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**ZTRUCKING GROUP CORP.**

**FINANCIAL STATEMENTS**  
**FROM INCEPTION (SEPTEMBER 30, 2022) TO YEAR ENDED DECEMBER 31,**  
**2022**

*(Unaudited)*

## INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
ZTRUCKING GROUP CORP.  
Charlotte, North Carolina

We have reviewed the accompanying financial statements of ZTRUCKING GROUP CORP. (the "Company,"), which comprise the balance sheet as of December 31, 2022, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the period from Inception (September 30, 2022) to December 31, 2022, 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*

May 29, 2023  
Los Angeles, California

**ZTRUCKING GROUP CORP.****BALANCE SHEET****(UNAUDITED)**

<b>As of December 31,</b>	<b>2022</b>
(USD \$ in Dollars)	
<b>ASSETS</b>	
Current Assets:	
Cash & cash equivalents	\$ 1,538
<b>Total current assets</b>	<b>1,538</b>
<b>Total assets</b>	<b>\$ 1,538</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
Current Liabilities:	
<b>Total current liabilities</b>	<b>-</b>
<b>Total liabilities</b>	<b>-</b>
<b>STOCKHOLDERS EQUITY</b>	
Common Stock	-
Additional Paid In Capital	4,543
Retained earnings/(Accumulated Deficit)	(3,005)
<b>Total stockholders' equity</b>	<b>1,538</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,538</b>

*See accompanying notes to financial statements.*

**ZTRUCKING GROUP CORP.**  
**STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

<b>Inception (September 30, 2022)</b>	<b>December 31, 2022</b>
(USD \$ in Dollars)	
Net revenue	\$ 1,465
Cost of goods sold	-
Gross profit	1,465
Operating expenses	
General and administrative	4,380
Sales and marketing	90
Total operating expenses	4,470
Operating income/(loss)	(3,005)
Interest expense	-
Other Loss/(Income)	-
Income/(Loss) before provision for income taxes	(3,005)
Provision/(Benefit) for income taxes	-
<b>Net income/(Net Loss)</b>	<b>\$ (3,005)</b>

*See accompanying notes to financial statements.*

**ZTRUCKING GROUP CORP.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**

(in , \$US)	Common Stock		Additional Paid In Capital	Retained earnings/ (Accumulated Deficit)	Total Shareholders' Equity
	Shares	Amount			
<b>Inception date- September 30, 2022</b>	-				
Issuance of Common Stock	6,000,000	\$ -		\$ -	\$ -
Capital Contribution			4,543		4,543
Net income/(loss)	-	-		\$ (3,005)	(3,005)
<b>Balance—December 31, 2022</b>	<b>6,000,000</b>	<b>\$ -</b>	<b>\$ 4,543</b>	<b>\$ (3,005)</b>	<b>\$ 1,538</b>

*See accompanying notes to financial statements.*

**ZTRUCKING GROUP CORP.**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<b>As of inception (September 30, 2022)</b>	<b>December 31, 2022</b>
(USD \$ in Dollars)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net income/(loss)	\$ (3,005)
<b>Net cash provided/(used) by operating activities</b>	<b>(3,005)</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>	
Capital Contribution	4,543
<b>Net cash provided/(used) by financing activities</b>	<b>4,543</b>
Change in cash	1,538
Cash—beginning of year	-
<b>Cash—end of year</b>	<b>\$ 1,538</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.*

**ZTRUCKING GROUP CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2022**

**1. NATURE OF OPERATIONS**

ZTRUCKING GROUP CORP. was incorporated on September 30, 2022 in the state of North Carolina. The financial statements of ZTRUCKING GROUP CORP. (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 Charlotte, North Carolina.

ZTrucking helps carriers stay in compliance with FMCSA safety regulations and streamline their fleet operations while saving them time and money. Empowering small trucking companies with AI-driven solutions to reduce costs, enhance safety, and drive sustained growth and success.

**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 December 31, 2022, the Company’s cash and cash equivalents did not exceed FDIC insured limits.

