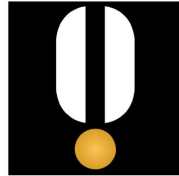


# **Quri Vodka Inc.**



## **ANNUAL REPORT**

11321 NEWPORT BAY DR

BERLIN, MD 21811

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<https://www.qurivodka.com/>

This Annual Report is dated December 27, 2021.

### **BUSINESS**

At QURI Vodka, Inc., our vision is to show the world our beloved country of Perú. Through our Premium Quinoa Vodka, our mission is to deepen our clients' love of adventure and desire to connect with a people and culture very different from their own. We will bring the world's most unique vodka from the most unique place in South America to the American Cocktail. The QURI vodka brand is fully developed with an award winning spirit and production underway, ready to enter the US market. We expect that QURI vodka will enter the U.S. market in 2021. We will begin developing revenue through digital online sales. Once our online revenue stream is developed, we intend to enter into retail, restaurant and bar outlets. While working to become an American household name we will strive to make the world a better place by supporting local Andean communities and cultivating a love of things that are different.

### **Previous Offerings**

Between 2020 and 2019, we sold 0 [shares of common stock] in exchange for \$0 per share under Regulation Crowdfunding.

Name: Common Stock

Type of security sold: Equity

Final amount sold: \$80.00

Number of Securities Sold: 8,000,000

Use of proceeds: General Operations

Date: July 17, 2020

Offering exemption relied upon: Founder stock issuance

### **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 – 2020 Compared to 2019**

Circumstances which led to the performance of financial statements:

Year ended December 31, 2020

The following discussion is based on our reviewed, but not financially audited operating data.

#### **Revenue**

Quri Vodka Inc. is currently pre-revenue. Therefore there was no reported revenue in 2020.

#### **Cost of sales**

Quri Vodka Inc. is currently pre-revenue. Therefore there was not reported Costs of Sales in 2020.

#### **Gross margins**

Quri Vodka Inc. is currently pre-revenue. Therefore there was no Gross Margin in 2020.

#### **Expenses**

#### **Operating Expenses**

General and administrative \$7,539

Sales and Marketing \$5,722

Total Operating expenses \$13,261

Interest Expenses \$271

Total Expenses \$13,532

Historical results and cash flows:

Quri Vodka Inc. was founded in July of 2020. It has fully developed a product and supply chain. However, Quri Vodka Inc. is still in the pre-revenue stage and has yet to realize any revenue. Therefore, investors should understand that any previous financial standings are not representative of future results.

### **Liquidity and Capital Resources**

At December 31, 2020, the Company had cash of \$14,336.00. [*The Company intends to raise additional funds through an equity financing.*]

### **Debt**

Creditor: Jonathan Tourgee

Amount Owed: \$27,788.00

Interest Rate: 5.0%

Maturity Date: October 20, 2025

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

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

Name: Jonathan Tourgee

Jonathan Tourgee's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: Chief Executive Officer (CEO)

Dates of Service: July 08, 2020 - Present

Responsibilities: To manage and oversee all company business. This includes but is not limited to managing supply chain logistics, managing marketing efforts, investor relationships and

developing business opportunities. Jonathan's Salary will be \$50,000 for the first year starting January 1, 2021.

Position: Director

Dates of Service: July 08, 2020 - Present

Responsibilities: Determines the Company's strategic objectives and policies. Monitors progress towards achieving the Company's objectives and policies.

Other business experience in the past three years:

Employer: Tourgee and Associates Inc.

Title: Chemical Process Engineer

Dates of Service: October 01, 2016 - Present

Responsibilities: Develop, design(engineer), and manage the chemical manufacturing process. This is part-time work only when they need extra help. It averages to less than 8 hours per month.

Name: Courtney Myers

Courtney Myers's current primary role is with Freelance Consulting. Courtney Myers currently services 4 hours per week in their role with the Issuer.

Positions and offices currently held with the issuer:

Position: Chief Financial Officer

Dates of Service: September 01, 2020 - Present

Responsibilities: Accounting, budgeting, developing sales forecasts and general financial decisions. Salary: \$1,250 per month.

