

Vengreso, Inc. (the “Company”) a Delaware Corporation

Financial Statements

For the fiscal year ended December 31, 2022 and 2023

Unaudited

Vengreso, Inc
Balance Sheet Comparison
Statement of Financial Position

| | Year Ended December 31, | |
|-------------------------------------|-------------------------|----------------|
| | 2023 | 2022 |
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | 71,177 | 159,789 |
| Accounts Receivable | 6,043 | 30,354 |
| Total Current Assets | 77,220 | 190,143 |
| Fixed Assets | | |
| Application Development | 237,077 | 123,022 |
| Intangible Asset | 647,592 | 647,592 |
| Total Fixed Assets | 884,669 | 770,614 |
| Other Assets | | |
| ERC Refund Receivable | 3,298 | 3,298 |
| Total Other Assets | 3,298 | 3,298 |
| TOTAL ASSETS | 965,187 | 964,054 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | 21,577 | 38,105 |
| Accrued Interest Expense | 1,592 | 25,593 |
| Credit Cards | 58,286 | 76,344 |
| Deferred Revenue | 27,393 | 199,547 |
| Payroll Liabilities | 84 | 991 |
| Total Current Liabilities | 108,932 | 340,579 |
| Long-Term Liabilities | | |
| Funding Circle Loan | - | 39,796 |
| SBA Loan - EIDL | 500,000 | 500,000 |
| Total Long-Term Liabilities | 500,000 | 539,796 |
| Total Liabilities | 608,932 | 880,375 |
| Equity | | |
| Common stock | 105 | 105 |
| SAFE Investment | 682,080 | 227,582 |
| Member Equity | (325,930) | (144,008) |
| Total Equity | 356,255 | 83,679 |
| TOTAL LIABILITIES AND EQUITY | 965,187 | 964,054 |

Unaudited

Vengreso, Inc

Statement of Operations

| | Total | |
|----------------------------|-----------|-----------|
| | 2023 | 2022 |
| Revenue | 313,464 | 636,582 |
| Cost of Sales | 76,431 | 211,388 |
| Gross Profit | 237,033 | 425,194 |
| Operating Expenses | | |
| Advertising & Marketiing | 7,905 | 10,093 |
| General and Administrative | 197,142 | 263,659 |
| Salaries and Wages | 212,610 | 275,146 |
| Total Operating Expenses | 418,954 | 569,201 |
| Operating Income (loss) | (181,922) | (144,007) |

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Vengreso, Inc

Statement of Cash Flows

Year Ended Dec
2023

OPERATING ACTIVITIES

| | |
|---|------------------|
| Net Income (loss) | (181,922) |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | |
| Accounts receivable (A/R) | 24,311 |
| Intangible Asset | - |
| ERC Refund Receivable | - |
| Accounts Payable (A/P) | (16,528) |
| Bank of America - Corp Credit Cards | (6,982) |
| Bank of America - Corp Credit Cards:Business Adv - 4686 - 1 Viveka | (59) |
| Bank of America - Corp Credit Cards:Business Adv - 8005 - 1- Mario | (5,363) |
| Bank of America - Corp Credit Cards:Business Adv - 8480-1 Jack | (706) |
| BofA CC - SGS,LLC | (4,949) |
| Deferred Revenue | (172,154) |
| Payroll Liabilities:CO Income Tax | (212) |
| Payroll Liabilities:Federal Unemployment (940) | (84) |
| Payroll Liabilities:NJ Quarterly Taxes | (611) |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | <u>(183,336)</u> |
| Net cash provided by operating activities | <u>(365,258)</u> |

INVESTING ACTIVITIES

| | |
|---|------------------|
| Application Development | (114,056) |
| Net cash provided by investing activities | <u>(114,056)</u> |

FINANCING ACTIVITIES

| | |
|---|-----------------|
| Accrued Interest Expense | (24,001) |
| Funding Circle Loan | (39,796) |
| SBA Loan - EIDL | - |
| Common stock | - |
| SAFE Investment | 454,498 |
| Net cash provided by financing activities | <u>390,702</u> |
| Net cash increase for period | <u>(88,612)</u> |
| Cash at beginning of period | 159,789 |
| Cash at end of period | <u>71,177</u> |

Unaudited

December 31,
2022

(144,008)

(30,354)

(647,592)

(3,298)

38,105

10,548

59

8,762

706

56,268

199,547

212

168

611

(366,257)

(510,265)

