
WEATHERFLOW-TEMPEST, INC.

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021, AND 2020
AUDITED

(Expressed in United States Dollars)

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INDEPENDENT ACCOUNTANT'S AUDIT REPORT

To the Board of Directors
WeatherFlow-Tempest, Inc.
Santa Cruz, California

Opinion

We have audited the financial statements of WeatherFlow-Tempest, Inc., which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WeatherFlow-Tempest, Inc., as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WeatherFlow-Tempest, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WeatherFlow-Tempest, Inc.'s ability to continue as a going concern for period of twelve months from the end of the year ended December 31, 2021.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WeatherFlow-Tempest, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WeatherFlow-Tempest Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Set Apart FS

December 12, 2022
Los Angeles, California

WEATHERFLOW-TEMPEST, INC.**BALANCE SHEET**

As of December 31,	2021	2020
(USD \$ in Dollars)		
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 887,867	\$ 157,664
Accounts receivable—net	169,808	440,232
Inventories	597,627	938,125
Prepays and other current assets	384,510	64,764
Total current assets	2,039,812	1,600,785
Property and equipment, net	55,873	61,878
Intangible assets	71,000	81,000
Security deposits	1,192	1,192
Total assets	\$ 2,167,877	\$ 1,744,855
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 312,484	\$ 668,112
Credit Card	119,268	168,988
Short-term borrowings	117,159	560,820
Current portion of Convertible Note	-	100,000
Deferred Revenue	1,091	260,621
Due to related parties	14,846	-
Other current liabilities	106,191	86,871
Investor Advance	300,000	-
Total current liabilities	971,039	1,845,412
Convertible Note	930,000	-
Total liabilities	1,901,039	1,845,412
STOCKHOLDERS EQUITY		
Common Stock	12,900	12,077
Additional Paid In Capital	3,927,901	2,274,276
Subscription receivable	(53,431)	-
Equity issuance costs	(75,314)	-
Retained earnings/(Accumulated Deficit)	(3,545,218)	(2,386,910)
Total stockholders' equity	266,838	(100,557)
Total liabilities and stockholders' equity	2,167,877	1,744,855

See accompanying notes to the financial statements

WEATHERFLOW-TEMPEST INC.
STATEMENTS OF OPERATIONS

For Fiscal Year Ended December 31,	2021	2020
(USD \$ in Dollars)		
Net revenue	\$ 8,295,461	\$ 6,460,768
Cost of goods sold	3,469,453	3,108,165
Gross profit	4,826,008	3,352,603
Operating expenses		
General and administrative	4,803,264	3,264,698
Research and development	114,342	134,157
Sales and marketing	996,361	928,243
Total operating expenses	5,913,967	4,327,098
Operating income/(loss)	(1,087,959)	(974,495)
Interest expense	69,549	5,456
Other Loss/(Income)	-	-
Income/(Loss) before provision for income taxes	(1,157,508)	(979,951)
Provision/(Benefit) for income taxes	800	-
Net income/(Net Loss)	\$ (1,158,308)	\$ (979,951)

See accompanying notes to the financial statements

WEATHERFLOW-TEMPEST INC
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(in , \$US)	Common Stocks		Additional Paid In Capital	Subscription Receivable	Equity Issuance Costs	earnings/ (Accumulated Deficit)	Total Shareholder Equity
	Shares	Amount					
Balance—December 31, 2019	12,076,885	\$ 12,077	\$ 1,195,612	\$ -	\$ -	\$ (1,406,959)	\$ (199,270)
Capital contribution	-	-	1,078,664	-	-	-	1,078,664
Net income/(loss)	-	-	-	-	-	(979,951)	(979,951)
Balance—December 31, 2020	12,076,885	12,077	2,274,276	-	-	(2,386,910)	(100,557)
Capital contribution	823,238	823	1,653,625	(53,431)	(75,314)	-	1,525,703
Net income/(loss)	-	-	-	-	-	(1,158,308)	(1,158,308)
Balance—December 31, 2021	12,900,123	\$ 12,900	\$ 3,927,901	\$ (53,431)	\$ (75,314)	\$ (3,545,218)	\$ 266,838

See accompanying notes to financial statements.

