
WEBTEZ, INC

FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020 AND 2019

(Expressed in United States Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
WebTez, Inc.
Ventura, California

Opinion

We have audited the accompanying financial statements of WebTez, Inc. (the "Company"), which comprise the balance sheet as of December 31, 2020 and December 31, 2019, and the related statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2020 and December 31, 2019, and the related notes to the financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WebTez, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt WebTez, Inc.'s ability to continue as a going concern for period of twelve months from the end of the year ended December 31, 2020.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WebTez, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WebTez, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Going Concern

As discussed in Note 11, 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.

SetApart FS

March 20, 2021
Los Angeles, California

WEBTEZ, INC.
BALANCE SHEETS

As of December 31,	2020	2019
(USD \$ in Dollars)		
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 110,507	\$ 113,581
Inventory	469,500	259,096
Prepays and other current assets	252,711	70,256
Total current assets	832,718	442,933
Property and equipment, net	95,414	30,564
Total assets	\$ 928,131	\$ 473,498
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accrued expenses	\$ 19,648	\$ 7,731
Deferred revenue	295,035	251,954
Current portion of SBA loan	39,231	61,094
Due to shareholders	58,121	34,117
Total current liabilities	412,034	354,897
SBA Loan	275,209	179,024
SAFE investment	100,000	-
Loan payable	13,929	19,737
Total liabilities	801,172	553,657
STOCKHOLDERS' EQUITY (DEFICIT)		
Common Stock - Class A	160	160
Common Stock - Class B	50	14
Paid in Capital	1,966,100	705,809
Equity Issuance Cost	(99,176)	(28,022)
Accumulated Deficit	(1,740,175)	(758,121)
Total stockholders' equity (deficit)	126,959	(80,159)
Total liabilities and stockholders' equity (deficit)	\$ 928,131	\$ 473,498

See accompanying notes to financial statements.

WEBTEZ, INC.
STATEMENTS OF OPERATIONS

For Fiscal Year Ended December 31,	2020	2019
(USD \$ in Dollars)		
Net revenue	\$ 2,941,465	\$ 1,211,772
Cost of goods sold	3,081,075	1,203,458
Gross profit (loss)	(139,610)	8,314
Operating expenses		
General and administrative	679,658	278,479
Sales and marketing	135,886	57,446
Total operating expenses	815,544	335,925
Operating loss	(955,154)	(327,611)
Interest expense	17,900	20,467
Loss before provision for income taxes	(973,054)	(348,077)
Provision/(Benefit) for income taxes	-	-
Net Loss	\$ (973,054)	\$ (348,077)

See accompanying notes to financial statements.

WEBTEZ, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

For Fiscal Year Ended December 31, 2020 and 2019

(in \$USD)	Common Stock - Class A		Common Stock - Class B		Additional Paid in Capital	Equity Issuance Cost	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance—December 31, 2018	1,600,000	\$ 160	-	\$ -	\$ 213,525	\$ -	\$ (327,669)	\$ (113,984)
Debt to equity conversion	-	-	1,260	1	7,496	-	-	7,497
Issuance of common shares	-	-	-	-	18,150	-	-	18,150
Issuance of Class B shares	-	-	66,106	7	223,435	-	-	223,442
Issuance of Class B shares	-	-	64,601	6	215,181	-	-	215,187
Equity issuance costs	-	-	-	-	28,022	(28,022)	-	-
Dividends	-	-	-	-	-	-	(82,374)	(82,374)
Net loss	-	-	-	-	-	-	(348,077)	(348,077)
Balance—December 31, 2019	1,600,000	\$ 160	131,967	\$ 14	\$ 705,809	\$ (28,022)	\$ (758,121)	\$ (80,159)
Debt to equity conversion	-	-	4,201	-	24,996	-	-	24,996
Issuance of Class B shares	-	-	360,032	36	1,164,140	-	-	1,164,176
Equity issuance costs	-	-	-	-	71,154	(71,154)	-	-
Dividends	-	-	-	-	-	-	(9,000)	(9,000)
Net loss	-	-	-	-	-	-	(973,054)	(973,054)
Balance—December 31, 2020	1,600,000	\$ 160	496,200	\$ 50	\$ 1,966,100	\$ (99,176)	\$ (1,740,175)	\$ 126,959

See accompanying notes to financial statements.

