

# **Rumble Motors, Inc.**

## **ANNUAL REPORT**

4563 Maple Crest St  
Sacramento, CA 95834  
[www.rumblemotors.com](http://www.rumblemotors.com)

This Annual Report is dated May 5, 2020.

## BUSINESS

### *Company Overview*

Rumble Motors designs and manufactures electric bikes with a focus on cutting edge technology, attractive design and affordability. Our products bridge the gap between small stand up scooters and full electric motorcycles.

The company product was conceived in 2016 in Stockholm, Sweden and we opened up the company with our main location in Sacramento, CA in 2018.

The Rumble Motors design team is in Sweden and our manufacturing facilities are in Sacramento CA. Our rapid development cycle has enabled us to launch a new version of our flagship bike every year and we have 2 new products in the pipeline for launch on Kickstarter.

### *Competitors and Industry*

The electric vehicle market is currently bifurcated into small stand up scooters like those used by Bird and Lime and electric versions of motorcycles and cars produced by companies such as Zero Motorcycles and Tesla.

Rumble Motors sits between these markets and offers products that bridge these two segments. Vehicles that are still small enough to navigate the urban environment, yet are more capable than a stand up scooter.

Our biggest competition would be from established companies such as Zero expanding into the space. Beyond that we are mitigating competition from start ups by continually expanding our product catalog and adding features, such as solar panels and removable batteries, to our existing lines.

### *Current Stage and Roadmap*

Rumble Motors has two products, the Rumble and the Scrambler. There are two additional products in the development pipeline, the Moon Walker (a foldable electric bicycle) and something very exciting that we'll reveal in an investor update. The Moon Walker is ready to be launched on KickStarter immediately following the conclusion of this StartEngine campaign.

Currently Rumble Motors has fully converted to manufacturing in house at our facility in Sweden. Production capacity at the new facility is 1200 units per year. Funding from this campaign will allow us to complete a production facility in Sacramento, CA adding an additional 1400 units of production. Increased production capacity will allow Rumble Motors to transition from the "Made to Order" model which sold 250

units last year to a worldwide distribution system utilizing distributors and licensors.

### **Previous Offerings**

Between February 7, 2020 and April 14, 2020, we sold 10,224 shares of Common Stock in exchange for \$10.00 per share under Regulation Crowdfunding.

We have made the following issuances of securities within the last three years:

Name: Common Stock  
Type of security sold: Equity  
Final amount sold: \$0.00  
Number of Securities Sold: 1,200,000  
Use of proceeds: Not applicable  
Date: July 18, 2019  
Offering exemption relied upon: Section 4(a)(2)

### **REGULATORY INFORMATION**

The company has not previously failed to comply with the requirements of Regulation Crowdfunding;

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

#### **Operating Results – 2019 Compared to 2018**

We have received a lot of free marketing via different tech companies. This has allowed us to perform the current amount of sales of our bikes while shipping them all across the world.

Today we have a limit of building approximately 200-250 bikes per year. This is because of the current cash flow and the fact that we are still using third-party companies for parts of our assembly line.

With our own facilities and higher cash flow we plan to be able to have parts in stock and build our bikes on demand rather than working with and waiting on third party Companies.

With a higher cash flow and our own facility our plan is to increase our production to around 1200-1400 bikes per year.

As of December 2019, we had approximately 135 thousand dollars in revenue. Our profit was approximately 79 thousand, the biggest expense so far is building our new model Moon Walker with an R&D budget of approximately 80 thousand dollars.

Historical results and cash flows:

Up to this moment, the Rumble Motors company has been the only entity investing in the company's growth. Using the cash flow from the sales of our bikes and reinvesting it back into the company has allowed the company to reach its current stage.

We believe this means that we can only grow as much as the cash flow allows us. By increasing the amount of cash flow through investor funding, and creating our manufacturing facility in Sacramento, we believe the company will grow in a fast pace.

Based on our planned changes, the historical results should not be representative of what investors should expect in the future.

