

**Affinity Innovations, Inc** (the “Company”) Registered in the State of Delaware

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

As of inception – December 31, 2022



## True Accounting & Finance Experts

### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management  
Delaware, USA

We have reviewed the accompanying financial statements of Affinity Innovations, which comprise the balance sheet as of December 31, 2022 and the related statements of income and cash flows for the year then ended, and the related notes. A review includes primarily applying analytical procedures to management's financial data and making inquiries. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement 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. Management is also responsible 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.

#### ***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. We are required to be independent of Affinity Innovations, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

#### ***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.

A handwritten signature in black ink that reads 'TEasy'.

On behalf of True Accounting & Finance Experts LLC  
CPA Firm # AD71676  
Trumaine Easy, CPA  
Miami, FL  
October 24, 2023

**Affinity Innovations, Inc**  
**Balance Sheet**  
**From Inception to December 31, 2022**

**ASSETS**

**Current Assets**

**Bank Accounts**

BlueVine Checking (6857) - 1 3,868.70

Cash 2,440.00

**Total Bank Accounts** \$ **6,308.70**

**Total Current Assets** \$ **6,308.70**

**Fixed Assets**

**Intangible Assets**

ADA Digital Assets 2,478.38

BNB Digital Assets 79,318.26

BUSD Digital Assets 3,671.30

**Total Intangible Assets** \$ **85,467.94**

**Total Fixed Assets** \$ **85,467.94**

**TOTAL ASSETS** \$ **91,776.64**

**LIABILITIES AND EQUITY**

**Total Liabilities**

**Equity**

**Additional paid in capital**

Owners Equity 21,810.80

**Total Additional paid in capital** \$ **21,810.80**

Opening balance equity 20,350.30

Retained Earnings 49,615.54

**Total Equity** \$ **91,776.64**

**TOTAL LIABILITIES AND EQUITY** \$ **91,776.64**

**Affinity Innovations, Inc**  
**Statement of Income**  
**From Inception to December 31, 2022**

<b>Income</b>	
<b>Sales</b>	221,101.57
<b>Sales of Product Income</b>	287.15
<b>Total Income</b>	<b>\$ 221,388.72</b>
<b>Gross Profit</b>	<b>\$ 221,388.72</b>
<b>Expenses</b>	
<b>Advertising &amp; marketing</b>	35,540.40
<b>Giveaway Marketing</b>	4,079.74
<b>Total Advertising &amp; marketing</b>	<b>\$ 39,620.14</b>
<b>Business licenses</b>	485.00
<b>Contract labor</b>	70,609.01
<b>Disposal Loss/Gain</b>	7,738.77
<b>General business expenses</b>	29,440.26
<b>Office expenses</b>	
<b>Software &amp; apps</b>	4,821.01
<b>Total Office expenses</b>	<b>\$ 4,821.01</b>
<b>Travel</b>	
<b>Airfare</b>	1,544.41
<b>Hotels</b>	243.99
<b>Total Travel</b>	<b>\$ 1,788.40</b>
<b>Total Expenses</b>	<b>\$ 154,502.59</b>
<b>Net Operating Income</b>	<b>\$ 66,886.13</b>
<b>Other Income</b>	
<b>Interest earned</b>	28.54
<b>Total Other Income</b>	<b>\$ 28.54</b>
<b>Other Expenses</b>	
<b>Impairment Loss</b>	17,299.13
<b>Total Other Expenses</b>	<b>\$ 17,299.13</b>
<b>Net Other Income</b>	<b>(17,270.59)</b>
<b>Net Income</b>	<b>\$ 49,615.54</b>

See Accompany Notes

**Affinity Innovations, Inc.**  
**Statement of Cash Flow**  
**From Inception to December 31, 2022**

**OPERATING ACTIVITIES**

Net Income	49,615.54
Adjustments to reconcile Net Income provided by operations from digital assets	(85,467.94)
<b>Net cash provided by operating activities</b>	<b>(35,852.40)</b>

**INVESTING ACTIVITIES**

<b>Net cash provided by investing activities</b>	<b>\$ 0.00</b>
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**FINANCING ACTIVITIES**

Additional paid in capital:Owners Equity	21,810.80
Opening balance equity	20,350.30
<b>Net cash provided by financing activities</b>	<b>\$ 42,161.10</b>

<b>Net cash increase for period</b>	<b>\$ 6,308.70</b>
<b>Cash at end of period</b>	<b>\$ 6,308.70</b>

See Accompany Notes

**Affinity Innovations, Inc.**  
**Notes of Financial Statements**  
**From Inception to December 31, 2022**

**NOTE 1 – ESTABLISHMENT AND CORE OPERATIONS**

Affinity Innovations, Inc., incorporated on April 4, 2022, in Delaware, engages in the software development sector with a specific focus on blockchain and web3 technologies.

