

CLOUDWEB, INC.

FORM 10-Q (Quarterly Report)

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Industry	Business Support Services
Sector	Industrials
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

or

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 333-199193

Cloudweb, Inc.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of
incorporation or organization)

47-0978297

(IRS Employer
Identification No.)

800 W El Camino Real Suite 180
Mountain View, CA

(Address of principal executive offices)

94040

(Zip Code)

650-963-7749

(Registrant’s telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated Filer

☒

Smaller reporting company

☒

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) ☐ YES ☒ NO

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. ☐ YES ☐ NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

27,819,385 common shares issued and outstanding as of May 1, 2025.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CLOUDWEB, INC. **CONDENSED BALANCE SHEETS** (in U.S. Dollars, except for number of shares or otherwise stated)

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
ASSETS		
Total Current Assets	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 60,309	\$ 61,099
Accrued interest	262,636	253,694
Promissory notes payable	2,160	2,160
Convertible notes payable, net of note discount	153,482	153,482
Due to related party	190,859	173,059
Total Current Liabilities	669,446	643,494
Promissory notes payable	67,326	67,326
Total Liabilities	<u>736,772</u>	<u>710,820</u>
Stockholders' Deficit		
Common stock, no par value; 500,000,000 shares authorized, 27,819,385 shares issued and outstanding	232,846,303	232,846,303
Accumulated deficit	(233,486,859)	(233,460,907)
Accumulated deficit from discontinued operations	(96,216)	(96,216)
Total Stockholders' Deficit	<u>(736,772)</u>	<u>(710,820)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ -</u>	<u>\$ -</u>

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

CLOUDWEB, INC.
CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(in U.S. Dollars, except for number of shares or otherwise stated)
(Unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
OPERATING EXPENSES		
Professional fees	\$ 17,009	\$ 16,900
Total Operating Expenses	17,009	16,900
OTHER EXPENSES		
Accounts payable written off	-	-
Interest expense	(8,943)	(9,042)
Total Operating Expenses	(8,943)	(9,042)
NET LOSS	\$ (25,952)	\$ (25,942)
NET LOSS PER SHARE: BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: BASIC AND DILUTED	27,819,385	27,819,385

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

CLOUDWEB, INC.
CONDENSED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(in U.S. Dollars, except for number of shares or otherwise stated)
(Unaudited)

Three Months Ended March 31, 2025

	Common Stock (no par value)			Accumulated Deficit From Discontinued Operations Deficit	Total Stockholders' Deficit
	Number of Shares	Amount	Accumulated Deficit		
Balance - December 31, 2024	27,819,385	\$ 232,846,303	\$ (233,460,907)	\$ (96,216)	\$ (710,820)
Net loss	-	-	(25,952)	-	(25,952)
Balance - March 31, 2025	27,819,385	\$ 232,846,303	\$ (233,486,859)	\$ (96,216)	\$ (736,772)

Three Months Ended March 31, 2024

	Common Stock (no par value)				Accumulated Deficit From Discontinued Operations Deficit	Total Stockholders' Deficit
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit		
Balance - December 31, 2023	27,819,385	\$ 237,937,821	\$ (5,091,518)	\$ (233,387,947)	\$ (96,216)	\$ (637,860)
Net loss	-	-	-	(25,942)	-	(25,942)
Balance - March 31, 2024	27,819,385	\$ 237,937,821	\$ (5,091,518)	\$ (233,413,889)	\$ (96,216)	\$ (663,802)

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

CLOUDWEB, INC.
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(in U.S. Dollars, except for number of shares or otherwise stated)
(Unaudited)

	Three Months ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (25,952)	\$ (25,942)
Changes in operating liabilities:		
Accounts payable and accrued liabilities	(790)	449
Accrued interest	8,942	9,043
Net cash used in operating activities	(17,800)	(16,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advancement from related party	17,800	16,450
Net cash provided by financing activities	17,800	16,450
Net change in cash and cash equivalents	-	-
Cash and cash equivalents - beginning of period	-	-
Cash and cash equivalents - end of period	<u>\$ -</u>	<u>\$ -</u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

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

CLOUDWEB, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024
(in U.S. Dollars, except for number of shares or otherwise stated)

NOTE 1 – ORGANIZATION AND BUSINESS OPERATIONS

Cloudweb, Inc. (the “Company”, or “we”) is a Florida corporation incorporated on May 25, 2014 as Formigli, Inc. In December 2015, the Company changed its name to Data Backup, Inc., and on November 4, 2016, the Company changed its name to Data Backup Solutions Inc. On October 1, 2017, the Company changed its name to Cloudweb, Inc.