Other business experience in the past three years:

Employer: Freelance Consulting

Title: CPA

Dates of Service: June 01, 2016 - Present

Responsibilities: Accounting



Other business experience in the past three years:

Employer: Small Batch Standard

Title: Director of Operations

Dates of Service: October 01, 2017 - February 01, 2019

Responsibilities: Consultation for distillery and brewery startups and those in operation. Courtney oversaw sales projections, budgeting, accounting and financial advising to numerous distilleries and breweries.

### **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, 2020, 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.

Title of class: Common Stock

Stockholder Name: Jonathan Edward Tourgee

Amount and nature of Beneficial ownership: 8,000,000

Percent of class: 100.0

### **RELATED PARTY TRANSACTIONS**

Name of Entity: Boozios Liquors SAC (Perú)

Names of 20% owners: Jonathan Edward Tourgee

Relationship to Company: 20%+ Owner

Nature / amount of interest in the transaction: Producer of finished Product, Quri Vodka.

Material Terms: Boozios Liquors SAC, produces the liquid Quri Vodka, bottles, packs and palletizes the finished product. Quri Vodka Inc. is financially responsible for the purchase and shipment of bottles and tops. Boozios Liquors SAC is financially responsible for the purchase of all materials necessary for production of the liquid, the cost of the production of the liquid, purchase of cardboard cases and palletization costs. Quri Vodka Inc. will be responsible for the finished product ex works (meaning once the finished product leaves the Boozios Liquors SAC

facility), including but not limited to transport to sea shipping center, sea transportation, importation and warehousing at final destination. For the before mentioned services Boozios Liquors SAC will charge Quri Vodka Inc. a nominal fee per case (subject to change, with fluctuations in supply, production costs and foreign monetary exchange rates).

Name of Entity: Jonathan Tourgee

Relationship to Company: Director

Nature / amount of interest in the transaction: 5.0% per annum

Material Terms: Jonathan promises to loan \$27,516.14 to the Corporation. The loan is repayable in full on October 20 June 2025. The loan bears an interest rate of 5.0% per annum.

## **OUR SECURITIES**

Our authorized capital stock consists of 25,000,000 shares of common stock, par value \$0.00001 per share. As of December 31, 2020, 10,000,000- shares of common stock are outstanding. The following is a summary of the rights of our capital stock as provided in our certificate of incorporation and bylaws.

### **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.

## **RISK FACTORS**

### **Uncertain Risk**

An investment in the Company (also referred to as “we”, “us”, “our”, or “Company”) involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the common stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company's Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

### **Our business projections are only projections**

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it's a better option than a competing product, or that we will be able to provide the service at a level that allows the Company to make a profit and still attract business.

### **Any valuation at this stage is difficult to assess**

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

### **The transferability of the Securities you are buying is limited**

Any common stock purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock/note that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an “accredited investor,” as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

### **Your investment could be illiquid for a long time**

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the alcohol beverage industry. However, that may never happen or it may happen at a price that results in you losing

money on this investment.

If the Company cannot raise sufficient funds it will not succeed

The Company, is offering common stock in the amount of up to \$106,999.90 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

We may not have enough capital as needed and may be required to raise more capital.

We anticipate needing access to credit in order to support our working capital requirements as we grow. Although interest rates are low, it is still a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our brand value. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

Terms of subsequent financings may adversely impact your investment

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Common Stock. Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of Common Stock. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

Management Discretion as to Use of Proceeds

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

Projections: Forward Looking Information

Any projections or forward looking statements regarding our anticipated financial or operational

performance are hypothetical and are based on management's best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

Some of our products are still in prototype phase and might never be operational products

It is possible that there may never be a commercialized product. It is possible that the failure to release our product is the result of a change in business model upon the Company making a determination that the business model, or some other factor, will not be in the best interest of the Company and its stockholders.

#### Minority Holder; Securities with Voting Rights

The common stock that an investor is buying has voting rights attached to them. However, you will be part of the minority shareholders of the Company and therefore will have a limited ability to influence management's decisions on how to run the business. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our company, you will only be paid out if there is any cash remaining after all of the creditors of our company have been paid out.

