

# THISWAY GLOBAL, LLC

AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDING  
DECEMBER 31, 2020 AND DECEMBER 31, 2019

**THISWAY GLOBAL, LLC**  
**Audited Financial Statements**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**  
**CONTENTS OF REPORT**

|   |    |
|---|----|
| Independent Auditor's Report.....             | 2  |
| BALANCE SHEET .....                           | 4  |
| STATEMENT OF INCOME.....                      | 6  |
| STATEMENT OF CHANGES IN MEMBERS' EQUITY ..... | 8  |
| STATEMENT OF CASH FLOWS .....                 | 9  |
| NOTES TO FINANCIAL STATEMENTS .....           | 10 |



**PROCYON FINANCIAL LLC**

**24A Trolley Square #2289**

**Wilmington, DE 19806**

**Independent Auditor's Report**

To the Members of THISWAY GLOBAL, LLC

603 Davis St. Ste 103

Austin Texas 78701

I have audited the accompanying financial statements of THISWAY GLOBAL, LLC, which comprise the Balance Sheet as of December 31, 2020 and December 31, 2019, and the related Statements of Income, Changes in Members' Equity and Cash Flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with auditing standards generally accepted in the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Opinion

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of THISWAY GLOBAL, LLC as of December 31, 2020 and December 31, 2019, and the results of its operations and cashflows for the years then ended in conformity with U.S. generally accepted accounting principles.



**THISWAY GLOBAL, LLC**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 2020 AND DECEMBER 31, 2019**

|  | <u>As of</u><br><u>December</u><br><u>31, 2020</u> | <u>As of</u><br><u>December 31,</u><br><u>2019</u> |
|--|--|--|
| <b>Assets</b>                            |  |  |
| Current assets:                          |  |  |
| Cash and cash equivalents                | \$ 492,252   | 330,457  |
| Prepaid expenses                         | -  | 209  |
| Accounts Receivable                      | 980,245  | 8,231  |
| (less allowance for doubtful accounts)   | (193,387)  | -  |
| Accounts Receivable, net                 | <u>786,858</u>                                     | <u>8,231</u>                                       |
| <br>                                     |  |  |
| Total current assets                     | <u>1,279,110</u>                                   | <u>338,897</u>                                     |
| Fixed Assets:                            |  |  |
| Computer Equipment                       | 18,253   | 18,253   |
| (less accumulated depreciation)          | (6,590)  | (3,674)  |
| Total Fixed Assets                       | <u>11,663</u>                                      | <u>14,579</u>                                      |
| Intangibles Assets:                      |  |  |
| Software                                 | 1,283,158  | 693,895  |
| (less accumulated amortization)          | (140,972)  | (55,428)   |
| Total Intangibles                        | <u>1,142,186</u>                                   | <u>638,467</u>                                     |
| Non-current assets:                      |  |  |
| Security Deposits                        | -  | 27,100   |
| Total non-current assets                 | <u>-</u>   | <u>27,100</u>                                      |
| <br>                                     |  |  |
| <b><u>Total Assets</u></b>               | <b>\$ <u>2,432,959</u></b>                         | <b><u>1,019,043</u></b>                            |
| <br>                                     |  |  |
| <b>Liabilities &amp; Members' Equity</b> |  |  |
| Current liabilities:                     |  |  |
| Credit cards                             | 4,372  | 3,578  |
| Payables due to Owners                   | 37,471   | 37,471   |
| Convertible debt                         | 850,000  | 850,000  |
| Accrued interest- Convertible debt       | 112,625  | 69,038   |
| Deferred revenues                        | 11,282   | 17,072   |
| Deferred rent                            | -  | 16,210   |
| Sales tax payable                        | 75,458   | 1,088  |
| Other payables                           | 8,000  | -  |
| Payroll & benefits payable               | 10,902   | 6,863  |
| Accounts Payable                         | 315  | -  |
| Total current liabilities                | <u>1,110,425</u>                                   | <u>1,001,320</u>                                   |

**THISWAY GLOBAL, LLC**

**BALANCE SHEET**

(Continued)

