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**Phenomena Learning, INC.**

**FINANCIAL STATEMENTS**  
**FROM INCEPTION (SEPTEMBER 15, 2021) YEAR ENDED DECEMBER 31,**  
**2021**  
*(Unaudited)*

*(Expressed in United States Dollars)*

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(UNAUDITED)

Page

FINANCIAL STATEMENTS:

Balance Sheet .....	1
Statement of Operations .....	2
Statement of Changes in Stockholders' Equity .....	3
Statement of Cash Flows .....	4
Notes to Financial Statements .....	5

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Phenomena Learning, Inc.  
Seattle, Washington

We have reviewed the accompanying financial statements of Phenomena Learning, Inc. (the "Company,"), which comprise the balance sheet as of December 31, 2021, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the period from Inception (September 15, 2021) to 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 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*

April 4, 2022  
Los Angeles, California

Phenomena Learning Inc.  
**BALANCE SHEET**  
**(UNAUDITED)**

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<b>As of December 31,</b>	<b>2021</b>
(USD \$ in Dollars)	
<b>ASSETS</b>	
Current Assets:	
Cash & cash equivalents	\$ 2,430
<b>Total current assets</b>	<b>2,430</b>
<b>Total assets</b>	<b>\$ 2,430</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
Current Liabilities:	
Credit Card	\$ 1,298
<b>Total current liabilities</b>	<b>1,298</b>
Simple Agreement for Future Equity (SAFEs)	30,000
<b>Total liabilities</b>	<b>31,298</b>
<b>STOCKHOLDERS EQUITY</b>	
Common Stock	50
Additional Paid in Capital	88
Retained earnings/(Accumulated Deficit)	(29,005)
<b>Total stockholders' equity</b>	<b>(28,867)</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,430</b>

*See accompanying notes to financial statements.*

Phenomena Learning Inc.  
STATEMENTS OF OPERATIONS  
(UNAUDITED)

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<u>Inception (September 15, 2021)</u>	<u>December 31, 2021</u>
(USD \$ in Dollars)	
Net revenue	\$ -
Cost of goods sold	-
Gross profit	-
Operating expenses	
General and administrative	27,885
Sales and marketing	1,120
Total operating expenses	29,005
Operating income/(loss)	(29,005)
Interest expense	-
Other Loss/(Income)	-
Income/(Loss) before provision for income taxes	(29,005)
Provision/(Benefit) for income taxes	-
<b>Net income/(Net Loss)</b>	<b>\$ (29,005)</b>

*See accompanying notes to financial statements.*

Phenomena Learning Inc.  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

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(in , \$US)	Common Stock		Additional Paid In Capital	Retained earnings/ (Accumulated Deficit)	Total Shareholders' Equity
	Shares	Amount			
Inception date September 15, 2021	-				
Issuance of Stock	5,000,000	\$ 50	88		138
Net income/(loss)	-	-		\$ (29,005)	(29,005)
<b>Balance—December 31, 2021</b>	<b>5,000,000</b>	<b>\$ 50</b>	<b>\$ 88</b>	<b>\$ (29,005)</b>	<b>\$ (28,867)</b>

*See accompanying notes to financial statements.*

**Phenomena Learning Inc.**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<b>As of inception (September 15, 2021)</b>	<b>December 31, 2021</b>
(USD \$ in Dollars)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net income/(loss)	\$ (29,005)
Changes in operating assets and liabilities:	
Credit Card	1,298
<b>Net cash provided/(used) by operating activities</b>	<b>(27,707)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchases of Property and Equipment	-
<b>Net cash provided/(used) in investing activities</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Simple Agreement for Future Equity (SAFEs)	30,000
Issuance of Stock	138
<b>Net cash provided/(used) by financing activities</b>	<b>30,138</b>
Change in cash	2,430
Cash—beginning of year	-
<b>Cash—end of year</b>	<b>\$ 2,430</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash paid during the year for interest	\$ -
Cash paid during the year for income taxes	\$ -
<b>OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES</b>	
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.*

Phenomena Learning Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2021**

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*All amounts in these Notes are expressed in United States dollars (“\$” or “US\$”), unless otherwise indicated.*

## **1. NATURE OF OPERATIONS**

Phenomena Learning Inc. was founded on September 15, 2021, in the state of Delaware. The financial statements of Phenomena Learning 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 Seattle, Washington.