You are trusting that management will make the best decision for the company

You are trusting in management discretion. You are buying securities as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

#### Insufficient Funds

The company might not sell enough securities in this offering to meet its operating needs and fulfill its plans, in which case it will cease operating and you will get nothing. Even if we sell all the common stock we are offering now, the Company will (possibly) need to raise more funds in the future, and if it can't get them, we will fail. Even if we do make a successful offering in the future, the terms of that offering might result in your investment in the company being worth less, because later investors might get better terms.

This offering involves "rolling closings," which may mean that earlier investors may not have the benefit of information that later investors have.

Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

Our new product could fail to achieve the sales projections we expected

If we are able to commercialize our products, our growth projections are based on an assumption that with an increased advertising and marketing budget our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our products will fail to gain market acceptance for any number of reasons. If our products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

We face significant market competition

We will compete with larger, established companies who currently have products on the market and/or various respective product development programs. They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify.

We are an early stage company and have not yet generated any profits

Quri Vodka Inc. was formed on 07/08/2020. Accordingly, the Company has a limited history upon which an evaluation of its performance and future prospects can be made. Our current and proposed operations are subject to all business risks associated with new enterprises. These include likely fluctuations in operating results as the Company reacts to developments in its market, managing its growth and the entry of competitors into the market. We will only be able to pay dividends on any shares once our directors determine that we are financially able to do so. Quri Vodka Inc. has incurred a net loss and has had limited revenues generated since inception. There is no assurance that we will ever be profitable or generate sufficient revenues to pay dividends to the holders of the shares.

We are an early stage company and have limited revenue and operating history

The Company has a short history, no customers, and no revenue. If you are investing in this company, it's because you think that Quri Vodka is a good idea, that the team will be able to commercially produce, and sell our product, that we can price it right and sell it to enough peoples so that the Company will succeed. Further, we have never turned a profit and there is no assurance that we will ever be profitable.

Our trademarks, copyrights and other intellectual property could be unenforceable or ineffective

Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render our trademarks unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace.

The cost of enforcing our trademarks and copyrights could prevent us from enforcing them

Trademark and copyright litigation has become extremely expensive. Even if we believe that a

competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright(s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business

To be successful, the Company requires capable people to run its day to day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

We rely on third parties to provide services essential to the success of our business

We rely on third parties to provide a variety of essential business functions for us, including manufacturing, shipping, accounting, legal work, public relations, advertising, retailing, and distribution. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these key or other suppliers' operations could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.

An increase in alcoholic beverage excise taxes could adversely affect financial results.

The federal government and all of the states levy excise taxes on alcoholic beverages. Individual states also impose excise taxes on alcoholic beverages in varying amounts, which have also been subject to change. If federal or state excise taxes are increased, the Company may need to increase its selling price to maintain its current projected margins, which may or may not be accepted by our customers.

Fluctuations in global markets could affect our business.

We rely on international trade to conduct our business. Changes in, but not limited too, shipping costs, international tariffs, and currency fluctuations could impact our business. If these events or others occur the Company may need to increase its selling price to maintain its current projected margins, which may or may not be accepted by our customers.



If our brand does not achieve widespread consumer acceptance, our growth may be limited.

Our brand is early in its growth cycle and has not yet achieved extensive brand recognition. Accordingly, if consumers do not accept our brand, we will not be able to penetrate our markets and our growth may be limited.

Class action or other litigation relating to alcohol abuse or misuse could adversely affect our business.

Companies in the beverage alcohol industry are, from time to time, exposed to class action or other litigation relating to alcohol advertising, product liability, alcohol abuse problems or health consequences from the misuse of alcohol. It is also possible that governments could assert that the use of alcohol has significantly increased government funded health care costs. Litigation or assertions of this type have adversely affected companies in the tobacco industry, and it is possible that we, as well as our suppliers, could be named in litigation of this type. Also, lawsuits have been brought in a number of states alleging that beverage alcohol manufacturers and marketers have improperly targeted underage consumers in their advertising. Plaintiffs in these cases allege that the defendants' advertisements, marketing and promotions violate the consumer protection or deceptive trade practices statutes in each of these states and seek repayment of the family funds expended by the underage consumers. While we have not been named in these lawsuits, we could be named in similar lawsuits in the future. Any class action or other litigation asserted against us could be expensive and time-consuming to defend against, depleting our cash and diverting our personnel resources and, result in significant harm to our business.

