

**WeShape Wellness, Inc.** (the “Company”) a Delaware Corporation

Financial Statements (unaudited) and  
Independent Accountant’s Review Report

Short Year ended December 31, 2021



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

To Management  
WeShape Wellness, Inc.

We have reviewed the accompanying financial statements of the Company which comprise the statement of financial position as of December 31, 2021, and the related statements of operations, statement of changes in shareholder equity, and statement of cash flows for the short year then ended, 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 controls 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 engagement 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 accordance with accounting principles generally accepted in the United States of America.

### **Going Concern**

As discussed in Note 8, 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. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

Vince Mongio, CPA, CIA, CFE, MACC  
Miami, FL  
November 7, 2022

*Vincenzo Mongio*

### Statement of Financial Position

	As of December 31, 2021
ASSETS	
Current Assets	
Cash and Cash Equivalents	85
Total Current Assets	85
TOTAL ASSETS	85
LIABILITIES AND EQUITY	
TOTAL LIABILITIES	-
EQUITY	
Common Stock	85
Accumulated Deficit	-
Total Equity	85
TOTAL LIABILITIES AND EQUITY	85

### Statement of Operations

	Short Year Ended December 31, 2021
Revenue	-
Cost of Revenue	-
Gross Profit	-
Operating Expenses	
General and Administrative	-
Total Operating Expenses	-
Net Income (loss)	-

**Statement of Cash Flows**

	<b>Short Year Ended December 31, 2021</b>
<b>OPERATING ACTIVITIES</b>	
Net Income (Loss)	-
Net Cash provided by (used in) Operating Activities	-
<b>FINANCING ACTIVITIES</b>	
Issuance of Common Stock	85
Net Cash provided by (used in) Financing Activities	85
Cash at the beginning of period	-
Net Cash increase (decrease) for period	85
Cash at end of period	85

**Statement of Changes in Shareholder Equity**

	<b>Common Stock</b>				
	<b># of Shares Amount</b>	<b>\$ Amount</b>	<b>APIC</b>	<b>Accumulated Deficit</b>	<b>Total Shareholder Equity</b>
Beginning Balance at 11/8/21	-	-	-	-	-
Issuance of Common Stock	8,500,000	85	-	-	85
Additional Paid in Capital	-	-	-	-	-
Net Income (Loss)	-	-	-	-	-
Ending Balance 12/31/2021	8,500,000	85	-	-	85

**WeShape Wellness, Inc**  
**Notes to the Unaudited Financial Statements**  
**December 31st, 2021**  
**\$USD**

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

WeShape Wellness, Inc (“the Company”) was formed in Delaware on November 8th, 2021. The Company plans to earn revenue using a SAAS platform leveraging patented technology and increasing its membership base. The main product is an online gym membership which offers our members customized, at-home workouts. The Company’s headquarters is in Santa Cruz, California. The Company’s customers will be located in the United States, Canada, Australia, and the UK.

The Company will conduct a crowdfunding campaign under regulation CF in 2022 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 or As Performance Obligations Are Satisfied

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

### Equity-Based Compensation

The Company has set aside 1,500,000 shares of common stock to be distributed through its Stock Option and Grant plan. As of December 31<sup>st</sup>, 2021, no shares were granted under the plan.

### Income Taxes

The Company is subject to Corporate income and state income taxes in the state it does business.

### 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.

In 2022, The company entered into a Convertible Note agreement with the founder of the company totaling \$400,000. The interest on the note was 5%. The amount is to be repaid at the demand of the holder prior to conversion with maturity on December 31, 2024. The note is convertible into shares of the Company’s common stock at the price equal to an amount obtained by dividing \$11,000,000 by the Fully Diluted Capitalization of the Company.

In 2022, The company entered into a Convertible Note agreement with a family member of the founder totaling \$10,000. The interest on the note was 5%. The amount is to be repaid at the demand of the holder prior to conversion with maturity on December 31, 2024. The note is convertible into shares of the Company’s common stock at the price equal to an amount obtained by dividing \$11,000,000 by the Fully Diluted Capitalization of the Company.

## **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

See Notes 3 & 7.

### Debt Principal Maturities 5 Years Subsequent to 2021

Year	Amount
2021	-
2022	820,000
2023	-
2024	-
2025	-
Thereafter	-

## NOTE 6 – EQUITY

The Company has authorized 15,000,000 of common shares with a par value of \$0.00001 per share. 8,500,000 shares were issued and outstanding as of 2021.

**Voting:** Common stockholders are entitled to one vote per share.

**Dividends:** Common stockholders can receive dividends at the discretion of the boards of directors.

## NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2021, to assess the need for potential recognition or disclosure in this report. Such events were evaluated through November 7, 2022, the date these financial statements were available to be issued.

See “Note 3 – Related Party Transactions”.

In 2022, The company entered into multiple Convertible Note agreements with third parties totaling \$410,000. The interest on the notes was 5%. The amounts are to be repaid at the demand of the holders prior to conversion with maturity on December 31, 2024. The notes are convertible into shares of the Company’s common stock at the price equal to an amount obtained by dividing \$11,000,000 by the Fully Diluted Capitalization of the Company.

## NOTE 8 – GOING CONCERN

The accompanying balance sheet has 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 entity has not commenced principal operations and will likely realize losses prior to generating positive working capital for an unknown period of time. During the next twelve months, the Company intends to finance its operations with funds from a crowdfunding campaign and revenue-producing activities. 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. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.

## **NOTE 9 – RISKS AND UNCERTAINTIES**

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

Since December 31, 2020, 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.