WEBTEZ, INC.
STATEMENTS OF CASH FLOWS

For Fiscal Year Ended December 31,	2020	2019
(USD \$ in Dollars)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	\$ (973,054)	\$ (348,077)
<i>Adjustments to reconcile net income to net cash used in operating activities:</i>		
Depreciation of property	23,962	17,173
Stock-based compensation	566,316	117,495
Changes in operating assets and liabilities:		
Inventory	(210,403)	(55,850)
Prepaid expenses and other current assets	(182,455)	30,397
Accrued expenses	11,916	2,347
Deferred revenue	43,081	95,912
Net cash used in operating activities	(720,638)	(140,603)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(88,811)	-
Net cash used in investing activities	(88,811)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Due to shareholders	49,000	(38,387)
SBA loans	74,322	(20,684)
Loan repayments	(5,807)	(3,038)
SAFE investment	100,000	-
Issuance of common shares, net of issuance costs	597,860	339,285
Dividends	(9,000)	(82,374)
Net cash provided by financing activities	806,375	194,802
Change in cash	(3,074)	54,199
Cash—beginning of year	113,581	59,382
Cash—end of year	\$ 110,507	\$ 113,581
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES		
Conversion of debt into equity	\$ 24,996	\$ 7,497

See accompanying notes to financial statements.

WEBTEZ, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

All amounts in these Notes are expressed in thousands of United States dollars (" \$" or "US\$"), unless otherwise indicated.

1. NATURE OF OPERATIONS

WebTez, Inc. was formed on February 15, 2012 ("Inception") in the State of Georgia. The financial statements of WebTez, Inc (which may be referred to as the "Company", "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's headquarters are located in Ventura, California.

WebTez, Inc. doing business as ModVans, operates as a recreational vehicle (RV) manufacturer. The company manufactures a recreational vehicle (RV) model under the name CV1. The model includes features such as solar charging system, pure sine wave inverter / chassis generator, extra large 2 burner propane stove, deep undermount sink, 3 cubic foot high efficiency, compressor based refrigerator, toilet with privacy closet, dedicated house battery system, BTU rooftop air conditioner, electric heater, propane heater, LED lighting system, propane system, fresh water system, and black water.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 in banks. The Company's cash are deposited in demand accounts at financial institutions that management believes are creditworthy.

Inventory

Inventory consists primarily of parts, materials and vehicles in process but not yet delivered to the customer. Inventory is recorded at the lower of cost or market, using a standard costing and specific identification method. As of December 31, 2020 and 2019, inventory was \$469,500 and \$259,096, respectively.

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the related depreciation are eliminated from the accounts in the period of disposal and the resulting gain or loss is credited or charged to earnings.

WEBTEZ, INC.**NOTES TO FINANCIAL STATEMENTS****FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment is as follows:

Category	Useful Life
Laguna CNC Router	7 years
Tools and equipment	3 - 5 years
Furniture and fixtures	7 years
Vehicle	5 years
Leasehold improvements	Shorter of useful life or lease term

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Income Taxes

WebTez, Inc. is a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

Revenue Recognition

ASC Topic 606, "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers.

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements: 1) identify the contract with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to performance obligations in the contract; and 5) recognize revenue as the performance obligation is satisfied. To date, no revenue has been recognized.

The Company recognizes revenue from the sale of recreational vehicle models when the vehicle has been delivered to the customer and the Company has satisfied its performance obligation. The Company records deferred revenue for any customer deposits received but the model has not yet been delivered. As of December 31, 2020 and 2019, the Company had deferred revenue of \$295,035 and \$251,954, respectively.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments.

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Subsequent Events

The Company considers events or transactions that occur after the balance sheets date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through March 20, 2021, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

In February 2019, FASB issued ASU No. 2019-02, Leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and

WEBTEZ, INC.**NOTES TO FINANCIAL STATEMENTS****FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019**

will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, 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 our financial statements.

