

**RESOUND, CORP.**  
**FINANCIAL STATEMENTS**

*For the fiscal year ended December 31, 2023 and 2022*

*(Unaudited)*

Resound, Corp.	
Profit and Loss	
January - December 2022	
	Total
Income	
Service Income	703.00
<b>Total Income</b>	<b>\$ 703.00</b>
Cost of Goods Sold	
Cost of Goods Sold	
Software & Apps - COGS	518.00
<b>Total Cost of Goods Sold</b>	<b>\$ 518.00</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 518.00</b>
<b>Gross Profit</b>	<b>\$ 185.00</b>
Expenses	
Advertising & Marketing	
Conference & Events	
Airfare	3,472.92
Ground Transportation	425.75
Lodging	5,077.73
Meals/Per Diem	2,166.72
Software & Apps	1,010.00
Space Rent & Lease	1,260.00
Travel Insurance	157.39
<b>Total Conference &amp; Events</b>	<b>\$ 13,570.51</b>
Marketing Materials	3,736.88
Professional Service - Mkt	1,500.00
<b>Total Advertising &amp; Marketing</b>	<b>\$ 18,807.39</b>
Contract labor	
Machine Learning R&D	103,573.32
Product Design R&D	44,900.00
Software Development for Bluemill	13,056.00
<b>Total Contract labor</b>	<b>\$ 161,529.32</b>
Employee benefits	
Employee retirement plans	5,113.57
Workers' compensation insurance	6,479.99
<b>Total Employee benefits</b>	<b>\$ 11,593.56</b>
General & Administrative	
Bank fees & service charges	65.00
Continuing Education	90.90
Insurance	
Business insurance	2,917.15
<b>Total Insurance</b>	<b>\$ 2,917.15</b>
Memberships & Subscriptions	3,086.51
Professional Service	9,467.40
<b>Total General &amp; Administrative</b>	<b>\$ 15,626.96</b>
Legal & accounting services	

Accounting fees	3,908.00
Legal Fees	25,034.63
<b>Total Legal &amp; accounting services</b>	<b>\$ 28,942.63</b>
Meals	
Staff Meals	12.81
<b>Total Meals</b>	<b>\$ 12.81</b>
Office expenses	7,632.04
Payroll expenses	
Payroll Processing Fee	2,728.90
Salaries & Wages - Executives	65,631.80
Salaries & Wages - Marketing	34,989.19
Salaries & Wages - Product Development	173,454.19
<b>Total Payroll expenses</b>	<b>\$ 276,804.08</b>
Supplies	
Supplies & materials	196.66
<b>Total Supplies</b>	<b>\$ 196.66</b>
Taxes paid	
Payroll taxes	22,204.72
Property taxes	10.00
<b>Total Taxes paid</b>	<b>\$ 22,214.72</b>
Travel	
Airfare	1,291.20
<b>Total Travel</b>	<b>\$ 1,291.20</b>
<b>Total Expenses</b>	<b>\$ 544,651.37</b>
<b>Net Operating Income</b>	<b>-\$ 544,466.37</b>
Other Income	
Credit card rewards	4,108.85
<b>Total Other Income</b>	<b>\$ 4,108.85</b>
Other Expenses	
Depreciation & Amortization	618.65
<b>Total Other Expenses</b>	<b>\$ 618.65</b>
<b>Net Other Income</b>	<b>\$ 3,490.20</b>
<b>Net Income</b>	<b>-\$ 540,976.17</b>
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# Resound, Corp.

## Statement of Cash Flows

January - December 2022

	Total
<b>OPERATING ACTIVITIES</b>	
Net Income	-540,976.17
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Prepaid expenses	-2,261.52
Accumulated depreciation	618.65
Chase Credit Card:C. SCHEMM (7249) - 1	605.10
Chase Credit Card:J. BOZARTH (3472) - 1	24,505.00
Payroll Clearing	0.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<b>\$ 23,467.23</b>
Net cash provided by operating activities	<b>-\$ 517,508.94</b>
<b>INVESTING ACTIVITIES</b>	
Tools, machinery, and equipment	-9,533.68
Net cash provided by investing activities	<b>-\$ 9,533.68</b>
<b>FINANCING ACTIVITIES</b>	
Additional paid in capital	1,649.37
Investor Equity	1,350,000.00
Owner's Pay & Personal Expenses	-203.00
Net cash provided by financing activities	<b>\$ 1,351,446.37</b>
Net cash increase for period	<b>\$ 824,403.75</b>
Cash at end of period	<b>\$ 824,403.75</b>

