
RAKE LLC

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019
(Unaudited)

INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

	Page
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS:	
Balance Sheet	2
Statement of Operations	3
Statement of Changes in Members' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Members of
Rake LLC
Flossmoor, Illinois

We have reviewed the accompanying financial statements of Rake LLC (the "Company,"), which comprise the balance sheet as of December 31, 2020 and December 31, 2019, and the related statement of operations, statement of members' equity (deficit), and cash flows for the year ending December 31, 2020 and December 31, 2019, 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 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 conformity with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 9, 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 5, 2021

RAKE LLC
BALANCE SHEET
(UNAUDITED)

As of December 31,	2020	2019
(USD \$ in Dollars)		
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 8,307	\$ 403
Account receivables, net	10,000	55
Total current assets	18,307	458
Total assets	\$ 18,307	\$ 458
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Account Payables	\$ -	\$ 3,676
Current portion of Loan and Promissory Note	3,000	6,000
Other current liabilities	105,836	45,989
Total current liabilities	108,836	55,665
Loan and Promissory Note	2,262,348	1,330,840
Total liabilities	2,371,183	1,386,505
MEMBERS' EQUITY		
Members' equity	(2,352,876)	(1,386,047)
Total members' equity	(2,352,876)	(1,386,047)
Total liabilities and members' equity	\$ 18,307	\$ 458

See accompanying notes to financial statements.

RAKE LLC
STATEMENTS OF OPERATIONS
(UNAUDITED)

For Fiscal Year Ended December 31,	2020	2019
(USD \$ in Dollars)		
Net revenue	\$ 17,521	\$ 6,055
Cost of goods sold	10,407	-
Gross profit	7,114	6,055
Operating expenses		
General and administrative	918,755	903,989
Sales and marketing	109	10
Total operating expenses	918,864	903,999
Operating income/(loss)	(911,750)	(897,944)
Interest expense	55,079	40,541
Other Loss/(Income)	-	-
Income/(Loss) before provision for income taxes	(966,829)	(938,485)
Provision/(Benefit) for income taxes	-	-
Net income/(Net Loss)	\$ (966,829)	\$ (938,485)

See accompanying notes to financial statements.

RAKE LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
(UNAUDITED)

<u>(in , \$US)</u>	<u>Members'</u> <u>Equity</u>
Balance—December 31, 2018	\$ (447,562)
Net income/(loss)	(938,485)
Balance—December 31, 2019	\$ (1,386,047)
Net income/(loss)	(966,829)
Balance—December 31, 2020	\$ (2,352,876)

See accompanying notes to financial statements.

RAKE LLC
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For Fiscal Year Ended December 31,	2020	2019
<i>(USD \$ in Dollars)</i>		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ (966,829)	\$ (938,485)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
<i>Changes in operating assets and liabilities:</i>		
Account receivables	(9,945)	(55)
Account Payables	(3,676)	1,640
Other current liabilities	59,846	40,541
Net cash provided/(used) by operating activities	(920,603)	(896,359)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	-
Net cash provided/(used) in investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowing on Promisory Note and loan	928,507	893,595
Net cash provided/(used) by financing activities	928,507	893,595
Change in cash	7,904	(2,764)
Cash—beginning of year	403	3,167
Cash—end of year	\$ 8,307	\$ 403
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 55,079	\$ 40,541
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.

RAKE LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

1. NATURE OF OPERATIONS

Rake LLC was founded on May 8, 2018 in the state of Illinois. The financial statements of Rake LLC (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 Flossmoor, Illinois.

Rake designs, develops, maintains, and markets a proprietary messaging platform that enables human-to-human (h2h), human-to-app (h2a), app-to-human (a2h), and app-to-app (a2a) messaging across the omnichannel spectrum with deep integrations to the world's most popular messaging platforms.

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 of 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, 2020 and December 31, 2019, the Company’s cash and cash equivalents did not exceed FDIC insured limits.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable 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, 2020 and 2019, the Company determined that no reserve was necessary.

Income Taxes

The Company is taxed as a Limited Liability Company (LLC). Under these provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the shareholders are liable for individual federal and state income taxes on their respective shares of the Company’s taxable income. The Company has filed all its tax returns from

RAKE LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

inception through December 31, 2020 and is not yet subject to tax examination by the Internal Revenue Service or state regulatory agencies.

