

VERIGLIF, INC.

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDING
DECEMBER 31, 2018**

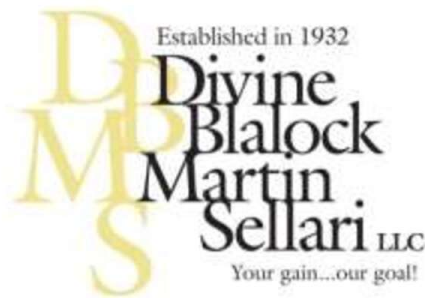
VERIGLIF, INC.
TABLE OF CONTENTS
DECEMBER 31, 2018

	<u>Page</u>
Independent Auditor's Report	1- 2
Financial Statements:	
Balance Sheet	3
Statement of Operations	4
Statement of Stockholders' Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7- 11

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Veriglif, Inc.
New York, NY

We have audited the accompanying financial statements of Veriglif, Inc., which comprise the balance sheet as of December 31, 2018, and the related statements of operations and stockholders' equity and cash flows for the period then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Veriglif, Inc. as of December 31, 2018 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL

September 4, 2020

VERIGLIF, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2018

Assets		
Current Assets		
Cash		\$ 32,247
Shareholder loan receivable		<u>2,843</u>
Total current assets		<u>35,090</u>
Total Assets		<u><u>\$ 35,090</u></u>
Liabilities and Stockholders' Equity		
Noncurrent Liabilities		
Shareholder loans		<u>\$ 35,000</u>
Total noncurrent liabilities		35,000
Stockholders' Equity		
Common Stock issued, \$.00001 par value; 10,000,000 shares authorized, 9,000,000 shares issued and outstanding		90
Retained Earnings		<u>-</u>
Total stockholders' equity		<u>90</u>
Total Liabilities and Stockholders' Equity		<u><u>\$ 35,090</u></u>

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

VERIGLIF, INC.
STATEMENT OF OPERATIONS
PERIOD ENDED DECEMBER 31, 2018

Revenue	\$ -
Cost of Revenues	-
Gross profit	<u>-</u>
Operating Expenses	
General and Administrative	-
Total operating expenses	<u>-</u>
Income (Loss) From Operations	<u>-</u>
Net Income (Loss)	<u><u>\$ -</u></u>

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

VERIGLIF, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
PERIOD ENDED DECEMBER 31, 2018

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
Balance at beginning of year	\$ -	\$ -	\$ -
Net income (loss)	-	-	-
Shares issued for cash	<u>90</u>	<u>-</u>	<u>90</u>
Balance at end of year	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 90</u>

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

VERIGLIF, INC.
STATEMENT OF CASH FLOWS
PERIOD ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ -
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CASH FLOWS USED IN INVESTING ACTIVITY:

Proceeds from shareholder loan	32,157
Net cash provided by financing activities	<u>32,157</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from issuing common stock	90
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Net increase in cash	32,247
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Cash at beginning of period	<u>-</u>
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Cash at end of year	<u><u>\$ 32,247</u></u>
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The accompanying notes are an integral part of these financial statements.

VERIGLIF, INC.
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDING DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activities

Veriglif, Inc. (the “Company”) was incorporated in the state of Delaware on October 22, 2018 operating out of New York. The Company is in the business of connecting the world’s consumer data ecosystem in real-time which will allow Brands around the world to understand, relate to and communicate with individuals at the right time.

The Company is in its initial start-up phase and is currently in the process of raising capital.

Basis of Accounting

The Company’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Revenue Recognition

The Company’s income is primarily derived from contracts with customers. The Company recognizes revenue when it satisfies a performance obligation by the delivery of data between a willing seller and a willing buyer. General and administrative expenses are charged to expense as incurred.

Concentration of Credit Risk

The Company maintains its cash and cash equivalents balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to \$250,000 per depositor. At December 31, 2018, the Company’s cash and cash equivalents balances did not exceed insured limits.

Cash Equivalents

For purposes of the statement of cash flows, the company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

VERIGLIF, INC.
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDING DECEMBER 31, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounts Receivable and Bad Debts

Accounts receivable are stated at their net realizable value. The Company uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts is based on management's estimate of collectability. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to an allowance for doubtful accounts based on its assessment. There was no allowance for doubtful accounts as of December 31, 2018.