The company will conduct a crowdfunding campaign under regulation CF in 2023 to raise operating capital for development and operations.

**NOTE 2 – FINANCIAL GUIDELINES AND METHODOLOGY**

*Principle of Presentation*

Our financial statements adhere to the U.S. Generally Accepted Accounting Principles (GAAP) and mark December 31 as the end of our fiscal year.

*Estimations and Inferences*

Compiling financial statements under U.S. GAAP demands our team to apply informed estimates and assumptions that influence the figures presented. However, actual results might show variance from these estimates.

*Monetary Holdings and Cryptocurrency*

Our financial assets comprise traditional cash, equivalents, and a portfolio of digital currencies.

*Digital Assets*

Digital assets are accounted for as intangible assets with indefinite useful lives and are recorded at cost less impairment in accordance with ASC 350 – “Intangibles-Goodwill and Other” (“ASC 350”). In the context of cryptocurrency (and assets in general), FIFO is an accounting method used to determine the cost basis when selling or disposing of assets. In addition, there are giveaway activities used as a promotional tool to drive traffic. This includes the incorporation of trivia, online mini-games, and other interactive activities with an outcome of offering cryptocurrency to the winners. This marketing strategy is aimed at engaging potential customers and promoting the brand.

The company holds four cryptocurrencies: BNB (Binance Token), BUSD (Binance USD), ADA (Cardano) and Affinity Token.

(i) BNB (Binance token) - A cryptocurrency native to the Binance platform and used for transaction fees on the Binance exchange. It is used in numerous other applications including trading and as a form of payment.

(ii) BUSD (Binance USD) - A stablecoin pegged to the US Dollar. It is issued by Binance but backed by USD in a 1:1 ratio. Also, it is commonly used for trading and as a safe-haven asset during market volatility.

(iii) ADA (Cardano) - ADA-peg is a cryptocurrency on Binance platform.

(iv) Affinity Token - Developed by Affinity Innovations, Inc and used as a native asset for our products. A token that resides on the Binance blockchain.

**Affinity Innovations, Inc.**  
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An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment Loss of digital assets held totaled \$2,149.98 and \$15,149.15 for ADA and BNB, respectively. Digital assets are accounted for as intangible assets are subject to impairment losses if the fair value of digital assets decreases below the carrying value at any time during the period. Subsequent reversal of impairment losses is not permitted. We do not recognize any increases in the fair value of digital assets held until a gain is recognized on sale.

Revenue Channels

We derive our revenue from online software products and associated service fees, aligning with the ASC 606's five-step process.

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

Tax Responsibilities

As a C-corporation, Affinity Innovations, Inc. integrates corporate income tax implications within its operational financials.

Accounting Evolutions

While the Financial Accounting Standards Board (FASB) periodically refines the ASC, we believe most changes either don't apply or won't materially alter our financial disclosures.

**NOTE 3 – INTERNAL TRANSACTIONS**

Aligned with ASC 850's guidelines, we've identified no internal transactions needing disclosure.

**NOTE 4 – LEGAL AND REGULATORY COMPLIANCE**

Affinity Innovations, Inc. is neither involved in, nor aware of, any pending litigations and remains compliant with relevant regulatory standards.

**NOTE 5 – FINANCIAL OBLIGATIONS**

The company is free from external debt.

**Affinity Innovations, Inc.**  
**Notes of Financial Statements**  
**From Inception to December 31, 2022**

**NOTE 6 – SHAREHOLDER EQUITY**

Our equity structure involves 1,000,000 shares of common stock, accompanied by 200,000 shares of preferred stock.

**NOTE 7 – RECENT DEVELOPMENTS**

No significant post-fiscal events have arisen demanding mention.

**NOTE 8 – GOING CONCERN**

The balance sheet has been prepared on a going concern basis, indicating continuity in foreseeable operations. Although we operate with a lean approach, extending our financial runway, it's essential to note the inherent uncertainties. Our sustenance largely hinges on the ability to generate revenue and secure external investments. While the management is proactive in seeking growth avenues, the reliance on these external factors introduces elements of risk regarding our long-term operational viability.