GARAGESKINS, INC.

FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

Together with
Independent Accountants' Review Report

dbbmckennon
Certified Public Accountants
Registered Firm - Public Company Accounting Oversight Board

GarageSkins, Inc.
Index to Financial Statements
(Unaudited)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Management and Stockholders
GarageSkins, Inc.
Albany, OR

We have reviewed the accompanying financial statements of GarageSkins, Inc., an Oregon corporation, (the "Company"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, stockholders' 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 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 engagements 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 reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 1, 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. Our conclusion is not modified with respect to that matter.

DbbMcKennon

Newport Beach, California
October 26, 2017

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GARAGESKINS, INC.
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(unaudited)

	2016	2015
Assets		
Current assets -		
Cash	$ 667	$ 102
Total current assets	667	102
Total assets	$ 667	$ 102
Liabilities and Stockholders' Deficit		
Current liabilities -		
Bank overdraft	$ -	$ 938
Accrued liabilities	1,030	1,030
Note payable to related party	8,748	1,898
Total current liabilities	9,778	3,866
Convertible debt and accrued interest	45,422	42,450
Total liabilities	55,200	46,316
Commitments and contingencies (Note 4)	-	-
Stockholders' Deficit:		
Common stock	80	80
Accumulated deficit	(54,613)	(46,294)
Total stockholders' deficit	(54,533)	(46,214)
Total liabilities and stockholders' deficit	$ 667	$ 102

See accompanying independent accountants' review report
and notes to the financial statements

GARAGESKINS, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(unaudited)

	2016	2015
Revenues	$ -	$ -
Operating Expenses:		
General and administrative	2,535	34,310
Sales and marketing	270	2,317
Research and development	2,502	7,168
Total operating expenses	5,307	43,795
Operating loss	(5,307)	(43,795)
Other expense -		
Interest expense	2,972	2,450
Other expense	40	49
Total other expense	3,012	2,499
Loss before provision for income taxes	(8,319)	(46,294)
Provision for income taxes	-	-
Net loss	$ (8,319)	$ (46,294)

See accompanying independent accountants' review report
and notes to the financial statements

GARAGESKINS, INC.
STATEMENTS OF STOCKHOLDERS’ EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(unaudited)

	Common Stock		Additional Paid-	Accumulated	Stockholders'
	Shares	Amount	in Capital	Deficit	Equity
December 31, 2014	8,000,000	$ 80	$ -	$ -	$ 80
Net loss	-	-	-	(46,294)	(46,294)
December 31, 2015	8,000,000	80	-	(46,294)	(46,214)
Net loss	-	-	-	(8,319)	(8,319)
December 31, 2016	8,000,000	$ 80	$ -	$ (54,613)	$ (54,533)

GARAGESKINS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(unaudited)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (8,319)	$ (46,294)
Changes in operating assets and liabilities:		
Bank overdraft	(938)	938
Accrued liabilities	-	1,030
Accrued interest	2,972	2,450
Net cash used in operating activities	(6,285)	(41,876)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Note payable to related party	6,850	1,898
Convertible debt	-	40,000
Net cash provided by financing activities	6,850	41,898
Increase in cash and cash equivalents	565	22
Cash and cash equivalents, beginning of year	102	80
Cash and cash equivalents, end of year	$ 667	$ 102
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

NOTE 1 – BUSINESS AND NATURE OF OPERATIONS

GarageSkins, Inc. was formed on December 24, 2014 ("Inception") in the State of Oregon. The financial statements of GarageSkins, 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 is located in Albany, Oregon.

GarageSkins, Inc was formed to develop, manufacture and sell the patented GarageSkins real wood garage door overlay systems. Our GarageSkins systems will allow a homeowner, builder, remodeler or Realtor to completely cover their existing overhead metal garage door with our magnetically attached panels which, when nested together, simulate a high-end, real wood garage door. Our panelized system is designed such that almost anyone can install it onto a standard-sized metal garage door, and is lightweight enough that it will not require any modification of an existing modern metal garage door's springs or opening mechanism.

Going Concern and Management's Plans
We have historically relied on debt and related party financing to fund operations. Since Inception, we have incurred losses and will incur additional costs until revenues are substantial enough to support operations. These matters raise substantial doubt about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from sale of our products, our proposed Regulation Crowdfunding campaign, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition and operating results. The financial statements do not include any adjustments that might result from these uncertainties.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of expenses during the reporting periods. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

Fair Value of Financial Instruments
Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.
Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2016 and 2015. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. Fair values for these items were assumed to approximate carrying values because of their short term in nature or they are payable on demand.

