
BOOMERANG BIKE CORPORATION

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019
(Unaudited)

INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Boomerang Bike Corporation
Santa Clara, California

We have reviewed the accompanying financial statements of Boomerang Bike Corporation (the "Company,"), which comprise the balance sheet as of December 31, 2020 and December 31, 2019, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the year ending December 31, 2020 and December 31, 2019, 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.

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 13, 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.

Set Apart FS

October 22, 2021
Los Angeles, California

Boomerang Bike Corporation
BALANCE SHEET
(UNAUDITED)

As of December 31,	2020	2019
(USD \$ in Dollars)		
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 6,307	\$ 72,451
Account receivables, net	-	2,204
Inventories	120,080	-
Prepays and other current assets	5,333	652
Total current assets	131,721	75,307
Property and equipment, net	85,845	35,973
Intangible assets	41,344	46,594
Total assets	\$ 258,910	\$ 157,874
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Account Payables	\$ 237,171	\$ 167,752
Deferred revenue	24,562	-
Shareholder loan -current portion	8,941	34,941
Current portion of Loans and Promissory Note	108,611	116,038
Other current liabilities	13,590	4,366
Total current liabilities	392,876	323,097
Loans and Promissory Note	33,473	5,390
Shareholder loan	19,501	19,501
Convertible Note	-	2,179,467
Total liabilities	445,850	2,527,455
STOCKHOLDERS EQUITY		
Common Stock	2,068	2,068
Preferred Shares-Series Seed	2,365	-
Additional Paid in Capital	2,687,707	24,605
Retained earnings/(Accumulated Deficit)	(2,879,080)	(2,396,254)
Total stockholders' equity	(186,940)	(2,369,581)
Total liabilities and stockholders' equity	\$ 258,910	\$ 157,874

See accompanying notes to financial statements.

BOOMERANG BIKE CORPORATION
STATEMENTS OF OPERATIONS
(UNAUDITED)

For Fiscal Year Ended December 31,	2020	2019
(USD \$ in Dollars)		
Net revenue	\$ 192,161	\$ 104,305
Cost of goods sold	234,652	59,027
Gross profit	(42,491)	45,279
Operating expenses		
General and administrative	418,637	213,799
Sales and marketing	84,042	37,976
Total operating expenses	502,679	251,774
Operating income/(loss)	(545,170)	(206,496)
Interest expense	1,234	262,653
Other Loss/(Income)	(67,702)	230,889
Income/(Loss) before provision for income taxes	(478,702)	(700,038)
Provision/(Benefit) for income taxes	4,123	-
Net income/(Net Loss)	\$ (482,826)	\$ (700,038)

See accompanying notes to financial statements.

BOOMERANG BIKE CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(in, \$US)	Common Stock		Preferred Shares-Series Seed		Additional Paid in Capital	Retained earnings/ (Accumulated Deficit)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
Balance—December 31, 2018	3,950,000	\$ 395	-	\$ -	\$ 24,605	\$ (1,696,216)	\$ (1,671,216)
Issuance of Common Stock	16,728,571	1,673	-	-	-	-	1,673
Shares-based Compensation	-	-	-	-	-	-	-
Net income/(loss)	-	-	-	-	-	(700,038)	(700,038)
Balance—December 31, 2019	20,678,571	\$ 2,068	-	-	\$ 24,605	\$ (2,396,254)	\$ (2,369,581)
Issuance of Common Stock	-	-	23,646,840	\$ 2,365	2,663,102	-	2,665,467
Net income/(loss)	-	-	-	-	-	(482,826)	(482,826)
Balance—December 31, 2020	20,678,571	\$ 2,068	23,646,840	\$ 2,365	\$ 2,687,707	\$ (2,879,080)	\$ (186,940)

See accompanying notes to financial statements.

BOOMERANG BIKE CORPORATION
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For Fiscal Year Ended December 31,	2020	2019
(USD \$ in Dollars)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(loss)	\$ (482,826)	\$ (700,038)
Adjustments to reconcile net income to net cash provided/(used) by operating activities:		
Amortization of intangible assets	5,250	5,906
Depreciation of property and equipment	34,497	38,482
Changes in operating assets and liabilities:		
Account receivables, net	2,204	1,789
Inventories	(120,080)	379,577
Prepaid expenses and other current assets	(4,682)	-
Account Payables	69,419	33,991
Deferred revenue	24,562	
Other current liabilities	9,225	(831)
Net cash provided/(used) by operating activities	(462,431)	(241,123)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(84,369)	-
Sales of property and equipment	-	13,515
Net cash provided/(used) in investing activities	(84,369)	13,515
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of Stock	486,000	1,673
Repayment of Loan and Promissory Note	20,656	(123,117)
Borrowing on shareholder loan		54,442
Repayment of shareholder loan	(26,000)	(209,620)
Borrowing on Convertible Note		565,497
Net cash provided/(used) by financing activities	480,656	288,876
Change in cash	(66,144)	61,268
Cash—beginning of year	72,451	11,183
Cash—end of year	\$ 6,307	\$ 72,451
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 1,234	\$ 262,653
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	\$ -	\$ -
Issuance of equity in return for accrued payroll and other liabilities	\$ -	\$ -

See accompanying notes to financial statements.

