



TASTE LABS, INC.
A Delaware Corporation

Financial Statements (Unaudited) and
Independent Accountants' Review Report

For the period from January 8, 2018 (inception) through December 31, 2018

TASTE LABS, INC.

For the period from January 8, 2018 (inception) through December 31, 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Management of Taste Labs, Inc.
833 Broadway
2 Floor
New York, NY 10003

We have reviewed the accompanying financial statements of Taste Labs, Inc. (a Delaware corporation) (the "Company"), which comprise the balance sheet as of December 31, 2018, and the related statement of operations, changes in stockholders' equity, and cash flows for the period of January 8, 2018 (inception) to December 31, 2018, 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.

Accountants' 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.

Accountants' 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.

As disclosed in Note 2 of the financial statements, the Company has not generated sufficient revenues to date, relies on outside sources to fund operations, and has incurred significant losses. Accordingly, substantial doubt is raised about the Company's ability to continue as a going concern.

Fruci & Associates II, PLLC

Spokane, WA

March 27, 2019

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Taste Labs, Inc.
BALANCE SHEET
December 31, 2018
(unaudited)

	2018
Assets	
Current assets	
Cash and cash equivalents	\$ 6,625
Funds receivable	30,000
Total current assets	36,625
Total assets	\$ 36,625
Liabilities and stockholders' equity	
Current liabilities	
Advances - stockholder	\$ 53,699
Convertible notes	105,000
Accrued interest	3,938
Total current liabilities	162,637
Total liabilities	162,637
Commitments and contingencies	-
Stockholders' equity	
Common stock par value \$0.0001, 10,000,000 shares authorized; 6,000,000 shares issued and outstanding	600
Additional paid-in capital	-
Accumulated deficit	(126,612)
Total stockholders' equity	(126,012)
Total liabilities and stockholders' equity	\$ 36,625

See accountants' review report and accompanying notes to the financial statements.

TASTE LABS, INC.
STATEMENT OF OPERATIONS
For the Period from January 08, 2018 (inception) through December 31, 2018
(unaudited)

	2018
Revenue	
Sales, net	\$ 11,618
Total revenue	11,618
Cost of goods sold	-
Gross profit	11,618
Operating expenses	
Advertising and marketing	37,701
Bank and merchant fees	1,645
Contract labor	82,390
Insurance	5,023
Technology and services	5,987
General and administrative	1,546
Total operating expenses	134,292
Income (loss) from operations	(122,674)
Other income (expense)	
Interest expense	(3,938)
Total other income (expense)	(3,938)
Net income (loss) before income taxes	(126,612)
Provision for income taxes	-
Net income (loss)	\$ (126,612)

See accountants' review report and accompanying notes to the financial statements.

Taste Labs, Inc.
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
 For the Period from January 08, 2018 (inception) through December 31, 2018
 (unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Earnings (Deficit)	Total Stockholders' Equity
	Shares	Amount			
Balance on January 08, 2018 (inception)	-	\$ -	-	\$ -	-
Issuance of common stock for cash	6,000,000	600			600
Net income (loss)				(126,612)	(126,612)
Balance on December 31, 2018	6,000,000	\$ 600	-	\$ (126,612)	\$ (126,012)

See accountants' review report and accompanying notes to the financial statements.

TASTE LABS, INC.
STATEMENT OF CASH FLOWS
For the Period from January 08, 2018 (inception) through December 31, 2018
(unaudited)

	2018
Cash flows from operating activities	
Net income (loss)	\$ (126,612)
Changes in operating assets and liabilities:	
Accrued interest	3,938
Net cash used by operating activities	(122,674)
Cash flows from financing activities	
Funds received from issuance of convertible notes	75,000
Proceeds from stockholder advances	54,299
Net cash provided by financing activities	129,299
Net decrease in cash and cash equivalents	6,625
Cash and cash equivalents, beginning	-
Cash and cash equivalents, ending	\$ 6,625
Supplemental cash flow information:	
Cash paid during the period for:	
Interest	\$ -
Income taxes	\$ -
Non cash Financing and Investing Activities	
Common stock issued to settle stockholder advance	\$ 600

See accountants' review report and accompanying notes to the financial statements.

TASTE LABS, INC.
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

For the period of January 08, 2018 (inception) to December 31, 2018

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Taste Labs, Inc. (“the Company”) was incorporated on January 8, 2018 under the laws of the State of Delaware, and is headquartered in New York, New York. The Company provides personalized recommendations through its subscription-based app.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are normal and recurring in nature. The Company’s fiscal year-end is December 31.

Use of Estimates

The preparation of financial statements in conformity with 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.

Revenue Recognition

The Company recognizes revenue only when all of the following criteria have been met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred or services have been rendered;
- The fee for the arrangement is fixed or determinable; and
- Collectability is reasonably assured.

In general, the revenue will be recognized at the time of sale for its subscriptions during the month in which the subscription relates.

Risks and Uncertainties

As of December 31, 2018, the Company had not commenced full-scale operations. The Company’s activities have primarily consisted of business development, planning, and efforts to raise capital. Once the Company commences its planned operations, it will likely incur significant additional expenses and cash outflows. The Company is dependent on its ability to raise sufficient capital and is subject to significant risks and uncertainties, including failing to secure funding to operationalize its business plans or failing to profitably operate the business; recessions, downturns, changes in local competition or market conditions; governmental policy changes; or a host of other factors outside of the Company’s control. Any of these adverse conditions could negatively impact the Company’s financial position and results of operations.

