

MOJO DIGITAL ASSETS INC.

FINANCIAL REPORT

**At December 31, 2021 and 2020, and
For the Years Ended December 31, 2021 and 2020**

MOJO DIGITAL ASSETS INC.

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DISCLAIMER REPORT

To Management and Board of Directors
Mojo Digital Assets Inc.

The accompanying financial statements of Mojo Digital Assets Inc. as of December 31, 2021 and 2020, and for each of the years in the two-year period ended December 31, 2021, were not subjected to an audit, review, or compilation engagement by us and, we do not express an opinion, a conclusion, nor provide any assurance on them.

/s/Keith K Zhen CPA
Keith K Zhen CPA

Brooklyn, New York
February 7, 2022

MOJO DIGITAL ASSETS INC.

BALANCE SHEETS

	December 31, <u>2021</u>	December 31, <u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ <u>3,649</u>	\$ <u>-</u>
Total Current Assets	3,649	-
Total Assets	\$ <u><u>3,649</u></u>	\$ <u><u>-</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Loan from a related party (Note 7)	\$ <u>20,000</u>	\$ <u>-</u>
Total Current Liabilities	20,000	-
Total Liabilities	20,000	-
Commitments and Contingencies (Note 8)	-	-
Shareholders' Equity:		
Series A Preferred stock, par value \$0.001, 70,000,000 shares authorized; 70,000,000 shares issued and outstanding	70,000	70,000
Series B Preferred stock, par value \$0.001, 30,000,000 shares authorized; 30,000,000 shares issued and outstanding	30,000	30,000
Common stock, par value \$0.001, 300,000,000 shares authorized; 58,983,271 and 284,633,271 shares issued and outstanding as of December 31, 2021 and 2020, respectively	58,983	284,633
Additional paid-in capital	324,019	98,369
Retained Earnings (Accumulated deficit)	<u>(499,353)</u>	<u>(483,002)</u>
Total Shareholders' Equity (Deficit)	<u>(16,351)</u>	<u>-</u>
Total Liabilities and Shareholders' Equity (Deficit)	\$ <u><u>3,649</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

MOJO DIGITAL ASSETS INC.

STATEMENTS OF OPERATIONS

	For the Year Ended December 31, <u>2021</u>	For the Year Ended December 31, <u>2020</u>
Revenue		
Sales	\$ -	\$ -
Cost of Goods Sold	<u>-</u>	<u>-</u>
Gross Profit	-	-
Operating Expenses		
Payroll	-	65,000
Professional fees	10,853	23,191
Office expenses	<u>5,498</u>	<u>10,178</u>
Total Operating Expenses	16,351	98,369
Loss from Operations	(16,351)	(98,369)
Lose before Provision for Income Tax	(16,351)	(98,369)
Provision for Income Tax	<u>-</u>	<u>-</u>
Net Loss	<u>\$ (16,351)</u>	<u>\$ (98,369)</u>
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	<u>\$ (16,351)</u>	<u>\$ (98,369)</u>
Basic and Fully Diluted Loss per Share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding	<u>256,427,021</u>	<u>284,633,271</u>

The accompanying notes are an integral part of these financial statements.

MOJO DIGITAL ASSETS INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

	Series A Preferred Stock \$0.001 Par Value		Series B Preferred Stock \$0.001 Par Value		Common Stock \$0.001 Par Value		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balances at January 1, 2020	70,000,000	\$ 70,000	30,000,000	\$ 30,000	\$ 284,633,271	\$ 284,633	\$ -	\$ (384,633)	\$ -
Capital contribution	-	-	-	-	-	-	98,369	-	98,369
Net income (loss)	-	-	-	-	-	-	-	(98,369)	(98,369)
Balances at December 31, 2020	<u>70,000,000</u>	<u>\$ 70,000</u>	<u>30,000,000</u>	<u>\$ 30,000</u>	<u>\$ 284,633,271</u>	<u>\$ 284,633</u>	<u>\$ 98,369</u>	<u>\$ (483,002)</u>	<u>\$ -</u>
Cancellation of common stocks	-	-	-	-	(225,650,000)	(225,650)	225,650	-	-
Net income (loss)	-	-	-	-	-	-	-	(16,351)	(16,351)
Balances at December 31, 2021	<u>70,000,000</u>	<u>\$ 70,000</u>	<u>30,000,000</u>	<u>\$ 30,000</u>	<u>\$ 58,983,271</u>	<u>\$ 58,983</u>	<u>\$ 324,019</u>	<u>\$ (499,353)</u>	<u>\$ (16,351)</u>

The accompanying notes are an integral part of these financial statements.

MOJO DIGITAL ASSETS INC.

