RAMPER INNOVATIONS, INC.

FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors Ramper Innovations, Inc. Sitka, Alaska

We have reviewed the accompanying financial statements of Ramper Innovations, Inc., which comprise the balance sheets as of December 31, 2021, and 2020, and the related statements of income, statements of equity and statements of cash flows for the years 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. We are required to be independent of Ramper Innovations, Inc. and to meet our ethical responsibilities, in accordance with relevant ethical requirements related to our review.

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.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 8, certain conditions raise an uncertainty about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

Belle Business Services, LLC

Belle Business Services, LLC February 18, 2022

RAMPER INNOVATIONS, INC. BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (unaudited)

ASSETS

	1.	2021		2020	
CURRENT ASSETS Cash and cash equivalents	\$	14,200	\$	24,022	
TOTAL CURRENT ASSETS	9	14,200		24,022	
DRODEDTY AND FOUNDMENT		<u> </u>		· ·	
PROPERTY AND EQUIPMENT Property and equipment, net	1	7,719		11,984	
OTHER ASSETS					
Intangible assets		3,999		3,999	
TOTAL ASSETS		25,918	\$	40,005	
LIABILITIES AND SHAREHOLDERS' EG	UITY				
CURRENT LIABILITIES					
Accounts payable	\$	26,448	\$	-	
SBA PPP loan		-		6,293	
Note payable - current portion	1	2,219		1,389	
TOTAL CURRENT LIABILITIES	N	28,667		7,682	
LONG-TERM LIABILITIES					
Note payable - related party		240,918		242,880	
Note payable	T-	·		2,219	
TOTAL LONG-TERM LIABILITIES		240,918		245,099	
TOTAL LIABILITIES	·	269,585		252,781	
SHAREHOLDERS' EQUITY					
Common stock, see note 7					
KISS - Series 1 , see note 7		269,092		256,278	
KISS - Series 2, see note 7		103,973		26,147	
Additional paid-in capital		19,070		-	
Accumulated deficit	:	(635,802)		(495,201)	
TOTAL SHAREHOLDERS' EQUITY		(243,667)		(212,776)	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	25,918	\$	40,005	

RAMPER INNOVATIONS, INC. STATEMENTS OF INCOME DECEMBER 31, 2021 AND 2020 (unaudited)

	2021	2020	
REVENUES	\$ -	\$ -	
COST OF GOODS SOLD			
GROSS PROFIT	-	-	
OPERATING EXPENSES			
Amortization and depreciation expense	4,265	4,714	
Freight and shipping	2,613	1,317	
General and administrative	30,184	42,547	
Insurance expense	8,312	5,223	
Professional fees	39,427	89,472	
Research and development	22,081	45,030	
Sales and marketing	14,860	4,906	
TOTAL OPERATING EXPENSES	121,742	193,209	
NET OPERATING LOSS	(121,742)	(193,209)	
OTHER INCOME/(EXPENSES)			
Other income	282	1	
Grant income	-	4,500	
Gain on disposal of asset	-	5,300	
PPP loan forgiveness	6,293	-	
Interest expense	(25,434)	(26,375)	
TOTAL OTHER INCOME/(EXPENSES)	(18,859)	(16,574)	
NET LOSS	\$ (140,601)	\$ (209,783)	

RAMPER INNOVATIONS, INC. STATEMENTS OF EQUITY DECEMBER 31, 2021 AND 2020 (unaudited)

Common Stock KISS KISS **Additional Retained Earnings** Series 2 Paid-in Capital (Accumulated Deficit) Shares **Amount** Series 1 Total **BEGINNING BALANCE, JANUARY 1, 2020** 1,000,001 244,042 \$ (285,418)(41,376)Issuance of KISS - Series 2 25,000 25,000 Accrued interst on KISS Notes 12,236 1,147 13,383 Net loss (209,783)(209,783)**ENDING BALANCE, DECEMBER 31, 2020** 1,000,001 256,278 \$ 26,147 \$ (495,201) \$ (212,776) Issuance of KISS - Series 2 75,000 75,000 Accrued interst on KISS Notes 12,814 2,826 15,640 19,070 19,070 Vesting of Stock Options Net loss (140,601) (140,601)

269,092

103,973

19,070

\$

(635,802) \$ (243,667)

1,000,001

ENDING BALANCE, DECEMBER 31, 2021

RAMPER INNOVATIONS, INC. STATEMENTS OF CASH FLOWS DECEMBER 31, 2021 AND 2020 (unaudited)

