

Financial Statements of

# CITYFREIGHTER INC.

December 31, 2023

(Prepared in United states dollars)

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## Contents

<b>Independent Auditors' Report</b>	<b>2</b>
<b>Financial Statements:</b>	
<b>Statement of Financial Position</b>	<b>3</b>
<b>Statement of Comprehensive Loss</b>	<b>4</b>
<b>Statement of Cash Flows</b>	<b>5</b>
<b>Statement of Changes in Shareholder's Equity</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7-8</b>

## INDEPENDENT AUDITORS' REPORT

To the Shareholder of CITYFREIGHTER INC.

We have audited the accompanying balance sheet of CITYFREIGHTER INC., as at December 31, 2023, and 2022 and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of CITYFREIGHTER INC. as at December 31, 2023, and 2022, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Junaid Qazi  
License # 3882  
April 22, 2024

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**CITYFREIGHTER INC.**  
**Statement of Financial Position**  
**As at December 31,**  
**(Prepared in US dollars)**

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	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Accumulated Depreciation	\$	<b>439,889</b>	\$ 488,766
		<b>(43,989)</b>	(48,877)
<b>Current Assets</b>			
Cash & Bank		<b>68,026</b>	379
Inventory		<b>610,766</b>	610,766
Prepayments		<b>29,130</b>	
	\$	<b>1,103,823</b>	\$ 1,051,034
<b>Liabilities</b>			
<b>Non Current liabilities</b>			
Investment in Subsidiary	\$	-	\$ 30,309
<b>Current liabilities</b>			
Creditors		<b>318,797</b>	318,797
Loan		<b>125,000</b>	115,617
<b>Equity</b>			
Capital		<b>2,492,901</b>	2,217,420
Retained earning		<b>(1,832,875)</b>	(1,631,109)
	\$	<b>1,103,823</b>	\$ 1,051,034

The accompanying notes are an integral part of these financial statements.

Approved on the behalf of the Corporation:

  
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 President & Founder  
**CityFreighter Inc.**

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**CITYFREIGHTER INC.****Statement of Comprehensive Income (Loss)****Years Ended December 31, 2023****(Prepared in US dollars)**

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	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Income			
Net Revenue		\$ -	\$ -
		-	-
Expenses			
Facebook AD Services		-	-
Car and Truck Parts		-	682
Consulting Services		31,099	-
Engineering & Development		2,144	9,752
Food/ Restaurant		1,838	479
Legal Fees		1,508	1,984
Mobile Services		540	85
Marketing/ Tradeshow/Brouchers		-	100
Online Software Services		659	401
Office Supply Equipment		644	911
Accumulated Depreciation		43,989	48,877
Office Lease		-	9,351
Travel		17,038	-
Transport & Logistic		1,787	5,602
Other Expense		-	176,365
Diverse Cost		99,600	210
Wise Bank Fees		-	705
BOFA Fees		921	428
		<u>201,766</u>	<u>255,932</u>
Net Income (Loss)		\$ (201,766)	\$ (255,932)

The accompanying notes are an integral part of these financial statements.

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**CITYFREIGHTER INC.****Statement of Cash Flows****Years Ended December 31, 2023****(Prepared in US dollars)**

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	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from (used in) operating activities</b>			
Net Income		\$ (201,766)	\$ (255,932)
Depreciation		43,989	48,877
Working Capital Change		(29,130)	(479,877)
		<u>(186,907)</u>	<u>(686,932)</u>
<b>Cash flows from financing activities</b>			
Loan		9,383	115,617
Investment in Subsidiary		(30,309)	-
<b>Cash flows used in investing activities</b>			
Addition in Fixed Assets		-	-
Capital Injection		275,480	570,952
<b>Net increase (decrease) in cash during the year</b>		<u>67,647</u>	<u>(363)</u>
<b>Cash, beginning of year</b>		<u>379</u>	<u>742</u>
<b>Cash, end of year</b>		<u>\$ 68,026</u>	<u>\$ 379</u>

The accompanying notes are an integral part of these financial statements.