We are currently exploring different options of further developing and marketing our web hosting and data storage services. This includes plans to make hosting available for free while being supported by advertiser content. The Company will also look into white labeling its services to allow other brands to use our platforms for their own needs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles used in the United States of America (“US GAAP”) and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s most recent Annual Financial Statements filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim period presented have been reflected herein. The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. This report should be read in conjunction with the audited financial statements and the footnotes thereto for the fiscal year ended December 31, 2024 included in the Company’s Annual Report on Form 10-K as filed with the SEC on February 27, 2025.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

- Level 1: defined as observable inputs such as quoted prices in active markets;
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The carrying value of cash, prepayments and the Company’s loan from shareholder approximates its fair value due to their short-term maturity.

Convertible Financial Instruments

The Company bifurcates conversion options from their host instruments and accounts for them as free-standing derivative financial instruments if certain criteria are met. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not remeasured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional, as that term is described under applicable U.S. GAAP.

Basic and Diluted Income (Loss) Per Share

The Company computes income (loss) per share in accordance with FASB ASC 260, “Earnings per Share” which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted income (loss) per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive.

For the three months ended March 31, 2025 and 2024, respectively, the following convertible notes were excluded from the computation of diluted net loss per shares as the result of the computation was anti-dilutive:

	March 31, 2025	March 31, 2024
	(Shares)	(Shares)
Convertible notes payable	55,326,667	55,326,667

Recent accounting pronouncements

We have evaluated all other recently issued, but not yet effective, accounting pronouncements and do not believe that these accounting pronouncements will have any material impact on our financial statements or disclosures upon adoption.

Recently adopted accounting standards

In August 2020, the FASB issued ASU 2020-06, ASC Subtopic 470-20 “Debt-Debt with Conversion and Other Options” and ASC subtopic 815-40 “Hedging-Contracts in Entity’s Own Equity.” The standard reduced the number of accounting models for convertible debt instruments and convertible preferred stock. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting; and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. ASU 2020-06 removes from U.S. GAAP the separation models for (1) convertible debt with a CCF and (2) convertible instruments with a beneficial conversion feature (“BCF”). With the adoption of ASU 2020-06, entities will not separately present in equity an embedded conversion feature these debts. The amendments in this update are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. The adoption of ASU 2023-09 has not had a material effect on the Company’s statements and disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting* (Topic 280). The amendments in this update expand segment disclosure requirements, including new segment disclosure requirements for entities with a single reportable segment among other disclosure requirements. This update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The adoption of ASU 2023-07 has not had a material effect on the Company’s statements and disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes* (Topic 740) - *Improvements to Income Tax Disclosures* (“ASU 2023-09”), which is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 provide for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company prospectively to all annual periods beginning after December 15, 2024. Early adoption is permitted. The adoption of ASU 2023-09 has not had a material effect on the Company’s statements and disclosures.

NOTE 3 – GOING CONCERN

The Company believes that its existing capital resources may not be adequate to enable it to execute its business plan. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. The Company estimates that it will require additional cash resources from loan from related party and unaffiliated parties based on its current operating plan and condition. The accompanying financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. If we fail to generate positive cash flow or obtain additional financing, when required, we may have to modify, delay, or abandon some or all of our business and expansion plans.

NOTE 4 – RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2025 and 2024, the Director of the Company advanced \$17,800 and \$16,450 for paying operating expenses on behalf of the Company, respectively. The loan is non-interest bearing and due on demand.

As of March 31, 2025 and December 31, 2024, due to related party was \$190,859 and \$173,059, respectively.

NOTE 5 – PROMISSORY NOTES

	Expiry Date	March 31, 2025	December 31, 2024	Interest Rate
Promissory Note - November 2017	Due on demand	\$ 2,160	\$ 2,160	60% per annum
Promissory Note - March 2018	3/31/2028	15,296	15,296	30% per annum
Promissory Note - June 2018	6/29/2028	12,249	12,249	30% per annum
Promissory Note - September 2018	9/29/2028	5,408	5,408	30% per annum
Promissory Note - December 2018	12/30/2028	6,137	6,137	30% per annum
Promissory Note - March 2019	3/30/2029	7,150	7,150	30% per annum
Promissory Note - June 2019	6/30/2029	10,105	10,105	30% per annum
Promissory Note - September 2019	9/30/2029	4,081	4,081	30% per annum
Promissory Note - December 2019	12/31/2029	6,900	6,900	30% per annum
		69,486	69,486	
Less current portion of promissory note payable		(2,160)	(2,160)	
Long-term promissory notes payable		<u>\$ 67,326</u>	<u>\$ 67,326</u>	

As of March 31, 2025 and December 31, 2024, the accrued interest on the promissory notes was \$138,481 and \$133,108 respectively.

