

Annual Report

Cover Page

Name of issuer:

Subverse Inc.

Legal status of issuer:

Form: Corporation
Jurisdiction of Incorporation/Organization: CT
Date of organization: 6/5/2019

Physical address of issuer:

29 North Main Street
South Norwalk CT 06854

Website of issuer:

https://subverse.net

Name of intermediary through which the offering will be conducted:

Wefunder Portal LLC

CIK number of intermediary:

0001670254

SEC file number of intermediary:

007-00033

CRD number, if applicable, of intermediary:

283503

Current number of employees:

3

	Most recent fiscal year-end:	Prior fiscal year-end:
Total Assets:	\$1,000,133.00	\$0.00
Cash & Cash Equivalents:	\$992,370.00	\$0.00
Accounts Receivable:	\$0.00	\$0.00
Short-term Debt:	\$52.00	\$0.00
Long-term Debt:	\$0.00	\$0.00
Revenues/Sales:	\$23,443.00	\$0.00
Cost of Goods Sold:	\$0.00	\$0.00
Taxes Paid:	\$0.00	\$0.00
Net Income:	(\$130,840.00)	\$0.00

Select the jurisdictions in which the issuer intends to offer the securities:

AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, BS, GU, PR, VI, TV

Offering Statement

Respond to each question in each paragraph of this part. Set forth each question and any notes, but not any instructions thereto, in their entirety. If disclosure in response to any question is responsive to one or more other questions, it is not necessary to repeat the disclosure. If a question or series of questions is inapplicable or the response is available elsewhere in the Form, either state that it is inapplicable, include a cross-reference to the responsive disclosure, or omit the question or series of questions.

Be very careful and precise in answering all questions. Give full and complete answers so that they are not misleading under the circumstances involved. Do not discuss any future performance or other anticipated event unless you have a reasonable basis to believe that it will actually occur within the foreseeable future. If any answer requiring significant information is materially inaccurate, incomplete or misleading, the Company, its management and principal shareholders may be liable to investors based on that information.

THE COMPANY

1. Name of issuer:

Subverse Inc.

3. Has the issuer or any of its predecessors previously failed to comply with the ongoing reporting requirements of Rule 202 of Regulation Crowdfunding?

☐ Yes ☒ No

DIRECTORS OF THE COMPANY

4. Provide the following information about each director (and any persons occupying a similar status or performing a similar function) of the issuer.

Director	Principal Occupation	Main Employer	Year Joined as Director
Rocco Castoro	Chief Editorial Officer	Subverse Inc.	2020
Timothy Pool	Journalist	Timcast Media Group	2019
Bill Ottman	CEO of Minds Inc.	Minds Inc.	2019
Emily Molli	Chief Content Officer	Subverse	2019

For three years of business experience, refer to [Appendix D: Director & Officer Work History](#).

OFFICERS OF THE COMPANY

5. Provide the following information about each officer (and any persons occupying a similar status or performing a similar function) of the issuer.

Officer	Positions Held	Year Joined
Rocco Castoro	Vice President	2020
Rocco Castoro	Vice President	2020
Rocco Castoro	CEO	2020
Timothy Pool	President	2019
Timothy Pool	CEO	2019
Bill Ottman	Treasurer	2019
Bill Ottman	Chief Information Officer	2019
Emily Molli	Secretary	2019
Emily Molli	CCO	2019

For three years of business experience, refer to [Appendix D: Director & Officer Work History](#).

PRINCIPAL SECURITY HOLDERS

6. Provide the name and ownership level of each person, as of the most recent practicable date, who is the beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power.

Name of Holder	No. and Class of Securities Now Held	% of Voting Power Prior to Offering
Tim Pool	8500.0 Common Stock	85.0

BUSINESS AND ANTICIPATED BUSINESS PLAN

7. Describe in detail the business of the issuer and the anticipated business plan of the issuer.

For a description of our business and our business plan, please refer to the attached [Appendix A: Business Description & Plan](#)

RISK FACTORS

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

8. Discuss the material factors that make an investment in the issuer speculative or risky:

Reliance on third party platforms for distribution like YouTube, Twitter, etc. is always a risk as we are subject to algorithms and censorship. For this reason our top priority is becoming sustainable and independent on our own infrastructure for media and payments.