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**CITYFREIGHTER INC.****Statement of Changes in Shareholder's Equity****Years Ended December 31, 2023****(Prepared in US dollars)**

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	Common Stock (shares)	Common Stock (\$)	Retained earning (\$)	Total (\$)
<b>2023</b>				
Beginning Balance				
December 31,2022	1,998,208	\$ 2,217,420	\$ (1,631,109)	\$ 586,311
Additional Capital	26,000	275,480		275,480
Net Income (Loss)			(201,766)	(201,766)
Ending Balance	-	-		-
December 31,2023	<u>2,024,208</u>	<u>\$ 2,492,900</u>	<u>\$ (1,832,875)</u>	<u>\$ 660,025</u>
<b>2022</b>				
Beginning Balance				
December 31,2021	1,998,208	\$ 1,646,468	\$ (1,375,177) 	\$ 271,291
Additional Capital		\$ 570,952		570,952
Net Income (Loss)			\$ (255,932)	(255,932)
Ending Balance				
December 31,2022	<u>1,998,208</u>	<u>\$ 2,217,420</u>	<u>\$ (1,631,109)</u>	<u>\$ 586,311</u>

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The accompanying notes are an integral part of these financial statements.

**CITYFREIGHTER INC.**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(Prepared in US dollars)**

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**1. Nature of business:**

CityFreighter Inc. (the "Corporation") is a C-Corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware. It is governed by the Bylaws dated June 26, 2018. The registered office is located at 16192 Coastal Highway, Lewes Delaware 19958, Country of Sussex.

These audited financial statements were approved for issuance by the CPA on April 22, 2024.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of Presentation**

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Accounting Standards Codification ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative GAAP.

**2.2 Use of Estimates in Preparation of Financial Statements**

The preparation of financial statements in conformity with US GAAP requires the Company 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 revenue and expense during the reporting periods. Estimates that are critical to the accompanying financial statements include allowance for doubtful accounts, amortization, and depreciation because such items can be significantly impacted by future industry, market, and economic trends and conditions. Actual results could differ significantly from estimates.

**2.3 Cash and Cash Equivalents**

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of cash and demand deposits in banks, merchant banking clearing accounts, and short-term investments. To reduce its credit risk, the Company monitors the credit standing of the financial institutions that hold the Company's cash and cash equivalents.

**2.4 Fair Value of Financial Instruments**

Fair value is determined based on estimated future net cash flows discounted for the inherent risks associated with the assets, or other valuation techniques. Certain instruments of the Company's financial instruments, including cash, accounts payable, debt and other accrued liabilities are carried at cost, which approximates their fair value because of the short-term maturity of these financial instruments. Due to uncertainties in the estimation process, it is possible that actual results could differ from those estimates and could materially affect the financial statements.

**CITYFREIGHTER INC.**  
**Notes to the Financial Statements**  
**December 31, 2023**  
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**2.5 Accounts Receivable**

Accounts receivable are stated at net realizable value. The Company's management provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of all receivables. The estimated losses are based on a periodic review of all accounts and consider the Company's loss experience, known and inherent risks in the receivable population, adverse situations that may affect a client's ability to pay, and current economic conditions. The Company performs ongoing credit evaluations of its clients and generally does not require collateral because management believes that it has procedures in place to limit potential for significant losses.

**2.6 Share Capital**

Total common shares authorized for the period ending December 31, 2023 are 5,000,000 shares and outstanding shares are 2,024,208.

**3. Subsequent Events**

As of December 31, 2023, there are no subsequent events that either warrant a modification of the value of the assets and liabilities or any additional disclosures for the reporting fiscal year.

In December 2020, a novel strain of coronavirus was reported in Wuhan, China ("COVID-19"). The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on customers, employees and vendors. The extent to which COVID-19 may impact the Company's financial condition or results of operations is uncertain and cannot be reasonably estimated at this time.