
LEARNIE

FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION (JANUARY 6, 2021) TO JULY 31,
2021
(Unaudited)

INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Learnie
Park City, Utah

We have reviewed the accompanying financial statements of Learnie (the "Company,"), which comprise the balance sheet as of Inception (January 6, 2021) to July 31, 2021, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the period from inception (January 6, 2021) to July 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 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 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.

Set Apart FS

August 17, 2021
Los Angeles, California

LEARNIE
BALANCE SHEET
(UNAUDITED)

<u>As of Inception (January 6, 2021) to</u>	<u>July 31, 2021</u>
(USD \$ in Dollars)	
ASSETS	
Current Assets:	
Cash & cash equivalents	\$ 2,321
Total current assets	2,321
Total assets	\$ 2,321
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	
Account Payables	\$ -
Credit cards	-
Other current liabilities	-
Total current liabilities	-
Promissory Note and Loans	-
SAFE	-
Total liabilities	-
STOCKHOLDERS EQUITY	
Common Stock	7,808
Additional Paid in Capital	-
Retained earnings/(Accumulated Deficit)	(5,487)
Total stockholders' equity	2,321
Total liabilities and stockholders' equity	\$ 2,321

See accompanying notes to financial statements.

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STATEMENTS OF OPERATIONS
(UNAUDITED)

Inception (January 6, 2021) to	July 31, 2021
(USD \$ in Dollars)	
Net revenue	\$ 3,000
Cost of service	-
Gross profit	3,000
Operating expenses	
General and administrative	7,219
Sales and marketing	1,567
Total operating expenses	8,787
Operating income/(loss)	(5,787)
Interest expense/(Income)	(300)
Other Loss/(Income)	-
Income/(Loss) before provision for income taxes	(5,487)
Provision/(Benefit) for income taxes	-
Net income/(Net Loss)	\$ (5,487)

See accompanying notes to financial statements.

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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(in , \$US)	Common Stock		Additional Paid in Capital	Retained earnings/ (Accumulated Deficit)	Total Shareholders' Equity
	Shares	Amount			
Inception—January 6, 2021	-	\$ -	\$ -	\$ -	\$ -
Issuance of common stock	7,800,000	7,808	-	-	7,808
Net income/(loss)	-	-	-	(5,487)	(5,487)
Balance—July 31, 2021	7,800,000	\$ 7,808	\$ -	\$ (5,487)	\$ 2,321

See accompanying notes to financial statements.

LEARNIE
STATEMENTS OF CASH FLOWS
(UNAUDITED)

Inception (January 6, 2021) to	July 31, 2021
(USD \$ in Dollars)	
CASH FLOW FROM OPERATING ACTIVITIES	
Net income/(loss)	\$ (5,487)
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>	
Shared Based Compensation	-
Changes in operating assets and liabilities:	
Prepaid expenses and other current assets	-
Amount due from related parties	-
Account Payables	-
Deferred revenue	-
Other current liabilities	-
Net cash provided/(used) by operating activities	(5,487)
CASH FLOW FROM FINANCING ACTIVITIES	
Issuance of Common Stock	7,808
Options exercised	-
Net cash provided/(used) by financing activities	7,808
Change in cash	2,321
Cash—beginning of year	-
Cash—end of year	\$ 2,321
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	
Subscription receivable	\$ -

See accompanying notes to financial statements.

LAERNIE

NOTES TO FINANCIAL STATEMENTS

AS OF INCEPTION (JANUARY 6, 2021) TO JULY 31, 2021

1. NATURE OF OPERATIONS

Learnie, previously known as Learnie LLC, was originally formed on June 23, 2020 in the state of Utah. On January 6, 2021, Learnie LLC converted to Learnie, a Utah Benefits Corporation. The financial statements of Learnie 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 Worcester, Massachusetts.

Learnie is a paradigm shift in how to think about learning systems. It is all about community learning. Use Learnie to create and share engaging user-generated video microlearning. Courses are user-generated and built in a series of up to 30 second microlearning bursts. Everyone can share their unique skills or knowledge in Learnie.

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 July 31, 2021, 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 July 31, 2021, the Company had no accounts receivables.

Subscription Receivable

The Company records stock issuances at the effective date. If the subscription is not funded upon issuance, the Company records a subscription receivable as an asset on a balance sheet. When subscription receivables are not

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NOTES TO FINANCIAL STATEMENTS

AS OF INCEPTION (JANUARY 6, 2021) TO JULY 31, 2021

received prior to the issuance of financial statements at a reporting date in satisfaction of the requirements under FASB ASC 505-10-45-2, the subscription is reclassified as a contra account to stockholders' equity on the balance sheet.

Income Taxes

Learnie 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 in excess of the federally insured limits.

Revenue Recognition

The Company recognizes revenues in accordance with FASB ASC 606, Revenue From Contracts with Customers, when delivery of goods as delivery is the sole performance obligation in its contracts with customers. The Company typically collects payment upon sale and recognizes the revenue when the item has shipped and has fulfilled their sole performance obligation.

Revenues are made from subscriptions to the enterprise version of the product in-app through the apple and google app stores and most sales are expected to come through traditional software as a service contractual arrangements charged to organizations for use of the private space.

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.

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NOTES TO FINANCIAL STATEMENTS

AS OF INCEPTION (JANUARY 6, 2021) TO JULY 31, 2021

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 August 17, 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.

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NOTES TO FINANCIAL STATEMENTS
AS OF INCEPTION (JANUARY 6, 2021) TO JULY 31, 2021

3. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company is authorized to issue 10,000,000 shares of common stock with no par value. As of July 31, 2021, 7,800,000 shares of voting common stocks have been issued and are outstanding.

4. DEBT

The company currently has no debt.

5. RELATED PARTY

There are no related parties transactions.

6. 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 July 31, 2021, 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.

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the period from July 31, 2021 through August 17, 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.

LAERNIE**NOTES TO FINANCIAL STATEMENTS****AS OF INCEPTION (JANUARY 6, 2021) TO JULY 31, 2021**

8. GOING CONCERN

The Company lacks significant working capital and has only recently commenced operations. We will incur significant additional costs before significant revenue is achieved. These matters raise substantial doubt about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from our proposed Regulation Crowdfunding campaign, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition and operating results. The balance sheet and related financial statements do not include any adjustments that might result from these uncertainties.