
QUEENLY INC.

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022, AND 2021
(Unaudited)



INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Queenly Inc.
San Francisco, California

We have reviewed the accompanying financial statements of Queenly Inc. (the "Company,"), which comprise the balance sheet as of December 31, 2022, and December 31, 2021, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the year ending December 31, 2022 and December 31, 2021, 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 control 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 in accordance with the 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.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 12, 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.

Set Apart FS

November 8, 2023
Los Angeles, California

QUEENLY INC.
BALANCE SHEET
(UNAUDITED)

As of December 31,	2022	2021
(USD \$ in Dollars)		
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$ 2,717,545	\$ 5,223,627
Accounts Receivable, net	4,306	-
Prepays and Other Current Assets	71,478	69,189
Total Current Assets	2,793,330	5,292,816
Intangible Assets	48,056	-
Security Deposit	2,500	2,500
Total Assets	\$ 2,843,885	\$ 5,295,316
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 10,548	\$ 3,927
Credit Cards	5,991	141,272
Other Current Liabilities	17,797	63,991
Total Current Liabilities	34,336	209,190
Simple Agreement for Future Equity (SAFEs)	1,002,083	-
Total Liabilities	1,036,419	209,190
STOCKHOLDERS EQUITY		
Common Stock	89	89
Series Seed-1 Preferred Stock	46	46
Series Seed-2 Preferred Stock	11	11
Series Seed-3 Preferred Stock	19	19
Series Seed-4 Preferred Stock	7	7
Series Seed-5 Preferred Stock	3	1
Series Seed-6 Preferred Stock	26	26
Additional Paid in Capital	6,987,482	6,980,140
Subscription Receivable	-	-
Retained Earnings/(Accumulated Deficit)	(5,180,218)	(1,894,213)
Total Stockholders' Equity	1,807,466	5,086,126
Total Liabilities and Stockholders' Equity	\$ 2,843,885	\$ 5,295,316

See accompanying notes to financial statements.

QUEENLY INC.
STATEMENTS OF OPERATIONS
(UNAUDITED)

For Fiscal Year Ended December 31,	2022	2021
(USD \$ in Dollars)		
Net Revenue	\$ 200,799	\$ 90,143
Cost of Goods Sold	165,624	51,614
Gross profit	35,175	38,530
Operating expenses		
General and Administrative	1,802,765	851,937
Research and Development	2,150	-
Sales and Marketing	1,436,552	789,186
Total operating expenses	3,241,467	1,641,123
Operating Income/(Loss)	(3,206,292)	(1,602,593)
Interest Expense	-	-
Other Loss/(Income)	76,968	(29,109)
Income/(Loss) before provision for income taxes	(3,283,260)	(1,573,484)
Provision/(Benefit) for income taxes	2,744	1,725
Net Income/(Net Loss)	\$ (3,286,004)	\$ (1,575,209)

See accompanying notes to financial statements.

QUEENLY INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(in \$ US)	Common Stock		Series Seed-1 Preferred Stock		Series Seed-2 Preferred Stock		Series Seed-3 Preferred Stock		Series Seed-4 Preferred Stock		Series Seed-5 Preferred Stock		Series Seed-6 Preferred Stock		Additional Paid In Capital	Subscription Receivable	Retained earnings/ (Accumulated Deficit)	Total Shareholder Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance—December 31, 2020	8,866,667	\$ 89													\$ -	\$ (89)	\$ (319,004)	\$ (319,004)
Issuance of Stock		\$ -	4,584,947	\$ 46	1,122,720	\$ 11	1,924,680	\$ 19	748,470	\$ 7	100,239	\$ 1	2,615,692	\$ 26	\$ 6,978,164	\$ 89		6,978,363
Share-Based Compensation															1,976			1,976
Net income/(loss)																	(1,575,209)	(1,575,209)
Balance—December 31, 2021	9,866,667	\$ 89	4,584,947	\$ 46	1,122,720	\$ 11	1,924,680	\$ 19	748,470	\$ 7	100,239	\$ 1	2,615,692	\$ 26	\$ 6,980,140		\$ (1,894,213)	\$ 5,086,126
Issuance of Stock															(1,60)			0
Share-Based Compensation															7,344			7,344
Net income/(loss)																	(3,286,004)	(3,286,004)
Balance—December 31, 2022	8,866,667	\$ 89	4,584,947	\$ 46	1,122,720	\$ 11	1,924,680	\$ 19	748,470	\$ 7	260,625	\$ 3	2,615,692	\$ 26	\$ 6,987,482		\$ (5,180,218)	\$ 1,807,466

See accompanying notes to financial statements.

