

Oberit, Inc. (the “Company”) a Delaware Corporation

Financial Statements (unaudited) and
Independent Accountant’s Review Report

Years ended December 31, 2021 & 2022



Mongio &
Associates CPAs LLC
Tax - Accounting - Advisory
Saving Time, Money, & Stress

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management
Oberit, Inc.

We have reviewed the accompanying financial statements of the Company which comprise the statement of financial position as of December 31, 2021 & 2022 and the related statements of operations, statement of changes in shareholder 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 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 controls 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 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 modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

As discussed in Note 8, certain conditions indicate substantial doubt that the Company will be able 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. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

On behalf of Mongio and Associates CPAs, LLC

Vince Mongio, CPA, EA, CIA, CFE, MACC
Miami, FL
July 19, 2023

Vincenzo Mongio

Statement of Financial Position

| | As of December 31, | |
|---|---------------------------|------------------|
| | 2022 | 2021 |
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | 8,534 | 38,433 |
| Prepaid Payroll Expenses | 45,117 | 32,117 |
| Total Current Assets | 53,651 | 70,550 |
| Non-current Assets | | |
| Office Equipment, net of Accumulated Depreciation | 473 | - |
| Intangible Assets: Patents, Trademark, and Intellectual Property, net of Accumulated Amortization | 10,250 | 250 |
| Total Non-Current Assets | 10,723 | 250 |
| TOTAL ASSETS | 64,373 | 70,800 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accrued Interest | 31,667 | 5,000 |
| Accrued Legal | 25,219 | - |
| Asset Purchase Payable | 10,000 | - |
| Convertible Notes | 449,980 | 200,000 |
| Total Current Liabilities | 516,866 | 205,000 |
| TOTAL LIABILITIES | 516,866 | 205,000 |
| EQUITY | | |
| Common Stock | 51 | 51 |
| Additional Paid in Capital | 7,000 | 7,000 |
| Accumulated Deficit | (459,544) | (141,251) |
| Total Equity | (452,493) | (134,200) |
| TOTAL LIABILITIES AND EQUITY | 64,373 | 70,800 |

Statement of Changes in Shareholder Equity

| | Common Stock | | APIC | Accumulated Deficit | Total Shareholder Equity |
|-------------------------------|---------------------------|------------------|-------------|----------------------------|---------------------------------|
| | # of Shares Amount | \$ Amount | | | |
| Beginning Balance at 1/1/2021 | - | - | - | 5,052 | 5,052 |
| Issuance of Common Stock | 5,100,000 | 51 | 7,000 | - | 7,051 |
| Net Income (Loss) | - | - | - | (146,303) | (146,303) |
| Ending Balance 12/31/2021 | 5,100,000 | 51 | 7,000 | (141,251) | (134,200) |
| Issuance of Common Stock | 540,000 | - | - | - | - |
| Net Income (Loss) | - | - | - | (318,292) | (318,292) |
| Ending Balance 12/31/2022 | 5,640,000 | 51 | 7,000 | (459,544) | (452,493) |

Statement of Operations

| | Year Ended December 31, | |
|--|-------------------------|-----------|
| | 2022 | 2021 |
| Net Revenue | 7,757 | 68 |
| Operating Expenses | | |
| Advertising and Marketing | 67,761 | 4,809 |
| General and Administrative | 210,435 | 136,161 |
| Rent and Lease | 20,950 | 400 |
| Depreciation Expense | 237 | - |
| Total Operating Expenses | 299,382 | 141,370 |
| Operating Income (loss) | (291,625) | (141,303) |
| Other Expenses | | |
| Accrued Interest | 26,667 | 5,000 |
| Total Other Expenses | 26,667 | 5,000 |
| Earnings Before Income Taxes | (318,292) | (146,303) |
| Provision for Income Tax Expense/(Benefit) | - | - |
| Net Income (loss) | (318,292) | (146,303) |

Statement of Cash Flows

| | Year Ended December 31, | |
|---|-------------------------|-----------|
| | 2022 | 2021 |
| OPERATING ACTIVITIES | | |
| Net Income (Loss) | (318,292) | (146,303) |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | | |
| Depreciation | 237 | - |
| Prepaid Payroll Expenses | (13,000) | (32,117) |
| Accrued Interest | 26,667 | 5,000 |
| Accrued Legal Fees | 25,219 | - |
| Asset Purchase Payable | 10,000 | - |
| Other | - | 5,052 |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | 49,123 | (22,065) |
| Net Cash provided by (used in) Operating Activities | (269,170) | (168,368) |
| INVESTING ACTIVITIES | | |
| Purchase of Equipment | (710) | - |
| Purchase of Patents, Trademarks, and Intellectual Property | (10,000) | (250) |
| Net Cash provided by (used by) Investing Activities | (10,710) | (250) |
| FINANCING ACTIVITIES | | |
| Proceeds from the Issuance of Common Stock | - | 51 |
| Proceeds from Paid-in Capital | - | 7,000 |
| Proceeds from the Issuance of Convertible Notes | 249,980 | 200,000 |
| Net Cash provided by (used in) Financing Activities | 249,980 | 207,051 |
| Cash at the beginning of period | 38,433 | - |
| Net Cash increase (decrease) for period | (29,899) | 38,433 |
| Cash at end of period | 8,534 | 38,433 |