The news and media market is extremely volatile and polarized. Misinformation spreads rapidly and this could affect the business.

Reliance on third party platforms for payment for distribution like Paypal, Patreon, etc. is always a risk as we are subject to algorithms and censorship. For this reason our top priority is becoming sustainable and independent on our own infrastructure for media and payments.

On the ground journalism may pose physical risks as well as legal risks for covering certain individuals and topics

The Company may never receive a future equity financing or elect to convert the Securities upon such future financing. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a liquidity event occurs, the Purchasers could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company's assets or profits and have no voting rights or ability to direct the Company or its actions.

Our future success depends on the efforts of a small management team. The loss of services of the members of the management team may have an adverse effect on the company. There can be no assurance that we will be successful in attracting and retaining other personnel we require to successfully grow our business.

Ownership and Capital Structure

DESCRIPTION OF ISSUER'S SECURITIES

17. What other securities or classes of securities of the issuer are outstanding? Describe the material terms of any other outstanding securities or classes of securities of the issuer.

Class of Security	Securities (or Amount) Authorized	Securities (or Amount) Outstanding	Voting Rights
Class of Security	Securities Reserved for Issuance upon Exercise or Conversion		
Warrants:			
Options:			

24. Describe the material terms of any indebtedness of the issuer:

None

25. What other exempt offerings has the issuer conducted within the past three years?

Offering Date	Exemption Regulation	Security Type	Amount Sold	Use of Proceeds
8/2019	Regulation Crowdfunding	SAFE	\$1,070,000	General operations
8/2019	Regulation D, 506(c)	SAFE	\$130,221	General operations

26. Was or is the issuer or any entities controlled by or under common control with the issuer a party to any transaction since the beginning of the issuer's last fiscal year, or any currently proposed transaction, where the amount involved exceeds five percent of the aggregate amount of capital raised by the issuer in reliance on Section 4(a)(6) of the Securities Act during the preceding 12- month period, including the amount the issuer seeks to raise in the current offering, in which any of the following persons had or is to have a direct or indirect material interest:

- any director or officer of the issuer;
- any person who is, as of the most recent practicable date, the beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power;
- if the issuer was incorporated or organized within the past three years, any promoter of the issuer;
- or (4) any immediate family member of any of the foregoing persons.

☐ Yes

☒ No

FINANCIAL CONDITION OF THE ISSUER

27. Does the issuer have an operating history?

☐ Yes

☒ No

28. Describe the financial condition of the issuer, including, to the extent material, liquidity, capital resources and historical results of operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes and other financial information included elsewhere in this offering. Some of the information contained in this discussion and analysis, including information regarding the strategy and plans for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We create news showing both sides of the argument. Our mission is to fuel a paradigm shift in civil discourse with fact-based news and analysis, diversity of thought and groundbreaking media and entertainment. We aim to be a community-owned, independent, decentralized newsroom.

We would like to be cash-flow positive and totally self-sustainable. Ideally we will launch satellite newsrooms globally and have millions of subscribers.

Milestones

Subverse Inc. was incorporated in the State of Connecticut in June 2019.

Since then, we have:

- 2.7M+ views in 1 month
- 130K+ subscribers
- Founder Tim Pool has 229M+ views and 861K+ subscribers on his Timcast and Tim Pool YouTube channels.

- After announcing Subverse expansion, Tim's video received 167K views and resulted in 1,000+ pitches.

- Tim's reporting has been featured in Vice, Forbes, NYT, the New Yorker, Fox News, Time, and more.

- Powered by open source technology

Historical Results of Operations

Our company was organized in June 2019 and has limited operations upon which prospective investors may base an evaluation of its performance.

- *Revenues & Gross Margin.* For the period ended December 31, 2019, the Company had revenues of \$23,443. Our gross margin was 100.0%.

- *Assets.* As of December 31, 2019, the Company had total assets of \$998,807, including \$992,370 in cash.

- *Net Income.* The Company has had net income of \$863 for 2019.

- *Liabilities.* The Company's liabilities totaled \$0 for 2019.

Liquidity & Capital Resources

After the conclusion of this Offering, should we hit our minimum funding target, our projected runway is 12 months before we need to raise further capital.