Cash and Cash Equivalents
For purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounting for Convertible Notes and Securities with Beneficial Conversion Features
The Company reviews the terms of convertible debt and equity instruments it issues to determine whether there are derivative financial instruments, including an embedded conversion option that is required to be bifurcated and accounted for separately as a derivative financial instrument. In circumstances where a host instrument contains more than one embedded derivative instrument, including a conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

If applicable, the discount from the face value of the convertible debt, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to interest expense, using the effective interest method.

Revenue Recognition
The Company will recognize revenues from the sale of the GarageSkins real wood garage door overlay systems when (a) persuasive evidence that an agreement exists; (b) the service has been performed; (c) the prices are fixed and determinable and not subject to refund or adjustment; and (d) collection of the amounts due is reasonably assured. These sales will initially be direct to consumer with costs paid before product is shipped. Revenue will be deferred until the product ordered has shipped. The Company will not record revenues for estimated returns and allowances, based on expected and/or historical results.

Research and Development
We incur research and development costs during the process of researching and developing our technologies and future product offerings. Our research and development costs consist primarily of third-party services providers. We expense these costs as incurred until the resulting product has been completed, tested, and made ready for commercial use.

Product Warranty Costs
The Company may provide a warranty on its products. In estimating its future warranty obligations, the Company will consider various relevant factors, including the Company's stated warranty policies and practices, the historical frequency of claims and the cost to replace or repair its products under warranty. Because revenue activity has not yet commenced and there are no historical warranty estimates, there are no reserves as of December 31, 2016 and 2015. The Company anticipates offering a 30-day unconditional money-back warranty followed by a 12-month from date of purchase product replacement warranty for product defect or failure.

Income Taxes
The Company applies ASC 740 Income Taxes (“ASC 740”). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit. At December 31, 2016, the Company had approximately $55,000 in losses and net operating loss carry forwards of approximately $22,000 for tax purposes for which a full valuation allowance was assessed for a like amount, and may offset future taxable income through 2035.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and Oregon state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all periods since Inception. The Company currently is not under examination by any tax authority.

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.

NOTE 3 – DEBT

Note Payable to Related Party
On August 1, 2015, we entered into a note payable agreement with Richard and Julie Medlen. Richard Medlen is the Chief Executive Officer of the Company. The agreement calls for advances up to $15,000 and carries zero (0) interest per annum. The note payable is due and payable upon the Company raising over $500,000 in equity financing. The note payable was renewed June 1, 2017 without substantial modifications to the agreement. The balance of this note payable as of December 31, 2016 was $8,748. Accordingly, the Company has $6,252 available under the note payable. Because the note payable is meant to be short term and is minimal, any imputed interest on said note payable would be inconsequential.

Convertible Debt
In February 2015, the Company entered into a convertible unsecured promissory note with a third party for $40,000. The note matures in one year and may be extended six (6) months upon approval of both parties. The note bears interest at 7% per annum or the lesser of 15% or the maximum interest rate permitted by applicable law, upon default. The note is automatically convertible upon a qualified equity financing, which is an equity financing resulting in at least $500,000 in gross proceeds that takes the form of a priced preferred stock that is closed before the initial maturity date. In such a financing, the convertible debt and interest thereon would convert at the same price as the qualified financing, or in the absence of such terms, then a weighted average formula in which the lender will receive a 35% discount from the price paid by other investors and the lower of the actual enterprise valuation of the Company or $2,500,000. In the event there is no qualified financing per the terms of the agreement, prior to the initial maturity date or extended maturity date, the lender may, at its option, demand payment of two times the then current principal amount, plus any accrued but unpaid interest. In January 2017, the parties agreed to extend the maturity date to February 2018. Accordingly, the debt and accrued interest thereon is presented long-term in the accompanying financial statements.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

We are currently not involved with or know of any pending or threatened litigation against the Company or any of its officers.

NOTE 5 – STOCKHOLDERS' EQUITY

Common Stock
Upon Inception, GarageSkins, Inc. authorized the issuance of 15,000,000 shares of common stock with no par value. As of December 31, 2016, 8,000,000 of these shares have been issued to our founder at a par value of $0.00001 per share.

NOTE 6 – SUBSEQUENT EVENTS

See Note 3, for extension of convertible debt and note to related party.

In March of 2017, the Company entered into a convertible note in the amount of $30,000. The note bears zero (0) percent interest or the lesser of 15% or the maximum interest rate permitted by applicable law upon default, and is due 24 months from the date of the note. The note may be extended 12 months upon mutual agreement. The note is automatically convertible upon a qualified equity financing, which is an equity financing resulting in at least $500,000 in gross proceeds that takes the form of a priced preferred stock that is closed before the initial maturity date. In such a financing, the convertible debt and interest thereon would convert at the same price as the qualified financing.

The Company has evaluated subsequent events that occurred after December 31, 2016 through October 26, 2017, the issuance date of these financial statements. There have been no other events or transactions during this time which would have a material effect on these financial statements.