QUEENLY INC.
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For Fiscal Year Ended December 31,	2022	2021
<i>(USD \$ in Dollars)</i>		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ (3,286,004)	\$ (1,575,209)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Amortization of Intangibles	1,944	-
Adjustment of Fair Value of SAFEs	77,083	
Share-based Compensation	7,344	1,976
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable, net	(4,306)	-
Prepays and Other Current Assets	(2,289)	(69,189)
Due from Related Parties	-	9,910
Accounts Payable	6,621	3,927
Credit Cards	(135,281)	137,539
Other Current Liabilities	(46,195)	34,198
Security Deposit	-	(2,500)
Net cash provided/(used) by operating activities	(3,381,082)	(1,459,349)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Intangible Assets	(50,000)	-
Net cash provided/(used) in investing activities	(50,000)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Contribution	0	6,978,363
Borrowing on Shareholder Loans	-	(9,106)
Repayment of Promissory Notes and Loans	-	(27,400)
Borrowing on SAFEs	925,000	(772,500)
Net cash provided/(used) by financing activities	925,000	6,169,358
Change in Cash	(2,506,082)	4,710,009
Cash—beginning of year	5,223,627	513,618
Cash—end of year	\$ 2,717,545	\$ 5,223,627
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES		
Purchase of property and equipment not yet paid for	\$ -	\$ -
Issuance of equity in return for note	-	
Issuance of equity in return for accrued payroll and other liabilities		

See accompanying notes to financial statements.

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

1. NATURE OF OPERATIONS

Queenly Inc. was incorporated on January 10, 2018, in the state of Delaware. The financial statements of Queenly Inc. (which may be referred to as the “Company”, “we”, “us”, or “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s headquarters are located in San Francisco, California.

Queenly is the largest marketplace and ML-driven search engine for the formalwear industry. Queenly helps women of all ages find the exact dress they’re looking for (and resell it after!). They offer a premium service that involves authentication assurance, dry cleaning, packaging, and shipping, to truly offer a white glove experience to their users. Queenly aims to foster a community of women that uplifts and strives to help one another look and feel like a queen on their special occasion. Queenly Inc.’s revenue is recorded on the difference between the seller’s sale price the formalwear and the buyer’s purchase price of the same item. The sale and purchase transactions are connected by a customized API report which provides the sale information. All sales are drop ship, so there is no inventory on hand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). The Company has adopted the calendar year as its basis for reporting.

Use of Estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 in banks. The Company’s cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2022, and December 31, 2021, the Company’s cash and cash equivalents exceeded FDIC insured limits by \$2,273,136 and \$4,890,825, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivables are recorded at net realizable value or the amount that the Company expects to collect on gross customer trade receivables. We estimate losses on receivables 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. As of December 31, 2022 and 2021, the Company determined that no reserve was necessary.

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Intangible Assets

Goodwill represents the excess cost of a business acquisition over the fair value of the identifiable net assets acquired. Fair values for goodwill and indefinite-lived intangible assets are determined based on discounted cash flows, market multiples or appraised values, as appropriate. The goodwill is amortized over 10 years in accordance with ASC 350.

Income Taxes

Queenly Inc. is a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

Concentration of Credit Risk

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances more than the federally insured limits.

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

Revenue Recognition

The Company recognizes revenues in accordance with FASB ASC 606, Revenue from Contracts with Customers, when delivery of services is the sole performance obligation in its contracts with customers. The Company typically collects payment upon sale and recognizes the revenue when the service has been performed and has fulfilled its sole performance obligation.

