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# **DIVIGAS, INC.**

## **AUDITED FINANCIAL STATEMENTS**

**AS OF AND FOR THE ONE DAY ENDED**  
**MAY 29, 2025 (INCEPTION DATE)**

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## **INDEPENDENT AUDITORS' REPORT**

To the Organizers of  
DiviGas, Inc.  
Wilmington, Delaware

### **Opinion**

We have audited the financial statements of DiviGas, Inc., which comprise the balance sheet as of May 29, 2025 (Inception Date), and the related statements of operations, changes in stockholders' equity, and cash flows for the period ended May 29, 2025 (Inception Date) and the related notes to the financial statements (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of DiviGas, Inc. as of May 29, 2025 (Inception Date), and the results of its operations and its cash flows for the period ended May 29, 2025 (Inception Date) in accordance with accounting principles generally accepted in the United States of America.

### **Going Concern**

As discussed in Note 8, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DiviGas, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DiviGas, Inc.'s ability to continue as a going concern for a period of twelve months from the date of issuance of these financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DiviGas, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about DiviGas, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Set Apart Accountancy Corp.*

July 24, 2025  
Los Angeles, California

**DIVIGAS, INC.**  
**BALANCE SHEET**

<b>As Of Inception</b>	<b>May 29, 2025</b>
(USD \$ in Dollars)	
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash & Cash Equivalents	\$ -
<b>Total Current Assets</b>	-
<b>Total Assets</b>	<u>\$ -</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
<b>Total Liabilities</b>	\$ -
<b>STOCKHOLDER'S EQUITY</b>	
Common Stock	-
Additional Paid-In Capital	-
Accumulated Deficit	-
<b>Total Stockholder's Equity</b>	-
<b>Total Liabilities and Stockholder's Equity</b>	<u>\$ -</u>

*See accompanying notes to financial statements.*

**DIVIGAS, INC.**  
**STATEMENT OF OPERATIONS**

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<b>For The One Day Ended</b>	<b>May 29, 2025</b>
(USD \$ in Dollars)	
Net Revenue	\$ -
Cost Of Goods Sold	-
<b>Gross Profit/(Loss)</b>	-
<b>Operating Expenses</b>	
General And Administrative	-
<b>Total Operating Expenses</b>	-
<b>Net Operating Loss</b>	-
Interest Expense	-
Other Income/(Loss)	-
<b>Loss Before Provision For Income Taxes</b>	-
Provision/(Benefit) For Income Taxes	-
<b>Net Loss</b>	<u><u>\$ -</u></u>

*See accompanying notes to financial statements.*

**DIVIGAS, INC.****STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

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(USD \$ in Dollars)	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholder's Equity
	Shares	Amount			
Balance—As of Inception May 29, 2025	-	\$ -	\$ -	\$ -	\$ -
Issuance of Common Stock	-	-	-	-	-
Net Loss	-	-	-	-	-
Balance—May 29, 2025	-	\$ -	\$ -	\$ -	\$ -

*See accompanying notes to financial statements.*

**DIVIGAS, INC.**  
**STATEMENT OF CASH FLOWS**

<b>For The One Day Ended</b>	<b>May 29, 2025</b>
(USD \$ in Dollars)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Loss	\$ -
<b>Net Cash Used In Operating Activities</b>	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
<b>Net Cash Provided By/(Used In) Investing Activities</b>	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceed From Issuance of stock	-
<b>Net Cash Provided By Financing Activities</b>	-
<b>Change In Cash and Cash Equivalents</b>	-
Cash and Cash Equivalents—Beginning of The Period	-
<b>Cash and Cash Equivalents—End of the Period</b>	<b>\$ -</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash Paid During The Year For Interest	\$ -

*See accompanying notes to financial statements.*



## **1. NATURE OF OPERATIONS**

DiviGas, Inc. was formed on May 29, 2025, as a Delaware Corporation. The financial statements of DiviGas, 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 Delaware.