Phenomena Learning Inc is a software publisher that operates an app marketplace that allows educators to create and share educational apps that can be used by teachers and students.

## **2. 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. The Company has adopted the calendar year as its fiscal year.

### **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.

### **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. The Company is not currently capitalizing their software costs, nor do they have any other long-term assets.

### **Property and Equipment**

The Company does not have property and equipment.

**Phenomena Learning Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2021**

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**Income Taxes**

Phenomena Learning Inc. is a C corporation for income tax purposes. The Company has not yet filed its first tax return but will account 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.

**Revenue Recognition**

The Company is currently pre-revenue and will follow 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: 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.

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 does not have revenue in 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.

Phenomena Learning Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2021**

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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 April 4, 2022, 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 twelve 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, 2019, and interim periods within fiscal years beginning after December 15, 2020, 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. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

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. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

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.

Phenomena Learning Inc.  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED TO DECEMBER 31, 2021

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### 3. DETAILS OF CERTAIN ASSETS AND LIABILITIES

The Company only has one asset, in the form of cash. The Company currently has one liability in the form of a credit card.

### 4. CAPITALIZATION AND EQUITY TRANSACTIONS

The Company is authorized to issue 10,000,000 shares of common shares with no par value of \$0.00001. As of December 31, 2021, 5,000,000 shares of Common Stock have been issued and outstanding. The Company has also reserved 555,556 shares as part of a stock option plan.

### 5. SAFE

During 2021, the Company has entered into a Simple Agreements for Future Equity ("SAFE") with an accredited investor who invested \$30,000. The Company intends to do more similar transactions with other investors.

SAFE(s)	Borrowing Period	Valuation Cap	As of Year Ended December 31, 2021	
Safes I	11/1/2021	not set	\$	30,000
<b>Total SAFE(s)</b>			<b>\$</b>	<b>30,000</b>

If there is an Equity Financing before the expiration or termination of this instrument, the Company will automatically issue to the Investor a number of shares of Preferred Stock sold in the Equity Financing equal to the Purchase Amount divided by the price per share of the Preferred Stock. If there is a Liquidity Event before the expiration or termination of this instrument, the investor will, at its option, either (i) receive a cash payment equal to the Purchase Amount (subject to the following paragraph) or (ii) automatically receive from the Company a number of shares of Common Stock equal to the Purchase Amount divided by the fair market value of the Common Stock at the time of the Liquidity Event, 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 Purchase Amount will be paid prior and in preference to any Distribution of any of the assets of the Company to holders of outstanding Capital Stock by reason of their ownership thereof.

### 6. INCOME TAXES

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

As of Year Ended December 31,	2021
Net Operating Loss	\$ (7,976)
Valuation Allowance	7,976
<b>Net Provision for income tax</b>	<b>\$ -</b>

Significant components of the Company's deferred tax assets and liabilities on December 31, 2021 consists of the following:

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Phenomena Learning Inc.  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED TO DECEMBER 31, 2021

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As of Year Ended December 31,	2021
Net Operating Loss	\$ (7,976)
Valuation Allowance	7,976
<b>Total Deferred Tax Asset</b>	<b>\$ -</b>

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 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, 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, 2021, the Company had federal cumulative net operating loss (“NOL”) carryforwards of \$29,005, and the Company had state net operating loss (“NOL”) carryforwards of approximately \$29,005. 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, 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, 2021, the Company had no accrued interest and penalties related to uncertain tax positions.

## 7. COMMITMENTS AND CONTINGENCIES

### 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, 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.

## 8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after December 31, 2021, through April 4, 2022, which is the issuance date of these financial statements. There have been no events or transactions during this time which would have a material effect on these financial statements.

## 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

**Phenomena Learning Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2021**

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loss of \$29,005, an operating cash flow loss of \$27,707, and liquid assets in cash of \$2,430, which less than a year's worth of cash reserves as of December 31, 2021. 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.