Oberit, Inc.
Notes to the Unaudited Financial Statements
December 31st, 2022
\$USD

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Oberit, Inc. (“the Company”) was formed in Delaware on April 13th, 2021, and has a foreign qualification in California. The Company plans to earn revenue with the mobile application that leverages AI technology and predictive analytics that helps individuals to be healthier by tracking their daily habits and earning wellness rewards to improve their lifestyle. The Company's HQ is in California. The Company's customers are located primarily in the United States.

The Company will conduct a crowdfunding campaign under regulation CF in 2023 to raise operating capital.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Our fiscal year ends on December 31. The Company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Concentrations of Credit Risks

The Company’s financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company’s management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, “Revenue Recognition” following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize revenue when or as performance obligations are satisfied

The Company generates revenues by selling premium subscriptions for their mobile application and online program. The Company’s payments are generally collected at time of subscription or initiation of subscription. The Company’s primary performance obligation is to maintain an acceptable level of software uptime for users over the subscription period, which can be one to twelve months and revenue is collected upfront. The Company offers monthly and annual prepaid subscriptions. Management considered deferred revenue to be immaterial as of December 31st, 2022.

The Company’s also generates revenue through marketplace fees. The Company’s primary performance obligation is to provide users with click-through access to specific marketplace product providers. CPA (Cost Per Acquisition) Revenue Fees are recognized 30 days after a product is purchased directly from the provider. For flat rate sponsorship fees, revenue is recognized monthly. Coincident with revenue recognition, the Company assumes no liability for expected returns of 3rd Party provider products.

Asset Purchase

On July 14th, 2022, the Company acquired all assets of Class Five Mind, Inc used in or necessary for the business and certain liabilities. The assets acquired primarily include intellectual property such as trademarks, digital tools, social media pages, domains, and software. Any liabilities assumed have been deemed negligible. The Company acquired the assets by offering \$10,000 in cash, to be paid out once the Company successfully raises 1M during its crowdfunding campaign, as well as 40,000 common shares to the seller issued at the closing of the purchase agreement. The Company recognized a payable of \$10,000 as of December 31st, 2022, related to this asset purchase.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation is provided using the straight-line method, based on useful lives of the assets.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment for December 31, 2022.

A summary of the Company’s property and equipment is below.

| Property Type | Useful Life in Years | Cost | Accumulated Depreciation | Disposals | Book Value as of 12/31/22 |
|----------------------|-----------------------------|-------------|---------------------------------|------------------|----------------------------------|
| Office Equipment | 3 | 710 | (237) | - | 473 |
| Grand Total | - | 710 | (237) | - | 473 |

Capitalized Patents, Trademarks, and Intellectual Property

| Property Type | Useful Life in Years | Cost | Accumulated Depreciation | Disposals | Book Value as of 12/31/22 |
|--|----------------------|---------------|--------------------------|-----------|---------------------------|
| Patents, Trademarks, and Intellectual Property | Indefinite | 10,250 | - | - | 10,250 |
| Grand Total | - | 10,250 | - | - | 10,250 |

Accounts Receivable

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Payments are generally collected upfront, but some of the merchants that products are sold through have a delay between collecting from the customer and sending to the Company.

The Company estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred.

General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

Equity Based Compensation

The Company accounts for stock options issued to employees under ASC 718 (Stock Compensation). Under ASC 718, share-based compensation cost to employees is measured at the grant date, based on the estimated fair value of the award, and is recognized as an item of expense ratably over the employee's requisite vesting period. The Company has elected early adoption of ASU 2018-07, which permits measurement of stock options at their intrinsic value, instead of their fair value. An option's intrinsic value is defined as the amount by which the fair value of the underlying stock exceeds the exercise price of an option. In certain cases, this means that option compensation granted by the Company may have an intrinsic value of \$0.

The Company measures compensation expense for its non-employee stock-based compensation under ASC 505 (Equity). The fair value of the option issued or committed to be issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to expense and credited to additional paid-in capital.

