason of their ownership thereof, the holders of shares of Series Seed-1 Preferred Stock then outstanding shall be entitled to be paid out of the funds and assets available for distribution to holders of shares the of Series Seed-1 Preferred Stock, an amount equal to the greater of (a) \$3.695 per share for each share of Series Seed-1 Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event.

After payment in full of the Series Seed-1 Liquidation Preference, but before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, the holders of shares of Series Seed Preferred Stock then outstanding shall be entitled to be paid out of the funds and assets available for distribution to the holders of the shares of Series Seed Preferred Stock, an amount per share equal to the greater of (a) \$2.40 per share and, together with the Series Seed-5 Original Issue Price, Series Seed-4 Original Issue Price, the Series Seed-3 Original Issue Price, the Series Seed-2 Original Issue Price, and the Series Seed-1 Original Issue Price for each share of Series Seed Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of Preferred Stock been converted into Common Stock immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event.

**Protective Provisions:** The Company shall not amend, alter or change the rights, powers, or privileges of the Preferred Stock in the Company's Articles of Incorporation in a way that adversely impacts any such series of Preferred Stock unless approved by written consent or affirmative vote of the holders of most of the outstanding shares of Preferred Stock.

#### **NOTE 7 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to December 31, 2022 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through March 15, 2024, the date these financial statements were available to be issued.

The Company fully repaid the Master Cash Flow Purchase Agreement entered into for which they were required to repay the principal of \$25,000 plus a fee of \$2,263.

#### **NOTE 8 – GOING CONCERN**

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The entity has realized losses and negative cashflows from operations and may continue to generate losses. During the next twelve months, the Company intends to finance its operations with funds from a crowdfunding campaign and revenue producing activities. The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt



about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.