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Resound, Corp.	
Balance Sheet	
As of December 31, 2022	
	Total
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
PLAT BUS CHECKING (1376) - 1	824,403.75
Total Bank Accounts	\$ 824,403.75
Other Current Assets	
Prepaid expenses	2,261.52
Total Other Current Assets	\$ 2,261.52
Total Current Assets	\$ 826,665.27
Fixed Assets	
Accumulated depreciation	-618.65
Tools, machinery, and equipment	9,533.68
Total Fixed Assets	\$ 8,915.03
<b>TOTAL ASSETS</b>	<b>\$ 835,580.30</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Chase Credit Card	
C. SCHEMM (7249) - 1	605.10
J. BOZARTH (3472) - 1	24,505.00
Total Chase Credit Card	\$ 25,110.10
Total Credit Cards	\$ 25,110.10
Other Current Liabilities	
Payroll Clearing	0.00
Total Other Current Liabilities	\$ 0.00
Total Current Liabilities	\$ 25,110.10
Total Liabilities	\$ 25,110.10
Equity	
Additional paid in capital	1,649.37
Investor Equity	1,350,000.00
Owner's Pay & Personal Expenses	-203.00
Retained Earnings	
Net Income	-540,976.17
Total Equity	\$ 810,470.20
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 835,580.30</b>
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<b>Resound, Corp.</b>	
<b>Profit and Loss</b>	
<b>January - December 2023</b>	
	<b>Total</b>
<b>Income</b>	
<b>Service Income</b>	64,388.95
<b>Total Income</b>	<b>\$ 64,388.95</b>
<b>Cost of Goods Sold</b>	
<b>Cost of Goods Sold</b>	
<b>Software &amp; Apps - COGS</b>	13,789.86
<b>Total Cost of Goods Sold</b>	<b>\$ 13,789.86</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 13,789.86</b>
<b>Gross Profit</b>	<b>\$ 50,599.09</b>
<b>Expenses</b>	
<b>Advertising &amp; Marketing</b>	20,769.55
<b>Conference &amp; Events</b>	7,882.50
<b>Ground Transportation</b>	136.99
<b>Lodging</b>	366.60
<b>Meals/Per Diem</b>	692.52
<b>Software &amp; Apps</b>	4,118.04
<b>Space Rent &amp; Lease</b>	25.00
<b>Total Conference &amp; Events</b>	<b>\$ 13,221.65</b>
<b>Marketing Materials</b>	609.20
<b>PPC Paid Advertising</b>	18,443.17
<b>Professional Service - Mkt</b>	1,150.00
<b>Social media</b>	11,959.18
<b>Total Advertising &amp; Marketing</b>	<b>\$ 66,152.75</b>
<b>Contract labor</b>	
<b>Machine Learning R&amp;D</b>	203,504.64
<b>Product Design R&amp;D</b>	85,095.00
<b>Software Development for Bluemill</b>	44,065.00
<b>Total Contract labor</b>	<b>\$ 332,664.64</b>
<b>Employee benefits</b>	
<b>Employee retirement plans</b>	15,658.57
<b>Health insurance &amp; accident plans</b>	579.00
<b>Workers' compensation insurance</b>	1,705.04
<b>Total Employee benefits</b>	<b>\$ 17,942.61</b>
<b>General &amp; Administrative</b>	
<b>Bank fees &amp; service charges</b>	393.21
<b>Continuing Education</b>	57.56
<b>Insurance</b>	
<b>Business insurance</b>	3,574.62
<b>Total Insurance</b>	<b>\$ 3,574.62</b>
<b>Memberships &amp; Subscriptions</b>	11,534.29
<b>Professional Service</b>	10,398.00
<b>Total General &amp; Administrative</b>	<b>\$ 25,957.68</b>

Legal & accounting services	850.00
Accounting fees	4,277.00
Legal Fees	5,033.50
<b>Total Legal &amp; accounting services</b>	<b>\$ 10,160.50</b>
Meals	9.99
Meals with clients	357.31
Staff Meals	156.87
<b>Total Meals</b>	<b>\$ 524.17</b>
Office expenses	13,934.04
Payroll expenses	
Payroll Processing Fee	0.00
Salaries & Wages - Executives	126,614.65
Salaries & Wages - Marketing	112,438.14
Salaries & Wages - Product Development	433,192.25
<b>Total Payroll expenses</b>	<b>\$ 672,245.04</b>
Taxes paid	175.00
Payroll taxes	48,915.56
Property taxes	25.00
<b>Total Taxes paid</b>	<b>\$ 49,115.56</b>
Uncategorized Expense	7,416.49
<b>Total Expenses</b>	<b>\$ 1,196,113.48</b>
<b>Net Operating Income</b>	<b>-\$ 1,145,514.39</b>
Other Income	
Credit card rewards	1,743.67
<b>Total Other Income</b>	<b>\$ 1,743.67</b>
Other Expenses	
Depreciation & Amortization	2,257.56
<b>Total Other Expenses</b>	<b>\$ 2,257.56</b>
<b>Net Other Income</b>	<b>-\$ 513.89</b>
<b>Net Income</b>	<b>-\$ 1,146,028.28</b>
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**Resound, Corp.**  
**Statement of Cash Flows**  
January - December 2023