Regulatory decisions and legal, regulatory and tax changes could limit our business activities, increase our operating costs and reduce our margins.

Our business is subject to extensive regulation. This may include regulations regarding production, distribution, marketing, advertising and labeling of beverage alcohol and our other products. We are required to comply with these regulations and to maintain various permits and licenses. With respect to our alcoholic beverages, we are also required to conduct business only with holders of licenses to import, warehouse, transport, distribute and sell beverage alcohol products. We cannot assure you that these and other governmental regulations applicable to our industry will not change or become more stringent. Moreover, because these laws and regulations are subject to interpretation, we may not be able to predict when and to what extent liability may arise. Additionally, due to increasing public concern over alcohol-related societal problems, including driving while intoxicated, underage drinking, alcoholism and health consequences from the abuse of alcohol, various levels of government may seek to impose additional restrictions or limits on advertising or other marketing activities promoting beverage alcohol products. Failure to comply with any of the current or future regulations and requirements relating to our industry and products could result in monetary penalties, suspension or even revocation of our licenses and permits. Costs of compliance with changes in regulations could be significant and could harm our business, as we could find it necessary to raise our prices in order to maintain profit margins, which could lower the demand for our products and reduce our sales and profit potential. Also, the distribution of beverage alcohol products is subject to extensive taxation. An, including, but not limited to, import taxes. The increase in taxation could significantly harm our sales revenue and margins, both through the reduction of overall consumption and by encouraging consumers to switch to lower-taxed



categories of beverage alcohol.

Contamination of our products and/or counterfeit or confusingly similar products could harm the image and integrity of, or decrease customer support for, our brands and decrease our sales.

The success of our brand depends upon the positive image that consumers have of it. Contamination, whether arising accidentally or through deliberate third-party action, or other events that harm the integrity or consumer support for our brand, could affect the demand for our products. Contaminants in raw materials purchased from third parties and used in the production of our products or defects in the manufacturing could lead to low quality as well as illness among, or injury to, consumers of our products and could result in reduced sales. We may also be required to recall products in the event of contamination or damage. Also, to the extent that third parties sell products that are either counterfeit versions of our brand or brands that look like our brand, consumers of our brand could confuse our products with products that they consider inferior. This could cause them to refrain from purchasing our brand in the future and in turn could impair our brand equity and adversely affect our sales and operations.

#### Risks of Borrowing.

We currently have an outstanding loan due to our founder in the amount of \$27,516. We may, in the future, have to seek loans from financial institutions or other Individuals in the future. Typical loan agreements might contain restrictive covenants which may impair our operating flexibility, and may require us to provide a security interest in our assets. The inability to pay of these obligations could have a material adverse effect.

The subscription agreement includes an exclusive venue provision.

Our Certificate of Incorporation includes a forum selection provision that requires any claim against us to be brought in a court of competent jurisdiction in the State of Delaware. This forum selection provision may limit investors' ability to bring claims in judicial forums that they find favorable to such disputes and may discourage lawsuits with respect to such claims, as investors may be compelled to travel to Delaware to prosecute or defend any claims involving us.

#### **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 December 27, 2021.

**Quri Vodka Inc.**

By /s/ Jonathan Edward Tourgee

Name: Jonathan Edward Tourgee

Title: Chief Executive Officer

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Exhibit A

**FINANCIAL STATEMENTS**

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**QURI VODKA INC.**

**FINANCIAL STATEMENTS**

**FROM INCEPTION (JULY 8, 2020) YEAR ENDED DECEMBER 31, 2020**  
*(Unaudited)*

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## INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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

To the Board of Directors of  
Quri Vodka Inc.  
Berlin, MD

We have reviewed the accompanying financial statements of Quri Vodka Inc. (the "Company,"), which comprise the balance sheet as of December 31, 2020, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the period from Inception (July 8, 2020) to December 31, 2020 and December 31, 2019, 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 9, 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*