DiviGas, Inc. serves as the central hub for the DiviGas group, responsible for managing intellectual property, overseeing group-wide operations, and coordinating international sales efforts. Strategically based in the United States, this entity is the primary operational node for North America and facilitates effective communication with our manufacturing facility in Australia. DiviGas, Inc. ensures efficient governance across the group, safeguarding proprietary technology, driving global market engagement, and maintaining streamlined management across all divisions.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies is presented to assist in understanding the Company’s financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America (“GAAP” and “US GAAP”).

### **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 May 29, 2025, the Company’s cash and cash equivalents did not exceed FDIC-insured limits.

### **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:

- 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

**DIVIGAS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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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.

**Income Taxes**

The Company 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**

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.

**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) approximates 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.

**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 July 24, 2025, which is the date the financial statements were issued.

### **3. STOCKHOLDERS' EQUITY**

The Company is authorized to issue 100,000,000 shares of Common Stock with a par value of \$0.0001 per share. Of these, 50,000,000 shares are designated as Class A Common Stock, 25,000,000 shares as Class B Common Stock, and 25,000,000 shares as preferred stock. As of May 29, 2025, no shares of any class of Common Stock have been issued or are outstanding.

Class A Common Stock carries voting rights of one vote per share and full economic rights, including dividends and liquidation proceeds.

Class B Common Stock is non-voting but otherwise carries the same economic rights as Class A. However, upon an IPO, each Class B share automatically converts 1-for-1 into Class A Common Stock.

The Preferred Stock can be issued in different series with customized rights and preferences, which the Board of Directors can define without further stockholder approval. These rights may include voting powers, dividend preferences, or liquidation priorities.

In the event of any liquidation of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to share ratably (based on the number of shares of Common Stock held by each such holder), share and share alike, in the remaining net assets of the Corporation.

### **4. DEBT**

The company has no debt outstanding as of May 29, 2025.

### **5. RELATED PARTY**

There are no related party transactions as of May 29, 2025.

### **6. INCOME TAXES**

The provision for income for the one day ended May 29, 2025, is as follows:

<b>For The One Day Ended</b>	<b>2025</b>
Net Operating Loss	\$ -
Valuation Allowance	-
<b>Net Provision for Income Tax</b>	<b>\$ -</b>

Significant components of the Company's deferred tax assets and liabilities as of May 29, 2025, are as follows:

<b>As of May 29,</b>	<b>2025</b>
Net Operating Loss	\$ -
Valuation Allowance	-
<b>Total Deferred Tax Asset</b>	<b>\$ -</b>

The company is a new entity formed on May 29, 2025, and does not currently have any taxable income or deferred tax assets. As the company generates future taxable income, it will assess the possibility of utilizing Net Operating Loss (NOL) carryforwards for tax purposes. The federal net operating loss carryforward is subject to an 80% limitation on taxable income, does not expire, and will carry on indefinitely. However, since the company is in its initial stages, it's too early to determine if sufficient taxable income will be generated to benefit from future tax deductions related to potential deferred tax assets.

The company recognizes the impact of a tax position in its financial statements only if it's more likely than not to be sustained upon examination by tax authorities based on the technical merits of the position. As of its inception date (May 29, 2025), the company has no prior operations and, consequently, no unrecognized tax benefits or accrued interest and penalties related to uncertain tax positions.

## **7. COMMITMENTS AND CONTINGENCIES**

### **Contingencies**

The Company's operations are subject to various local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or loss 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 May 29, 2025, 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. GOING CONCERN**

The Company has recently commenced operations and will incur significant additional costs to generate revenues sufficient to sustain operations. The Company might not have sufficient liquid assets to fulfill its obligations in the near future. These matters raise substantial doubt over the Company's ability to continue as a going concern. Over the next twelve months, the Company intends to fund its operations from the proposed Regulation Crowdfunding campaign, additional debt, and/or equity financing as deemed necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If the Company is unable to obtain sufficient amounts of additional capital, the Company may be required to reduce the scope of development, which may harm the operations, financial condition, and operating results. These financial statements do not include any adjustments resulting from these uncertainties.

## **9. SUBSEQUENT EVENTS**

The Company evaluated subsequent events from the balance sheet date through the date these financial statements were issued, and no events were identified that require adjustment to or disclosure in the financial statements.