	Total
<b>OPERATING ACTIVITIES</b>	
Net Income	-1,146,028.28
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts receivable (A/R)	49,917.58
Income Clearing	-378.82
Prepaid expenses	2,261.52
Accumulated depreciation	2,257.56
Chase Credit Card:C. SCHEMM (7249) - 1	1,322.37
Chase Credit Card:J. BOZARTH (3472) - 1	-15,843.04
Payroll Clearing	0.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<b>-\$ 60,297.99</b>
Net cash provided by operating activities	<b>-\$ 1,206,326.27</b>
<b>INVESTING ACTIVITIES</b>	
Tools, machinery, and equipment	-2,474.91
Net cash provided by investing activities	<b>-\$ 2,474.91</b>
<b>FINANCING ACTIVITIES</b>	
Investor Equity	500,000.00
Retained Earnings	60.07
Net cash provided by financing activities	<b>\$ 500,060.07</b>
Net cash increase for period	<b>-\$ 708,741.11</b>
Cash at beginning of period	824,403.75
Cash at end of period	<b>\$ 115,662.64</b>
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Resound, Corp.	
Balance Sheet	
As of December 31, 2023	
	Total
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
PLAT BUS CHECKING (1376) - 1	115,662.64
Total Bank Accounts	\$ 115,662.64
Accounts Receivable	
Accounts receivable (A/R)	49,917.58
Total Accounts Receivable	\$ 49,917.58
Other Current Assets	
Income Clearing	378.82
Prepaid expenses	0.00
Total Other Current Assets	\$ 378.82
Total Current Assets	\$ 165,959.04
Fixed Assets	
Accumulated depreciation	-2,876.21
Tools, machinery, and equipment	12,008.59
Total Fixed Assets	\$ 9,132.38
<b>TOTAL ASSETS</b>	<b>\$ 175,091.42</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Chase Credit Card	
C. SCHEMM (7249) - 1	1,927.47
J. BOZARTH (3472) - 1	8,661.96
Total Chase Credit Card	\$ 10,589.43
Total Credit Cards	\$ 10,589.43
Other Current Liabilities	
Payroll Clearing	0.00
Total Other Current Liabilities	\$ 0.00
Total Current Liabilities	\$ 10,589.43
Total Liabilities	\$ 10,589.43
Equity	
Additional paid in capital	1,649.37
Investor Equity	1,850,000.00
Owner's Pay & Personal Expenses	-203.00
Retained Earnings	-540,916.10
Net Income	-1,146,028.28
Total Equity	\$ 164,501.99
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 175,091.42</b>

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**RESOUND, CORP.**  
**Consolidated Statement of Equity**

Particulars	2022 (\$)	2023 (\$)
Equity at the Beginning of Year	0	810,470.20
Additions to Equity:		
Additional Paid-in Capital	1,649.37	1,649.37
Investor Equity	1,350,000.00	500,000.00
Retained Earnings Adjustment	-	60.07
Owner's Pay & Personal Expenses	(203.00)	(203.00)
Total Additions to Equity	1,351,446.37	501,506.44
Net Loss for the Year	(540,976.17)	(1,146,028.28)
Equity at the End of Year	810,470.20	164,501.99

**RESOUND, CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Fiscal Years Ended December 31, 2023 and 2022

**1. ORGANIZATION AND PURPOSE**

Resound, Corp. (the “Company”), is a corporation organized under the laws of the State of Delaware. The Company operates an artificial intelligence podcast editing platform and derives their revenue from monthly subscriptions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Company’s significant accounting policies applied in the preparation of the accompanying financial statements follows:

**a) Basis of Accounting**

The Company prepares its financial statements on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**b) Fiscal Year**

The Company operates on a 52-week fiscal year ending on December 31.

**c) Cash Equivalents**

Cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less held in domestic financial institutions. For the fiscal years ended December 31, 2023 and December 31, 2022, the Company’s cash positions include its operating bank account.

**RESOUND, CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Fiscal Years Ended December 31, 20223 and 2022

**d) Legal Fees**

Legal fees consist of legal services provided for the creation of the Company and equity financing.

**e) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**3. SUBSEQUENT EVENT**

The Company has evaluated events and transactions subsequent to the period. No events require recognition in the financial statements or disclosures of the Company per the definitions and requirements of ASC Section 855-10, Subsequent Events.