**Income Taxes**

ZTRUCKING GROUP CORP. 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*

**ZTRUCKING GROUP CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2022**

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 services is the sole performance obligation in its contracts with customers. The Company typically collects payment upon sale and recognizes the revenue when the service has been performed and has fulfilled its sole performance obligation:

- 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 earns revenues from providing small and medium size trucking companies with AI-driven solutions.

**Advertising and Promotion**

Advertising and promotional costs are expensed as incurred. Advertising and promotional expenses for the period from inception to year ended December 31, 2022 amounted to \$90, which is included in sales and marketing expenses.

**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.

**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.

**ZTRUCKING GROUP CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 May 29, 2023, which is the date the financial statements were issued.

**Recently Issued and Adopted Accounting Pronouncements**

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.

**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 December 31, 2022, 6,000,000 shares have been issued and are outstanding.

During 2022, the company reserved 1,000,000 shares of common stock pursuant to the Stock Option Plan. No stock options were issued until December 31, 2022.

**4. DEBT**

As of December 31, 2022, the Company has no debt outstanding.

**5. INCOME TAXES**

The provision for income taxes for the year ended December 31, 2022 consists of the following:

<b>As of Year Ended December 31,</b>	<b>2022</b>
Net Operating Loss	\$ (706)
Valuation Allowance	706
<b>Net Provision for income tax</b>	<b>\$ -</b>

Significant components of the Company's deferred tax assets and liabilities at December 31, 2022 are as follows:

<b>As of Year Ended December 31,</b>	<b>2022</b>
Net Operating Loss	\$ (706)
Valuation Allowance	706
<b>Total Deferred Tax Asset</b>	<b>\$ -</b>

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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, 2022. 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, 2022, the Company had federal cumulative net operating loss ("NOL") carryforwards of \$3,005, and the Company had state net operating loss ("NOL") carryforwards of approximately \$3,005. 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, 2022, 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, 2022, the Company had no accrued interest and penalties related to uncertain tax positions.

## **6. RELATED PARTY**

There are no related party transactions.

## **7. 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 December 31, 2022, 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 for the period from December 31, 2022 through May 29, 2023, which is the date the financial statements were available to be issued.

**ZTRUCKING GROUP CORP.**  
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There have been no other events or transactions during this time which would have a material effect on these financial statements.

**9. GOING CONCERN**

The Company currently faces certain limitations in its working capital and is in its early stages of operations, which raise substantial doubt about the Company's ability to continue as a going concern. However, the company has developed an action plan to increase revenue and stabilize its financial situation. Anticipated costs will be incurred as the business scales up, but these are considered part of the Company's growth trajectory. To fuel its operations over the next twelve months, the Company has strategically planned to utilize a Regulation Crowdfunding campaign, supplemented by additional debt and/or equity financing as necessary. Although there is inherent uncertainty in raising capital, the management team is making concerted efforts to secure favorable terms that align with the Company's long-term vision and operational needs.

It is important to note that while the balance sheet and related financial statements present an accurate snapshot of the Company's current financial position, they do not reflect potential positive outcomes that may arise from the successful execution of the Company's funding strategies. The balance sheet and related financial statements do not include any adjustments that might result from these uncertainties.

The Company's journey over the past four years showcases its ability to adapt and evolve, successfully progressing through various stages of software development. From initial research and development to the creation of a viable prototype, and from market fit testing to full-scale production, the Company has been diligent in creating a revenue-generating product.

Most notably, as a software company, a significant portion of its initial costs were dedicated to developing the software. With this substantial investment already made, further capital raised would likely have an amplified impact on the sales process. This could enable the Company to increase its market presence, expand its customer base, and boost revenue generation.

While the financial journey of any growing company comes with inherent challenges, it's essential to remember that risks also present opportunities for innovation and growth. The Company's determination and strategic approach provide a promising path forward. However, potential investors and stakeholders should make decisions based on comprehensive due diligence. This assessment is intended to provide an overview of the Company's financial position and should not be seen as a guarantee of future performance.