

*ProCloudSaas, LLC*

**Review of Financial Statements**

For the year ended December 31, 2021

## ProCloudSaas, LLC

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

### To Board of Directors

ProCloudSaaS, LLC  
SCOTTSDALE, AZ

We have reviewed the accompanying interim financial statements of ProCloudSaaS, LLC, which comprise the balance sheet as of December 31, 2021, and the related statements of income, and cash flows for the interim period 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 Financials

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.

### Accountants' 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.

### Accountants' Conclusion

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

*RLN US LLP*

**August 3, 2022**

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**ProCloudSaas, LLC**  
Balance Sheet  
As of December 31, 2021

<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
Cash	\$ 3,201
<b>Total Bank Accounts</b>	<u>\$ 3,201</u>
<b>Other Current Assets</b>	
Loans Receivable	\$ 2,000
<b>Total Other Current Assets</b>	<u>\$ 2,000</u>
<b>Total Current Assets</b>	<u>\$ 5,201</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,201</u>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>TOTAL LIABILITIES</b>	<u>-</u>
<b>Equity</b>	
Owner's Capital Account	\$ 500
Net Income	4,701
<b>Total Equity</b>	<u>\$ 5,201</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 5,201</u>

The accompanying notes and attached financial statements of ProCloudSaaS, LLC are an integral part of these financial statements.

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**ProCloudSaas, LLC**  
Statement of Income  
For the year ended December 31, 2021

<b>Income</b>	
Revenue	\$ 78,331
<b>Cost of Goods Sold</b>	27,157
<b>Gross profit</b>	<b>\$ 51,174</b>
<b>Expenses</b>	
General business expenses	82
Legal & professional fees	5,000
Office expenses	458
Subcontractors	40,933
<b>Total expenses</b>	<b>\$ 46,473</b>
<b>Net Income</b>	<u>\$ 4,701</u>

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**ProCloudSaas, LLC**  
Statement of Cash Flows  
For the year ended December 31, 2021

<b>Operating Activities</b>	
Net Income	\$ 4,701
Loans Receivable	(2,000)
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 2,701</b>
<b>Investing Activities</b>	
	\$ -
<b>Net Cash Flows from Investing Activities</b>	<b>\$ -</b>
<b>Financing Activities</b>	
	\$ -
<b>Net Cash Flows from Financing Activities</b>	<b>\$ -</b>
<b>Net Cash Flows</b>	<b>\$ 2,701</b>
<b>Cash and Cash Equivalents</b>	
Cash and Cash Equivalents at beginning of period	\$ -
Net Cash Flow	2,701
Cash and Cash Equivalents at end of period	2,701
<b>Net change in cash for period</b>	<b>\$ 2,701</b>

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**ProCloudSaas, LLC**  
Statement of Owner's Equity  
For the year ended December 31, 2021

**Owner's Equity at January 1, 2021**

Owner's Capital Contribution	\$ 500
Current Year Earnings	4,701
Subtotal	<u>\$ 5,201</u>
Owner's Draws	<u>\$ -</u>
<b>Owner's Equity at December 31, 2021</b>	<b>\$ 5,201</b>

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## Notes to the Financial Statements

### 1. ORGANIZATION AND NATURE OF BUSINESS

ProCloudSaaS, LLC (the “Company”) was incorporated in Arizona in 2021 and is headquartered in Rio Verde, Arizona. The Company offers technology services that expertise on the latest True SaaS Platforms for seamless migration and ongoing management. Further, ProCloudSaaS, LLC provides advisory and implementation services, cost-saving strategies on IT and cybersecurity protection. They are specialized in building actionable plans as a foundation for a successful cloud strategy.

The Company has years of experience in the field in government, defense contractors and healthcare on a global scale providing follow-the-sun support.

**Risks and Uncertainties** - The Company is subject to a number of risks similar to those of other companies in similar size in its industry, but not limited to, the need for additional capital or financing to fund operating losses, competition from substitute products and services from larger companies, protection of proprietary technology, patent litigation, dependence on key individuals, and risks associated with changes in information technology.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The Company prepared the accompanying financial statement in conformity with accounting principles generally accepted in the United States of America (“US GAAP”).

The financial statements include the operations, assets, and liabilities of the Company. In the opinion of the Company’s management, the accompanying financial statements contain all adjustments, consisting of normal accruals, necessary to fairly present the accompanying financial statements.

**Use of Estimates** - The preparation of financial statements and related disclosures in conformity with US GAAP requires the management to make estimates and assumptions that affect the fair value of reported amounts of assets and liabilities, 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, and the differences could be material.

**Cash and Cash Equivalents** – Cash and cash equivalents include all short-term highly liquid investments that are readily convertible to known amount of cash and have original maturities of three months or less from the date of purchase. As of December 31, 2021, the Company had cash of \$3,201.

**Restricted Cash** – The Company did not have any restricted cash balances, deposits held as compensating balances or cash segregated in compliance with federal or other regulations as of December 31, 2021.

The accompanying notes and attached financial statements of ProCloudSaaS, LLC are an integral part of these financial statements.

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**Loan Receivable** – In 2021, the Company has loaned \$2,000 to a related party. As of December 31, 2021, that is the only loan receivable in the Company’s financials.

**Revenue Recognition** - The Company recognizes revenue when sold products are delivered and cash is received. The Company generates its revenues from IT Guidance and Mentoring projects, advisory services, training and implementation, MSP monthly subscriptions that covers remote Maintenance and Support of IT systems, cloud security services which include Endpoint Security, Antivirus & Antimalware Prevention, Patch Monitoring, Fail-Safe Patching, HDD Health Monitoring, Auto Discovery, DNS Security and Antiphishing. Subscription fees vary depending on the type of services selected by customers. SaaS arrangements are usually hourly fees or month-to-month per user fees.

The Company applies the following five steps to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its arrangements:

- identify the contract with a customer
- identify the performance obligation in the contract
- determine the transaction price
- allocate the transaction price to performance obligations in the contract
- recognize revenue as the performance obligation is satisfied

The Company estimates the transaction price, including variable consideration, at the commencement of the contract and recognizes revenue over the contract term, rather than when fees become fixed or determinable.

The accompanying notes and attached financial statements of ProCloudSaaS, LLC are an integral part of these financial statements.

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**Cost of Revenue** - Cost of revenue consists primarily of software support, development and integrations associated with the delivery of the SaaS products to customers. Cost of revenue was approximately 35% of total revenue for the year of 2021.

**General and Administrative** – General and administrative expenses include compensation, rent, professional and consulting fees, and banking and financing fees. For the year ending December 31, 2021, this category of expenses amounted to \$46,473.

### **3. SHAREHOLDER EQUITY STRUCTURE**

As of December 31, 2021, Shane Hannan is the sole proprietor of ProCloudSaaS LLC with an initial investment of \$500.

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