

Unaudited
Financials

BLAZNTECH, INC.

Unaudited Financial Statements for The Period of January 1, 2018 to December 31, 2018

April 24, 2019

Independent Accountant's Review Report

To Management
Blazntech, INC
Research Triangle Park, NC

I have reviewed the accompanying balance sheet of Company, Inc. as December 31, 2018, and the related statements of income, retaining earnings, and cash flows for the period 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, I 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 control 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

My responsibility to conduct the review in accordance with Statements on Standards for Accounting and review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Accountant's Conclusion

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

James A. Cox III, EA, CTC
April 24, 2019

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BLAZNTECH, INC
BALANCE SHEET
December 31, 2018

ASSETS

CURRENT ASSETS

| | |
|-----------|---------|
| Cash | 2,025 |
| Inventory | 240,000 |

| | |
|----------------------|------------|
| TOTAL CURRENT ASSETS | \$ 242,025 |
|----------------------|------------|

OTHER CURRENT ASSETS

| | |
|----------------------|--------|
| Loan to Shareholders | 42,969 |
|----------------------|--------|

| | |
|----------------------------|-----------|
| TOTAL OTHER CURRENT ASSETS | \$ 42,969 |
|----------------------------|-----------|

| | |
|--------------|-------------------|
| TOTAL ASSETS | <u>\$ 284,994</u> |
|--------------|-------------------|

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

LONG-TERM LIABILITIES

| | |
|---------------------------|---------|
| Meyliker Loan | 40,010 |
| Paul Bardosh Loan | 110,000 |
| Robert Ash Loan | 50,000 |
| Shareholder Notes Payable | 20,488 |

| | |
|-----------------------------|------------|
| TOTAL LONG-TERM LIABILITIES | \$ 220,498 |
|-----------------------------|------------|

| | |
|-------------------|------------|
| TOTAL LIABILITIES | \$ 220,498 |
|-------------------|------------|

EQUITY

| | |
|------------------------|--------|
| Capital Stock | 100 |
| Opening Balance Equity | 54,508 |
| Retained Earnings | |
| Net Income | 9,888 |

| | |
|--------------|-----------|
| TOTAL EQUITY | \$ 64,496 |
|--------------|-----------|

| | |
|---|--------------------------|
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | <u>\$ 284,994</u> |
|---|--------------------------|

Unaudited - See accompanying notes.

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BLAZNTECH, INC
INCOME STATEMENT
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

| | <u>Total</u> |
|----------------------------------|------------------------|
| Income | |
| Refund | -417 |
| Sales | 73,806 |
| Total Income | <u>\$ 73,389</u> |
| COST OF GOODS SOLD | |
| Subcontracted Services | 12,967 |
| Supplies & Materials | 28,101 |
| Total Cost of Goods Sold | <u>\$ 41,068</u> |
| Gross Profit | <u>\$ 32,321</u> |
| Expenses | |
| Advertising | 2,126 |
| Automobile Expense | |
| Fuel | 336 |
| Total Automobile Expense | 336 |
| Bank Service Charges | 206 |
| Business Licenses and Permits | 249 |
| Computer and Internet Expenses | 319 |
| Dues and Subscriptions | 685 |
| Legal & Professional Fees | 11,924 |
| Meals and Entertainment | 483 |
| Office Supplies | 50 |
| Office Expenses | 610 |
| Postage & Shipping | 983 |
| Repairs and Maintenance | 100 |
| Telephone Expense | 1,659 |
| Travel | |
| Air | 185 |
| Hotel | 185 |
| Taxi | 311 |
| Train | 232 |
| Total Travel | <u>\$ 913</u> |
| Virtual Office Processing Center | 1,792 |
| Total Expenses | <u>\$ 22,433</u> |
| Net Operating Income | <u><u>\$ 9,888</u></u> |

Unaudited - See accompanying notes.

Unaudited
Financials

BLAZNTECH, INC
STATEMENT OF CASH FLOWS
FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

| | Total |
|---|--------------------|
| OPERATING ACTIVITIES | |
| Net Income | 6,943 |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | |
| Inventory Asset | -240,000 |
| Loans to Stockholders | -42,969 |
| Accounts Payable (A/P) | 2,945 |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | -\$ 280,024 |
| Net cash provided by operating activities | -\$ 273,081 |
| FINANCING ACTIVITIES | |
| Meyliker Loan | 40,010 |
| Note Payable – Boris | -12,500 |
| Notes Payable | -14,171 |
| Paul Bardosh Loan | 110,000 |
| Robert Ash Loan | 50,000 |
| Shareholder Notes Payable | 20,418 |
| Capital Stock | 100 |
| Opening Balance Equity | 81,250 |
| Net cash provided by financing activities | \$ 275,107 |
| Net cash increase for period | \$ 2,026 |
| Cash at end of period | \$ 2,026 |

Unaudited - See accompanying notes.

BLANZTECH,INC
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
January 1, 2018 to December 31, 2018

ORGANIZATION AND NATURE OF ACTIVITIES

Blazntech,INC (“the Company”) produces the world’s first and only Motorized Weapons Cleaning System, a pocket-sized tool that manages to quickly and effectively (without any disassembly) clean most commonly used rifles and handguns. Made from glass-reinforced nylon, assembled in the United States, and covered by a lifetime warranty, the (MWCS) is guaranteed to provide a luxurious cleaning experience. Founded by a combat veteran-owned and operated company that takes great pride in delivering its necessity-based invention to an industry that is already calling the product “a vacuum in a market full of brooms”.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, 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.

Income Taxes

The Company is subject to tax in the federal jurisdiction of the United States. The Company’s 2018 federal income tax filing will be subject to inspection by the Internal Revenue Service until 2022.

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The Company is subject to income tax in the State of North Carolina. The Company's 2018 tax filing for the State of North Carolina will be subject to inspection by that State until expiration of the statutory period of limitations in 2023.

BLANZTECH, INC NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

Revenue

The Company earned revenue of \$73,398 during the period ended December 31, 2018.

CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash equivalents with a limited number of high quality financial institutions and at times may exceed the amount of insurance provide on such deposits.

Licensing

The Company has an exclusive license to produce the Motorized Weapons Cleaning System ("MWCS"), its signature product, for a period of five years commencing from December of 2016. The MWCS patent is owned by a related company and is currently pending before the US Patent and Trademark Office and its international equivalents. The Company faces that patent application may fail in one or more jurisdictions, which could negatively affect the Company's legal ability to better sole provider of the MWCS.

SUBSEQUENT EVENTS

Management considered events subsequent to the end of the period but before April 24, 2019 the date the financial statements were available to be issued.