	2021		 2020	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	\$	(140,601)	\$ (209,783)	
Adjustments to reconcile net income to net cash				
provided by operating activities:				
Amortization and depreciation expense		4,265	4,713	
Stock based compensation		19,070	-	
Increase (decrease) in liabilities:				
Accounts payable		26,448	(11,801)	
Accrued interest on KISS notes		15,640	 13,383	
CASH USED FOR OPERATING ACTIVITIES		(75,178)	(203,488)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance/(Forgiveness) of SBA PPP loan		(6,293)	6,293	
Issuance/(Repayment) of note payable - related party		(1,962)	165,450	
Principal payments on note payable		(1,389)	(5,460)	
Issuance of KISS Series 2		75,000	 25,000	
CASH PROVIDED BY FINANCING ACTIVITIES		65,356	191,283	
CASILI ROVIDED BY THANCING ACTIVITIES		03,330	 171,203	
NET DECREASE IN CASH		(9,822)	(12,205)	
CASH AT BEGINNING OF YEAR		24,022	 36,227	
CASH AT END OF YEAR	<u>\$</u>	14,200	\$ 24,022	
CASH PAID DURING THE YEAR FOR:				
INTEREST	\$	9,794	\$ 12,992	
INCOME TAXES	\$	-	\$ _	

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

(unaudited)

1. Summary of Significant Accounting Policies

The Company

Ramper Innovations, Inc. (the "Company") was incorporated in the State of Alaska on July 18, 2014. The Company was previously registered as Ramper Innovations, LLC and converted to Ramper Innovations, Inc., effective March 27, 2019. he Company specializes in offering a motorized folding conveyor system (Tisabas TM) that is placed in the aircraft belly to assist in moving baggage and cargo to and from plane.

Going Concern

Since Inception, the Company has relied on funds from related party notes and KISS agreements issued to fund its operations. As of December 31, 2021, the Company will likely incur losses prior to generating positive working capital. These matters raise substantial concern about the Company's ability to continue as a going concern. As of December 31, 2021, the Company is still mostly in the developmental process, with no revenue. The Company's ability to continue as a going concern is dependent on the Company's ability to raise short term capital, as well as the Company's ability to generate funds through revenue producing activities.

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). In the opinion of management, all adjustments considered necessary for the fair presentation of the financial statements for the years presented have been included.

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, 2021 and 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 2022 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, 2021.

(unaudited)

1. <u>Summary of Significant Accounting Policies (continued)</u>

Accounts Receivable

The Company's trade receivables are recorded when billed and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value.

The Company evaluates the collectability of accounts receivable on a customer-by-customer basis. The Company records a reserve for bad debts against amounts due to reduce the net recognized receivable to an amount the Company believes will be reasonably collected. The reserve is a discretionary amount determined from the analysis of the aging of the accounts receivables, historical experience and knowledge of specific customers. As of December 31, 2021 and 2020, the Company had no accounts receivable.

Intangible Assets

The Company accounts for intangible assets (trademarks) in accordance with ASC 350 "Intangibles-Goodwill and Other" ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value. In addition, ASC 350 requires that goodwill be tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests when circumstances indicate that the recoverability of the carrying amount of goodwill may be in doubt. Application of the goodwill impairment test requires judgment, including the identification of reporting units; assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value. Significant judgments required to estimate the fair value of reporting units include estimating future cash flows, determining appropriate discount rates and other assumptions. Changes in these estimates and assumptions or the occurrence of one or more confirming events in future periods could cause the actual results or outcomes to materially differ from such estimates and could also affect the determination of fair value and/or goodwill impairment at future reporting dates. As of December 31, 2021 and 2020, the Company reported no impairment losses.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Office equipment and equipment is depreciated over three to seven years. Repair and maintenance costs are charged to operations as incurred and major improvements are capitalized. The Company reviews the carrying amount of fixed assets whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

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

(unaudited)

1. <u>Summary of Significant Accounting Policies (continued)</u>

Income Taxes (continued)

change to its financial position.

The Company is subject to tax filing requirements as a 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 State of Alaska.

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:

- 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.
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

Level 1

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.

(unaudited)

1. Summary of Significant Accounting Policies (continued)

Stock Compensation Expense

ASC 718, Compensation – Stock Compensation, prescribes accounting and reporting standards for all share-based payment transactions. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees and non-employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values at the grant date. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, Equity – Based Payments to Non-Employees. Measurement of share-based payment transactions with non-employees is based on the fair grant date FV of equity instruments. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date. Share-based compensation expense for the years ended December 31, 2021 and 2020 was \$19,070 and nil, respectively.

Revenue Recognition

Effective January 1, 2019, 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. Prior to the adoption of ASC 606, the Company recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured. The Company plans to generate revenues by selling the Tisabas TM conveyor system. The Company's payments are generally collected upfront. For years ending December 31, 2021 and 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 August 2020, the FASB issued ASU 2020 – 06, Debt, Debt with conversion and other options (Subtopic 470-20) and derivatives and hedging – contracts in an entity's own equity (Subtopic 815-40: Accounting for convertible instruments and contracts in an entity's own equity. ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models results in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. ASU 2020 – 06 is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020.

See independent accountant's review report.