BOOMERANG BIKE CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

1. NATURE OF OPERATIONS

Boomerang Bike Corporation was originally incorporated as Wi-MM Corporation on July 2, 2013 in the state of Delaware. On January 24, 2020, the company restated its articles of incorporation and changed its name to Boomerang Bike Corporation. The financial statements of Boomerang Bike Corporation (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 Clara, California.

Boomerang Bike designs and manufacturers a bike alarm with GPS tracking and cellular communications. Our technology can connect any bicycle, scooter or vehicle to the Internet. Our primary application is bike security. Our solution includes the hardware, an App and Cloud Software. The alarm / GPS tracker is under 6" long and fits under the water bottle cage or on the rear rack. The alarm is operated by a corresponding app. Once the device is armed any attempt to steal the bike will notify the bike owner with a text message and phone notification.

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, 2020 and December 31, 2019, the Company’s cash and cash equivalents did not exceed FDIC insured limits.

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, 2020 and 2019, the Company determined that no reserve was necessary.

BOOMERANG BIKE CORPORATION
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 an average 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 is as follows:

Category	Useful Life
Machinery and equipment	5 years
Manufacturing Tools	5 years
Software	5 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 its patent and filing fees and legal patent and prosecution fees in connection with internally developed pending patents. When pending patents are issued, patents 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

Boomerang Bike Corporation 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

BOOMERANG BIKE CORPORATION
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which those 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

The Company follows the provisions and the disclosure requirements described in ASU 2014-09 also referred to as Topic 606.

Revenue recognition, according to Topic 606, is determined using the following steps:

Identification of the contract, or contracts, with the customer: the Company determines the existence of a contract with a customer when the contract is mutually approved; the rights of each party in relation to the services to be transferred can be identified, the payment terms for the services can be identified, the customer has the capacity and intention to pay and the contract has commercial substance.

Identification of performance obligations in the contract: Performance obligations consist of a promised in a contract (written or oral) with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Recognition of revenue when, or how, a performance obligation is met: Revenues are recognized when or as control of the promised goods or services is transferred to customers.

The Company earns revenues from the sale of its bike alarm with GPS tracking and cellular communications

Cost of sales

Costs of goods sold include the cost of goods sold, transaction fee, cost of shipping

Advertising and Promotion

Advertising and promotional costs are expensed as incurred. Advertising and promotional expense for the years ended December 31, 2020 and December 31, 2019 amounted to \$84,042 and \$37,976, which is included in sales and marketing expense

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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 October 22, 2021, 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 12 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. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The standard implementation 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

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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 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,	2020	2019
Raw Materials	\$ 103,080	\$ -
Finished goods	17,000	-
Total Inventories	\$ 120,080	\$ -

4. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Account receivables consist primarily of trade receivables, accounts payable consist primarily of trade payables. Prepaids and other current assets consist of the following items:

As of December 31,	2020	2019
Prepaid expenses	\$ 133	\$ -
Vendor Deposits	\$ 5,200	\$ 652
Total Prepaids and other current assets	\$ 5,333	\$ 652

Other current liabilities consist of the following items:

As of December 31,	2020	2019
Accrued Expenses	\$ 8,116	\$ -
Tax Payable	4,240	4,366
Accrued interest	1,234	
Total Other Current Liabilities	\$ 13,590	\$ 4,366

5. PROPERTY AND EQUIPMENT

As of December 31, 2020 and December 31, 2019, property and equipment consist of:

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As of Year Ended December 31,	2020	2019
Equipment	\$ 2,391	\$ 2,391
Manufacturing Tools	56,920	-
Software	521,293	493,844
Property and Equipment, at Cost	580,604	496,235
Accumulated depreciation	(494,759)	(460,262)
Property and Equipment, Net	\$ 85,845	\$ 35,973

Depreciation expense for property and equipment for the fiscal year ended December 31, 2020 and 2019 was in the amount of \$38,482 and \$34,482 respectively.

6. INTANGIBLE ASSETS

As of December 31, 2020 and December 31, 2019, intangible asset consists of:

As of Year Ended December 31,	2020	2019
Patents	\$ 52,500	\$ 52,500
Intangible assets, at Cost	52,500	52,500
Accumulated amortization	(11,156)	(5,906)
Intangible assets, Net	41,344	46,594

Amortization expense for patents for the fiscal year ended December 31, 2020 and 2019 was in the amount of \$5,250 and \$5,906 respectively.

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

Period	Amortization expense
2021	(5,250)
2022	(5,250)
2023	(5,250)
2024	(5,250)
Thereafter	(20,344)
Total	\$ (41,344)

7. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company is authorized to issue 50,000,000 shares of common shares with no par value of \$0,0001. As of December 31, 2020, and December 31, 2019, 20,678,571 have been issued and are outstanding.

BOOMERANG BIKE CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

Preferred Stock

The Company is authorized to issue 24,453,769 shares of preferred shares with \$0.0001 par value. As of December 31, 2020, and December 31, 2019, 23,646,840 and 0, respectively, have been issued and are outstanding.