WEATHERFLOW-TEMPEST INC
STATEMENTS OF CASH FLOWS

For Fiscal Year Ended December 31,	2021	2020
(USD \$ in Dollars)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ (1,158,308)	\$ (979,951)
Adjustments to reconcile net income to net cash provided/(used) by operating activities:		
Depreciation of property	21,249	24,112
Amortization of intangibles	10,000	10,000
Changes in operating assets and liabilities:		
Accounts receivable	270,424	240,402
Inventory	340,498	(737,842)
Prepaid expenses and other current assets	(319,746)	49,599
Accounts payable and accrued expenses	(355,628)	443,006
Deferred Revenue	(259,530)	(553,819)
Credit Cards	(49,720)	94,515
Other current liabilities	19,320	(545,610)
Net cash provided/(used) by operating activities	(1,481,441)	(1,955,588)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(15,244)	(53,494)
Purchases of intangible assets	-	(10,000)
Net cash provided/(used) in investing activities	(15,244)	(63,494)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowing, net of payments	(443,661)	560,820
Due to related parties, net of payments	14,846	-
Borrowing on Convertible Notes	830,000	-
Investor advance	300,000	-
Equity issuance costs	(75,314)	-
Subscription receivable	(53,431)	-
Issuance of common stock	823	-
Capital contribution	1,653,625	1,078,664
Repayment of Shareholder Notes Payable	-	-
Net cash provided/(used) by financing activities	2,226,888	1,639,484
Change in cash	730,203	(379,598)
Cash—beginning of year	157,664	537,262
Cash—end of year	\$ 887,867	\$ 157,664
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 41,931	\$ 5,456
Cash paid during the year for income taxes	\$ -	\$ -
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES		
Purchase of property and equipment not yet paid for	\$ -	\$ -
Issuance of equity in return for note	\$ 100,000	\$ -
Issuance of equity in return for accrued payroll and other liabilities	\$ -	\$ -

See accompanying notes to financial statements.

WEATHERFLOW-TEMPEST INC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2021, AND DECEMBER 31, 2020

1. NATURE OF OPERATIONS

WeatherFlow-Tempest, Inc. was founded on December 26, 2018, in the state of Delaware. As of December 31, 2020, WeatherFlow-Tempest, Inc. was a wholly owned subsidiary of WFn Holdings, Inc. Effective April 1, 2021, the parent company, WFn Holdings, Inc. has agreed to a spin-off agreement. As a result of the spin-off, WeatherFlow-Tempest, Inc. is no longer be a subsidiary of the parent company. The financial statements of WeatherFlow-Tempest, Inc. (which may be referred to as the “Company”, “we”, “us”, or “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s headquarters are located in Santa Cruz, California.

WeatherFlow-Tempest, Inc. operates in the private weather industry, selling products and services that deliver weather data – both observations and forecasts. Products and services include weather stations systems, weather meters, subscription applications, SaaS tools and licensed data.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). The Company has adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements in conformity with United States 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.

Cash and Cash Equivalents

Cash and cash equivalents include all cash in banks. The Company’s cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2021, and December 31, 2020, the Company’s cash and cash equivalents exceeded FDIC insured limits by \$663,858 and \$0, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at net realizable value or the amount that the Company expects to collect on gross customer trade receivables. We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. As of December 31, 2021, and 2020, the Company determined that no reserve was necessary.

WEATHERFLOW-TEMPEST INC
NOTES TO FINANCIAL STATEMENTS
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Inventories

Inventories are valued at the lower of cost and net realizable value. Costs related to raw materials and finished goods which are determined using a first-in-first-out method.

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of, and the related depreciation are eliminated from the accounts in the period of disposal and the resulting gain or loss is credited or charged to earnings.

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment are as follows:

Category	Useful Life
Machinery and equipment	5 years
Furniture and fixtures	5-7 years
Computer equipment	5 years
Leasehold improvements	15 years

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Intangible Assets

The Company capitalizes professional fees incurred in connection with patenting its intellectual property, which will be amortized over the expected period to be benefitted, not to exceed the patent lives, which may be as long as 10 years.

Income Taxes

WeatherFlow-Tempest, Inc. is a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those

WEATHERFLOW-TEMPEST INC
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temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

Concentration of Credit Risk

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Revenue Recognition

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.

The Company earns revenues from subscriptions to its weather application and from Smartweather™ device sales.

Cost of sales

Costs of goods sold include the cost of hardware costs, freight and delivery, packaging, etc.