March 1, 2021  
Los Angeles, California

**Quri Vodka Inc.**  
**BALANCE SHEET**  
**(UNAUDITED)**

<b>As of December 31,</b>	<b>2020</b>
(USD \$ in Dollars)	
<b>ASSETS</b>	
Current Assets:	
Cash & cash equivalents	\$ 14,336
<b>Total current assets</b>	<b>14,336</b>
<b>Total assets</b>	<b>\$ 14,336</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>	
Current Liabilities:	
Accrued Interest	271
Shareholder loan	27,516
<b>Total current liabilities</b>	<b>27,788</b>
<b>Total liabilities</b>	<b>27,788</b>
<b>SHAREHOLDERS' EQUITY</b>	
Common Stock	80
Additional Paid In Capital	-
Retained earnings/(Accumulated Deficit)	(13,532)
<b>Total Shareholders' equity</b>	<b>(13,452)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 14,336</b>

*See accompanying notes to financial statements.*

**Quri Vodka Inc.**  
**STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

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<b>For the period from Inception (July 8, 2020) to December 31,</b>	<b>2020</b>
(USD \$ in Dollars)	
Operating expenses	
General and administrative	7,539
Sales and marketing	5,722
Total operating expenses	13,261
Operating income/(loss)	(13,261)
Interest expense	(271)
Income/(Loss) before provision for income taxes	(13,532)
Provision/(Benefit) for income taxes	-
<b>Net income/(Net Loss)</b>	<b>\$ (13,532)</b>

*See accompanying notes to financial statements.*

**QURI VODKA INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

For Fiscal Year Ended December 31, 2020 and 2019  
(USD \$ in Dollars)

(in , \$US)	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Shareholder ' Equity
	Shares	Amount			
Balance—Inception (July 8, 2020)	-	-	-	-	-
Issuance of Founders' Shares	8,000,000	80	-	-	80
Net income/(loss)				(13,532)	(13,532)
Balance—December 31, 2020	8,000,000	\$ 80	\$ -	\$ (13,532)	\$ (13,452)

See accompanying notes to financial statements.



**QURI VODKA INC.**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<b>For the period from Inception (July 8, 2020) to December 31,</b>	<b>2020</b>
(USD \$ in Dollars)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net income/(loss)	\$ (13,532)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>	
Changes in operating assets and liabilities:	
Accrued Interest	271
<b>Net cash provided/(used) by operating activities</b>	<b>(13,261)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
<b>Net cash provided/(used) in investing activities</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Borrowing on Shareholder Loans	27,516
Issuance of Common Shares	80
<b>Net cash provided/(used) by financing activities</b>	<b>27,596</b>
Change in cash	14,336
Cash—beginning of year	-
<b>Cash—end of year</b>	<b>\$ 14,336</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash paid during the year for interest	\$ 271
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.*

**QURI VODKA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020**

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**1. NATURE OF OPERATIONS**

Quri Vodka Inc. was founded on July 8, 2020 in the state of Delaware. The financial statements of Quri Vodka 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 Berlin, MD.

Quri Vodka Inc. is the brand owner and promoter of Quri Vodka. Quri Vodka Inc. will be solely responsible for the marketing, promoting and developing sales of the product Quri Vodka.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). The Company has adopted the calendar year as its basis of reporting.

**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 is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2020, the Company’s cash and cash equivalents do not exceed FDIC insured limits.

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are recorded at net realizable value or the amount that the Company expects to collect on gross customer trade receivables. We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. The Company does not have any receivables as of December 31, 2020.

**Inventories**

Inventories are valued at the lower of cost and net realizable value. Costs related to glass bottles, tops, labels, labor, vodka product, and finished goods which are determined using an average method. The Company does not have any inventory as of December 31, 2020.

**QURI VODKA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020**

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**Income Taxes**

Quri Vodka 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.

*Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

**Revenue Recognition**

The Company recognizes revenues in accordance with FASB ASC 606, Revenue From Contracts with Customers, when delivery of goods as delivery is the sole performance obligation in its contracts with customers. The Company typically collects payment upon sale and recognizes the revenue when the item has shipped and has fulfilled their sole performance obligation.

Income is principally comprised of revenues earned by the Company as part of the sale of its vodka products. The Company does not have any sales for the year ended December 31, 2020.

**Cost of sales**

Costs of goods sold include the cost of bottles, tops, labels, vodka, cost of labor. The Company does not have any sales and thus cost of goods sold for the year ended December 31, 2020

**Advertising and Promotion**

Advertising and promotional costs are expensed as incurred. Advertising and promotional expense for the period from inception to year ended December 31, 2020 amounted to \$5,721, which is included in sales and marketing expense.

