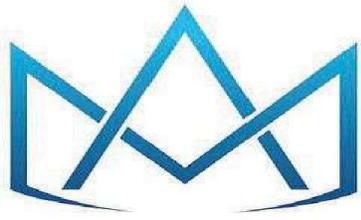




**Why Local, Inc.** (the “Company”) a Delaware Corporation

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

Year ended December 31, 2020



**Mongio &**  
**Associates CPAs LLC**  
Tax - Accounting - Advisory  
Saving Time, Money, & Stress

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management  
Why Local, Inc.

We have reviewed the accompanying financial statements of the Company which comprise the statement of financial position as of December 31, 2020 and the related statements of operations, statement of changes in shareholder 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 as a whole. Accordingly, we do not express such an opinion.

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

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

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

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

### **Going Concern**

As discussed in Note 8, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

Vince Mongio, CPA, CIA, CFE, MACC  
Miami, FL  
October 21, 2021

*Vincenzo Mongio*

**Why Local, Inc.**  
**Statement of Financial Position**

	<b>Year Ended December 31, 2020</b>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and Cash Equivalents	20,120
<i>Total Current Assets</i>	20,120
<i>Non-current Assets</i>	
<i>Total Non-Current Assets</i>	-
<b>TOTAL ASSETS</b>	<b>20,120</b>
<b>LIABILITIES AND EQUITY</b>	
<i>Liabilities</i>	
<i>Current Liabilities</i>	
<i>Total Current Liabilities</i>	-
<i>Long-term Liabilities</i>	
Future Equity Obligations - SAFE Notes	30,000
<b>Related Party</b> Future Equity Obligations - SAFE Notes	25,000
<b>Related Party</b> Notes Payable	39,882
<i>Total Long-Term Liabilities</i>	94,882
<b>TOTAL LIABILITIES</b>	<b>94,882</b>
<b>EQUITY</b>	
Accumulated Deficit	(74,762)
<i>Total Equity</i>	(74,762)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>20,120</b>

**Why Local, Inc.**  
**Statement of Operations**

	<b>Year Ended December 31,</b>
	<b>2020</b>
Revenue	19
Cost of Sales	95
Gross Profit	(76)
<i>Operating Expenses</i>	
Research and Development	6,477
Advertising	16,709
Consulting	34,077
Travel	6,547
Other Expenses	8,726
Total Operating Expenses	72,536
Operating Income (loss)	(72,612)
Interest Expense	2,150
Total Other Expense	2,150
Net Income (loss)	(74,762)

**Why Local, Inc.**  
**Statement of Cash Flows**

	<b>Year Ended December 31, 2020</b>
<b>OPERATING ACTIVITIES</b>	
Net Income (Loss)	(74,762)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-
<i>Net Cash provided by (used in) Operating Activities</i>	(74,762)
<b>INVESTING ACTIVITIES</b>	
<i>Net Cash provided by (used by) Investing Activities</i>	-
<b>FINANCING ACTIVITIES</b>	
<b>Related Party</b> Notes Payable	39,882
<b>Related Party</b> Future Equity Obligations - SAFE Notes	25,000
Future Equity Obligations - SAFE Notes	30,000
<i>Net Cash provided by (used in) Financing Activities</i>	94,882
Cash at the beginning of period	-
Net Cash increase (decrease) for period	20,120
Cash at end of period	20,120

**Why Local, Inc.**  
**Statement of Changes in Shareholder Equity**

	<b>Common Stock</b>					
	<b># of Shares Amount</b>	<b>\$ Amount</b>	<b>APIC</b>	<b>Accumulated Deficit</b>	<b>Total Shareholder Equity</b>	
Beginning Balance at 9/23/2020 (inception)	-	-	-	-	-	
Issuance of Common Stock	900,000	-	-	-	-	
Net Income (Loss)	-	-	-	(74,762)	(74,762)	
Ending Balance 12/31/2020	900,000	-	-	(74,762)	(74,762)	

**Why Local, Inc.**  
**Notes to the Unaudited Financial Statements**  
**December 31st, 2020**  
**\$USD**

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

Why Local, Inc. (“the Company”) was formed in Delaware on September 23, 2020. The Company plans to earn revenue using a platform for business owners to tell their compelling stories – their “WHY” and what makes their product/service unique. The Company’s headquarters is in Austin, Texas. The Company’s customers will be located in the United States.

