
PANGEA MOVEMENT USA, LLC

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022 AND 2021
(Unaudited)

INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Members
PANGEA MOVEMENT USA, LLC
Mountain View, California

We have reviewed the accompanying financial statements of PANGEA MOVEMENT USA, LLC (the "Company,"), which comprise the balance sheet as of December 31, 2022 and December 31, 2021, and the related statement of operations, statement of members' equity (deficit), and cash flows for the year ending December 31, 2022 and December 31, 2021, 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 10, 2023
Los Angeles, California

PANGEA MOVEMENT USA LLC**BALANCE SHEET****(UNAUDITED)**

As of December 31,	2022	2021
(USD \$ in Dollars)		
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 7,079	\$ 9,023
Accounts Receivable, net	55,367	77,832
Inventory	67,181	925
Prepays and Other Current Assets	13,352	7,374
Total current assets	142,978	95,154
Total assets	\$ 142,978	\$ 95,154
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 1,197	\$ 53,789
Due to Related Parties	19,766	-
Deferred Revenue	23	102,644
Total current liabilities	20,987	156,433
Promissory Notes and Loans	-	31
Total liabilities	20,987	156,464
MEMBERS' EQUITY		
Members' Equity	121,991	(61,310)
Total Members' Equity	121,991	(61,310)
Total Liabilities and Members' Equity	\$ 142,978	\$ 95,154

See accompanying notes to financial statements.

PANGEA MOVEMENT USA LLC
STATEMENTS OF OPERATIONS
(UNAUDITED)

For Fiscal Year Ended December 31,	2022	2021
(USD \$ in Dollars)		
Net Revenue	\$ 139,161	\$ -
Cost of Goods Sold	64,687	-
Gross profit	74,475	-
Operating expenses		
General and Administrative	209,531	60,138
Sales and Marketing	90,122	-
Total operating expenses	299,653	60,138
Operating Income/(Loss)	(225,178)	(60,138)
Interest Expense	-	1,177
Other Loss/(Income)	-	(5)
Income/(Loss) before provision for income taxes	(225,178)	(61,310)
Provision/(Benefit) for income taxes	-	-
Net Income/(Net Loss)	\$ (225,178)	\$ (61,310)

See accompanying notes to financial statements.

PANGEA MOVEMENT USA LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(UNAUDITED)

<u>(in , \$US)</u>	<u>Members' Equity</u>
Inception date-September 2, 2021	\$ -
Net income/(loss)	(61,310)
Balance—December 31, 2021	\$ (61,310)
Capital Contribution	408,479
Net income/(loss)	(225,178)
Balance—December 31, 2022	\$ 121,991

See accompanying notes to financial statements.

PANGEA MOVEMENT USA LLC
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For Fiscal Year Ended December 31,	2022	2021
(USD \$ in Dollars)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ (225,178)	\$ (61,310)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Accounts Receivable Impairment	86,190	-
Changes in operating assets and liabilities:		
Accounts Receivable, net	(63,725)	(77,832)
Inventory	(66,256)	(925)
Prepays and Other Current Assets	(5,978)	(7,374)
Accounts Payable	(52,593)	53,789
Deferred Revenue	(102,620)	102,644
Net cash provided/(used) by operating activities	(430,159)	8,992
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	-	-
Net cash provided/(used) in investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Contribution	408,479	-
Repayment of Loan	(31)	31
Due to Related Parties	19,766	-
Net cash provided/(used) by financing activities	428,214	31
Change in cash	(1,945)	9,023
Cash—beginning of year	9,023	-
Cash—end of year	\$ 7,079	\$ 9,023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ 1,177
Cash paid during the year for income taxes	\$ -	\$ -
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES		
Purchase of property and equipment not yet paid for	\$ -	\$ -
Issuance of equity in return for note	\$ -	\$ -
Issuance of equity in return for accrued payroll and other liabilities	\$ -	\$ -

See accompanying notes to financial statements.

PANGEA MOVEMENT USA LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

1. NATURE OF OPERATIONS

PANGEA MOVEMENT USA LLC was formed on September 2, 2021, in the state of Delaware. The financial statements of PANGEA MOVEMENT USA LLC (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 Mountain View, California.

PANGEA is an impact startup with entities in USA, Singapore and Indonesia and operating from Bali. Our mission is to create the most impactful outdoor products in the world. We identify high-demand outdoor products that are harmful for the environment and replace them with unique sustainable, and carbon-negative alternatives. We launch them on Kickstarter, scale them online globally, and use part of our sales to clean our planet, recycle the trash we collect into new high-quality products, and capture CO2. Our products are based on sustainable supply chains and circular models that directly regenerate our planet with each purchase. The more PANGEA products our customers buy, the better for the environment.

