New World Savings, Inc.
d/b/a Guac
A California Corporation

Financial Statements (Unaudited) and
Independent Accountant's Review Report
December 31, 2019 and 2018

NEW WORLD SAVINGS, INC.

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To the Board of Directors of
New World Savings, Inc.
Irvine, California

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of New World Savings, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations, changes in stockholders' equity/(deficit), and 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 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 conformity with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 3, 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.

Artesian CPA, LLC

Artesian CPA, LLC
Denver, Colorado
July 10, 2020

Artesian CPA, LLC
1624 Market Street, Suite 202 | Denver, CO 80202
p: 877.968.3330 f: 720.634.0905
info@ArtesianCPA.com | www.ArtesianCPA.com

New World Savings, Inc.
Balance Sheets (Unaudited)
As of December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 45,028	$ 4,167
Total Current Assets	45,028	4,167
TOTAL ASSETS	$ 45,028	$ 4,167
LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)		
Liabilities:		
Current Liabilities:		
Accounts payable and accrued expenses	$ -	$ -
Accrued interest payable	459	-
Due to related party	110,291	25,105
Pending investment	76,460	76,460
Total Current Liabilities	187,210	101,565
Long-term Liabilities:		
Convertible notes payable	86,000	-
Total Long-term Liabilities	86,000	-
Total Liabilities	273,210	101,565
Stockholders' Equity/(Deficit):		
Class A Common Stock, $0.00001 par, 1,000,000 shares authorized, 0 and 0 shares issued and outstanding as of December 31, 2019 and 2018, respectively	-	-
Class B Non-voting Common Stock, $0.00001 par, 500,000 shares authorized, 0 and 0 shares issued and outstanding as of December 31, 2019 and 2018, respectively	-	-
Additional paid-in capital	-	-
Accumulated deficit	(228,182)	(97,398)
Total Stockholders' Equity/(Deficit)	(228,182)	(97,398)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)	$ 45,028	$ 4,167

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

New World Savings, Inc.
Statements of Operations (Unaudited)
For the years ended December 31, 2019 and 2018

	2019	2018
Sales, net	$ -	$ -
Costs of goods sold	-	-
Gross profit	-	-
Operating Expenses:		
Sales and marketing	62,125	-
General and administrative	36,200	3,112
Research and development	32,000	94,286
Total Operating Expenses	130,325	97,398
Loss from operations	(130,325)	(97,398)
Other Income/(Expense):		
Interest expense	(459)	-
Total Other Income/(Expense)	(459)	-
Provision for income taxes	-	-
Net Loss	$ (130,784)	$ (97,398)

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

New World Savings, Inc.
Statements of Changes in Stockholders' Equity/(Deficit) (Unaudited)
For the years ended December 31, 2019 and 2018

	Common Stock						
	Class A Common Stock		Class B Non-Voting Common Stock				
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity/(Deficit)
Balance at December 31, 2017	-	$ -	-	$ -	$ -	$ -	$ -
Net loss	-	-	-	-	-	(97,398)	(97,398)
Balance at December 31, 2018	-	-	-	-	-	(97,398)	(97,398)
Net loss	-	-	-	-	-	(130,784)	(130,784)
Balance at December 31, 2019	-	$ -	-	$ -	$ -	$ (228,182)	$ (228,182)

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

New World Savings, Inc.
Statements of Cash Flows (Unaudited)
For the years ended December 31, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities		
Net Loss	$ (130,784)	$ (97,398)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Increase/(Decrease) in accrued interest payable	459	-
Net Cash Used In Operating Activities	(130,325)	(97,398)
Cash Flows From Financing Activities		
Proceeds from issuance of convertible notes	86,000	-
Pending investment	-	76,460
Advances from related parties	85,186	25,000
Net Cash Provided By Financing Activities	171,186	101,460
Net Change In Cash	40,861	4,062
Cash at Beginning of Period	4,167	105
Cash at End of Period	$ 45,028	$ 4,167
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ -	$ -
Cash paid for income tax	$ -	$ -

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

NOTE 1: NATURE OF OPERATIONS

New World Savings, Inc. (the "Company"), doing business as Guac, is a corporation formed on August 21, 2017 under the laws of California. The Company was formed to develop a mobile app that helps users save for short-term goals and buy experiences.

As of December 31, 2019, the Company has not yet commenced planned principal operations nor generated revenue. The Company's activities since inception have consisted of formation activities, product development, and efforts to raise capital. The Company is dependent upon additional capital resources for the commencement of its planned principal operations and is subject to significant risks and uncertainties; including failing to secure additional funding to operationalize the Company's planned operations.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares financial statements in accordance with generally accepted accounting principles in the United States of America (GAAP). The accounting and reporting policies of the Company conform to GAAP. The Company adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of the balance sheet 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 balance sheet and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash Equivalents and Concentration of Cash Balance

The Company considers all highly liquid securities with an original maturity of less than three months to be cash equivalents. The Company's cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2019 and 2018, the Company's cash balances did not exceeded federally insured limits.