8. DEBT

Promissory Notes & Loans

During the years presented, the Company has entered into promissory notes & loans. The details of the Company's loans, notes, and the terms are as follows:

Debt Instrument Name	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	For the Year Ended December 2020					For the Year Ended December 2019					
					Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness	Interest Expense	Accrued Interest	Current Portion	Non-Current Portion	Total Indebtedness	
PPP loan	\$ 94,750	1.00%	04.20.2020	04.20.2022	\$ 553	\$ 553	\$ 63,167	\$ 31,583	\$ 94,750						
Promissory Note- Leslie Levitt	\$ 50,000	1.50%	year 2013	on demand	\$ 682	\$ 682	\$ 45,444		\$ 45,444			\$ 45,444		\$ 45,444	
Promissory Note- Greg Wiess	\$ 1,890	0.00%	Y2018	Y2025				\$ 1,890	\$ 1,890					\$ 5,390	\$ 5,390
Notes Payable -other			Paid off in 2020									\$ 70,594		\$ 70,594	
Total					\$ 1,234	\$ 1,234	\$ 108,611	\$ 33,473	\$ 142,084	\$ -	\$ -	\$ 116,038	\$ 5,390	\$ 50,834	

The summary of the future maturities is as follows:

As of Year Ended December 31, 2020

2021	\$ 108,611
2022	33,473
2023	-
2024	
2025	
Thereafter	
Total	\$ 142,084

Owner Loans

During the Company borrowed money from the owners. The details of the loans from the owners are as follows:

Owner	Principal Amount	Interest Rate	Borrowing Period	Maturity Date	For the Year Ended December 2020			For the Year Ended December 2019		
					Current Portion	Non-Current Portion	Total Indebtedness	Current Portion	Non-Current Portion	Total Indebtedness
Pablo Echavarria	\$ 8,941	0.00%	Fiscal Year 20	No set maturity	\$ 8,941		\$ 8,941	\$ 8,941	\$ -	\$ 8,941
Kevin Fahrner	\$ 19,501	8.00%	Fiscal Year 20	5.5.2023		19,501	\$ 19,501		\$ 19,501	\$ 19,501
Ronjon Nag	\$ 26,000		Paid off in 2020					\$ 26,000		\$ 26,000
Total	\$ 54,442				\$ 8,941	\$ 19,501	\$ 28,442	\$ 34,941	\$ 19,501	\$ 54,442

BOOMERANG BIKE CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

9. INCOME TAXES

The provision for income taxes for the year ended December 31, 2020 and December 31, 2019 consists of the following:

As of Year Ended December 31,	2020	2019
Net Operating Loss	\$ (143,438)	\$ (209,032)
Valuation Allowance	143,438	209,032
Net Provision for income tax	\$ -	\$ -

Significant components of the Company's deferred tax assets and liabilities at December 31, 2020, and December 31, 2019 are as follows:

As of Year Ended December 31,	2020	2019
Net Operating Loss	\$ (666,300)	\$ (522,862)
Valuation Allowance	666,300	522,862
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 assets, and, as a result, full valuation allowance has been set against its net deferred tax assets as of December 31, 2020 and December 31, 2019. 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, 2020, the Company had federal cumulative net operating loss ("NOL") carryforwards of \$782,513, and the Company had state net operating loss ("NOL") carryforwards of approximately \$782,513. 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, 2020, and December 31, 2019, 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, 2020, and December 31, 2019, the Company had no accrued interest and penalties related to uncertain tax positions.

10. RELATED PARTY

During the past, the company received the loans from its shareholders Pablo Echavarria in the amount of \$8,941. The loan bears no interest rate and has not defined maturity date. As of December 31, 2020, and December 31, 2019, the outstanding balance of this loan is in the amount of \$8,941 and entire amount is classified as current liability.

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During the past, the company received the loans from its shareholders Kevin Fahrner in the amount of \$19,501. The loan bears an interest rate of 8% and has maturity date on May 5, 2023. As of December 31, 2020, and December 31, 2019, the outstanding balance of this loan is in the amount of \$19,501 and entire amount is classified as current liability.

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, 2020, are as follows:

Year	Obligation
2021	\$ 6,000
2022	3,000
2023	-
2024	-
Thereafter	-
Total future minimum operating lease payments	\$ 9,000

Rent expense was in the amount of \$ 14,784 and \$ 5,221 as of December 31, 2020 and December 31, 2019, 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, 2020, 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, 2020 through October 22, 2021 the date the financial statements were available to be issued.

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

BOOMERANG BIKE CORPORATION
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FOR YEAR ENDED TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

13. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a net operating loss of \$545,170, an operating cash flow loss of \$462,431 and liquid assets in cash of \$6,307, which less than a year worth of cash reserves as of December 31, 2020. The Company's situation raises a substantial doubt on whether the entity can continue as a going concern in the next twelve months.

The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results.

Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. During the next twelve months, the Company intends to fund its operations through debt and/or equity financing.

There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its business, financial condition, and operating results. The accompanying financial statements do not include any adjustments that might result from these uncertainties.