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, 2022 and December 31, 2021, the Company’s cash and cash equivalents did not exceed FDIC insured limits.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at a 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. As of December 31, 2022, and 2021, the Company determined that no reserve was necessary.

Inventories

PANGEA MOVEMENT USA LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

Inventories are valued at the lower cost and net realizable value. Costs related to finished goods which are determined using an average method.

Income Taxes

The Company is taxed as a Limited Liability Company (LLC). Under these provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the shareholders are liable for individual federal and state income taxes on their respective shares of the Company's taxable income. The Company has filed all its tax returns from inception through December 31, 2022, and is not yet subject to tax examination by the Internal Revenue Service or state regulatory agencies.

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 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 its sole performance obligation.

Revenue recognition, according to Topic 606, is determined using the following steps:

- 1) Identification of the contract, or contracts, with the customer: the Company determines the existence of a contract with a customer when the contract is mutually approved; the rights of each party in relation to the services to be transferred can be identified, the payment terms for the services can be identified, the customer has the capacity and intention to pay, and the contract has commercial substance.
- 2) Identification of performance obligations in the contract: performance obligations consist of a promised in a contract (written or oral) with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- 3) Recognition of revenue when, or how, a performance obligation is met: revenues are recognized when or as control of the promised goods or services is transferred to customers.

The Company earns revenues from the sale of its Outdoor products,

Cost of sales

Costs of goods sold include the cost of products sold, sales commission, shipping, and warehousing, etc.

Advertising and Promotion

Advertising and promotional costs are expensed as incurred. Advertising and promotional expenses for the years ended December 31, 2022, and December 31, 2021 amounted to \$90,122 and \$0, which is included in sales and marketing expenses.

PANGAEA MOVEMENT USA LLC
NOTES TO FINANCIAL STATEMENTS
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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.

COVID-19

In March 2021, the outbreak and spread of the COVID-19 virus was classified as a global pandemic by the World Health Organization. This widespread disease impacted the Company's business operations, including its employees, customers, vendors, and communities. The COVID-19 pandemic may continue to impact the Company's business operations and financial operating results, and there is substantial uncertainty in the nature and degree of its continued effects over time. The extent to which the pandemic impacts the business going forward will depend on numerous evolving factors management cannot reliably predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. These factors may adversely impact consumer and business spending on products as well as customers' ability to pay for products and services on an ongoing basis. This uncertainty also affects management's accounting estimates and assumptions, which could result in greater variability in a variety of areas that depend on these estimates and assumptions, including investments, receivables, and forward-looking guidance.

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 April 10, 2023, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

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.

PANGEA MOVEMENT USA LLC
NOTES TO FINANCIAL STATEMENTS
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3. INVENTORY

Inventory consists of the following items:

As of December 31,	2022	2021
Finished goods	\$ 67,181	\$ 925
Total Inventory	\$ 67,181	\$ 925

4. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Account receivables consist primarily of trade receivables and accounts payable consist primarily of trade payables. Prepaid and other current assets consist of the following items:

As of December 31,	2022	2021
Prepaid expenses	\$ 2,189	\$ 7,374
Deposit paid for equipment	4,114	
Inventory Downpayment	7,049	
Total Prepaids and other current asset	\$ 13,352	\$ 7,374

5. MEMBERS' EQUITY

The ownership percentages of the members are as follows:

As of Year Ended December 31, 2022	
Member's name	Ownership percentage
PANGEA MOVEMENT PTE, LTD	100.0%
TOTAL	100.0%

6. DEBT

Amount due from related parties

During 2022, the Company borrowed money from Ekaterina Bulacio (the founder Marcos Bulacio's wife), in the amount of \$19,766. The loan bears no interest rate and has no defined maturity date. As of December 31, 2022, the outstanding balance of the loan is \$19,766.

7. RELATED PARTY

During 2022, the Company borrowed money from Ekaterina Bulacio (the founder Marcos Bulacio's wife), in the amount of \$19,766. The loan bears no interest rate and has no defined maturity date. As of December 31, 2022, the outstanding balance of the loan is \$19,766.

PANGAEA MOVEMENT USA LLC
NOTES TO FINANCIAL STATEMENTS
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8. 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, 2022, 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.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the period from December 31, 2022, through April 10, 2023, which is 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.

10. 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 \$225,178, an operating cash flow loss of \$430,159, and liquid assets in cash of \$7,079, which is less than a year's worth of cash reserves as of December 31, 2022. These factors normally raise substantial doubt about the Company's ability to continue as a going concern.

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.