**Research and Development Costs**

Costs incurred in the research and development of the Company's products are expensed as incurred.

**QURI VODKA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020**

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**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 sheet 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 1, 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 will include qualitative and quantitative requirements. The new standard for nonpublic entities will be 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.

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. The standard implementation did not have a material impact.

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. The standard implementation did not have a material impact.

**QURI VODKA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020**

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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 on our financial statements.

### **3. CAPITALIZATION AND EQUITY TRANSACTIONS**

#### **Common Stock**

The Company is authorized to issue 25,000,000 shares of common shares with \$0.00001 par value. As of December 31, 2020, 8,000,000 shares have been issued and are outstanding.

### **4. DEBT**

#### **Shareholder Loans**

During the Company borrowed money from shareholder Jonathan Tourgee. The details of the loan from the owners are as follows:

Debt Instrument Name	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	For the Year Ended December 31, 2020				
					Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness
Shareholder Loan	\$ 27,516	5.00%	Fiscal Year 2020	Not determined	271	271	27,516	-	27,516
<b>Total</b>					<b>\$ 271</b>	<b>\$ 271</b>	<b>\$ 27,516</b>	<b>\$ -</b>	<b>\$ 27,516</b>

Since there is no maturity date set and thus the loan may be called at any time, the loan was classified as current.

### **5. INCOME TAXES**

The provision for income taxes for the year ended December 31, 2020 consists of the following:

<b>Inception to Ended December 31,</b>	<b>2020</b>
Net Operating Loss	\$ (3,998)
Valuation Allowance	3,998
<b>Net Provision for income tax</b>	<b>\$ -</b>

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



**QURI VODKA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020**

<b>As of Year Ended December 31,</b>	<b>2020</b>
Net Operating Loss	\$ (3,998)
Valuation Allowance	3,998
<b>Total Deferred Tax Asset</b>	<b>\$ -</b>

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 and December 31, 2019. 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.

For the fiscal year ending December 31, 2020, the Company had federal cumulative net operating loss ("NOL") carryforwards of \$13,462, and the Company had state net operating loss ("NOL") carryforwards of approximately \$13,462. 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. The federal net operating loss carryforward is subject to an 80% limitation on taxable income, does not expire, and will carry on indefinitely.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not to be 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, 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, the Company had no accrued interest and penalties related to uncertain tax positions.

## **6. RELATED PARTY**

During the Company borrowed money from shareholder Jonathan Tourgee. The details of the loans from the owners are as follows:

<b>Debt Instrument Name</b>	<b>Principal</b>				<b>For the Year Ended December 31, 2020</b>				
	<b>Amount</b>	<b>Interest Rate</b>	<b>Borrowing Period</b>	<b>Maturity Date</b>	<b>Interest Expense</b>	<b>Accrued Interest</b>	<b>Current Portion</b>	<b>Non-Current Portion</b>	<b>Total Indebtedness</b>
Shareholder Loan	\$ 27,516	5.00%	Fiscal Year 2020	Not determined	271	271	27,516	-	27,516
<b>Total</b>					<b>\$ 271</b>	<b>\$ 271</b>	<b>\$ 27,516</b>	<b>\$ -</b>	<b>\$ 27,516</b>

Since there is no maturity date set and thus the loan may be called at any time, the loan was classified as current.

**QURI VODKA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020**

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## **7. COMMITMENTS AND CONTINGENCIES**

### **Operating Leases**

The Company does not have any operating leases in place.

### **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.

## **8. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events for the period from December 31, 2020 through March 1, 2021 the date the financial statements were available to be issued.

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 has a net operating income of \$13,532, an operating cash flow loss of \$13,261 and liquid assets in cash of \$14,336, which less than a year worth of cash reserves as of December 31, 2020. The Company's situation raises a substantial doubt on whether the entity can continue as a going concern in the next twelve months.

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

**QURI VODKA INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2020**

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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.



## **CERTIFICATION**

I, Jonathan Edward Tourgee, Principal Executive Officer of Quri Vodka Inc., hereby certify that the financial statements of Quri Vodka Inc. included in this Report are true and complete in all material respects.

*Jonathan Edward Tourgee*

Principal Executive Officer