Revenue recognition, according to Topic 606, is determined using the following steps:

- 1) Identification of the contract, or contracts, with the customer: the Company determines the existence of a contract with a customer when the contract is mutually approved; the rights of each party in relation to the services to be transferred can be identified, the payment terms for the services can be identified, the customer has the capacity and intention to pay, and the contract has commercial substance.
- 2) Identification of performance obligations in the contract: Performance obligations consist of a promised in a contract (written or oral) with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- 3) Recognition of revenue when, or how, a performance obligation is met: Revenues are recognized when or as control of the promised goods or services is transferred to customers.

The Company earns revenues on the difference between the seller's sale price the formalwear and the buyer's purchase price of the same item. The sale and purchase transactions are connected by a customized API report which provides the sale information.

Cost of sales

Costs of goods sold include the shipping expenses, merchant fees and sales tax.

Advertising and Promotion

Advertising and promotional costs are expensed as incurred. Advertising and promotional expenses for the years ended December 31, 2022, and December 31, 2021, amounted to \$1,436,552 and \$789,186, which is included in sales and marketing expenses.

Research and Development Costs

Costs incurred in the research and development of the Company's products are expensed as incurred.

Stock-Based Compensation

The Company accounts for stock-based compensation to both employees and non-employees in accordance with ASC 718, Compensation - Stock Compensation. Under the fair value recognition provisions of ASC 718, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period, which is generally the option vesting period. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options.

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments).

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

COVID-19

In March 2020, the outbreak and spread of the COVID-19 virus was classified as a global pandemic by the World Health Organization. This widespread disease impacted the Company's business operations, including its employees, customers, vendors, and communities. The COVID-19 pandemic may continue to impact the Company's business operations and financial operating results, and there is substantial uncertainty in the nature and degree of its continued effects over time. The extent to which the pandemic impacts the business going forward will depend on numerous evolving factors management cannot reliably predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. These factors may adversely impact consumer and business spending on products as well as customers' ability to pay for products and services on an ongoing basis. This uncertainty also affects management's accounting estimates and assumptions, which could result in greater variability in a variety of areas that depend on these estimates and assumptions, including investments, receivables, and forward-looking guidance.

Subsequent Events

The Company considers events or transactions that occur after the balance sheet date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through November 8, 2023, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been several ASUs to date, including those above, 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.

QUEENLY INC.**NOTES TO FINANCIAL STATEMENTS****FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021****3. DETAILS OF CERTAIN ASSETS AND LIABILITIES**

Account receivables consist primarily of trade receivables, accounts payable consist primarily of trade payables. Prepaid and other current assets consist of the following items:

As of Year Ended December 31,	2022	2021
Other Receivables	14,253	5,109
Prepaid Expense	42,671	64,080
Deposit - Payroll	14,554	
Total Prepaids and Other Current Assets	\$ 71,478	\$ 69,189

Other current liabilities consist of the following items:

As of Year Ended December 31,	2022	2021
Accrued Expenses	13,332	43,919
Tax Payable	1,644	-
Other current liabilities	2,821	20,072
Total Other Current Liabilities	\$ 17,797	\$ 63,991

4. INTANGIBLE ASSETS

As of December 31, 2022, and December 31, 2021, intangible assets consist of:

As of Year Ended December 31,	2022	2021
Goodwill- Asset purchase	\$ 50,000	\$ -
Intangible assets, at cost	50,000	-
Accumulated amortization	(1,944)	-
Intangible assets, Net	\$ 48,056	\$ -

Entire intangible assets have been amortized. Amortization expenses for the fiscal year ended December 31, 2022, and 2021 were in the amount of \$1,944 and \$0, respectively.

The following table summarizes the estimated amortization expense relating to the Company's intangible assets as of December 31, 2022:

Period	Expense
2023	\$ (5,000)
2024	(5,000)
2025	(5,000)
2026	(5,000)
Thereafter	(28,056)
Total	\$ (48,056)

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

5. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company is authorized to issue 23,612,631 shares of common stock at a par value of \$0.00001. As of December 31, 2022, and December 31, 2021, 8,866,667 common stocks have been issued and are outstanding.