**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

|  | <u>As of</u><br><u>December</u><br><u>31, 2020</u> | <u>As of</u><br><u>December 31,</u><br><u>2019</u> |
|--|--|--|
| Non-current Liabilities:                     |  |  |
| Deferred Salaries                            | 80,000   | 80,000   |
| Convertible debt                             | 3,702,080  | 2,000,000  |
| Accrued interest- Convertible debt           | 325,123  | 162,443  |
| Total non-current liabilities                | <u>4,107,203</u>                                   | <u>2,242,443</u>                                   |
| <b><u>Total liabilities</u></b>              | <b>\$ <u>5,217,628</u></b>                         | <b><u>3,243,763</u></b>                            |
| Equity:                                      |  |  |
| Owners' Contributions                        | -  | -  |
| Owners' withdrawals                          | (220,000)  | (120,000)  |
| Retained Earnings (accumulated deficit)      | (2,104,720)  | (765,008)  |
| Net income (loss)                            | (459,949)  | (1,339,712)  |
| <b><u>Total Equity</u></b>                   | <b><u>(2,784,669)</u></b>                          | <b><u>(2,224,720)</u></b>                          |
| <b><u>Total Liabilities &amp; Equity</u></b> | <b>\$ <u>2,432,959</u></b>                         | <b><u>1,019,043</u></b>                            |

The accompanying notes are an integral part of these financial statements.

# THISWAY GLOBAL, LLC

## STATEMENT OF INCOME

FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019

|                                      | <u>2020</u>      | <u>2019</u>        |
|--------------------------------------|------------------|--------------------|
| <b>Revenue:</b>                      |                  |                    |
| Sales revenue                        | \$ 976,187       | 158,961            |
| Other revenue                        | 4,475            | 49,451             |
| Total revenues                       | <u>980,662</u>   | <u>208,412</u>     |
| Cost of goods sold:                  | <u>42,510</u>    | <u>62,063</u>      |
| Gross Profit                         | <u>938,152</u>   | <u>146,349</u>     |
| <b>Expenses:</b>                     |                  |                    |
| Salaries                             | 383,535          | 507,577            |
| Contractors                          | 30,670           | 187                |
| Taxes                                | 38,287           | 47,258             |
| Conferences & Tradeshow              | 4,319            | 55,630             |
| Training                             | 19,201           | 16,156             |
| IT software & consumables            | 114,103          | 99,274             |
| Insurance                            | 51,390           | 45,787             |
| Legal & Professional Services        | 107,025          | 53,484             |
| Advertising & Marketing              | 94,939           | 59,579             |
| Travel                               | 17,023           | 66,164             |
| Meals & Entertainment                | 2,865            | 9,930              |
| Consulting                           | 23,000           | 48,881             |
| Rent                                 | 113,615          | 157,444            |
| Office supplies                      | 31,306           | 61,661             |
| Bank Charges & Fees                  | 3,177            | 1,461              |
| Interest expenses                    | 206,267          | 172,089            |
| Utilities                            | 8,157            | 15,010             |
| Depreciation                         | 2,916            | 2,608              |
| Amortization                         | 85,544           | 46,260             |
| Bad debt expense                     | 202,512          | -                  |
| Dues & Subscriptions                 | 10,047           | 13,098             |
| Postage, Freight & Courier           | 50               | 1,067              |
| Miscellaneous expenses               | 73               | 5,473              |
| Total Expenses                       | <u>1,550,021</u> | <u>1,486,078</u>   |
| <b>Income (loss) from Operations</b> | <u>(611,869)</u> | <u>(1,339,729)</u> |

The accompanying notes are an integral part of these financial statements.

**THISWAY GLOBAL, LLC**

**STATEMENT OF INCOME**  
**(CONTINUED)**

**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

|                                       | <u>2020</u>         | <u>2019</u>        |
|---------------------------------------|---------------------|--------------------|
| Other Income (Expenses):              |                     |                    |
| SBA- Paycheck protection program loan | 141,900             | -                  |
| SBA- Targeted EIDL advance            | 10,000              | -                  |
| Other Income                          | 20                  | 17                 |
| Total Other Income                    | <b>151,920</b>      | <b>17</b>          |
| <b>Net loss</b>                       | <b>\$ (459,949)</b> | <b>(1,339,712)</b> |

The accompanying notes are an integral part of these financial statements.

**THISWAY GLOBAL, LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

|   | <u>Owners'</u><br><u>Contributions</u> | <u>Owners'</u><br><u>Withdrawals</u> | <u>Retained Earnings</u><br><u>(accumulated deficit)</u> | <b>Total</b>       |
|---|--|--------------------------------------|--|--------------------|
| <b>Beginning Balance,<br/>December 31, 2018</b> | -                                      | -                                    | (765,008)  | <b>(765,008)</b>   |
| Owners' Contributions                           | -                                      | -                                    | -  | -                  |
| Owners' Withdrawals                             | -                                      | (120,000)                            | -  | <b>(120,000)</b>   |
| Net income (loss)                               | -                                      | -                                    | (1,339,712)  | <b>(1,339,712)</b> |
| <b>Ending Balance,<br/>December 31, 2019</b>    | -                                      | <b>(120,000)</b>                     | <b>(2,104,720)</b>                                       | <b>(2,224,720)</b> |
| Owners' Contributions                           | -                                      | -                                    | -  | -                  |
| Owners' Withdrawals                             | -                                      | (100,000)                            | -  | <b>(100,000)</b>   |
| Net income (loss)                               | -                                      | -                                    | (459,949)  | <b>(459,949)</b>   |
| <b>Ending Balance,<br/>December 31, 2020</b>    | -                                      | <b>(220,000)</b>                     | <b>(2,564,669)</b>                                       | <b>(2,784,669)</b> |

The accompanying notes are an integral part of these financial statements.