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepays and other current assets consist of the following items:

As of Year Ended December 31,	2020	2019
Newtek SBA Escrow	\$ 63,048	\$ 63,048
Chassis	179,380	-
Insurance	3,021	2,908
Dues and memberships	7,262	4,300
Total Prepays Expenses and Other Current Assets	\$ 252,711	\$ 70,256

Prepaid Chassis represents chassis parts purchased for vehicles that have not yet been delivered.

WEBTEZ, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

4. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of:

As of Year Ended December 31,	2020	2019
Laguna CNC Router	\$ 21,792	\$ 21,792
Tools and equipment	83,692	28,401
Furnitures and fixtures	10,674	2,887
Vehicles	11,500	-
Leasehold improvements	14,234	-
Property and Equipment, at Cost	141,891	53,080
Accumulated depreciation	(46,478)	(22,516)
Property and Equipment, Net	\$ 95,414	\$ 30,564

Depreciation expense for property and equipment for the fiscal year ended December 31, 2020 and 2019 totaled \$23,962 and \$17,173, respectively.

5. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company's authorized the issuance of two classes of shares with \$0.0001 par value that consists of 1,600,000 share of Class A Voting Common Stock and 900,000 shares of Class B Non-Voting Common Stock. As of December 31, 2020, 1,600,000 shares of Class A common stock are issued and outstanding for a consideration of \$160.

As of December 31, 2020 and 2019, 496,200 and 131,967 shares of Class B common stock are issued and outstanding.

As of December 31, 2020, the Company issued 177,032 shares of Class B common stock pursuant to a Regulation CF campaign for net proceeds of \$863,809.

During the years ended December 31, 2020 and 2019, a shareholder converted debt of \$24,996 and \$7,497 for 4,201 and 1,260 shares of Class B common stock, respectively.

During the year ended December 31, 2019, the Company issued 17,806 shares of Class B common stock to accredited investors for proceeds of \$105,946.

During the years ended December 31, 2020 and 2019, the Company granted 243,400 and 48,300 restricted shares of Class B common stock to employees. As of December 31, 2020, 114,926 shares had vested. The Company recorded stock-based compensation expense of \$566,316 and \$117,496 based on the vested shares and the fair value of common stock of \$5.95 per share. In 2020, \$358,562 was included in cost of goods sold and \$207,754 was included in general and administrative expenses in the statements of operations. All stock compensation was included in cost of goods sold in the statements of operations in 2019. As of December 31, 2020, unrecognized compensation cost for unvested shares was \$1,001,823.

WEBTEZ, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

6. DEBT

SBA Loan

The Company signed a long-term loan with Newtek on November 21, 2017 and matures in 10 years. The loan is a Small Business Administration guaranteed loan in the amount of \$280,000. The loan has a fluctuating rate calculated on the Prime Rate (as posted in the Wall Street Journal as of the first business day of the month in which SBA receives the application) plus 2.75%. The rate will be adjusted on a quarterly basis on the first day of each calendar quarter, beginning the first calendar quarter following the loan closing. The following is a summary of principal maturities of long-term debt during the next five years. As of December 31, 2020, the loan has an outstanding balance of \$238,331 and \$240,118, respectively. The following is a schedule of future maturities:

	2021	2022	2023	2024	2025	2026	2027
SBA Loan #PLP 12958970-04	39,231	39,231	39,231	39,231	39,231	39,231	4,733

PPP Loan

In May 2020, the Company entered into a loan with a lender in an aggregate principal amount of \$76,109, pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP Loan is evidenced by a promissory note ("Note"). Subject to the terms of the Note, the PPP Loan bears interest at a fixed rate of one percent (1%) per annum, with the first six months of interest deferred, has an initial term of two years, and is unsecured and guaranteed by the Small Business Administration. The Company may apply to the Lender for forgiveness of the PPP Loan, with the amount which may be forgiven equal to the sum of payroll costs, covered rent, and covered utility payments incurred by the Company during the applicable forgiveness period, calculated in accordance with the terms of the CARES Act. The loan proceeds were used for payroll and other covered payments and is expected to be forgiven in 2021 based on current information available; however, formal forgiveness has not yet occurred as of the date of these financial statements.

Loan Payable

In June 2019, the Company financed an equipment purchase with a loan. During 2020 and 2019, the Company made repayments, including interest, totaling \$5,807 and \$3,038, respectively. As of December 31, 2020 and 2019, the outstanding balance was \$13,929 and \$19,737, respectively.