## **Liquidity and Capital Resources**

The company currently has cash on hand coupled with the inventory stock of our bikes located in the US and Sweden warehouse that totals in the amount of \$18,282 . The company also has a line of credit totaling in the amount of \$30,000. The company has never used this line of credit, holds no loans or other private debts. This allows the company to currently hold an outstanding balance of \$0.

## **Debt**

The company has no current debt.



## **DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES**

Our directors and executive officers as of the date hereof, are as follows:

Name: Saeed Reza Khademi, Jr.

Saeed Reza Khademi, Jr. 's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: VP of Sales; Director

Dates of Service: July 18, 2018 - Present

Responsibilities: Business development, responsible for all distribution worldwide. There is no salary to the position.

Name: Janet Arellano

Janet Arellano's current primary role is with Portal Pacific US. Janet Arellano currently services 10 to 15 hours per week in their role with the Issuer.

Positions and offices currently held with the issuer:

Position: Managing Director

Dates of Service: July 18, 2018 - Present

Responsibilities: Overview and control all business operations. Responsible for strategic guidance to the board to ensure that the Company achieves its vision and mission. There is no salary to the position.

Other business experience in the past three years:

Employer: Portal Pacific US

Title: Managing Director

Dates of Service: May 01, 2013 - Present

Responsibilities: Manage all aspects of the business operation.

Name: Reza Khademi

Reza Khademi's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: Chief Executive Officer; Director

Dates of Service: July 18, 2018 - Present

Responsibilities: Business Development and industrial design of the bikes. There is no salary to the position.

## PRINCIPAL SECURITY HOLDERS

Set forth below is information regarding the beneficial ownership of our Common Stock, our only outstanding class of capital stock, as of December 31, 2018, by (i) each person whom we know owned, beneficially, more than 10% of the outstanding shares of our Common Stock, and (ii) all of the current officers and directors as a group. We believe that, except as noted below, each named beneficial owner has sole voting and investment power with respect to the shares listed. Unless otherwise indicated herein, beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares beneficially owned.

<b>Title of class</b>	<b>Name and address of beneficial owner</b>	<b>Amount and nature of Beneficial ownership</b>	<b>Amount and nature of beneficial ownership acquirable</b>	<b>Percent of class</b>
Common Stock	Saeed Reza Khademi, Jr.	543,000 shares		45.25%
Common Stock	Reza Khademi	543,000 shares		45.25%

## RELATED PARTY TRANSACTIONS

The Company has not conducted any related party transactions

## OUR SECURITIES

The Company has authorized equity stock. As part of the Regulation Crowdfunding raise, the Company will be offering up to 107,000 of Common Stock.

### *Common Stock*

The amount of security authorized is 5,000,000 with a total of 1,200,000 outstanding.

### *Voting Rights*

1 vote per share

### *Material Rights*

There are no material rights associated with Common Stock

### **What it means to be a minority holder**

As a minority holder you will have limited ability, if at all, to influence our policies or any other corporate matter, including the election of directors, changes to our company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the company or of assets of the company or transactions with related parties.

### **Dilution**

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will decrease, even though the value of the company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible notes, preferred shares or warrants) into stock. If we decide to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

The type of dilution that hurts early-stage investors most occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the company or expecting each share to hold a certain amount of value, it's important to realize how the value of those shares can decrease by actions taken by the company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

### **RESTRICTIONS ON TRANSFER**

The common stock sold in the Regulation CF offering, may not be transferred by any purchaser, for a period of one-year beginning when the securities were issued, unless such securities are transferred:

- (1) to the Company;
- (2) to an accredited investor;
- (3) as part of an offering registered with the SEC; or
- (4) to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

### **SIGNATURES**

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100-503), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C and has duly caused this Form to be signed on its behalf by the duly authorized undersigned, on May 12, 2020.