**THISWAY GLOBAL, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

|  | <u>As of</u><br><u>December</u><br><u>31, 2020</u> | <u>As of</u><br><u>December</u><br><u>31, 2019</u> |
|--|--|--|
| Cash flow From Operating Activities:   |  |  |
| Net loss   | \$ (459,949)                                       | (1,339,712)  |
| Adjustments to reconcile net income to net cash provided (used) by operating activities: |  |  |
| Depreciation   | 2,916  | 2,608  |
| Amortization   | 85,544   | 46,260   |
| Bad debt expense   | 202,512  | -  |
| Changes in:  |  |  |
| Prepaid expenses   | 209  | 25,166   |
| Accounts Receivable  | (981,148)  | (5,898)  |
| Security deposits  | 27,100   | -  |
| Credit Cards   | 794  | (1,519)  |
| Payables to Owners   | -  | 1,089  |
| Accrued Interest   | 206,276  | 171,000  |
| Deferred revenues  | (5,790)  | 12,243   |
| Deferred rent  | (16,210)   | 12,019   |
| Sales tax payable  | 74,370   | 923  |
| Other payables   | 8,000  |  |
| Payroll & benefits payable   | 4,039  | 6,702  |
| Deferred Salaries  | -  |  |
| Accounts Payable   | 315  | (5,900)  |
| Net cash provided (used) by operating activities   | <u>(851,022)</u>                                   | <u>(1,075,019)</u>                                 |
| Cash flow From Investing Activities:   |  |  |
| Purchase of Fixed Assets   | -  | (14,560)   |
| Software development   | (589,263)  | (561,916)  |
| Net cash provided (used) by investing activities   | <u>(589,263)</u>                                   | <u>(576,476)</u>                                   |
| Cash flow from Financing Activities  |  |  |
| Owners' withdrawals  | (100,000)  | (120,000)  |
| Issuance of Convertible debt   | 1,702,080  | -  |
| Net cash provided (used) by financing activities   | <u>1,602,080</u>                                   | <u>(120,000)</u>                                   |
| Increase (decrease) in Cash  | 161,795  | (1,771,495)  |
| Cash, beginning of year  | 330,457  | 2,101,952  |
| <b>Cash, end of year</b>   | <b>\$ <u>492,252</u></b>                           | <b><u>330,457</u></b>                              |

The accompanying notes are an integral part of these financial statements.

## **THISWAY GLOBAL, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

#### **FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

##### **About the Company & its Nature of operations**

THISWAY GLOBAL, LLC (the Company), is a Delaware limited liability company formed on September 30, 2016. The Company is a business and employment online service which sources and matches applicants to vacancies. The Company serves individual candidates in addition to employers and tech partners. Moreover, the Company has a solid tech foundation and utilizes artificial intelligence (AI) in its applicant sourcing.

##### **Fiscal year**

The Company operates on a December 31st year-end.

##### **Basis of accounting**

The Company's financial statements are presented in accordance with accounting principles generally accepted in the U.S.

##### **Risks and Uncertainties**

The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include, recession, downturn or otherwise, local competition or changes in consumer taste.

These adverse conditions could affect the Company's financial condition and the results of its operations.

##### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**THISWAY GLOBAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

**Summary of significant accounting policies: (continued)**

**Fair Value measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

**Cash and cash equivalents**

The Company considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents. The Company had no cash equivalents as of December 31, 2020 and December 31, 2019.

**Revenue Recognition**

The Company recognizes revenue when: (1) persuasive evidence exists of an arrangement with the customer reflecting the terms and conditions under which the services will be provided; (2) services have been provided; (3) the fee is fixed or determinable; and (4) collection is reasonably assured.

**THISWAY GLOBAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

**Summary of significant accounting policies: (continued)**

**Expense Recognition**

The Company recognizes and records expenses for services, supplies and other products as they are incurred.

**Fixed assets**

This account currently consists of computer equipment that is recorded at cost and depreciated over a 6-year useful life using the straight-line method for financial reporting purposes. Depreciation expense amounted to USD 2,916 for the year 2020 and USD 2,608 for the year 2019.