Series Seed-1 Preferred Stock

The Company is authorized to issue 4,584,947 shares of Series Seed-1 Preferred Stock at a par value of \$0.00001. As of December 31, 2022, and December 31, 2021, 4,584,947 shares have been issued and are outstanding.

Series Seed-2 Preferred Stock

The Company is authorized to issue 1,122,720 shares of Series Seed-1 Preferred Stock at a par value of \$0.00001. As of December 31, 2022, and December 31, 2021, 1,122,720 shares have been issued and are outstanding.

Series Seed-3 Preferred Stock

The Company is authorized to issue 1,924,680 shares of Series Seed-3 Preferred Stock at a par value of \$0.00001. As of December 31, 2022, and December 31, 2021, 1,924,680 shares have been issued and are outstanding.

Series Seed-4 Preferred Stock

The Company is authorized to issue 748,470 shares of Series Seed-4 Preferred Stock at a par value of \$0.00001. As of December 31, 2022, and December 31, 2021, 748,470 shares have been issued and are outstanding.

Series Seed-5 Preferred Stock

The Company is authorized to issue 260,625 shares of Series Seed-5 Preferred Stock at a par value of \$0.00001. As of December 31, 2022, and December 31, 2021, 260,625 shares have been issued and are outstanding.

Series Seed-6 Preferred Stock

The Company is authorized to issue 2,615,692 shares of Series Seed-6 Preferred Stock at a par value of \$0.00001. As of December 31, 2022, and December 31, 2021, 2,615,692 shares have been issued and are outstanding.

6. SHAREBASED COMPENSATION

During 2021, the Company authorized the Stock Option Plan (which may be referred to as the "Plan"). The Company reserved 2,800,988 shares of its Common Stock pursuant to the Plan, which provides for the grant of shares of stock options, stock appreciation rights, and stock awards (performance shares) to employees, non-employee directors, and non-employee consultants. The option exercise price generally may not be less than the underlying stock's fair market value at the date of the grant and generally have a term of four years. The amounts granted each calendar year to an employee or non-employee is limited depending on the type of award.

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

Stock Options

The Company granted stock options. The stock options were valued using the Black-Scholes pricing model with a range of inputs indicated below:

As of Year Ended December 31,	2022
Expected life (years)	10.00
Risk-free interest rate	4.41%
Expected volatility	75%
Annual dividend yield	0%

The risk-free interest rate assumption for options granted is based upon observed interest rates on the United States government securities appropriate for the expected term of the Company's employee stock options.

The expected term of employee stock options is calculated using the simplified method which takes into consideration the contractual life and vesting terms of the options.

The Company determined the expected volatility assumption for options granted using the historical volatility of comparable public company's common stock. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future stock option grants, until such time that the Company's common stock has enough market history to use historical volatility.

The dividend yield assumption for options granted is based on the Company's history and expectation of dividend payouts. The Company has never declared or paid any cash dividends on its common stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

Management estimated the fair value of common stock based on recent sales to third parties. Forfeitures are recognized as incurred.

A summary of the Company's stock options activity and related information is as follows:

	Number of Awards	Weighted Average Exercise	Weighted Average Contract Term
Outstanding at December 31, 2020	-	\$ 0.08	-
Granted	450,000		
Exercised	-		
Expired/Cancelled	-		-
Outstanding at December 31, 2021	450,000	\$ 0.08	9.80
Exercisable Options at December 31, 2021	32,292	\$ 0.08	9.80
Granted	60,000	\$ -	
Exercised	-	\$ -	
Expired/Cancelled	(100,000)	\$ -	
Outstanding at December 31, 2022	410,000	\$ 0.08	8.80
Exercisable Options at December 31, 2022	108,331	\$ 0.08	8.80

Stock option expenses for the years ended December 31, 2022, and December 31, 2021 were \$7,344 and \$1,976, respectively.