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 in excess of the federally insured limits.

Revenue Recognition

The Company follows the provisions and the disclosure requirements described in ASU 2014-09 also referred to as Topic 606.

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

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.

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.

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 from the sale of its messaging services on its platform.

Cost of sales

Costs of goods sold include the cost of works provided by outsourced agent

Advertising and Promotion

Advertising and promotional costs are expensed as incurred. Advertising and promotional expense for the years ended December 31, 2020 and December 31, 2019 amounted to \$109 and \$0, which is included in sales and marketing expense.

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).

RAKE LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

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.

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 5, 2021, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

In February 2019, FASB issued ASU No. 2019-02, Leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The standard implementation did not have a material impact.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. The standard implementation did not have a material impact.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of 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.

RAKE LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

3. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Account receivables consist primarily of trade receivables, accounts payable consist primarily of trade payables.

Other current liabilities consist of the following items:

As of December 31,	2020	2019
Accrued interest	\$ 101,069	\$ 45,989
Payroll Liabilities	3,785	-
Other tax	982	
Total Other Current Liabilities	\$ 105,836	\$ 45,989

4. MEMBERS' EQUITY

The ownership percentages of the members are as follows:

As of Year Ended December 31, 2020

Member's name	Ownership percentage
Andrew Week	33.3%
Alison Weeks	33.3%
Michael Brown	33.3%
TOTAL	100.0%

5. DEBT

Promissory Notes & Loans

Debt Instrument Name	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	For the Year Ended December 2020					For the Year Ended December 2019				
					Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness	Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness
Andrew D. & Alison J. Weeks Line of Credit Promissory Note	\$ 1,200,000	2.77%	1/5/2018	1/5/2028	\$ 33,240	\$ 33,240	\$ -	\$ 1,200,000	\$ 1,200,000	\$ 33,240	\$ 33,240	-	\$ 1,200,000	1,200,000
Andrew D. & Alison J. Weeks Line of Credit Promissory Note	\$ 500,000	2.46%	1/12/2019	1/12/2019	\$ 12,300	\$ 12,300	\$ -	\$ 500,000	\$ 500,000	\$ 3,145	\$ 3,145	-	127,840.39	127,840
Andrew D. & Alison J. Weeks Line of Credit Promissory Note	\$ 500,000	2.46%	8/17/2020	8/17/2030	\$ 12,300	\$ 12,300		\$ 500,000	\$ 500,000					
Andrew D. & Alison J. Weeks Line of Credit Promissory Note	\$ 1,500,000	2.36%	12/9/2020	12/9/2030	\$ 1,471	\$ 1,471		\$ 62,348	\$ 62,348					
Loan Agreement -W5 Golf, inc	\$ 18,000	not set	1/6/2018	5/31/2021			\$ 3,000		\$ 3,000			\$ 6,000	\$ 3,000	\$ 9,000
Total	\$ 3,718,000				\$ 59,311	\$ 59,311	\$ 3,000	\$ 2,262,348	\$ 2,265,348	\$ 36,385	\$ 36,385	\$ 6,000	\$ 1,330,840	\$ 1,200,000

The summary of the future maturities is as follows:

RAKE LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

As of Year Ended December 31, 2020

2021	\$	3,000
2022		-
2023		-
2024		-
2025		-
Thereafter		2,262,348
Total	\$	2,265,348

6. RELATED PARTY

During the period from 2018 until 2020, The company entered into four Lines of Credit Promissory Notes in the aggregate amount of \$3,700,000. The Notes bear an interest rate equal to Libor rate at the moment of issuance + 200basis point (2%) and has maturity date on 10 years anniversary from the issuance date. As of December 31, 2020 and December 31, 2019, outstanding balance of the notes amounted to \$2,262,348 and \$ 1,327,840, respectively.

7. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company's operations are subject to a variety of local and state regulation. 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, 2020, 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.

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the period from December 31, 2020 through November 5, 2021 the date the financial statements were available to be issued.

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

RAKE LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

9. 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 \$911,750, an operating cash flow loss of \$920,603 and liquid assets in cash of \$8,307, which less than a year worth of cash reserves as of December 31, 2020. The Company's situation raises a substantial doubt on whether the entity can continue as a going concern in the next twelve months.

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 sufficient amounts of 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.