



**EBUMPS, INC.**  
FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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## *Belle Business Services*

*Certified Public Accountants*

### **INDEPENDENT ACCOUNT'S REVIEW REPORT**

To the Board of Directors  
eBumps, Inc.  
New York, New York

We have reviewed the accompanying financial statements of eBumps, Inc., which comprise the balance sheet as of December 31, 2020, and the related statement of income, statement of equity and statement of cash flows for the 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 taken 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 the 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 the 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 modification 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.

*Belle Business Services, LLC*

Belle Business Services, LLC

March 1, 2021

**EBUMPS, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2020**  
(unaudited)

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	38,698
Inventory		48,353
Prepaid expenses and other current assets		8,199

TOTAL CURRENT ASSETS		95,250
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**OTHER ASSETS**

Intangible assets		125,144
		125,144

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>220,394</b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accrued expenses	\$	120
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TOTAL CURRENT LIABILITIES		120
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TOTAL LONG-TERM LIABILITIES		-
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<b>TOTAL LIABILITIES</b>		<b>120</b>
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**SHAREHOLDERS' EQUITY**

Common stock, see note 6		1,000
Additional paid-in capital		399,950
Unearned (deferred) compensation		(369)
Accumulated deficit		(180,307)

TOTAL SHAREHOLDERS' EQUITY		220,274
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<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b>220,394</b>
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See independent accountant's review report and accompanying notes to financial statements.

**EBUMPS, INC.**  
**STATEMENT OF INCOME**  
**DECEMBER 31, 2020**  
**(unaudited)**

<b>REVENUES</b>	\$ -
<b>COST OF GOODS SOLD</b>	<u>-</u>
<b>GROSS PROFIT</b>	-
<b>OPERATING EXPENSES</b>	
General and administrative	6,927
Payroll expenses	79,866
Professional fees	72,791
Sales and marketing	<u>20,723</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>180,307</u>
<b>NET OPERATING INCOME</b>	<u>(180,307)</u>
<b>NET LOSS</b>	<u><u>\$ (180,307)</u></u>

See independent accountant's review report and accompanying notes to financial statements.

**EBUMPS, INC.**  
**STATEMENT OF EQUITY**  
**DECEMBER 31, 2020**  
(unaudited)

	Common Stock					Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount	Additional Paid-in Capital	Unearned (Deferred Compensation)	Total		
<b>BEGINNING BALANCE, JANUARY 20, 2020 (INCEPTION)</b>	-	\$ -	-	-	-	\$ -	-
Issuance of common stock	50,000	50	399,950	-	-	-	\$ 400,000
Issuance of restricted stock	950,001	950	-	(369)	-	-	\$ 581
Net loss	-	-	-	-	(180,307)	(180,307)	\$ (180,307)
<b>ENDING BALANCE, DECEMBER 31, 2020</b>	<b>1,000,001</b>	<b>\$ 1,000</b>	<b>\$ 399,950</b>	<b>\$ (369)</b>	<b>\$ (180,307)</b>	<b>\$ (180,307)</b>	<b>\$ 220,274</b>

See independent accountant's review report and accompanying notes to financial statements.

**EBUMPS, INC.**  
**STATEMENT OF CASH FLOWS**  
**DECEMBER 31, 2020**  
**(unaudited)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income (loss)	\$ (180,307)
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in assets:	
Inventory	(48,353)
Prepaid expenses and other current assets	(8,199)
Increase (decrease) in liabilities:	
Accrued expenses	120
	120

**CASH USED FOR OPERATING ACTIVITIES** **(236,739)**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash used for intangible assets (125,144)

**CASH USED FOR INVESTING ACTIVITIES** **(125,144)**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Issuance of common stock	400,000
Issuance of restricted stock	581
	400,581

**CASH PROVIDED BY FINANCING ACTIVITIES** **400,581**

**NET INCREASE (DECREASE) IN CASH** **38,698**

**CASH AT BEGINNING OF YEAR**           -

**CASH AT END OF YEAR**     \$    38,698

**CASH PAID DURING THE YEAR FOR:**

**INTEREST** **\$          -**

**INCOME TAXES** **\$          -**

See independent accountant's review report and accompanying notes to financial statements.