Property and Equipment

The Company records property, plant and equipment at historical cost when purchased. The cost of property, plant and equipment is depreciated, using the straight-line method, over their estimated useful lives. When depreciable assets are retired or otherwise disposed, the cost and related accumulated depreciation of such assets are eliminated from the accounts and any gain or loss is recognized in the current period. Expenditures for additions and improvements in excess of \$1,000 are capitalized at cost. Expenditures for maintenance and repairs are charged to expense when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating losses and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. The deferred tax liability relates primarily to differences in methods of accounting for long-term contracts for financial reporting and income tax purposes. The deferred tax asset is adjusted for the effects of changes in tax laws and rates on the date of the enactment.

VERIGLIF, INC.
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDING DECEMBER 31, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Income Taxes (Continued)

The Company adopted the provisions of ASC 740-, Income Taxes, on October 21, 2014. FASB ASC 740-10-65 clarifies the accounting and disclosure requirements for uncertainty in tax positions, as defined. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are “more likely than not” to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined that no aggressive tax positions have been taken.

The Company’s tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Fair Value of Financial Assets and Liabilities

The Company financial instruments consist primarily of cash, accounts receivable, and debt instruments. The carrying values of cash and accounts receivable are considered to be representative of their respective fair values. The carrying values of the Company’s debt instruments approximate their fair values as of December 31, 2018, based on current incremental borrowing rates for similar types of borrowing arrangements.

NOTE 2: RELATED PARTY TRANSACTIONS

At December 31, 2018, the Company has a loan due to shareholders totaling \$35,000 with no specified repayment terms. The loan is non-current, non-collateralized and non-interest bearing.

At December 31, 2018, The Company had a loan due from shareholders totaling \$2,843 with no specified repayment terms. The loan is short-term and non-interest bearing.

NOTE 3: COMMON STOCK

On October 22, 2018, the Company authorized 10,000,000 shares. On October 29, 2018, shareholders purchased 9,000,000 shares of the Company’s common stock leaving 1,000,000 shares in reserves. As part of the stock purchase agreement, shareholders are subject to a vesting schedule. Shareholders will become 25% vested in their shares on October 29, 2019. Thereafter, the remaining unvested shares will be released monthly over the following 4 years with shareholders being fully vested on October 29, 2023.

VERIGLIF, INC.
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDING DECEMBER 31, 2018

NOTE 4: SUBSEQUENT EVENTS

On January 28, 2019, the Company signed two loan agreements with separate shareholders that provide for a \$200,000 and \$140,000 line of credit facility to be used for working capital, investment and general operating expenses. The credit facilities are non-interest bearing and are due on demand. There was no outstanding balance as of the date of these financial statements.

On January 29, 2019, the Company entered into a convertible promissory note in the principal balance amount of \$65,000. The Note has a maturity date of January 29, 2021 bearing an interest rate of 2% per annum with the unpaid principal balance, including accrued interest, payable on the maturity date. The Note is convertible at the option of the investor, in whole or in part, into shares of preferred stock of the Company at a discount of 20%. If a change of control or initial public offering occurs before any conversion elections are made, the Note is convertible at the option of the investor, in whole, into shares of common stock of the Company at a discount of 40%. These funds were used for working capital purposes.

During 2019, the Company entered into convertible promissory notes in the principal balance amount of \$394,285. The Notes mature two years from the date of issue on various dates in 2021, all bearing an interest rate of 2% per annum with the unpaid principal balance, including accrued interest, payable on the maturity date. The Notes are convertible at the option of the investor, in whole or in part, into shares of preferred stock of the Company at a discount of 20%. If a change of control or initial public offering occurs before any conversion elections are made, the Note is convertible at the option of the investor, in whole, into shares of common stock of the Company at a discount of 40%. These funds were used for working capital purposes.

NOTE 5: DATE OF MANAGEMENT'S REVIEW

The Company has evaluated subsequent events occurring after the balance sheet date of December 31, 2018 through the date of September 4, 2020, which is the date the financial statements were available to be issued. Based on this evaluation, the Company has determined that no other subsequent events have occurred, which require disclosure in the financial statements.

VERIGLIF, INC.
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDING DECEMBER 31, 2018

NOTE 5: DATE OF MANAGEMENT’S REVIEW (CONTINUED)

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Company expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.