Advertising and Promotion

Advertising and promotional costs are expensed as incurred. Advertising and promotional expenses for the years ended December 31, 2021, and December 31, 2020, amounted to \$867,924 and \$928,243, respectively, which is included in sales and marketing expenses.

WEATHERFLOW-TEMPEST INC
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Research and Development Costs

Costs incurred in the research and development of the Company's products are expensed as incurred.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short-term nature of such instruments).

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Subsequent Events

The Company considers events or transactions that occur after the balance sheet date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through December 12, 2022, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

In February 2019, FASB issued ASU No. 2019-02, leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than twelve months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. This standard did not have a material impact.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. The standard implementation did not have a material impact.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide

WEATHERFLOW-TEMPEST INC
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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.

3. INVENTORY

Inventory consists of the following items:

As of December 31,	2021	2020
Finished goods	\$ 597,627	\$ 938,125
Total inventories	\$ 597,627	\$ 938,125

4. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Account receivables consist primarily of trade receivables and , accounts payable consist primarily of trade payables.

Prepays and other current assets consist of:

As of December 31,	2021	2020
Employee advances	\$ 200	\$ -
Prepaid production expenses	224,545	-
Prepaid expenses	159,765	64,764
Total prepaid expenses and other current assets	\$ 384,510	\$ 64,764

Other current liabilities consist of:

As of December 31,	2021	2020
Pension payable	\$ 77,054	\$ 53,971
Accrued interest	16,265.00	7,917
Sales tax payable	12,072.00	24,983
Income tax payable	800.00	-
Total other current liabilities	\$ 106,191	\$ 86,871

Short-term borrowings

The Company has an extended, long-term financing agreement with Shopify during the year ended December 31, 2021, which has been included under short-term borrowings. The Company had extended long-term financing agreements with specific vendors, Sunrado Technology and Clearbank, during the year ended December 30, 2020, which have been included under short-term borrowings.

The Company also held a fully refundable investor advance as of December 31, 2021, which was subsequently converted to a convertible note during 2022. See "Subsequent Events Note 12 for further information.

WEATHERFLOW-TEMPEST INC
NOTES TO FINANCIAL STATEMENTS
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5. PROPERTY AND EQUIPMENT

As of December 31, 2021, and December 31, 2020, property and equipment consist of:

As of Year Ended December 31,	2021	2020
Computer equipment	\$ 39,607	\$ 36,583
Furnitures and fixtures	23,971	23,971
Machinery and equipment	74,017	61,797
Leasehold improvements	5,377	5,377
Property and Equipment, at Cost	142,972	127,729
Accumulated depreciation	(87,099)	(65,850)
Property and Equipment, Net	\$ 55,873	\$ 61,878

Depreciation expenses for property and equipment for the fiscal year ended December 31, 2021, and 2020 were in the amount of \$21,249 and \$24,112, respectively.

6. INTANGIBLE ASSETS

As of December 31, 2021, and 2020, intangible asset consists of:

As of Year Ended December 31,	2021	2020
Intellectual Property - BarometerTempest	\$ 100,000	\$ 100,000
Accumulated amortization	(29,000)	(19,000)
Intangible assets, Net	\$ 71,000	\$ 81,000

Amortization expense for patents for the fiscal year ended December 31, 2021 and 2020 was in the amount of \$10,000 and \$10,000 respectively.

The following table summarizes the estimated amortization expense relating to the Company's intangible assets as of December 31, 2020:

Period	Amortization Expense
2022	\$ 10,000
2023	10,000
2024	10,000
2025	10,000
Thereafter	31,000
Total	\$ 71,000

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NOTES TO FINANCIAL STATEMENTS
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7. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company is authorized to issue 25,000,000 shares of Common Shares with a par value of \$0,001. As of December 31, 2021, 12,900,123 shares have been issued and are outstanding. As of December 31, 2020, 12,076,885 shares were issued and outstanding.

8. DEBT

Convertible Note(s)

The following is the summary of the convertible notes:

Debt Instrument Name	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	As of Year Ended December 2021					As of Year Ended December 2020				
					Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness	Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness
Clover Mews LLC	\$ 100,000	5.00%	5/30/2019	5/30/2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,917	\$ 7,917	\$ 100,000	\$ -	\$ 100,000
Convertible notes	\$ 930,000	7.00%	2021	2024	16,265	16,265	-	930,000	930,000					
Total					\$ 16,265	\$ 16,265	\$ -	\$ 930,000	\$ 930,000	\$ 7,917	\$ 7,917	\$ 100,000	\$ -	\$ 100,000

The convertible notes are convertible into Common Shares at a conversion price. The conversion price is defined as the lower of (i) 70% of price per share, and (ii) the per share price that would result from dividing (A) the valuation cap by (B) the fully diluted number of shares. Since the conversion feature is convertible into variable number of shares and does not have fixed-for-fixed features, the conversion feature was not bifurcated and recorded separately.