**EBUMPS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**  
**(unaudited)**

**1. Summary of Significant Accounting Policies**

***The Company***

eBumps, Inc. (the “Company”) was incorporated in the State of Delaware on January 20, 2020. The Company is a mobile advertising platform that uses both location data and the creation of a new advertising medium to provide rapid-paced and targeted advertisements to the public in a currently unseen way. The system is made up of LCD screens that are placed on the passenger doors of vehicles facing the sidewalk. Future models will provide for a variety of screen sizes and placement options. These screens then connect with the Company’s software system that allows listed ads to be placed on the screen, in turn compensating the driver. An advertiser will add their ads into the Company’s system with prerequisites (location, payment specifics, and more) and thus when a screen becomes available, we will go through our database and take all ads whose filters line up with both the advertiser’s and driver’s preferences and choose one of the available advertisements.

***Fiscal Year***

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

***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

***Use of Estimates***

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires the use of management’s estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at fiscal year-end. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Company considers all highly liquid financial instruments purchased with maturities of three months or less to be cash equivalents. As of December 31, 2020, the Company held no cash equivalents.

***Risks and Uncertainties***

The Company has a limited operating history. 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.

The Coronavirus Disease of 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. Specific to the Company, COVID-19 may impact various parts of its 2020 operations and financial results including shelter in place orders, material supply chain interruption, economic hardships affecting funding for the Company’s operations, and affects the Company’s workforce. Management believes the Company is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2020.

***Inventory***

Inventories are stated at the lower of standard cost (which approximates cost determined on a first-in, first-out basis) or market. At December 31, 2020, the balance of inventory related to finished goods was \$48,353.

*See independent accountant’s review report.*



**EBUMPS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**  
**(unaudited)**

**1. Summary of Significant Accounting Policies (continued)**

***Intangible Assets***

The Company has recorded intangible assets at cost. The intangible assets consist of software, website, and development costs. Intangible assets are amortized over the useful life of the asset. As of December 31, 2020, amortization expense has not been recorded as the assets have not been placed in service.

***Income Taxes***

The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company's financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company is subject to tax filing requirements as a C Corporation in the federal jurisdiction of the United States. The Company sustained net operating losses since inception. Net operating losses will be carried forward to reduce taxable income in future years. Due to management's uncertainty as to the timing and valuation of any benefits associated with the net operating loss carryforwards, the Company has elected to recognize an allowance to account for them in the financial statements but has fully reserved it. Under current law, net operating losses may be carried forward indefinitely.

The Company is subject to franchise and income tax filing requirements in the States of Delaware and New York.

***Fair Value of Financial Instruments***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

- Level 1                   - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
  
- Level 2                   - Include other inputs that are directly or indirectly observable in the marketplace.

*See independent accountant's review report.*

**EBUMPS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**  
**(unaudited)**

**1. Summary of Significant Accounting Policies (continued)**

***Fair Value of Financial Instruments (continued)***

Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of Inception. Fair values were assumed to approximate carrying values because of their short term in nature or they are payable on demand.

***Concentrations of Credit Risk***

From time to time cash balances, held at a major financial institution may exceed federally insured limits of \$250,000. Management believes that the financial institution is financially sound and the risk of loss is low.

***Revenue Recognition***

Effective January 20, 2020 (inception), the Company adopted Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606"). Revenue is recognized when performance obligations under the terms of the contracts with our customers are satisfied. For year ending December 31, 2020 the Company recognized nil in revenue.

***Advertising Expenses***

The Company expenses advertising costs as they are incurred.

***Organizational Costs***

In accordance with FASB ASC 720, organizational costs, including accounting fees, legal fee, and costs of incorporation, are expensed as incurred.