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

7. DEBT

SAFE(s)

The details of the Company's Simple Agreements for Future Equity ("SAFE") and the terms are as follows:

SAFE(s)	Principal Amount	Borrowing Period	Valuation Cap	Discount	As of Year Ended December 31,	
					2022	2021
Safes I - XIV	\$ 925,000	Fiscal Year 2022	\$ 25,000,000		\$ 925,000	\$ -
Adjustment to Fair Value of SAFE					\$ 77,083	
Total SAFE(s)	\$ 925,000				\$ 1,002,083	\$ -

If there is an Equity Financing before the expiration or termination of this instrument, the Company will automatically issue to the Investor either: (1) a number of shares of Standard Preferred Stock equal to the Purchase Amount divided by the price per share of the Standard Preferred Stock, if the pre-money valuation is less than or equal to the Valuation Cap; or (2) a number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Safe Price. If there is a Liquidity Event before the expiration or termination of this instrument, the Investor will, at its option, either a) receive a cash payment equal to the Purchase Amount (subject to the following paragraph) or b) automatically receive from the Company a number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price, if the Investor fails to select the cash option. If there is a Dissolution Event before this instrument expires or terminates, the Company will pay an amount equal to the Purchase Amount due and payable to the Investor immediately prior to, or concurrent with, the consummation of the Dissolution Event. The SAFE will expire upon either the issuance of stock to the investor pursuant to above or payment. Since the SAFEs are potentially settle able in cash, the Company has decided to classify them as a liability.

8. INCOME TAXES

The provision for income taxes for the year ended December 31, 2022, and December 31, 2021 consists of the following:

As of Year Ended December 31,	2022	2021
Net Operating Loss	\$ (772,638)	\$ (473,515)
Valuation Allowance	772,638	473,515
Net Provision for income tax	\$ -	\$ -

Significant components of the Company's deferred tax assets and liabilities at December 31, 2022, and December 31, 2021 are as follows:

As of Year Ended December 31,	2022	2021
Net Operating Loss	\$ (1,335,597)	\$ (562,959)
Valuation Allowance	1,335,597	562,959
Total Deferred Tax Asset	\$ -	\$ -

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. On the basis of this evaluation, the Company has determined that

QUEENLY INC.
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

it is more likely than not that the Company will not recognize the benefits of the federal and state net deferred tax assets, and, as a result, full valuation allowance has been set against its net deferred tax assets as of December 31, 2022, and December 31, 2021. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

For the fiscal year ending December 31, 2022, the Company had federal cumulative net operating loss ("NOL") carryforwards of \$4,475,860, and the Company had state net operating loss ("NOL") carryforwards of approximately \$4,475,860. Utilization of some of the federal and state NOL carryforwards to reduce future income taxes will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. The federal net operating loss carryforward is subject to an 80% limitation on taxable income, does not expire, and will carry on indefinitely.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not to be sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2022, and December 31, 2021, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2022, and December 31, 2021, the Company had no accrued interest and penalties related to uncertain tax positions.

9. RELATED PARTY

There are no related party transactions.

10. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations.

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2022, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

11. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the period from December 31, 2022, through November 8, 2022, the date the financial statements were available to be issued.

QUEENLY INC.

NOTES TO FINANCIAL STATEMENTS

FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021

On June 14, 2023, the company entered into standard commercial multi-tenant lease SAN FRANCISCO HARRISON LLC for renting of certain business premises in San Francisco, California. The rent commenced on 1 August 2023 and ends on 31 January 2025 with annual rent of \$3,097.50 per month.

There have been no other events or transactions during this time which would have a material effect on these financial statements.

12. GOING CONCERN

The accompanying financial statements have 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 Company has a net operating loss of \$3,206,292, an operating cash flow loss of \$3,381,082 and liquid assets in cash of \$2,717,545, which is less than a year worth of cash reserves as of December 31, 2022. These factors normally raise substantial doubt about the Company's ability to continue as a going concern.

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. During the next twelve months, the Company intends to fund its operations through debt and/or equity financing.

There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain enough additional capital, it may be required to reduce the scope of its planned development, which could harm its business, financial condition, and operating results. The accompanying financial statements do not include any adjustments that might result from these uncertainties.