



**Lolaark Vision, Inc.** (the “Company”) a Delaware Corporation

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

Years ended December 31, 2021 & 2022



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

To Management  
Lolaark Vision, 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.

### **Going Concern**

As discussed in Note 8, certain conditions indicate substantial doubt that the Company may 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.

Vince Mongio, CPA, CIA, CFE, MACC  
Miami, FL  
March 28, 2023

*Vincenzo Mongio*

### Statement of Financial Position

	As of December 31,	
	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	52,842	98,029
Escrow Receivable	-	10,986
Total Current Assets	52,842	109,015
<b>Non-current Assets</b>		
Equipment, net of Accumulated Depreciation	6,213	-
Intangible Assets: Patents, net of Accumulated Amortization	8,000	6,586
Total Non-Current Assets	14,213	6,586
<b>TOTAL ASSETS</b>	<b>67,054</b>	<b>115,601</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	102	-
Due to Related Party	6,000	10,411
Total Current Liabilities	6,102	10,411
<b>TOTAL LIABILITIES</b>	<b>6,102</b>	<b>10,411</b>
<b>EQUITY</b>		
Common Stock	0.33	0.20
Additional Paid in Capital	229,518	135,965
Accumulated Deficit	(168,566)	(30,775)
Total Equity	60,952	105,190
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>67,054</b>	<b>115,601</b>

### Statement of Operations

	Year Ended December 31,	
	2022	2021
Revenue	-	-
Cost of Revenue	-	-
Gross Profit	-	-
Operating Expenses		
Advertising and Marketing	11,104	8,365
General and Administrative	43,385	3,017
Research and Development	82,062	19,392
Rent and Lease		
Depreciation	1,098	-
Total Operating Expenses	137,649	30,775
Operating Income (loss)	(137,649)	(30,775)
Other Expense		
Interest Expense	-	-
Other	142	-
Total Other Expense	142	-
Earnings Before Income Taxes	(137,791)	(30,775)
Provision for Income Tax Expense/(Benefit)	-	-
Net Income (loss)	(137,791)	(30,775)

### Statement of Cash Flows

	Year Ended December 31,	
	2022	2021
<b>OPERATING ACTIVITIES</b>		
Net Income (Loss)	(137,791)	(30,775)
Adjustments to reconcile Net Income to Net Cash provided by operations:		
Depreciation	1,098	-
Escrow Receivable	10,986	(10,986)
Accounts Payable	102	-
Deferred Tax Asset	-	-
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	12,186	(10,986)
Net Cash provided by (used in) Operating Activities	(125,605)	(41,761)
<b>INVESTING ACTIVITIES</b>		
Equipment	(7,311)	-
Patent	(1,414)	(6,586)
Net Cash provided by (used by) Investing Activities	(8,725)	(6,586)
<b>FINANCING ACTIVITIES</b>		
Common Stock, net of Capital Raise Costs	93,554	135,965
Due to Related Party	(4,411)	10,411
Net Cash provided by (used in) Financing Activities	89,142	146,376
Cash at the beginning of period	98,029	0
Net Cash increase (decrease) for period	(45,188)	98,029
Cash at end of period	52,842	98,029

**Statement of Changes in Shareholder Equity**

	<b>Common Stock</b>					
	<b># of Shares</b>	<b>Amount</b>	<b>\$ Amount</b>	<b>APIC</b>	<b>Accumulated Deficit</b>	<b>Total Shareholder Equity</b>
Beginning Balance at 7/2/2021 (Inception)	-	-	-	-	-	-
Issuance of Common Stock	7,732,503	0.20	197,357	-	-	197,357
Capital Raise Costs	-	-	(61,392)	-	-	(61,392)
Net Income (Loss)	-	-	-	-	(30,775)	(30,775)
Ending Balance 12/31/2021	7,732,503	0.20	135,964	-	(30,775)	105,190
Issuance of Common Stock	57,041	0.13	134,077	-	-	134,078
Capital Raise Costs	-	-	(40,524)	-	-	(40,524)
Net Income (Loss)	-	-	-	-	(137,791)	(137,791)
Ending Balance 12/31/2022	7,789,544	0.33	229,518	-	(168,566)	60,952

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

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Lolaark Vision, Inc (“the Company”) was formed in Delaware on July 2<sup>nd</sup>, 2021. The Company specializes in the development of algorithms and software for video real-time clarification and enhancement, as well as providing software solutions for testing of software for corporations and businesses that handle data and require data analytics solutions. The Company has not yet generated revenue, but it is working on the final stages of the realt0me video clarifier for underwater video which is its premier product. The Company is headquartered in Houston, Texas.

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 will identify and analyze its performance obligations with respect to customer contracts once the first contract is signed.

### 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
Equipment	5	7,311	(1,098)	-	6,213
<b>Grand Total</b>	-	<b>7,311</b>	<b>(1,098)</b>	-	<b>6,213</b>

### 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.

### Intangible Assets

The Company’s intangible asset consists of a patent and is recorded at cost. No amortization has been recorded as the patent has not been issued yet. The ending balance of this asset was \$6,586 and \$8,000 as of December 31, 2021 and 2022, respectively.

### 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 has no equity-based compensation plan.

### 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. 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.

The Company had outstanding advances from one founder and one board member for out-of-pocket startup costs. The amounts do not accrue interest and are due upon demand. The total ending balance of this advance was \$10,411 and \$6,000 as of December 31, 2021 and 2022, respectively.



#### 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

Please see Note 3.

##### *Debt Summary*

Debt Instrument Name	Principal Amount	Interest Rate	Maturity Date	For the Year Ended December 2022				For the Year Ended December 2021			
				Current Portion	Non-Current Portion	Total Indebtedness	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness	Accrued Interest
Due to Related Party	10,411	0%	2023	6,000	-	6,000	-	10,411	-	10,411	-
<b>Total</b>				<b>6,000</b>	<b>-</b>	<b>6,000</b>	<b>-</b>	<b>10,411</b>	<b>-</b>	<b>10,411</b>	<b>-</b>

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

Year	Amount
2023	6,000
2024	
2025	
2026	
2027	
Thereafter	-

#### NOTE 6 – EQUITY

The Company has authorized 25,000,000 shares of Common Stock with a par value of \$0.000001 per share. 7,732,503 and 7,789,544 shares were issued and outstanding as of 2021 and 2022, respectively.

**Voting:** Common Stockholders are entitled to one vote per share.

**Dividends:** Common Stockholders 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 March 28, 2023, the date these financial statements were available to be issued. No events require recognition or disclosure.

#### 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 not commenced principal operations and will likely realize losses prior to generating positive working capital for an unknown period of time. 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.

#### **NOTE 9 – RISKS AND UNCERTAINTIES**

##### ***COVID-19***

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.