***New Accounting Pronouncements***

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In November 2015, the FASB issued ASU (Accounting Standards Update) 2015-17, *Balance Sheet Classification of Deferred Taxes*, or ASU 2015-17. The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. For all entities other than public business entities, the guidance becomes effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for all entities as of the beginning of an interim or annual reporting period. The adoption of ASU 2015-17 had no material impact on the Company's financial statements and related disclosures.

*See independent accountant's review report.*

**EBUMPS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**  
**(unaudited)**

**1. Summary of Significant Accounting Policies (continued)**

***New Accounting Pronouncements (continued)***

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*, or ASU 2016-18. The amendments of ASU 2016-18 were issued to address the diversity in classification and presentation of changes in restricted cash and restricted cash equivalents on the statement of cash flows which is currently not addressed under Topic 230. ASU 2016-18 would require an entity to include amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning of period and end of period total amounts on the statement of cash flows. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2018 for non-public entities. Early adoption is permitted, and the standard must be applied retrospectively. The adoption of ASU 2016-18 had no material impact on the Company's financial statements and related disclosures.

In May 2014, the FASB issued ASU, 2014-09—*Revenue from Contracts with Customers (Topic 606)*, or ASU 2014-09, and further updated through ASU 2016-12, or ASU 2016-12, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled to when products are transferred to customers. This guidance is effective for annual reporting periods, and interim periods within those years, beginning December 15, 2018 for non-public entities. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The adoption of ASU 2014-09 had no material impact on the Company's financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, or ASU 2016-02, which supersedes the guidance in ASC 840, *Leases*. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. This guidance is effective for annual reporting periods beginning after December 15, 2019 for non-public entities. The adoption of ASU 2016-02 had no material impact on the Company's financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-based Payment Accounting*, or ASU 2016-09. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Some of the areas of simplification apply only to non-public companies. This guidance was effective on December 31, 2016 for public entities. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for an entity in any interim or annual period for which financial statements have not been issued or made available for issuance. An entity that elects early adoption must adopt all amendments in the same period. The adoption of ASU 2016-09 had no material impact on the Company's financial statements and related disclosures.

*See independent accountant's review report.*

**EBUMPS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2020**  
**(unaudited)**

**1. Summary of Significant Accounting Policies (continued)**

***New Accounting Pronouncements (continued)***

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, or ASU 2017-09, which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for both public entities and non-public entities. Early adoption is permitted. The adoption of ASU 2017-09 had no material impact on the Company's financial statements and related disclosures.

**2. Commitments and Contingencies**

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

**3. Equity**

***Common Stock***

Under the amended articles of incorporation, the total number of common shares of stock that the Corporation shall have authority to issue is 10,000,000 shares, at \$0.001 par value per share. As of December 31, 2020, 1,000,001 shares have been issued and are outstanding.

**4. Stock Based Compensation**

The Company issues restricted stock awards in the form of Company common stock. The founder's shares were valued at their par value of \$0.001 at the grant date. The Company expenses the compensation cost of these awards as the restriction period lapses, which is an eighteen-month vesting period. In fiscal year 2020, the Company awarded 1,000,001 shares of restricted stock to officers and directors of the Company. At December 31, 2020, there was \$369 of unrecognized compensation cost related to restricted stock awards. That cost is expected to be recognized by August 2021. The expense associated with restricted stock awards was \$581, for fiscal 2020.

**5. Subsequent Events**

During 2021, the Company issued two convertible promissory notes, totaling \$100,000, with 6% APR's, discount rates of 20% and maturity dates in 2023.

In January 2021, a majority shareholder left the Company and forfeited 123,148 of unvested shares. The Company is currently in the process of redeeming up to 134,099 shares of common stock from this shareholder, although the buyback agreement has not been finalized yet.

The Company has evaluated subsequent events through March 1, 2021, the date through which the financial statement was available to be issued. It has been determined that no events require additional disclosure.

*See independent accountant's review report.*