9. INCOME TAXES

The provision for income taxes for the years ended December 31, 2021, and 2020 consists of the following:

As of Year Ended December 31,	2021	2020
Net Operating Loss	\$ (345,400)	\$ (292,417)
Valuation Allowance	345,400	292,417
Net Provision for income tax	\$ -	\$ -

Significant components of the Company's deferred tax assets and liabilities at December 31, 2021, and December 31, 2020 are as follows:

As of Year Ended December 31,	2021	2020
Net Operating Loss	\$ (1,057,654)	\$ (712,254)
Valuation Allowance	1,057,654	712,254
Total Deferred Tax Asset	\$ -	\$ -

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. On the basis of this evaluation, the Company has determined that it is more likely than not that the Company will not recognize the benefits of the federal and state net deferred tax

WEATHERFLOW-TEMPEST INC
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assets, and, as a result, full valuation allowance has been set against its net deferred tax assets as of December 31, 2021, and December 31, 2020. The amount of the deferred tax asset to be realized could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

For the fiscal year ending December 31, 2021, the Company had federal cumulative net operating loss ("NOL") carryforwards of \$3,544,418, and the Company had state net operating loss ("NOL") carryforwards of approximately \$3,544,418. Utilization of some of the federal and state NOL carryforwards to reduce future income taxes will depend on the Company's ability to generate sufficient taxable income prior to the expiration of the carryforwards. The federal net operating loss carryforward is subject to an 80% limitation on taxable income, does not expire, and will carry on indefinitely.

The Company recognizes the impact of a tax position in the financial statements if that position is more likely than not to be sustained on a tax return upon examination by the relevant taxing authority, based on the technical merits of the position. As of December 31, 2021, and December 31, 2020, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2021, and December 31, 2020, the Company had no accrued interest and penalties related to uncertain tax positions.

10. RELATED PARTY

The Company has outstanding trade receivables from WFn Holdings Inc., a Company owned by its founders. As of December 31, 2021, and December 31, 2020, the outstanding receivables were in the amount of \$17,573 and \$0, respectively.

The Company also has a current liability of \$23,419, and \$0 owed to WFn Holdings from WeatherFlow-Tempest as of December 31, 2021, and 2020, respectively. Therefore, the net amounts due to WFn Holdings by the Company as of December 31, 2021, and 2020, were \$14,486 and \$0, respectively.

The company revenues included revenues for WFn Holdings Inc. As of December 31, 2021, and December 31, 2020, the revenues from WFn Holdings Inc, was in the amount of \$366,629 and \$840,000, respectively.

The Company revenues also included revenues from Synoptic Data PBC, a Company in which WFn Holdings Inc owns a minority stake. As of December 31, 2021 and 2020, the Company's revenue from Synoptic Data PBC, was in the amount of \$120,000 in each year.

WEATHERFLOW-TEMPEST INC
NOTES TO FINANCIAL STATEMENTS
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11. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company enters various operating leases for facilities. The aggregate minimum annual lease payments under operating leases in effect on December 31, 2021, are as follows:

Year	Obligation
2022	42,419
2023	17,675
Thereafter	-
Total future minimum operating lease payments	60,094

Rent expense was in the amount of \$131,773 and \$120,294 for the years ended December 31, 2021 and 2020, respectively.

Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations.

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

12. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the period from December 31, 2021 through December 12, 2022, which is the date the financial statements were available to be issued.

During 2022, the Company issued 695,000 shares for contracted services rendered at a price of \$.15 per share, for a total of \$104,250.

On October 10, 2022, the Company entered into an "Amazon Seller Central Loan" in the amount of \$351,568. The terms of the loan are 12 months at 12.99% interest rate, first three months are interest only.

As of December 7, 2022, the Company has raised an additional \$1,397,488 capital funds through Start Engine. It has incurred fees of \$103,970 related to the capital raised.

There have been no other events or transactions during this time which would have a material effect on these financial statements.