The Company will conduct a crowdfunding campaign under regulation CF in 2021 to raise operating capital.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Our fiscal year ends on December 31. The Company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Concentrations of Credit Risks

The Company’s financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company’s management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

## Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, "Revenue Recognition" following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize Revenue When or As Performance Obligations Are Satisfied

The Company generates revenues by selling a subscription service to small businesses who are looking to partner with other small businesses to keep consumers buying from local companies. The Company's payments are generally collected at time of service or initiation of services. The Company's primary performance obligation is to maintain an acceptable level of software uptime for users over the subscription period which can be one to twelve months and revenue is recognized over the life of the subscription as performance obligations are satisfied. The company had no deferred revenue as of December 31, 2020.

## Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred.

## General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

## Equity based compensation

The Company accounts for stock options issued to employees under ASC 718 (Stock Compensation). Under ASC 718, share-based compensation cost to employees is measured at the grant date, based on the estimated fair value of the award, and is recognized as an item of expense ratably over the employee's requisite vesting period. The Company has elected early adoption of ASU 2018-07, which permits measurement of stock options at their intrinsic value, instead of their fair value. An option's intrinsic value is defined as the amount by which the fair value of the underlying stock exceeds the exercise price of an option. In certain cases, this means that option compensation granted by the Company may have an intrinsic value of \$0.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505 (Equity). The fair value of the option issued or committed to be issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to expense and credited to additional paid-in capital.

There is not a viable market for the Company's common stock to determine its fair value, therefore management is required to estimate the fair value to be utilized in the determining stock-based compensation costs. In estimating the fair value, management considers recent sales of its common stock to independent qualified investors, placement agents' assessments of the underlying common shares relating to our sale of preferred stock and validation by independent fair value experts. Considerable management judgment is necessary to estimate the fair value. Accordingly, actual results could vary significantly from management's estimates. Management has concluded that the estimated fair value of the Company's stock and corresponding expense is negligible.

	<u>Total Options</u>	<u>Weighted Average Exercise Price</u>
Granted	100,000	\$ 0.001
Exercised	-	
Expired/cancelled	-	
Total options outstanding, December 31, 2020	100,000	\$ 0.001
Options exercisable, December 31, 2020	-	\$ 0.001
	<u>Nonvested Options</u>	<u>Weighted Average Exercise Price</u>
Granted	100,000	\$ -
Vested	-	\$ -
Forfeited	-	\$ -
Nonvested options, December 31, 2020	100,000	\$ -

**Summary of Share-based Compensation Arrangements**  
**Year Ended December**  
**31<sup>st</sup> 2020**

Beginning shares granted	-
Granted during the period	900,000
Vested	-
Total Cumulative Shares Granted for Compensation	900,000
Ending Shares Remaining to Vest	-
Weighted-average grant-date fair value of shares vested	0.25
Average grant-date fair value of shares granted	-

Income Taxes

The Company is subject to Corporate income and state income taxes in the state it does business. A deferred tax asset as a result of net operating losses (NOL) has not been recognized due to the uncertainty of future positive taxable income to utilize the NOL. Due to the recently enacted Tax Cuts and Jobs Act, any NOLs will be limited to 80% of taxable income generated in future years.

### Recent accounting pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

### **NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company follows ASC 850, “Related Party Disclosures,” for the identification of related parties and disclosure of related party transactions.

During the year ended December 31st, 2020, the Company had outstanding SAFE Notes in the amount of \$25,000 to related parties.

The Company had notes payable to founders in the amount of \$39,882 for services performed by owners of the Company. The balance is non-interest bearing and due on demand.

### **NOTE 4 – CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations.

### **NOTE 5 – DEBT**

Simple Agreements for Future Equity (SAFE) - During the period ending December 31, 2020, the Company entered into numerous SAFE agreements (Simple Agreement for Future Equity) with third parties. The SAFE agreements have no maturity date and bear no interest. The agreements provide the right of the investor to future equity in the Company during a qualified financing or change of control event at a 75% discount and no valuation cap.

### **NOTE 6 – EQUITY**

The Company has authorized 10,000,000 of common shares with a par value of \$0.001 per share. 900,000 shares were issued and outstanding as of 2020.

Common stockholders are entitled to one vote and can receive dividends at the discretion of the boards of directors.

### **NOTE 7 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to December 31, 2020 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through October 21, 2021, the date these financial statements were available to be issued.

The Company issued \$40k in SAFE notes with terms similar to those mentioned in Note 5.

### **NOTE 8 – GOING CONCERN**

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The entity has realized losses and may continue to generate losses.

The Company’s ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise

substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.

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

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

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. Note: this disclosure assumes there is no significant doubt about the entity's ability to continue as a going concern.