(unaudited)

1. <u>Summary of Significant Accounting Policies (continued)</u>

New Accounting Pronouncements (continued)

In August 2018, amendments to existing accounting guidance were issued through Accounting Standards Update 2018-15 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 adoption of ASU 2018-15 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. Property and Equipment

Property and equipment consisted of the following at December 31, 2021 and 2020:

Property and equipment at cost:	 2021		2020	
Office Equipment	\$ 1 , 447	\$	1,447	
Equipment	 30,970		30,970	
	32,417		32 , 41 <i>7</i>	
Less: Accumulated depreciation	 24,698		20,433	
Total	\$ <i>7,</i> 719	\$	11,984	

4. Notes Payable – Related Party

In 2020, a related party has provided loans to the Company valued at \$240,918 and \$242,880 as of December 31, 2021, and 2020, respectively. Interest is accrued annually at rates between 0.15% to 0.43% per annum with maturity dates of during the year ending December 31, 2023. There are no minimum monthly payments. Management does not intend to pay back the related party loan in the next year.

(unaudited)

5. Notes Payable

Debt consisted of the following at December 31, 2021 and 2020:

	2021		2020	
Contract note payable; interest at 10.14% per annum, maturing in May 2022, monthly payment of \$455, collateralized by a Company asset.	\$	2,219	\$	3,608
Less: Current portion of notes payable		2,219		1,389
Long term portion of notes payable		-		2,219
Maturity of the notes payable is as follows:				
December 31, 2021	\$ \$	2,219 2,219		

6. SBA PPP Loan

In 2020, the Company received loan proceeds of \$6,293 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The PPP Loan and accrued interest are forgivable after twenty-four weeks, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during twenty-four-week period.

The PPP Loan is evidenced by a promissory note, between the Company, as Borrower, and The Small Business Association., as Lender. The interest rate on the Note is 1% per annum, with interest accruing on the unpaid principal balance computed on the basis of the actual number of days elapsed in a year of 360 days. No payments of principal or interest are due during the six-month period beginning on the date of the Note.

As noted above, the principal and accrued interest under the Note evidencing the PPP Loan are forgivable after twenty-four weeks as long the Company has used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The amount of loan forgiveness will be reduced if the Company terminates employees or reduces salaries during the twenty-four-week period. The Company used the proceeds for purposes consistent with the PPP loan. In order to obtain full or partial forgiveness of the PPP Loan, the Company must request forgiveness and must provide satisfactory documentation in accordance with applicable Small Business Administration ("SBA") guidelines. Interest payable on the Note may be forgiven only if the SBA agrees to pay such interest on the forgiven principal amount of the Note. The Company will be obligated to repay any portion of the principal amount of the

(unaudited)

6. SBA PPP Loan (continued)

Note that is not forgiven, together with interest accrued and accruing thereon at the rate set forth above, until such unforgiven portion is paid in full.

As of December 31, 2021, the Company received notice from the SBA that the PPP funds were fully forgiven.

7. 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 2,000,000 shares, at no par value per share. As of December 31, 2021, and 2020, 1,000,001 shares have been issued and are outstanding.

Keep It Simple Securities (KISS)

In 2019, the Company issued Keep It Simple Securities (KISSs) – Series 1 totaling \$237,500. In 2020 and 2021, the Company issued Keep It Simple Securities (KISSs) – Series 2 totaling \$100,000. The KISSs carry a 5% per annum interest rate, discount rate of 10% and valuation caps of \$3,500,000. The notes mature at 24 months following the issuance date. The principal of the notes and their associated accrued interest are automatically convertible into shares of the Company's common stock in the event of a closing of the "Next Equity Financing" (defined as gross proceeds not less than \$500,000), a corporate transaction or majority conversion.

Equity Incentive

The Company's 2021 Equity Plan (the Plan), which is shareholder approved, permits the grant of share options and shares to its employees, advisors and subcontractors for up to 250,000 shares of common stock. The Company believes that such awards better align the interests of its employees, advisors and subcontractors with those of its shareholders. Option awards are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant; those option awards generally vest based on four years of continuous service and have 10-year contractual terms. Certain option and share awards provide for accelerated vesting. As of December 31, 2021, 8,424 shares have been issued under the Plan. As of December 31, 2021, 5,727 shares have vested under the plan resulting in stock compensation expense of \$19,070.

8. Going Concern

These financial statements are prepared on a going concern basis. The Company registered on July 18, 2014 and has established a presence and operations in the United States. The Company's ability to continue is dependent upon management's plan to raise additional funds and achieve and sustain profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

9. Subsequent Events

Crowdfunding Offering

The Company is offering (the "Crowdfunded Offering") up to \$1,070,000 in Keep It Simple Securities (KISSs). The Company is attempting to raise a minimum amount of \$50,000 in this offering and up to \$500,000 maximum. The Company must receive commitments from investors totaling the minimum amount by the offering deadline listed in the Form C, as amended in order to receive any funds.

(unaudited)

9. Subsequent Events (continued)

Crowdfunding Offering (continued)

The Crowdfunded Offering is being made through WeFunder (the "Intermediary"). The Intermediary will be entitled to receive a 7.5% commission fee.

Managements Evaluation

The Company has evaluated subsequent events through February 18, 2022, the date through which the financial statement was available to be issued. It has been determined that no events require additional disclosure.