

**BLACK UNICORN FACTORY, INC.**

**AUDITED FINANCIAL STATEMENTS**

For the years ended as of  
December 31, 2022 and 2023

**Black Unicorn Factory, Inc.**

**Audited Financial Statements**

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July 28, 2024

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors and Members of

**Black Unicorn Factory, Inc.**

5777 West Century Blvd. Suite 1110-106

Los Angeles, CA 90045

## **REPORT ON FINANCIAL STATEMENTS**

I have audited the accompanying balance sheet of Black Unicorn Factory, Inc. as of December 31, 2022 and 2023 and the related statements of operations, changes in owner's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 the Company's internal controls. Accordingly, I express no such opinion.

An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements is also executed.



An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**OPINION**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black Unicorn Factory, Inc. as of December 31, 2022 and 2023 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Amjad N I Abu Khamis**

Licensed Public Accountant, NH 08224

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## **Black Unicorn Factory, Inc.**

### **Balance Sheet Statement**

As of December 31, 2022 and 2023

<b>ASSETS</b>	<b>2022</b>	<b>2023</b>
<b>Current Assets</b>		
Cash at Banks	243,121	91
Accounts Receivables – Net	188,664	219,915
<b>Total Current Assets</b>	<b>431,785</b>	<b>220,006</b>
<b>Non-Current Assets</b>		
Related Parties Receivables	1,545,390	1,556,786
Property Plant and Equipment – Net	12,439	7,947
Intellectual property (Trade Mark)	4,459	4,459
Available for Sale - Investments	420,000,000	510,000,000
<b>Total Non-Current Assets</b>	<b>421,562,288</b>	<b>511,569,192</b>
<b>TOTAL ASSETS</b>	<b>645,448,683</b>	<b>511,789,198</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payables	127,245	67,425
Other Liabilities - Unearned Revenues	26,551	-
<b>Total Current Liabilities</b>	<b>86,371</b>	<b>67,425</b>
<b>Total Liabilities</b>	<b>86,371</b>	<b>67,425</b>
<b>Equity</b>		
Common Shares	-	-
Additional Paid-In Capital	421,555,425	511,566,895
Retained Earnings	284,852	154,878
<b>Total Equity</b>	<b>421,840,277</b>	<b>511,721,773</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>421,994,073</b>	<b>511,789,198</b>

## **Black Unicorn Factory, Inc.**

### **Income Statement**

As of December 31, 2022 and 2023

	<b>2022</b>	<b>2023</b>
<b>Total Revenues</b>	<b>420,243,330</b>	<b>90,100,655</b>
<b>Less: Operating Expenses</b>		
Materials	12,085	5,946
Salaries and Wages	125,427	109,000
Employee Benefits and Taxes	15,793	8,738
General and Administrative Expenses	29,313	73,654
Depreciation Expense	4,492	4,492
Bank Charges	436	539
Research and Development	31,016	28,186
Contractors Expense - Follow me for Equity Program	10,013	74
<b>Total Operating Expenses</b>	<b>(228,575)</b>	<b>(230,629)</b>
<b>Net Income before Income Tax</b>	<b>14,755</b>	<b>(129,974)</b>
Less: Income Tax	(2,400)	-
<b>Net Profit</b>	<b>12,355</b>	<b>(129,974)</b>
Weighted Average Number of Outstanding Stock	51,439,838	53,803,087
<b>Earnings (Loss) Per Share</b>	<b>0.0002</b>	<b>(0.0024)</b>

**Black Unicorn Factory, Inc.**  
**Statement of Changes in Equity**  
As of December 31, 2022 and 2023

	<b>Number of Shares</b>	<b>Value of Shares</b>	<b>APIC</b>	<b>Retained Earnings</b>	<b>Equity Balance</b>
<b>Beginning Balance as of January 01, 2022</b>	<b>50,201,498</b>	-	<b>420,003,410</b>	<b>272,497</b>	<b>420,275,907</b>
Stocks Issued During 2022	2,466,667	-	-	-	421,817,909
Stock Reserved for Issuance during 2022	10,013	-	10,013	-	421,827,922
Net Profit for the year ended 2022	-	-	-	12,355	421,840,277
<b>Equity Balance as of December 31, 2022</b>	<b>52,678,178</b>	-	<b>421,555,425</b>	<b>284,852</b>	<b>421,840,277</b>
Stocks Issued During 2023	2,249,745	-	90,011,396	-	511,851,673
Stock Reserved for Issuance during 2023	74	-	74	-	511,851,747
Net Profit for the year ended 2023	-	-	-	(129,974)	511,721,773
<b>Equity Balance as of December 31, 2024</b>	<b>54,927,997</b>	-	<b>511,566,895</b>	<b>154,878</b>	<b>511,721,773</b>