SAFE Investment

During 2020, the Company entered into a Simple Agreement for Future Equity ("SAFE") for an purchase amount of \$100,000.

The agreement, which provides the right of the investors to future equity in the Company, are subject to a valuation cap of \$13,500,000. If there is a preferred equity financing before the instrument expires or is terminated, the Company will automatically issue to the investors a number of shares equal to the greater of a) a number of shares of Standard Preferred Stock equal to the purchase amount divided by the lowest cash price per share of the Standard Preferred Stock, or b) a number of shares of Safe Preferred Stock equal to the purchase amount divided by the Safe Price. The Safe Price is defined as the valuation cap divided by the number of dilutive shares outstanding.

If there is a liquidation event before the expiration or termination of the SAFE agreement, the investor will at its option either a) receive a cash payment equal to the purchase amount or b) the amount payable on the number of shares of common stock equal to the purchase amount divided by the Liquidity Price (valuation cap dividend by the number of dilutive shares outstanding) if the investor fails to select the cash option. Thereafter the SAFE agreement will terminate. In connection with a cash payment through a liquidity event, if there are not enough funds to pay the holder of the SAFE agreements in full, funds will be distributed pro-rata and based on the purchase price.

7. INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities at December 31, 2020 and 2019 are as follows:

As of Year Ended December 31,	2020	2019
Net Operating Loss	\$ 490,312	\$ 199,952
Valuation Allowance	(490,312)	(199,952)
Total Deferred Tax Asset	\$ -	\$ -

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. On the basis of this evaluation, the Company has determined that it is more likely than not that the Company will not recognize the benefits of the federal and state net deferred tax assets, and, as a result, full valuation allowance has been set against its net deferred tax assets as of December 31, 2020. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

As of December 31, 2020 the Company had net operating loss ("NOL") carryforwards of approximately \$1,643,136. Utilization of some of the federal and state NOL carryforwards to reduce future income taxes will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. Under the provisions of the Internal Revenue Code, the NOLs and tax credit carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. NOLs and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. The Company has not performed a comprehensive Section 382 study to determine any potential loss limitation with regard to the NOL carryforwards and tax credits.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not of being sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2020, and 2019, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2020 and 2019, the Company had no accrued interest and penalties related to uncertain tax positions.

WEBTEZ, INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

The Company is subject to examination for its US federal and California jurisdictions for each year in which a tax return was filed.

8. RELATED PARTY

As of December 31, 2018, the Company has loans from its shareholders in the total amount of \$80,000. During 2019, the Company made repayments of \$38,387 and one noteholder converted \$7,497 of debt for shares of common stock. During 2020, a shareholder made additional loans of \$49,000 and a noteholder converted \$24,996 of debt for shares of common stock. As of December 31, 2020 and 2019, the outstanding balance of the shareholders loans are \$58,121 and \$34,117, respectively. The loans do not accrue any interest.

9. COMMITMENTS AND CONTINGENCIES

Operating Leases

On February 7, 2020 the Company signed a commercial single tenant lease agreement with Silvas Investments, LLC for a monthly based rent in the amount of \$6,370. The agreement expires in February 2023. The aggregate minimum annual lease payments under operating leases in effect on December 31, 2020, are as follows:

As of Year Ended December 31, 2020		
2021	\$	76,437
2022		76,437
2023		12,740
2024		-
Thereafter		-
Total future minimum operating lease payments	\$	165,614

Rent expense for the fiscal years 2020 and 2019 was \$66,443 and \$34,031, respectively.

Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations.

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2020, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 20, 2021, the date the financial statements were available to be issued.

In 2021, the Company began a Regulation CF campaign to issue up to 400,000 shares of Class B Non-Voting Common Stock at a price of \$9.00 per share.

There have been no other events or transactions during this time which would have a material effect on these financial statements.

11. GOING CONCERN

The accompanying financial statements have 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 Company incurred losses from operations and has accumulated deficit of \$1,740,175 as of December 31, 2020.

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. During the next twelve months, the Company intends to fund its operations through debt and/or equity financing.

There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its business, financial condition, and operating results. The accompanying financial statements do not include any adjustments that might result from these uncertainties