Rumble Motors, Inc

By /s/ Reza Khademi

Name Reza  
: Khademi

Title: Chief Executive Officer

---

Exhibit A

**FINANCIAL STATEMENTS**

---

**CERTIFICATION**

I, Reza Khademi, Principal Executive Officer of Rumble Motors, Inc., hereby certify that the financial statements of Rumble Motors, Inc included in this Report are true and complete in all material respects.

/s/ Reza Khademi  
Principal Executive Officer

---

# **RUMBLE MOTORS, INC.**

## **FINANCIAL STATEMENTS** **YEAR ENDED DECEMBER 31, 2019 AND 2018** *(Unaudited)*

*(Expressed in United States Dollars)*

---

## INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

---

	Page
INDEPENDENT ACCOUNTANT'S REVIEW REPORT .....	1
FINANCIAL STATEMENTS:	
Balance Sheet .....	2
Statement of Operations .....	3
Statement of Changes in Stockholders' Equity .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6

---

## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors of  
Rumble Motors, Inc.  
Sacramento, California

We have reviewed the accompanying financial statements of Rumble Motors, Inc. (the "Company,"), which comprise the balance sheet as of December 31, 2019 and December 31, 2018, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the year ending December 31, 2019 and December 31, 2018, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### **Going Concern**

As discussed in Note 10, 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.

Set Apart FS

April 28, 2020  
Los Angeles, California



**RUMBLE MOTORS, INC.**  
**BALANCE SHEET**  
**(UNAUDITED)**

<b>As of December 31,</b>	<b>2019</b>	<b>2018</b>
(USD \$ in Dollars)		
<b>ASSETS</b>		
Current Assets:		
Cash & cash equivalents	\$ 1,922	\$ 3,041
Inventory	16,360	153,384
<b>Total current assets</b>	<b>18,282</b>	<b>156,425</b>
<b>Total assets</b>	<b>\$ 18,282</b>	<b>\$ 156,425</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Credit Cards	\$ 5,985	\$ -
Other current liabilities	1,085	-
<b>Total current liabilities</b>	<b>7,070</b>	<b>-</b>
<b>Total liabilities</b>	<b>7,070</b>	<b>-</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock	249,496	-
Members' Equity	-	270,951
Retained earnings/(Accumulated Deficit)	(238,283)	(114,526)
<b>Total stockholders' equity</b>	<b>11,212</b>	<b>156,425</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 18,282</b>	<b>\$ 156,425</b>

*See accompanying notes to financial statements.*

**RUMBLE MOTORS, INC.**  
**STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

---

<b>For Fiscal Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>
(USD \$ in Dollars)		
Net revenue	\$ 135,434	\$ 181,625
Cost of goods sold	214,809	246,316
Gross profit	(79,375)	(64,691)
Operating expenses		
General and administrative	39,891	46,361
Sales and marketing	4,492	3,474
Total operating expenses	44,383	49,835
Operating income/(loss)	(123,757)	(114,526)
Income/(Loss) before provision for income taxes	(123,757)	(114,526)
(Provision)/Benefit for income taxes	-	-
<b>Net income/(Net Loss)</b>	<b>\$ (123,757)</b>	<b>\$ (114,526)</b>

*See accompanying notes to financial statements.*

**RUMBLE MOTORS, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

---

(in thousands, \$US)	Common Stock		Members' Equity	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
<b>Balance—December 31, 2017</b>	-	\$ -	\$ -	\$ -	\$ -
	-	-	-	(114,526)	(114,526)
Net income/(loss)	-	-	-	(114,526)	(114,526)
Contribution	-	-	270,951	-	270,951
<b>Balance—December 31, 2018</b>	-	\$ -	\$ 270,951	\$ (114,526)	156,425
Contribution	-	-	9,319	-	9,319
Distribution	-	-	(30,775)	-	(30,775)
Conversion LLC to C Corporation	5,000,000	249,496	(249,496)	-	-
Net income/(loss)	-	-	-	(123,757)	(123,757)
<b>Balance—December 31, 2019</b>	5,000,000	\$ 249,496	\$ -	\$ (238,283)	\$ 11,212

