

## EX FILES PRODUCTIONS LLC

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**Ex Files Productions, LLC** (the "Company") a California Limited Liability Company Financial  
Statements (unaudited)  
Days Ended December 31, 2022

Ex Files Productions, LLC  
Standalone Statement of Changes in Owner's Equity  
As of December 31, 2021

Balance as of 2/05/2021	\$ _____ -
Net Income	\$ _____ -
Balance as of 12/31/2021	\$ _____ -

# Balance Sheet

## Ex Files Productions LLC

As of Dec 31, 2022

### ACCOUNTS

Dec 31, 2022

Assets	
Cash and Bank	
Checking (937)	\$16,365.42
Total Cash and Bank	\$16,365.42
Other Current Assets	
Total Other Current Assets	\$17,266.09
Long-term Assets	
Total Long-term Assets	\$0.00
Total Assets	\$33,631.51

Liabilities	
Current Liabilities	
Total Current Liabilities	\$0.00
Long-term Liabilities	
Total Long-term Liabilities	\$0.00
Total Liabilities	\$0.00

Equity	
WeFunder Investment	\$172,929.16
Additional Equity Investor	\$270,000.00
Retained Earnings	
Profit between Jan 1, 2022 and Dec 31, 2022	-\$409,297.65
Total Retained Earnings	-\$409,297.65
Total Equity	\$33,631.51

# Profit and Loss

## Ex Files Productions LLC

Date Range: Jan 1, 2021 to Dec 31, 2022

### ACCOUNTS

**Jan 1, 2021  
To Dec 31, 2022**

<b>Income</b>	
Interest Income	\$2,000.00
<b>Total Assets</b>	<b>\$2,000.00</b>
<b>Total Cost of Goods Sold</b>	
	<b>\$0.00</b>
<b>Gross Profit</b>	
	<b>\$2,000.00</b>
<b>Operating Expenses</b>	
Total Operating Expenses	\$411,297.65
<b>Net Profit</b>	
	<b>-\$409,297.65</b>

# Cash Flow

## Ex Files Productions LLC

Date Range: Jan 1, 2021 to Dec 31, 2022

### CASH INFLOW AND OUTFLOW

Jan 1, 2021  
To Dec 31, 2022

Operating Activities	
Sales	
Total Sales	\$0.00
Purchase	
Total Purchases	-\$278,245.91
Total Payroll	-\$131,051.74
Sales Tax	
Other	
Interest Income	\$2,000.00
Net Cash from Operating Activities	-\$407,297.65

Investing Activities	
Property, Plant, Equipment	
Other	
Net Cash from Investing Activities	\$0.00

Financing Activities	
Owners and Shareholders	
Received from Wefunder Investment	\$172,929.16
Received from Additional Equity Investor	\$270,000.00
Total Owners and Shareholders	\$442,929.16
Net Cash from Financing Activities	\$442,929.16

## OVERVIEW

<b>Starting Balance</b>	
Cash on Hand	\$0.00
Checking (937)	\$0.00
<b>Total Starting Balance</b>	<b>\$0.00</b>
As of 2021-01-01	
Gross Cash Inflow	<b>\$442,929.16</b>
Gross Cash Outflow	<b>\$409,297.65</b>
<b>Net Cash Change</b>	<b>\$33,631.51</b>
<b>Ending Balance</b>	
Cash on Hand	\$0.00
Checking (937)	\$16,365.42
Other	<b>\$17,266.09</b>
<b>Total Ending Balance</b>	<b>\$33,631.51</b>
As of 2022-12-31	

**Ex Files Productions, LLC**  
**Notes to Standalone Financial Statements**  
**April 30, 2023**

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

Ex Files Productions, LLC ("the Company") was formed in California on February 5<sup>th</sup>, 2021. The company plans to earn revenue via the production and distribution of a motion picture. The company will conduct a crowdfunding campaign under regulation CF in 2021 to raise operating capital.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Our fiscal year ends on December 31. The company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of 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 balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 "*Fair Value Measurements and Disclosures*" establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

### Concentrations of Credit Risks

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company's management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

### Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606 "*Revenue Recognition*" following the five steps procedure:

Step 1: Identify the contract(s) with customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to performance obligations

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company recognizes revenue when it satisfies its obligation by transferring control of the good or service to the customer. A performance obligation is satisfied over time if one of the following criteria are met:

- a. the customer simultaneously receives and consumes the benefits as the entity performs;
- b. the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

The Company will identify and analyze its performance obligations with respect to customer contracts once the first contract is signed.

### Property and Equipment

Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation is provided using the straight-line method, based on useful lives of the assets.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand,



competition, and other economic factors. The company owned no property and equipment as of the date of these financials.

#### Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred.

#### General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

#### Income Taxes

The Company is a limited liability company. Accordingly, under the Internal Revenue Code, all taxable income or loss flows through to its members. Therefore, no provision for income tax has been recorded in the statements. Income from the Company is reported and taxed to members on their individual tax returns.

The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company's financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

#### Recent accounting pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date 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.

### **NOTE 3 - RELATED PARTY TRANSACTIONS**

The Company follows ASC 850, "Related Party Disclosures," for the identification of related parties and disclosure of related party transactions. No transactions require disclosure.

#### **NOTE 4 - CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations.

#### **NOTE 5 - DEBT**

None.

#### **NOTE 6 - EQUITY**

The company is a multimember managed LLC with a single class of ownership interests. Profits and losses are allocated to members in accordance with their pro rata capital account balance. All interests were issued and outstanding as of the date of these financials.

#### **NOTE 7 - SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to December 31, 2022 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through April 30, 2023 the date these financial statements were available to be issued. No events require recognition or disclosure.

#### **NOTE 8 - RISKS AND UNCERTAINTIES**

##### **COVID-19**

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. Note: this disclosure assumes there is no significant doubt about the entity's ability to continue as a going concern.

***We are an emerging growth company, and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.***

We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including: not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act; reduced disclosure obligations regarding executive compensation in our periodic reports and annual report on Form 10-K; and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We can continue to be an emerging growth company, as defined in the JOBS Act, for up to five years following our IPO.