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, <u>2021</u>	For the Year Ended December 31, <u>2020</u>
<u>Cash Flows from Operating Activities</u> □		
Net loss	\$ (16,351)	\$ (98,369)
Adjustments to reconcile net loss		
Changes in operating assets and liabilities		
Increase/(Decrease) in accrued expenses	-	-
Net cash used by operating activities	(16,351)	(98,369)
<u>Cash Flows from Investing Activities</u> □		
Net cash provided (used) by investing activities	-	-
<u>Cash Flows from Financing Activities</u>		
Loan from a related party	20,000	
Proceeds from capital contribution	-	98,369
Net cash provided (used) by financing activities	20,000	98,369
Increase (decrease) in cash	3,649	-
Cash at beginning of period	-	-
Cash at end of period	\$ 3,649	\$ -
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income tax	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

MOJO DIGITAL ASSETS INC.

NOTES TO FINANCIAL STATEMENTS

Note 1- ORGANIZATION AND BUSINESS BACKGROUND

Mojo Digital Assets Inc. (the "Company" or "Mojo") was founded in Nevada on July 8, 2010 as Authentic Teas, Inc. ("Authentic"). Authentic's wholly-owned subsidiary was incorporated in the province of Ontario, Canada on July 8, 2010. On September 13, 2013, Authentic Teas, Inc., a Nevada corporation, merged with and into Mojo Data Solutions, Inc., a Puerto Rico corporation and a wholly-owned subsidiary of Authentic formed on August 21, 2013 solely for the purpose of reincorporating Authentic in Puerto Rico under the name Mojo Data Solutions, Inc., which was changed to TWL Water Technologies, Incorporated on December 30, 2019, and to Mojo Digital Assets Inc. on November 24, 2020.

The Company had been engaged in the various business since it's incorporation. The Company was not successful and discontinued the majority of its operation by December 31, 2019. Beginning from January 2020, the Company plans on providing business services and financing to emerging growth entities.

On August 3, 2020, our CEO, Mr. Joseph Spiteri obtained the control of the Company via the Stock Purchase Agreement (the "SPA") entered with the prior officers and directors. Mr. Spiteri purchase all the 70,000,000 shares of Series A preferred stock and was appointed as the sole director.

Note 2- CONTROL BY PRINCIPAL OWNERS

The directors and executive officers own, directly or indirectly, beneficially and in the aggregate, the majority of the voting power of the outstanding capital of the Company. Accordingly, directors, executive officers and their affiliates, if they voted their shares uniformly, would have the ability to control the approval of most corporate actions, including approving significant expenses, increasing the authorized capital and the dissolution, merger, or sale of the Company's assets.

Note 3- GOING CONCERN

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company incurred net losses of \$16,351 and \$98,369 for the year ended December 31, 2021 and 2020, respectively. In addition, the Company had stockholders' deficit of \$16,351 as of December 31, 2021. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management believes that the Company's capital requirements will depend on many factors including the success of the Company's development efforts and the Company's efforts to raise capital. Management also believes the Company needs to raise additional capital for working purposes. There is no assurance that such financing will be available in the future. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4- SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

MOJO DIGITAL ASSETS INC.

NOTES TO FINANCIAL STATEMENTS

Note 4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with US GAAP 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 financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results when ultimately realized could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash and cash equivalents with high-quality institutions. Deposits held with banks may not be insured or exceed the amount of insurance provided on such deposits. Generally these deposits may be redeemed upon demand and therefore bear minimal risk.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits in banks with maturities of three months or less, and all highly liquid investments that are unrestricted as to withdrawal or use, and which have original maturities of three months or less.

Valuation of Long-Lived assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Revenue Recognition

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, which requires the use of a new five-step model to recognize revenue from customer contracts. The five-step model requires that the Company (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

Related Parties

The Company adopted FASB ASC 850, Related Party Disclosures, for the identification of related parties and disclosure of related party transactions.

MOJO DIGITAL ASSETS INC.

NOTES TO FINANCIAL STATEMENTS

Note 4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized.

When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets without residual value. The percentages or depreciable life applied are:

Office equipment and furniture	5 years
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Fair Value of Measurements

The Company adopted FASB ASC 820 “Fair Value Measurements,” which defines fair value 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 at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities.

- Level 2:** Input other than quoted market prices that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Company.

- Level 3:** Unobservable inputs. Unobservable inputs reflect the assumptions that the Company develops based on available information about what market participants would use in valuing the asset or liability.

An asset or liability’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. The Company uses judgment in determining fair value of assets and liabilities, and Level 3 assets and liabilities involve greater judgment than Level 1 and Level 2 assets or liabilities.

As of the balance sheet date, the estimated fair values of the financial instruments approximated their fair values due to the short-term nature of these instruments.

MOJO DIGITAL ASSETS INC.