*See accompanying notes to financial statements.*

**RUMBLE MOTORS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<b>For Fiscal Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>
(USD \$ in Dollars)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income/(loss)	\$ (123,757)	\$ (114,526)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Changes in operating assets and liabilities:		
Inventory	137,024	(153,384)
Credit Cards	5,985	-
Other current liabilities	1,085	-
<b>Net cash provided/(used) by operating activities</b>	<b>20,336</b>	<b>(267,910)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Net cash provided/(used) in investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Contribution	9,319	270,951
Distribution	(30,775)	-
<b>Net cash provided/(used) by financing activities</b>	<b>(21,456)</b>	<b>270,951</b>
Change in cash	(1,119)	3,041
Cash—beginning of year	3,041	-
<b>Cash—end of year</b>	<b>\$ 1,922</b>	<b>\$ 3,041</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
<b>OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES</b>		
Purchase of property and equipment not yet paid for	\$ -	\$ -

*See accompanying notes to financial statements.*

**RUMBLE MOTORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018**

---

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

## **1. SUMMARY**

Rumble Motors LLC was formed during 2018 in the state of Florida. On July 2, 2019, the Company converted from an LLC to a C Corp in state of California. The financial statements of Rumble Motors, 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 Sacramento, California.

Rumble Motors is a Swedish-American electric vehicle company that designs and manufactures electric bikes.

## **2. 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.

### **Inventories**

Inventories are valued at the lower of cost and net realizable value. Costs related to raw materials and finished goods are determined on the average cost method.

### **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.

**RUMBLE MOTORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018**

---

**Income Taxes**

Rumble Motors, 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**

The Company will recognize revenues from the sale of its series of marine-specific engines when (a) persuasive evidence that an agreement exists; (b) the service has been performed; (c) the prices are fixed and determinable and not subject to refund or adjustment; and (d) collection of the amounts due is reasonably assured.

**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 April 28, 2020, which is the date the financial statements were issued.



**RUMBLE MOTORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018**

---

**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 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. DETAIL OF OTHER LIABILITIES**

The following is a break-out of other current liabilities as of December 31, 2019 and December 31, 2018:

<b>As of Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>
<b>Other Current Liabilities consist of:</b>		
Sales Tax Payables	\$ 1,085	\$ -
<b>Total Other Current Liabilities</b>	<b>\$ 1,085</b>	<b>\$ -</b>

**RUMBLE MOTORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018**

---

As of Year Ended December 31,	2019	%	2018	%
Income tax at federal statutory rate	\$ (25,989)	21%	\$ -	0%
State taxes, net of federal benefit	(10,821)	9%	-	0%
Permanent Difference - meals	284	0%	-	0%
Valuation allowance	36,526	-30%	-	0%
<b>Income tax provision (benefit)</b>	<b>\$ -</b>	<b>30%</b>	<b>\$ -</b>	<b>0%</b>

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

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

## **7. COMMITMENTS AND CONTINGENCIES**

### **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, 2019, 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.

### **Operating Lease**

During 2019, the Company entered into a month to month rental contract with a certain landlord for shared workplace. As of December 31, 2019, and 2018, rent expenses were in the amount of \$ 158 and \$0, respectively.

## **8. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through April 28, 2020, the date the financial statements were available to be issued.

Subsequent to December 31, 2019, the Company sold 10,224 shares of common stock through its Regulation CrowdFunding ("Reg CF") on StartEngine, LLC. The Company recognized gross proceeds of \$98,553 and had a subscription receivable of \$67,960 related to the sale of these shares as April 25, 2020. In connection with this offering, the Company incurred offering costs of \$9,225, which reduced additional paid-in capital.



**RUMBLE MOTORS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2019 AND DECEMBER 31, 2018**

---

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

## **9. 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 for the year ended 2019 recorded Net Loss in the amount of \$123,757 and Accumulated Deficit of \$238,283.

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.