(123,022)

(123,022)

25,593

39,796

500,000

105

227,582

793,076

159,789

-

159,789

Vengreso, Inc
Statement of Changes in Member Equity

| | Total Member Equity |
|-----------------------------|----------------------------|
| Beginning Balance at 1/1/22 | - |
| Net Capital Distributions | - |
| Nat Capital Contributions | 227,687 |
| Net Income (loss) | (144,008) |
| Ending Balance at 12/31/22 | 83,679 |
| Net Capital Distributions | - |
| Net Capital Contributions | 454,498 |
| Net Income (loss) | (181,922) |
| Ending Balance at 12/31/23 | 356,255 |

unaudited

Vengreso, Inc.

Notes to the Unaudited Financial Statements

December 31st, 2023

\$USD

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Vengreso, Inc. ("The Company") was formed in Delaware on April 12th, 2017 originally under the name Social Growth Strategies, LLC d/b/a Vengreso but was later incorporated on April 5th, 2022 to Vengreso, Inc. Under Vengreso, Inc., the company is converting into a technology software company and will earn revenue using a SAAS platform serving both the individual and the enterprise in the productivity management software space. The Company's operational headquarters is in the San Francisco, CA Bay Area. The Company's customers will be located internationally.

The Company will conduct a crowdfunding campaign under regulation CF in 2022 to raise operating capital.

The Company will also be conducting simultaneously an offering under 506 (b) financing for accredited investors not reached through the CF campaign.

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.

Customer Concentrations

The Company’s revenue in 2022 is comprised of approximately \$300,000 or 47% in one customer. The Company’s revenue in 2022 is comprised of approximately \$100,000 or 32% from one customers.

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 or As Performance Obligations Are Satisfied

The Company generates revenues by selling a subscription service to individuals and businesses wanting to grow their client base. The Company's primary performance obligation is to maintain an acceptable level of software uptime for users over the subscription period. The Company's payments are generally collected upon initiation of the service and revenue is recognized over a 2-to-12-month life-cycle; depending on the service and/or subscription or as the performance obligation is satisfied.

The Company's revenue in 2022 and 2023 consisted largely of digital sales training, consulting, and speaking services. The Company is reducing its efforts in services areas and will begin shifting efforts to revenue-producing activities in the SaaS technology area. As such, the historical future revenues might not be indicative of future revenues.

The Company's deferred revenue of \$199,547 and \$27,393 for the years ended 2022 and 2023, respectfully, are for prepaid subscriptions with remaining performance obligations.

Accounts Receivable

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Payments are generally collected upfront, but some of the merchants that products are sold through have a delay between collecting from the customer and sending to the Company.

The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

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.

Equity Based Compensation

The Company does not have any equity-based compensation as of December 31st, 2023

Income Taxes

Prior to its conversion from an LLC to a C corporation, the Company was a pass-through entity therefore any income tax expense or benefit was the responsibility of the Company's owners. As such, no provision for income tax was recognized on the Statement of Operations. As of the conversion, the Company is currently taxed as a C corporation; as such, there will be future income tax expenses or obligations recognized by the Company.

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 – COMMITMENTS, 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. The Company does not have any long-term commitments or guarantees.

NOTE 5 – DEBT

On January 30th, 2020, the Company entered into a loan agreement for \$510,000 with an interest rate of 11.99% and a maturity date of January 30th, 2025. The loan requires monthly payments of \$11,119.70. The loan was paid off in 2023 and carries a zero balance as of December 31st, 2023.

On May 22nd, 2020, the Company entered into a SBA (Small Business Act) loan of \$150,000. On July 27th, 2021, the Company increased the loan to \$500,000 with an interest rate of 3.75% and a maturity date of July 27th, 2051. The loan requires monthly payments of \$2,516. The balance of the loan as of December 31st, 2023, was \$500,000.

Debt Principal Maturities 5

Years Subsequent to 2023

| Year | Amount |
|------|----------|
| 2024 | \$11,757 |
| 2025 | \$12,206 |
| 2026 | \$12,778 |
| 2027 | \$13,257 |
| 2028 | \$13,754 |

Thereafter \$436,248

NOTE 6 – EQUITY

The Company was a multimember managed LLC with three classes of ownership interest.

See Note 7 – Subsequent Events disclosure for details of conversion from LLC to a corporation.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2023 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through March 1, 2024, the date these financial statements were available to be issued.

There are no subsequent events to report.