TASTE LABS, INC.
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

For the period of January 08, 2018 (inception) to December 31, 2018

Advertising costs

The Company's advertising costs are expensed as incurred. During the period of January 08, 2018 (inception) to December 31, 2018, the Company incurred \$37,701 in advertising and marketing fees related to promoting their app.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amounts reported in the balance sheets approximate their fair value.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. At December 31, 2018, the Company had funds available to them in merchant payment holding accounts, in addition to bank deposits.

Income Taxes

The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon its evaluation of the facts, circumstances and information available at the reporting date. In accordance with ADC 740-10, for those tax positions where there is a greater than 50% likelihood that a tax benefit will be sustained, our policy is to record the largest amount of tax benefit that is more likely than not to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where there is less than 50% likelihood that a tax benefit will be sustained, no tax benefit will be recognized in the financial statements. The Company has determined that there are no material uncertain tax positions.

TASTE LABS, INC.
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

For the period of January 08, 2018 (inception) to December 31, 2018

The Company accounts for income taxes based on the provisions promulgated by the Internal Revenue Service ("IRS"), which has a statute of limitation of three years from the due date of the return. As such, all tax years are open since the Company's inception.

The Company currently has a tax net operating loss (NOL) of \$126,612 for which it may receive future tax benefits. However, as of December 31, 2018, no such benefit is expected to be recognized in the near term, and therefore, a full valuation allowance has been assessed on any potential income tax benefit.

Recent Accounting Pronouncements

No recently issued accounting pronouncements are expected to have a significant impact on the Company's financial statements.

Subsequent Events

The Company has evaluated subsequent events through March 27, 2019, the date these financial statements were available to be issued and noted no material events.

NOTE 2 – GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business.

The Company has incurred losses from inception of approximately \$126,612 which, among other factors, raises substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon management's plans to raise additional capital from the issuance of debt or the sale of stock, its ability to commence profitable sales of its flagship product, and its ability to generate positive operational cash flow. The accompanying financial statements do not include any adjustments that might be required should the Company be unable to continue as a going concern.

NOTE 3 – RELATED PARTY TRANSACTIONS

During the period of January 08, 2018 (inception) through December 31, 2018, two stockholders of the Company advanced funds for operations. These advances are non-interest bearing. At December 31, 2018, the amount of advances outstanding is \$53,699.

TASTE LABS, INC.
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

For the period of January 08, 2018 (inception) to December 31, 2018

NOTE 4 – CONVERTIBLE NOTES & FUNDS RECEIVABLE

The Company issued a total of two convertible notes for cash proceeds of \$105,000 between January 8, 2018 and December 31, 2018. The notes are convertible into preferred or common shares of the Company and mature 18 months from the date of issuance. The principal and unpaid accrued interest of each note will be convertible under the following events:

- Next equity Financing: The Principal and unpaid accrued interest of each note will be automatically converted into Conversion Shares upon the closing of the Next Equity Financing. The number of Conversion Shares to be issued shall be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest by the conversion price. The conversion price is the lesser of (A) 80% of the price paid per share for Equity Securities by the investors in the Next Equity Financing or (B) the price per share determined by dividing (1) \$3,000,000 by (2) the number of Fully Diluted Shares immediately prior to the initial closing of the Next Equity Financing.
- Non-Qualified Financing: At the written election of the Required Holders, the principal and unpaid accrued interest of each Note may be converted, immediately prior to the closing of any Non-Qualified Financing, into Conversion shares. The number of Conversion Shares to be issued shall be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest by the conversion price. The conversion price is the lesser of (A) 80% of the price paid per share for Equity Securities by the investors in the Non-Qualified Financing or (B) the price per share determined by dividing (1) \$3,000,000 by (2) the number of Fully Diluted Shares immediately prior to the initial closing of the Non-Qualified Financing.
- Corporate Transaction: In the event a Corporate Transaction occurs prior to full payment of the Notes or prior to the time when the Notes have been converted, all outstanding principal and unpaid accrued interest due on the Notes then outstanding shall, at the written election of each Lender, be converted into Conversion Shares immediately prior to and contingent upon the closing of such Corporate Transaction. The number of Conversion Shares to be issued shall be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest by the conversion price. The conversion price per share will be determined by dividing (A) \$3,000,000 by (B) the number of Fully Diluted Shares outstanding immediately prior to the Corporate Transaction.
- IPO: In the event the Initial Public Offering occurs prior to full payment of the Notes, or prior to the time when the Notes have been converted, all outstanding principal and unpaid accrued interest due on the Notes then outstanding shall, at the written election of the Required Holders, be converted into Conversion Shares immediately prior to and contingent upon the closing of the IPO. The number of Conversion Shares to be issued shall be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest by the conversion price. The conversion price per share will be determined by dividing (A) \$3,000,000 by (B) the number of Fully Diluted Shares outstanding immediately prior to the IPO.

TASTE LABS, INC.
NOTES TO THE FINANCIAL STATEMENTS
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For the period of January 08, 2018 (inception) to December 31, 2018

As of December 31, 2018, \$30,000 of the funds relating to the afore mentioned convertible notes had not yet been received and is recorded on the balance sheet as funds receivable. The \$30,000 was subsequently deposited in January of 2019.

The Company recognized interest expense of \$3,938 during the period of January 8, 2018 (inception) to December 31, 2018.

NOTE 5 – COMMON STOCK

The Company has 10,000,000 shares authorized of their \$0.0001 par value common stock. During the period of January 8, 2018 (inception) to December 31, 2018, the Company issued 6,000,000 founders shares at par value.