

# TruKno, LLC

CONSOLIDATED FINANCIAL STATEMENT FOR THE PERIOD ENDED  
DECEMBER 31, 2022 & DECEMBER 31, 2021

(Unaudited)

# TABLE OF CONTENTS

<b>Independent Accountant's Review Report.....</b>	<b>2</b>
<b>Consolidated Balance Sheet.....</b>	<b>3</b>
<b>Income Statement.....</b>	<b>4</b>
<b>Cash Flow Statement .....</b>	<b>5</b>
<b>Owner's Equity Statement .....</b>	<b>6</b>
<b>Notes to the Consolidated Financial Statements.....</b>	<b>7</b>

## **Independent Accountant's Review Report**

To Management  
TruKno, LLC  
Denver, Colorado

We have reviewed the accompanying consolidated financial statements of TruKno, LLC (the "Company"), which comprise the consolidated balance sheet as of December 31, 2022 and 2021, and the related consolidated statements of income, statement of equity and statement 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.

### ***Company Management's Responsibility for the Consolidated Financial Statements***

Company 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.

### ***Accountant's Conclusion***

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

Andrea M. Biagioli      Feb 7, 2023

Signature

Date

Andrea M. Biagioli  
Certified Public Accountant (CPA)

## TruKno, LLC CONSOLIDATED BALANCE SHEET

	As Of	
	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 64,352	\$ 1,584
Total Current Assets	64,352	1,584
<b>NON-CURRENT ASSETS</b>		
Intangible Assets (Software Platform)	187,898	106,997
Accumulated Amortization	(93,949)	-
Total Non-Current Assets, net	93,949	106,997
<b>TOTAL ASSETS</b>	<b>158,301</b>	<b>108,581</b>
<b>LIABILITIES &amp; OWNER'S EQUITY</b>		
CURRENT LIABILITIES		
Accounts Payable	16,171	2,329
Unearned Revenue	10,000	-
Total Current Liabilities	26,171	2,329
<b>TOTAL LIABILITIES</b>	<b>26,171</b>	<b>2,329</b>
<b>OWNER'S EQUITY</b>		
Invested Capital	233,800	133,800
Retained Earnings	(101,670)	(27,548)
Total Owner's Equity	132,130	106,252
<b>TOTAL LIABILITIES &amp; OWNER'S EQUITY</b>	<b>\$ 158,301</b>	<b>\$ 108,581</b>

## TruKno, LLC INCOME STATEMENT

	Year Ended	
	December 31, 2022	December 31, 2021
REVENUE	\$ 45,000	\$ 399
COST OF REVENUE		
Cloud Hosting Subscriptions	2,829	2,409
Third Party Software Subscriptions	140	1,556
Total Cost of Revenue	2,969	3,965
GROSS PROFIT/(LOSS)	42,031	(3,566)
OPERATING EXPENSES		
Amortization of Intangible Assets	93,949	-
Marketing Expenses	18,282	821
Trainings & Industry Conferences	1,129	3,577
Travel, Meals & Entertainment	1,599	-
Legal Fees	1,194	516
Miscellaneous Expenses	-	-
Total Operating Expenses	116,153	4,914
OPERATING PROFIT (LOSS)	(74,122)	(8,480)
NET PROFIT (LOSS)	\$ (74,122)	\$ (8,480)

## TruKno, LLC CASH FLOW STATEMENT

	Year Ended	
	December 31, 2022	December 31, 2021
OPERATING ACTIVITIES		
Net Income/(Loss)	\$ (74,122)	\$ (8,480)
Adjustments to reconcile net income to net cash provided/(used) by operating activities:		
Amortization of Intangible Assets	93,949	-
Accounts Payable Increase/(Decrease)	13,842	2,329
Unearned Revenue Increase/(Decrease)	10,000	-
Total cash provided/(used) by operating activities:	43,669	(6,151)
INVESTING ACTIVITIES		
Software Platform Development	(80,901)	(36,952)
Total cash used by Investing Activities	(80,901)	(36,952)
FINANCING ACTIVITIES		
Founder's Contribution	100,000	44,687
Total cash provided by Financing Activities	100,000	44,687
Cash at the beginning of period	1,584	-
Net Cash increase/(decrease) for period	62,768	1,584
Cash at the end of period	\$ 64,352	\$ 1,584

## TruKno, LLC OWNER'S EQUITY STATEMENT

	Year Ended	
	December 31, 2022	December 31, 2021
OWNER'S EQUITY		
Owner's Equity (Beginning of Year)	\$ 106,252	\$ 70,045
Owner's Contribution (During the Year)	100,000	44,687
Net Income/(Loss) Incurred (During the Year)	(74,122)	(8,480)
<b>Total Owner's Equity</b>	<b>\$ 132,130</b>	<b>\$ 106,252</b>

## **TruKno, LLC Notes to the Consolidated Financial Statements**

### **1.1 ORGANIZATION AND PURPOSE**

TruKno, LLC ("The Company"), is a limited liability company organized under the laws of the State of Colorado. The Company operates a SaaS based Cyber Threat Intelligence platform for the enterprises. The Company derives revenue from annual subscription revenues from selling SaaS dashboard user access and API access.

### **1.2 Fiscal Year**

The Company operates on a December 31st year-end.

### **1.3 Principles of Consolidation and Basis of Accounting**

The financial statements include the accounts of TruKno, LLC as on December 31, 2022 and 2021. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

### **1.4 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.

### **1.5 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. Adverse conditions may include, recession, downturn or otherwise, local competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations.

### **1.6 Revenue Recognition and Unearned Revenue**

Revenues from Software as a Service (SaaS) dashboard subscriptions are recognized monthly over the life of the service contract. As of December 31, 2022 and 2021, Unearned Revenues from SaaS subscriptions totaled \$10,000 and \$0, respectively.

### **1.7 Cash Equivalents**

Cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less held in domestic financial institutions. For the fiscal years ended December 31, 2022 and December 31, 2021, the Company's cash positions include its operating bank account.

### **1.8 Intangible Assets**

Intangibles assets include software development costs, which will be amortized over the expected period to be benefitted. For the year ended December 31, 2022, a useful life of 24 months was applied to software development costs and intangible asset amortization was matched against resulting SaaS revenues.

### **1.9 Advertising**

Advertising and promotional costs are expensed as incurred and consists of fees paid to third party marketing company for press release creation & distribution, payments to media agency for creating explainer videos, digital ads on platforms like LinkedIn, Twitter, Google Ads, Facebook, etc.