**Payables due to Owners**

This account consists of a promissory note due to the Company's director for sums disbursed for the purpose of providing the Company with the working capital to fund its general, operational, corporate, securities and other legal matters. The note bears interest at a rate of 4% per annum and the entire unpaid principal balance and accrued interest are due and payable on or before December 31, 2021.

**Deferred Salaries**

This account comprises of deferred salaries from 2017 that are due to Management. As per a statement made by Management, no interest payments are warranted or expected for the entire balance. While no maturity date had been stipulated, Management does not believe that the balance is to be paid within a year, hence the long-term liability classification.

**THISWAY GLOBAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

**Summary of significant accounting policies: (continued)**

**SBA- Paycheck protection program grant**

The U.S. Small Business Administration (SBA) launched the Paycheck Protection Program (PPP) during 2020 as a response to COVID-19 to help small businesses maintain payrolls and continue operations. The SBA PPP loan bears an interest rate of 1% and has a maturity of 2 years. The loan is potentially fully forgivable provided that it was used solely to cover eligible expenses. Management believes that there is no reason for the loan not to be fully forgiven.

**SBA- Targeted EIDL advance**

The COVID-19 Targeted EIDL Advance was signed into law on December 27, 2020, as part of the Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act. The Targeted EIDL Advance provides businesses in low-income communities with additional funds to ensure small business continuity, adaptation, and resiliency. While the SBA refers to the program as an advance, it was written into law as a grant. Therefore, the amount does not need to be repaid.

**Accounts Receivable**

Receivables include amounts that are due to be collected from customers for services provided by the Company. The Company established an allowance for doubtful accounts to write-down the value of receivables in 2020.

The Company's estimation is 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. The Company recorded USD 202,512 in bad debt expense for the year 2020.

**THISWAY GLOBAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

**Summary of significant accounting policies: (continued)**

**Intangible Assets**

The Company has recorded intangible assets at cost. The intangible assets consist of software the Company has developed since its inception. The Company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include but are not limited to (1) a significant decrease in the market value of an asset, (2) a significant adverse change in the extent or manner in which an asset is used, (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The fair value is measured based on quoted market prices, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including the discounted value of the estimated future cash flows. The valuation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. The assumptions require significant judgement and actual results may differ from assumed and estimated amounts. No impairment charges were recorded for the years ended December 31, 2020 and December 31, 2019.

The Company amortizes software based on a useful life of 15 years. Amortization expenses amounted to USD 86,188 and USD 46,260 for the years 2020 and 2019, respectively.

**THISWAY GLOBAL, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

**Summary of significant accounting policies: (continued)**

**Convertible debt**

This account includes convertible promissory notes issued to multiple investors with original maturity dates of December 31, 2019 and December 31, 2020. The notes bear interest at a rate of 6% per annum.

In the event that the notes remain outstanding on the maturity date, then the outstanding principal balance of the note and any unpaid accrued interest are converted into shares of the Company's common stock (or equivalent equity securities) at a conversion price equal to the quotient resulting from dividing USD 12,000,000 by the number of outstanding shares of common stock of the Company (or equivalent equity securities) as of the maturity date (assuming conversion of all convertible securities and exercise of all outstanding options and warrants, but excluding the equity securities of the Company issuable upon conversion of the notes or other convertible securities issued for capital raising purposes (e.g., Simple Agreements for Future Equity 'SAFE' notes).

As of December 31, 2020 and December 31, 2019, the majority holders have elected to extend the maturity date of these notes.

Additionally, this account includes convertible promissory notes issued as part of a capital raising campaign with the first disbursement occurring on August 18, 2020 for a total of USD 1,502,080. The note bears interest at a rate of 6% per annum and matures in 2 years.

**Income taxes**

The Company is subject to tax filing requirements as a pass through entity in the federal jurisdiction of the United States. The Company sustained net operating losses during fiscal years 2019 and 2020.

The Company is subject to franchise tax filing requirements in the State of Delaware.

**THISWAY GLOBAL, LLC**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDING DECEMBER 31, 2020 AND DECEMBER 31, 2019**

**Summary of significant accounting policies: (continued)**

**Contingencies**

The Company is not currently involved with and does not know of any pending or threatening litigation against the Company or its members.

**Subsequent events**

The Company has evaluated subsequent events through January 2021, there are no events that have occurred for which adjustments or disclosures are warranted.

**Other matters**

The Company's 2019 and 2020 financial statements have been restated for the effect of adjustments that were necessary as a result of the audit, an allowance for doubtful accounts was established and a bad debt expense was recognized. Additionally, software was capitalized, and the related amounts were removed from expenses, and amortization was recorded.