We plan to use the proceeds as set forth in this Form C under "Use of Funds". We don't have any other sources of capital in the immediate future.

We will likely require additional financing in excess of the proceeds from the Offering in order to perform operations over the lifetime of the Company. We plan to raise capital in 12 months. Except as otherwise described in this Form C, we do not have additional sources of capital other than the proceeds from the offering. Because of the complexities and uncertainties in establishing a new business strategy, it is not possible to adequately project whether the proceeds of this offering will be sufficient to enable us to implement our strategy. This complexity and uncertainty will be increased if less than the maximum amount of securities offered in this offering is sold. The Company intends to raise additional capital in the future from investors. Although capital may be available for early-stage companies, there is no guarantee that the Company will receive any investments from investors.

Runway & Short/Mid Term Expenses

Subverse Inc. cash in hand is \$992,370, as of December 2019. Over the last three months, revenues have averaged \$3,907/month, cost of goods sold has averaged \$22,910/month, and operational expenses have averaged \$26,666/month, for an average burn rate of \$45,669 per month. Our intent is to be profitable in 12 months.

YouTube advertising revenue dropped due to changes with YouTube algorithms and advertisers. Expenses decreased after we left our office facility and started working remotely.

Revenue and expenses will increase as we will be focusing on commissions and syndication of content to TV broadcasters and streaming services.

Yes, private backing in the form of principals who may or may not inject financing into the company as needed. We do not, however, anticipate that this will be needed.

FINANCIAL INFORMATION

29. Include financial statements covering the two most recently completed fiscal years or the period(s) since inception, if shorter:

Refer to [Appendix C: Financial Statements](#)

OTHER MATERIAL INFORMATION

31. In addition to the information expressly required to be included in this Form, include:

- (1) any other material information presented to investors; and

- (2) such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

All information presented to investors hosted on Wefunder.com is available in [Appendix A: Business Description & Plan](#).

ONGOING REPORTING

32. The issuer will file a report electronically with the Securities & Exchange Commission annually and post the report on its website, no later than:

120 days after the end of each fiscal year covered by the report.

33. Once posted, the annual report may be found on the issuer's website at:

https://subverse.minds.com/invest

The issuer must continue to comply with the ongoing reporting requirements until:

- the issuer is required to file reports under Exchange Act Sections 13(a) or 15(d);
- the issuer has filed at least one annual report and has fewer than 300 holders of record;
- the issuer has filed at least three annual reports and has total assets that do not exceed \$10 million;
- the issuer or another party purchases or repurchases all of the securities issued pursuant to Section 4(a)(6), including any payment in full of debt securities or any complete redemption of redeemable securities; or the issuer liquidates or dissolves in accordance with state law.

APPENDICES

[Appendix A: Business Description & Plan](#)

[Appendix C: Financial Statements](#)

[Financials 1](#)
[Financials 2](#)
[Financials 3](#)

[Appendix D: Director & Officer Work History](#)

[Bill Ottman](#)
[Emily Molli](#)
[Rocco Castoro](#)
[Timothy Pool](#)

[Appendix E: Supporting Documents](#)

Signatures

Intentional misstatements or omissions of facts constitute federal criminal violations. See 18 U.S.C. 1001.

The following documents will be filed with the SEC:

[Cover Page XML](#)

[Offering Statement \(this page\)](#)

[Appendix A: Business Description & Plan](#)

[Appendix B: Investor Contracts](#)

[Early Bird SAFE \(Simple Agreement for Future Equity\)](#)
[SAFE \(Simple Agreement for Future Equity\)](#)

[Appendix C: Financial Statements](#)

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[Emily Molli](#)
[Rocco Castoro](#)
[Timothy Pool](#)

[Appendix E: Supporting Documents](#)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing an Annual Report and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

Subverse Inc.

By

Timothy Pool

CEO and Co-founder

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Annual Report and Transfer Agent Agreement has been signed by the following persons in the capacities and on the dates indicated.

Emily Molli

Chief Content Officer
6/18/2020

Rocco C. Castoro

Chief Editorial Officer
6/18/2020

Timothy Pool

CEO and Co-founder
6/18/2020

The Annual Report must be signed by the issuer, its principal executive officer or officers, its principal financial officer, its controller or principal accounting officer and at least a majority of the board of directors or persons performing similar functions.