

NUDE, INC.  
Financials Statements  
(UNAUDITED)  
DECEMBER 31, 2017 AND  
2016

**NUDE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**  
**DECEMBER 31, 2017 AND 2016**

**NOTE A- ORGANIZATION AND NATURE OF ACTIVITIES**

Nude, Inc. ("the Company") is a corporation formed under the laws of the State of New York. The Company derives its revenue mainly from selling its product online through various online merchant sites.

The Company will conduct an equity crowd fund offering during the third quarter of 2018 for the purpose of raising operating capital. The company plans to use this capital for inventory purchasing and expansion.

**NOTE B- 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.

Accounts Receivables

Accounts receivables consists of amounts billed to customer for completed work for which payment has not yet been received. Management's experience suggests that losses on account are likely to be infrequent. Therefore, no amount has been recognized in the statements as a reserve for losses on accounts receivables.

**NUDE, INC**  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)

Inventory

The Company's inventory includes raw materials, supplies, and completed items that are held for sale. Management's experience suggests that losses due to obsolescence or spoilage of inventory items are likely to be infrequent. Therefore, no amount has been recognized in the statements as a reserve for losses on inventory.

Property and Equipment

The Company capitalizes long-lived assets with an original purchase price of \$1,000 or more. Depreciation is calculated on a straight-line basis over management's estimate of the asset's useful life, less a nominal amount to account for estimated salvage value.

Cost of Sales

Cost of Sales includes costs of inventory items and other supplies sold to the Company's customers.

Advertising Costs

The Company expenses direct advertising costs as incurred.

**NOTE C- INCOME TAXES**

The Company is subject to tax filing requirements in the federal jurisdiction of the United States. The Company recorded a net operating loss in 2017. Due to management's uncertainty as to the valuation or timing of benefits associated with the loss, no amount has been recognized in the statements to account for it. The net operating loss carry forward associated with 2017 will expire if unused after tax year 2037.

**NUDE, INC.**  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)  
(CONTINUED)

**NOTE D- NOTES PAYABLE**

The Company has short term notes payable with various third party companies that are being used to expand the business. The Notes accrue interest at various rates with flexible short term due dates. Balances due as of 12/31/17 and 12/31/2016 include the following:

	12/31/17	12/31/16
Accion USA	\$12,423	\$17,518
BOC Capital	\$10,254	\$12,402
Kabbage Loans	\$ 3,104	\$ 2,799
Paypal W/C	\$ 3,271	\$ 0
Related party	\$ 2,000	\$ 2,000
Credit Cards	\$13,886	\$17,831
Grand Total	<u>\$44,938</u>	<u>\$52,550</u>

**NOTE E- SUBSEQUENT EVENTS**

Management considered events subsequent to the end of the period but before July 26th, 2018, the date that the financial statements were available to be issued.

NUDE BAR  
2016 December Year To End  
Profit & Loss Statement

	<u>2016</u> <u>YTD</u>
Net Sales	61,265
Less Cost of Goods Sold	32,316
<i>COGS Margin</i>	52.7%
Gross Profit	28,949
<i>Gross Profit Margin</i>	47.3%
Less Operating Expenses	
Website	240
Taxes/Licenses & Interest Expens	3,835
Insurance	2,903
Advertising	2,480
Telephone & Utilities	1,343
Business Travel	3,171
Depreciation	3,805
Professional Development	1,869
Professional Fees	10,720
Office Expense	10,334
Total Operating Expenses	40,700
<i>Expense Ratio %</i>	66.4%
Misc Inc/(loss)	-
Net Income/(loss) Per Books	<u>(11,751)</u>
<i>Net Income %</i>	-19.2%

NUDE BAR  
Cash Flow Statement  
2016 December Year To End

	<u>YTD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net Income	(11,751)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	3,805
Change in Current Assets	(33,899)
Change in Current Liabilities	37,672
Total Adjustments	7,578
<b>NET CASH PROVIDED BY OPERATIONS:</b>	<b>(4,173)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of Equipment	(20,403)
Purchase of Investments	(750)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(21,153)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Loans To/From Stockholders	21,095
Change in Long-Term Debt	-
Capital Infusion by Stockholders	5,000
<b>NET CASH USED IN FINANCING ACTIVITIES:</b>	<b>26,095</b>
<b>NET CHANGE IN CASH</b>	<b>768</b>
<b>CASH BALANCE, BEG. OF PERIOD</b>	<b>447</b>
<b>CASH BALANCE, END OF PERIOD</b>	<b>1,215</b>
<b>NET CHANGE IN CASH</b>	<b>768</b>
CHECK	
DIFFERENCE	-