Property and Equipment

Property and equipment are recorded at cost when purchased. Depreciation is recorded for property and equipment using the straight-line method over the estimated useful lives of assets. The Company reviews the recoverability of all long-lived assets, including the related useful lives whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset might not be recoverable. As of December 31, 2019 and 2018, the Company held no property or equipment.

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.

<u>Revenue Recognition</u>

ASC Topic 606, "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers.

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements: 1) identify the contract with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to performance obligations in the contract; and 5) recognize revenue as the performance obligation is satisfied. To date, no revenue has been recognized.

<u>Research and Development</u>

Research and development costs are expensed as incurred. Total expense related to research and development was $32,000 and $94,286 for the years ended December 31, 2019 and 2018, respectively.

<u>Income Taxes</u>

The Company uses the liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is unlikely that the deferred tax assets will not be realized.

The Company assesses its income tax positions and record tax benefits for all years subject to examination based upon our evaluation of the facts, circumstances and information available at the reporting date. In accordance with ASC 740-10, for those tax positions where there is a greater than 50% likelihood that a tax benefit will be sustained, the Company's 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 evaluated its income tax positions and has determined that it does not have any uncertain tax positions.

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. As of December 31, 2019 and 2018, the Company had potential net deferred tax assets before valuation allowance of $63,781 and $27,225, respectively, resulting from its net operating loss carryforwards. The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers 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. The Company assessed the need for a valuation allowance against its net deferred tax assets and determined a full valuation allowance is required due to taxable losses for the years ended December 31, 2019 and 2018, cumulative losses through December 31, 2018, no history of generating taxable income, and unknowns to the allowability of historical losses since it is delinquent in filing its historic tax returns. Therefore, valuation allowances of $63,781 and $27,225 were recorded as of December 31, 2019 and 2018, respectively. Deferred tax assets were calculated using the Company's combined effective tax rate, which it estimated to be 28%. The effective rate is reduced to 0% for 2019 and 2018 due to the full valuation allowance on its net deferred tax assets.

The Company's ability to utilize net operating loss carryforwards will depend on its ability to generate adequate future taxable income. At December 31, 2019 and 2018, the Company estimates it potentially has net operating loss carryforwards available to offset future taxable income in the amounts of $228,182 and $97,398, which potentially may be carried forward if allowed after filing delinquent tax returns.

The Company has evaluated its income tax positions and has determined that it does not have any uncertain tax positions. The Company will recognize interest and penalties related to any uncertain tax positions through its income tax expense.

The Company may in the future become subject to federal, state and local income taxation though it has not been since its inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction, though all tax years since inception remain open to examination. No tax returns have been filed to date, and therefore the Company is subject to an indeterminate amount of penalties and interest related to the delinquent filing of all historic tax returns.

NOTE 3: GOING CONCERN

The accompanying financial statements are prepared on a going concern basis and do not include any adjustments that might result from uncertainty about our ability to continue as a going concern. As of December 31, 2019, the Company's had limited liquid assets with just $45,028 of cash and a working capital deficit of $142,182. The Company has sustained net losses of $130,784 and $97,398 for the years ended December 31, 2019 and 2018, has not yet generated revenue, and has an accumulated deficit of $228,182. The Company's current operating plan indicates that it will continue to incur losses from operations and generate negative cash flows from operating activities. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern for the next twelve months is dependent upon its ability to generate sufficient cash flows from operations to meet its obligations and/or to obtain additional external capital financing. Management plans to raise additional capital in 2020 to satisfy its obligations. No assurance can be given that the Company will be successful in these efforts. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 4: CONVERTIBLE NOTES PAYABLE

The Company issued convertible promissory notes of varying amounts totaling to $86,000 during the year ended December 31, 2019. The notes bear interest at 7% per annum and mature two years after issuance in 2021. The balance and accrued interest outstanding on these notes as of December 31, 2019 was $86,000 and $459, respectively. Interest expense of $459 was incurred on these notes during the year ended December 31, 2019.

The notes are convertible into the Company's stock upon a qualifying equity financing of $3,000,000 or greater (inclusive of the convertible notes), as further defined in the note agreements. The notes automatically convert into the number of shares determined by whichever provides for the greater number of shares between a 20% discount to the pricing in the triggering financing or the price per share determined by a $4,000,000 valuation on the Company's fully diluted capitalization, as further defined in the note agreements.