There is not a viable market for the Company's common stock to determine its fair value, therefore management is required to estimate the fair value to be utilized in the determining stock-based compensation costs. In estimating the fair value, management considers recent sales of its common stock to independent qualified investors, placement agents' assessments of the underlying common shares relating to our sale of preferred stock and validation by independent fair value experts. Considerable management judgment is necessary to estimate the fair

value. Accordingly, actual results could vary significantly from management's estimates. Management has concluded that the estimated fair value of the Company's stock and corresponding expense is negligible.

The following is an analysis of options to purchase shares of the Company's stock issued and outstanding:

| | Total Options | Weighted Average Exercise Price |
|--|----------------------|--|
| Total options outstanding, January 1, 2021 | - | 0.001 |
| Granted | - | 0.001 |
| Exercised | - | 0.001 |
| Expired/cancelled | - | |
| Total options outstanding, December 31, 2021 | - | 0.001 |
| Granted | 235,000 | 0.001 |
| Exercised | - | 0.001 |
| Expired/cancelled | - | |
| Total options outstanding, December 31, 2022 | 235,000 | 0.001 |
| Options exercisable, December 31, 2022 | 24,947 | 0.001 |

The following is an analysis of nonvested options to purchase shares of the Company's stock:

| | Nonvested Options | Aggregate Intrinsic Value |
|--------------------------------------|------------------------------|--------------------------------------|
| Nonvested options, January 1, 2021 | | |
| Granted | - | \$ - |
| Vested | - | \$ - |
| Forfeited | - | \$ - |
| Nonvested options, December 31, 2021 | - | \$ - |
| Granted | 235,000 | \$ - |
| Vested | (24,947) | \$ - |
| Forfeited | - | \$ - |
| Nonvested options, December 31, 2022 | 210,053 | \$ - |

The following is an analysis of shares of the Company's common stock issued as compensation:

| | Nonvested Shares | Weighted Average Fair Value per Share |
|-------------------------------------|-------------------------|--|
| Nonvested shares, January 1, 2021 | - | \$ - |
| Granted | 5,100,000 | \$ - |
| Vested | (637,500) | \$ - |
| Forfeited | - | \$ - |
| Nonvested shares, December 31, 2021 | 4,462,500 | \$ - |
| Granted | 540,000 | \$ - |
| Vested | (1,325,625) | \$ - |
| Forfeited | - | \$ - |
| Nonvested shares, December 31, 2022 | 3,676,875 | \$ - |

Income Taxes

The Company is subject to corporate income and state income taxes in the state it does business. We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company does not have any uncertain tax provisions. The Company's primary tax jurisdictions are the United States and California. The Company's primary deferred tax assets are its net operating loss (NOL) carryforwards which approximates its retained earnings as of the date of these financials. A deferred tax asset as a result of NOLs have not been recognized due to the uncertainty of future positive taxable income to utilize the NOL.

Recent Accounting Pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date 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.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company follows ASC 850, "Related Party Disclosures," for the identification of related parties and disclosure of related party transactions. No transactions require disclosure.

NOTE 4 – COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations. The Company does not have any long-term commitments or guarantees.

NOTE 5 – LIABILITIES AND DEBT

Convertible Notes - The Company has entered into several convertible note agreements with third parties for the purposes of funding development and operations. The interest on the notes ranged from 5% to 8%. The amounts are to be repaid at the demand of the holders prior to conversion with maturities in 2023. The notes are convertible into shares of the Company's common stock at a 20% discount during a change of control or qualified financing event. The Company accrued \$31,667 in interest as of December 31st, 2022.

See Note 7 – Subsequent Events disclosure for additional information regarding two of the three convertible notes totaling \$324,880 as of December 31st, 2022.

**Debt Principal Maturities 5 Years
Subsequent to 2022**

| Year | Amount |
|-------------|---------------|
| 2023 | \$449,980 |
| 2024 | - |
| 2025 | - |
| 2026 | - |
| 2027 | - |
| Thereafter | - |

NOTE 6 – EQUITY

The Company has authorized 10,000,000 common shares with a par value of \$0.00001 per share. 5,640,000 shares were issued and outstanding as of 2022.

Voting: Common stockholders are entitled to one vote per share

Dividends: The holders of common stock are entitled to receive dividends when and if declared by the Board of Directors.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2022 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through July 19, 2023, the date these financial statements were available to be issued.

The Company has issued 2,519,173 shares of common stock to their lead investor. The shares of restricted stock issued under the Agreement are deemed to have been issued in cancellation and complete replacement of all promissory notes or shares of convertible stock issued under any prior convertible note agreements including all terms and conditions with this specific individual only.

NOTE 8 – GOING CONCERN

The accompanying balance sheet has 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 entity has realized losses every year since inception, incurred negative working capital and cash flows from operations, and may continue to generate losses.

During the next twelve months, the Company intends to finance its operations with funds from a crowdfunding campaign and revenue producing activities. 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. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.