## Black Unicorn Factory, Inc.

### Statement of Cash Flow

As of December 31, 2022 and 2023

	<b>2022</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Net Income	12,355	(129,974)
<i>Adjustments to Reconcile Net Income to Net Cash provided by operations:</i>		
Depreciation Expense	4,492	4,492
Change Accounts Receivables	(103,408)	(31,251)
Change Accounts Payables	104,593	(59,820)
Change in Unearned Revenues	26,551	(26,551)
<b>Net cash from Operating Activities</b>	<b>44,583</b>	<b>(243,104)</b>
<b>INVESTING ACTIVITIES</b>		
Available for Sale Investments	-	(90,000,000)
Related Parties Receivables	(1,542,002)	(11,396)
<b>Net cash from Investing Activities</b>	<b>(1,542,002)</b>	<b>(90,011,396)</b>
<b>FINANCING ACTIVITIES</b>		
Additional Paid-In Capital	1,552,015	90,011,470
<b>Net cash provided by Financing Activities</b>	<b>1,552,015</b>	<b>90,011,470</b>
<b>NET CASH INCREASE (DECREASE) FOR PERIOD</b>	<b>54,596</b>	<b>(243,030)</b>
Cash at the beginning of the period	188,525	<b>243,121</b>
<b>CASH AT END OF PERIOD</b>	<b>243,121</b>	<b>91</b>



## **Black Unicorn Factory, Inc.**

### **Notes to the Financial Statements:**

As of December 31, 2023

#### **1. DESCRIPTION OF THE BUSINESS**

Black Unicorn Factory (the company), was incorporated on July 7th, 2020 in the State of California. The Black Unicorn Factory is a new Pre IPO preparation program for start-ups. It is a launched African-American Accelerator program that is capable of creating rapid growth, adding value and revenue to any tech start-up when applied.

The Black Unicorn Factory has a new business model that is completely superior to what is taught by others. A test was recently conducted on 68 start-ups. In less than six weeks each of those start-ups using the Crowd Catching strategy grossed over 7.5 million in revenue and have an average valuation of over \$100 million after being appraised by an accredited business valuation expert.

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

##### **2.1. Basis of Presentation**

The Company prepared the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements include the operations, assets and liabilities of the Company. In the opinion of the Company's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

##### **2.2. Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

##### **2.3. Use of Estimates**

The preparation of consolidated financial statements in conformity with the U.S. generally accepted accounting principles 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management evaluates the estimates and assumptions based on historical experience and believes those estimates and assumptions are reasonable based on the information available to them.

##### **2.4. Revenue Recognition**

The Company recognizes revenue when persuasive evidence of an arrangement exists, control has been transferred, the fee is fixed or determinable, and collectability is reasonably assured.

## **Black Unicorn Factory, Inc.**

### **Notes to the Financial Statements (continued)**

As of December 31, 2023

In instances where final acceptance of the product is specified by the customer, revenue is deferred until all acceptance criteria have been met.

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 arrangements:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations in the contract, and
- Recognize revenue as the performance obligation is satisfied.

#### **2.5. Income Taxes**

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740), which amends the existing guidance relating to the accounting for income taxes. ASU 2019-12 is intended to simplify the accounting for income taxes by removing certain exceptions to the general principles of accounting for income taxes and to improve the consistent application of GAAP for other areas of accounting for income taxes by clarifying and amending existing guidance. There are no Deferred tax assets and liabilities to be recognized for the current period.

#### **2.6. Intangible Assets**

Intangible assets are comprised of intellectual property. The Company is the owner for the exclusive rights to use this intellectual property. As such, these assets do have an indefinite life. The Company reviews its intangible assets on an annual basis for impairment to determine if an adjustment is required. As the current intangible assets are working, impairment adjustment was considered unnecessary as of December 31, 2023.

#### **2.7. Fair Value of Financial Instruments**

Pursuant to the accounting guidance for fair value measurements and its subsequent updates, fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The accounting guidance establishes a three-tier fair value hierarchy that requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. A financial instrument's

## **Black Unicorn Factory, Inc.**

### **Notes to the Financial Statements (continued)**

As of December 31, 2023

classification within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities;

Level 2—Inputs other than the quoted prices in active markets, that are observable either directly or indirectly;

Level 3—Unobservable inputs based on the Company's own assumption.

#### **3. CASH**

The Company deposits its cash with financial institutions that the management believes are of high credit quality. The Company's cash consists primarily of cash deposited in U.S. dollar-denominated investment accounts

#### **4. RELATED PARTIES RECEIVABLES**

The Company has issued 10,109 of its common shares at the market value of \$154 per share against services to be provided to the company whenever requested as of December 31, 2023. The company has a written contract with the investors for this action, and has not yet requested any services from its investors as of December 31, 2023.

#### **5. AVAILABLE FOR SALE SECURITIES**

The company has invested in multiple entities equity through agreements as an exchange of its own equity, those investments are classified as available for sales securities under US GAAP as the company has no intent to sell those securities in the foreseeable future.

The company report the available for sale investments at the fair market value, as of December 31, 2022 and 2023, the management has concluded that there is no change in the fair market value of those securities.

#### **6. EQUITY**

The company is authorized to issue 500,000,000 shares of Common Stock with no par value, any amount paid in excess of the par value for the acquisition of the shares is considered Additional Paid-In Capital, as of December 31, 2022 and 2023, the company has 52,678,178 and 54,927,997 shares issued and outstanding respectively.