If the notes are not repaid or converted at the maturity date, at the holders' election, the notes may be converted into the Company's Class B common stock at a conversion rate determined by a $4,000,000 valuation on the Company's full diluted capitalization, inclusive of the convertible notes and other convertible instruments, as further defined in the note agreements.

If there is a sale of the Company (as defined in the note agreements) prior to repayment or conversion of the notes, the noteholders are to receive the greater of the then outstanding principal and interest or the amount the noteholders would have received if the notes were converted to the Company's Class B common stock at a conversion rate determined by a $4,000,000 valuation on the Company's full diluted capitalization, inclusive of the convertible notes and other convertible instruments, as further defined in the note agreements.

As of December 31, 2019, none of the notes have not been converted and remained outstanding in the full principal amounts. The Company analyzed the notes for beneficial conversion features, and concluded the conversion terms did not constitute beneficial conversion features.

NOTE 5: STOCKHOLDERS' EQUITY/(DEFICIT)

Upon incorporation, the Company authorized 1,000,000 shares of $0.0001 par value Class A Common Stock and 500,000 shares of $0.0001 par value Class B Common Stock.

Class A Common Stock and the Class B Non-Voting Common Stock have the same rights and privileges and rank equally, share ratably and are identical in all respects as to all matters with the exception of voting rights, where Class B Non-Voting Common Stock do not have voting rights. The voting, dividend, and liquidation rights of the holders of the common stock are subject to and qualified by the rights, powers and preferences of the holders of the preferred stock set forth in the Articles of Incorporation.

In 2018, the Company received prepayments totaling $76,460 for a future investment in the Company from two investors. As of December 31, 2019, the terms of the investment were not finalized. As the funds have been received but the investment contracts not finalized, the $76,460 prepayment is included on the balance sheet as a "pending investment" liability. The Company issued shares to these investors at $1.29-$1.66 per share on March 13, 2020.

As of December 31, 2019 and 2018, no shares of Class A and Class B common stock were issued or outstanding.

NOTE 6: DUE TO RELATED PARTIES

Related parties to the Company have advanced the Company funds as needed to fund operations to date. The balance outstanding under this arrangement as of December 31, 2019 and 2018 were $110,291 and $25,105, respectively. The balance is considered payable on demand and does not bear interest.

NOTE 7: RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU supersedes the previous revenue recognition requirements in ASC Topic 605—Revenue Recognition and most industry-specific guidance throughout the ASC. The core principle within this ASU is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers*, which deferred the effective date for ASU 2014-09 by one year to fiscal years beginning after December 15, 2018, while providing the option to early adopt for fiscal years beginning after December 15, 2016. Transition methods under ASU 2014-09 must be through either (i) retrospective application to each prior reporting period presented, or (ii) retrospective application with a cumulative effect adjustment at the date of initial application. We are continuing to evaluate the impact of this new standard on our financial reporting and disclosures, including but not limited to a review of accounting policies, internal controls and processes. The Company adopted this new standard effective January 1, 2019.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying balance sheet. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

NOTE 8: CONTINGENCIES

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations.

NOTE 9: SUBSEQUENT EVENTS

Convertible Notes Payable

In 2020, the Company issued notes to outside parties for total principal of $156,500. The instruments have differing maturities in 2022 and commensurate terms to the notes discussed in Note 4.

Amended and Restated Articles of Incorporation

In 2020, the Company amended and restated its articles of incorporation ("Restated Articles").

Upon the filing of the Restated Articles, the authorized capital stock was increased to 200,000,000 shares of $0.0001 par value common stock and 20,000,000 shares of $0.0001 par value preferred stock. Upon the filing of the Restated Articles, each share of Class A and Class B common stock was automatically converted into one share of common stock. Immediately thereafter and on such date, each one share of the common stock that was issued and outstanding at such time, was split into ten fully paid, nonassessable shares of common stock, which was referred to as the forward stock split, through the issuance of a nine share stock dividend. Immediately after the filing of the Restated Articles, and on the date thereof, a total of 10,631,630 shares of common stock are outstanding and no shares of preferred stock are outstanding. The differing rights of privileges of the stock classes are established in the Restated Articles.

Common Stock Issuances

In 2020, the Company issued 1,207,500 shares of Class A common stock for $0.0001 per share, providing proceeds of $120, and 50,380 shares of Class B common stock for $1.29-$1.66 per share, providing proceeds of $76,460 which were previously received in 2018 and recorded as pending investment.

The Company also issued 55,283 shares of Class B common stock in exchange for services rendered

On April 30, 2020, 250,000 shares of Class A common stock were cancelled.

Management's Evaluation

Management has evaluated subsequent events through July 10, 2020, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in these financial statements.