

KACHINGA, INC.

FINANCIAL STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2022

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KACHINGA, INC.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2022
(Accrual Basis)

ASSETS

	<u>2021</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,991	\$ 17,184
Prepaid expenses and other current assets	<u>188,826</u>	<u>178,287</u>
TOTAL CURRENT ASSETS	<u>200,817</u>	<u>195,471</u>
OTHER ASSETS		
Intangible assets	<u>933,256</u>	<u>933,256</u>
TOTAL OTHER ASSETS	<u>933,256</u>	<u>933,256</u>
TOTAL ASSETS	<u><u>\$ 1,134,073</u></u>	<u><u>\$ 1,128,727</u></u>

LIABILITIES AND SHAREHOLDER'S EQUITY

	<u>2021</u>	<u>2022</u>
CURRENT LIABILITIES		
Accounts payable	\$ 355,823	\$ 524,895
Other current liabilities	<u>24,178</u>	<u>55,511</u>
TOTAL CURRENT LIABILITIES	<u>380,001</u>	<u>580,406</u>
LONG-TERM LIABILITIES		
Note payable – related party	11,634	11,635
SAFE obligations	473,692	473,692
Accrued interest	1,500	3,000
WeFunder convertible note		215,211
Direct convertible notes	<u>150,000</u>	<u>300,000</u>
TOTAL LONG-TERM LIABILITIES	<u>636,827</u>	<u>1,003,538</u>
TOTAL LIABILITIES	<u>1,016,828</u>	<u>1,583,944</u>
SHAREHOLDERS' EQUITY		
Common stock	3,256	3,256
Owner's investment	2,518	2,518
Additional paid-in capital	999,272	999,272
Retained earnings	(601,761)	(887,801)
Net income	<u>(286,040)</u>	<u>(572,461)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>117,245</u>	<u>(455,216)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 1,134,073</u></u>	<u><u>\$ 1,128,727</u></u>

KACHINGA, INC.
STATEMENTS OF INCOME
DECEMBER 31, 2021 AND 2022
(Accrual Basis)

	<u>2021</u>	<u>2022</u>
REVENUES	\$ 10,451	\$ 8,105
COST OF GOODS SOLD	<u>24,548</u>	<u>32,265</u>
GROSS PROFIT	(14,097)	(24,161)
OPERATING EXPENSES		
Sales and marketing	15,718	37,489
Payroll expenses	78,474	193,497
Professional services	20,377	8,938
Travel & entertainment	2,567	549
Product development costs	127,642	270,359
Office & other	<u>25,667</u>	<u>35,968</u>
TOTAL OPERATING EXPENSES	270,444	546,801
OTHER EXPENSES		
Interest expense	<u>1,500</u>	<u>1,500</u>
TOTAL EXPENSES	<u>271,944</u>	<u>548,301</u>
NET OPERATING INCOME	<u>(286,040)</u>	<u>(572,461)</u>
NET INCOME LOSS	<u>\$ (286,040)</u>	<u>\$ (572,461)</u>

KACHINGA, INC.
STATEMENTS OF EQUITY
DECEMBER 31, 2021 AND 2022
(unaudited)

	<u>Common Stock</u>				
	<u>Shares</u>	<u>Amount</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
BEGINNING BALANCE, JANUARY 1, 2021	6,749,667	\$ 846	\$ 999,272	\$ (601,761)	\$ 398,357
Issuance of common stock	888,166	4,928	-	-	4,928
Distributions	-	-			
Net loss	-	-		(286,040)	(286,040)
ENDING BALANCE, DECEMBER 31, 2021	7,637,833	\$ 5,774	\$ 999,272	\$ (887,801)	\$ 117,245
Issuance of common stock	-				
Distributions	-				
Net loss	-			(572,461)	(572,461)
ENDING BALANCE, DECEMBER 31, 2022	<u>7,637,833</u>	<u>\$ 5,774</u>	<u>\$ 999,272</u>	<u>\$ (1,460,262)</u>	<u>\$ (455,216)</u>

KACHINGA, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2021 AND 2022
(Accrual Basis)

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2022
Net loss	\$ (286,040)	\$ (572,461)
Adjustments to reconcile net income to net cash provided by operating activities:		
Prepaid expense		(1,366)
Prepaid software development & other costs	(11,399)	11,905
Accounts payable	47,351	176,183
Accrued wages	16,148	24,221
	<u> </u>	<u> </u>
CASH PROVIDED BY OPERATING ACTIVITIES	(233,941)	(361,517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable – related party	(59,399)	
Accrued interest	1,500	1,500
WeFunder convertible note		215,211
Direct convertible notes	150,000	150,000
SAFE obligations	65,692	
Common stock	2,410	
Owner’s investment	2,518	
	<u> </u>	<u> </u>
CASH PROVIDED BY FINANCING ACTIVITIES	162,721	366,711
NET INCREASE IN CASH	(71,220)	5,194
CASH AT BEGINNING OF YEAR	83,211	11,991
	<u> </u>	<u> </u>
CASH AT END OF YEAR	\$ 11,991	\$ 17,184
	<u> </u>	<u> </u>
CASH PAID DURING THE YEAR FOR:		
INTEREST	\$ 1,500	\$ 1,500
INCOME TAXES	\$ -	\$ -