NOTES TO FINANCIAL STATEMENTS

Note 4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs

The Company expenses advertising costs as incurred or the first time the advertising takes place, whichever is earlier, in accordance with the FASB ASC 720-35, "Advertising Costs." The advertising costs were immaterial for the year ended December 31, 2020.

Research and Development Costs

Research and development costs relating to the development of new products and processes, including significant improvements and refinements to existing products, are expensed when incurred in accordance with the FASB ASC 730, "Research and Development." Research and development costs were immaterial for the year ended December 31, 2020.

Comprehensive Income

FASB ASC 220, "Comprehensive Income," establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income as defined includes all changes in equity during a period from non-owner sources. Accumulated comprehensive income, as presented in the accompanying statements of changes in owners' equity consists of changes in unrealized gains and losses on foreign currency translation. This comprehensive income is not included in the computation of income tax expense or benefit.

Segment Reporting

FASB ASC 820, "Segments Reporting," establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as information about geographical areas, business segments and major customers in financial statements. The Company currently operates in one principal business segment.

Earnings (Loss) Per Share

The Company reports earnings per share in accordance with FASB ASC 260, "Earnings Per Share," which requires presentation of basic and diluted earnings per share in conjunction with the disclosure of the methodology used in computing such earnings per share. Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. There were no potentially dilutive securities outstanding (options and warrants) for the two-year period ended December 31, 2021.

MOJO DIGITAL ASSETS INC.

NOTES TO FINANCIAL STATEMENTS

Note 4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company accounts for income tax in accordance with FASB ASC 740-10-25, which requires the asset and liability approach for financial accounting and reporting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance related to deferred tax assets is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company has accumulated deficit in its operation. Because there is no certainty that we will realize taxable income in the future, we did not record any deferred tax benefit as a result of these losses.

The Company adopted FASB ASC 740-10-30, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The FASB guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The FASB guidance also provides guidance on de-recognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure, and transition. In accordance with the FASB guidance, the Company performed a self-assessment and concluded that there were no significant uncertain tax positions requiring recognition in its financial statements.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

Subsequent Events

The Company evaluated subsequent events through the date of issuance of these financial statements. We are not aware of any significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on our financial statements.

Note 5- LOAN FROM A RELATED PARTY

The Company did not generate revenue from its planned operation. The CEO of the Company, Mr. Joseph Spiteri funded the Company's operations. In the year ended December 31, 2021, Mr. Spiteri made loans of \$20,000 to the Company. As of December 31, 2021, the balance due to the related party was \$20,000. These loans from the related party are unsecured, non-interest bearing and payable on demand. There are no written agreements for these loans.

MOJO DIGITAL ASSETS INC.

NOTES TO FINANCIAL STATEMENTS

Note 6- CAPITAL STOCK

Authorized Capital

On the date of incorporation on September 21, 2013, the Company is authorized to issue 300,000,000 shares of common stock, par value \$0.001 per share, and 70,000,000 shares of Series A preferred stock, par value \$0.001 per share. Each share of Series A preferred stock shall be entitled to ten shares of common stock in vote, and be entitled to participating dividends. On October 3, 2013, the Company amended its Certificate of Incorporation to be authorized to issue 30,000,000 shares of Series B preferred stock, par value \$0.001 per share. Each share of Series B preferred stock shall be entitled to one share of common stock in vote, and be entitled to participating dividends.

Capital stocks

The Company's former officers make capital contribution to finance the Company's operation due to lack of cash resources. The capital contribution amounted to \$98,369 in the year ended December 31, 2020. On November 16, 2021, the Company canceled 225,650,000 shares of common stock for no consideration.

Capital Issued and Outstanding

As of December 31, 2021 and 2020, 70,000,000 shares of Series A preferred stock, 30,000,000 shares of Series B preferred stock were issued and outstanding. The Company had 58,983,271 and 284,633,271 shares of common stock were issued and outstanding as of December 31, 2021 and 2020, respectively.

Note 7- OFFICE RENTAL EXPENSE

From time to time, the Company's officers provide office space to the Company for free. However, the Company has not reached a formal lease agreement with any officer as of the date of this filing. The office rental expenses were \$0 for the year ended December 31, 2021 and 2020.

Note 8- COMMITMENTS AND CONTINGENCIES

The Company adopted ASC 450-20, Loss Contingencies, to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Contingent Liability from Prior Operation

The Company had been engaged in the various business since its incorporation on September 21, 2013. The Company was not successful and discontinued the majority of its operation by December 31, 2019. Management believes that there are no valid outstanding liabilities from prior operations. If a creditor were to come forward and claim a liability, the Company has committed to contest such claim to the fullest extent of the law. No amount has been accrued in the financial statements for this contingent liability.