Balance Sheet  
NUDE BAR  
As of December 31, 2016

	<u>As of</u> <u>12/31/2016</u>
Assets	
Current Assets	
Cash	1,215
Inventory	36,749
Total Current Assets	37,964
Equipment	
Office Equipment	31,904
Accumulated Depreciation	(4,870)
Equipment - Net	27,034
Investments	63,705
Loans To Stockholders	-
Total Assets	128,703
Liabilities and Stockholders Equity	
Current Liabilities	
Accounts Payable	145
Other Current Liabilities	52,550
Total Current Liabilities	52,695
Long-Term Liabilities	
Loans From Stockholders	80,580
Total Long-Term Liabilities	80,580
Total Liabilities	133,275
Stockholders Equity	
Capital Stock	13,200
Current Year Retained Earnings	(11,751)
Cumulative Retained Earnings	(6,021)
Total Stockholder's Equity	(4,572)
Total Liabilities & Stockholder's Equity	128,703

NUDE BAR  
2017 December Year To Date  
Profit & Loss Statement

	<u>2017</u> <u>YTD</u>
Net Sales	102,894
Less Cost of Goods Sold	52,898
<i>COGS Margin</i>	<i>51.4%</i>
Gross Profit	49,996
<i>Gross Profit Margin</i>	<i>48.6%</i>
Less Operating Expenses	
Website	69
Taxes/Licenses & Interest Expense	6,265
Insurance	3,373
Advertising	3,216
Telephone & Utilities	1,930
Business Travel	2,685
Depreciation	4,001
Professional Development	1,911
Professional Fees	21,308
Office Expense	18,579
Total Operating Expenses	63,337
<i>Expense Ratio %</i>	<i>61.6%</i>
Misc Inc/(loss)	-
Net Income/(loss) Per Books	<u>(13,341)</u>
<i>Net Income %</i>	<i>-13.0%</i>



NUDE BAR  
Cash Flow Statement  
2017 December Year To Date

	<u>YTD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net Income	(13,341)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	4,001
Change in Current Assets	(5,251)
Change in Current Liabilities	(7,200)
Total Adjustments	(8,450)
<b>NET CASH PROVIDED BY OPERATIONS:</b>	<b>(21,791)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of Equipment	(15,954)
Purchase of Investments	(1,776)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(17,730)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Loans To/From Stockholders	27,905
Change in Long-Term Debt	-
Capital Infusion by Stockholders	11,000
<b>NET CASH USED IN FINANCING ACTIVITIES:</b>	<b>38,905</b>
<b>NET CHANGE IN CASH</b>	<b>(617)</b>
<b>CASH BALANCE, BEG. OF PERIOD</b>	<b>1,215</b>
<b>CASH BALANCE, END OF PERIOD</b>	<b>598</b>
<b>NET CHANGE IN CASH</b>	<b>(617)</b>
CHECK	
DIFFERENCE	-

Balance Sheet  
NUDE BAR  
As of December 31, 2017

	<u>As of</u> <u>12/31/2017</u>
Assets	
Current Assets	
Cash	598
Inventory	42,000
Total Current Assets	42,598
Equipment	
Office Equipment	47,858
Accumulated Depreciation	(8,871)
Equipment - Net	38,987
Investments	65,481
Loans To Stockholders	-
Total Assets	147,066
Liabilities and Stockholders Equity	
Current Liabilities	
Accounts Payable	557
Other Current Liabilities	44,938
Total Current Liabilities	45,495
Long-Term Liabilities	
Loans From Stockholders	108,484
Total Long-Term Liabilities	108,484
Total Liabilities	153,979
Stockholders Equity	
Capital Stock	24,200
Current Year Retained Earnings	(13,341)
Cumulative Retained Earnings	(17,772)
Total Stockholder's Equity	(6,913)
Total Liabilities & Stockholder's Equity	147,066

**Nude Inc**

Statement of Changes in Stockholders' Equity  
For January 1<sup>st</sup> – December 31<sup>st</sup> 2016, 2017

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In Capital</u>	<u>Deficit</u>	<u>Total</u>
Balance Jan 1, 2016	100				
Issuance of common stock	-	-	-	-	-
Stock compensation expense	-	-	-	-	-
Net loss	-	-	-	-	-
Balance December 31, 2017	<u>100</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>