NOTE 6 – CONVERTIBLE NOTES

	Expiry Date	March 31, 2025	December 31, 2024
Convertible Notes - July 2017	6/30/2022	\$ 116,000	\$ 116,000
Convertible Notes - January 2020	Due on demand	8,033	8,033
Convertible Notes - March 2020	Due on demand	4,768	4,768
Convertible Notes - June 2020	Due on demand	13,800	13,800
Convertible Notes - September 2020	Due on demand	7,307	7,307
Convertible Notes - April 2022	Due on demand	3,574	3,574
		153,482	153,482
Less current portion of convertible note payable		(153,482)	(153,482)
Long-term convertible notes payable		\$ -	\$ -

Convertible Notes – July 2017

On July 1, 2017, the Company replaced the promissory notes held by the four non-affiliated assignees with convertible notes at principal amount of \$34,000, for total note principal amount of \$136,000. The convertible notes bear interest at 4% per annum, has an original expiry date of June 30, 2019 and subsequently extended to June 30, 2022 and are convertible at \$0.005 per share for the Company common stock. On January 2, 2018, the four non-affiliated holders of the convertible notes elected to convert \$5,000 principal portion of their notes for 5,000 shares (pre 200:1 reverse stock split - 1,000,000 shares) of common stock at \$0.005 per share. An aggregate \$20,000 principal amount of the four convertible notes were converted for 4,000,000 common shares. The note is currently at default.

Convertible Note – January 2020

On January 2, 2020, the Company replaced a promissory note of \$17,033 originally issued to an unaffiliated party on December 31, 2017 with a convertible note of \$17,033. The convertible note is due on demand, bear interest at 10% per annum and is convertible at \$0.003 per share. The discount on convertible note from beneficial conversion feature of \$17,033 was fully amortized during the year ended December 31, 2020. On March 4, 2020, this convertible note was sold to another unaffiliated party.

Convertible Note – March 2020

On March 4, 2020, the convertible note originally issued on January 2, 2020 comprising of principal amount of \$17,033 and accrued interest of \$21,073 was sold to another unaffiliated party. On March 23, 2020, the principal amount of the convertible note of \$9,000 was converted into 15,000 shares (pre 200:1 reverse stock split - 3,000,000 shares) of common stock.

On March 31, 2020, the Company issued to an unaffiliated party a convertible note at \$4,768 for paying operating expenses on behalf of the Company. The convertible note is due on demand, bears interest at 30% per annum and is convertible at \$0.001 per share. The discount on convertible note from beneficial conversion feature of \$4,768 was fully amortized during the year ended December 31, 2020.

Convertible Note – June 2020

On June 30, 2020, the Company issued to an unaffiliated party a convertible note at \$13,800 for paying operating expenses on behalf of the Company. The convertible note is due on demand, bears interest at 30% per annum and is convertible at \$0.001 per share. The discount on convertible note from beneficial conversion feature of \$13,800 was fully amortized during the year ended December 31, 2020.

Convertible Note – September 2020

On September 30, 2020, the Company issued to an unaffiliated party a convertible note at \$7,307 for paying operating expenses on behalf of the Company. The convertible note is due on demand, bears interest at 30% per annum and is convertible at \$0.001 per share. The discount on convertible note from beneficial conversion feature of \$7,307 was fully amortized during the year ended December 31, 2020.

Convertible Note – December 2020

On December 31, 2020, the Company issued to an unaffiliated party a convertible note at \$6,074 for paying operating expenses on behalf of the Company. The convertible note is due on demand, bears interest at 30% per annum and is convertible at \$0.001 per share. The discount on convertible note from beneficial conversion feature of \$6,074 was fully amortized during the year ended December 31, 2020. During the year ended December 31, 2022, the Company issued 2,500,000 for partial repayment of the convertible note of \$2,500 at \$2.10 stock price. As of March 31, 2025 and December 31, 2024, the convertible note was \$3,574.

As of March 31, 2025 and December 31, 2024, the convertible notes payable was \$153,482, net of note discount and accrued interest payable was \$124,155 and \$120,586, respectively.

NOTE 7 - EQUITY

Authorized Stock

The Company's authorized common stock consists of 500,000,000 shares with no par value.

Common Shares

As of March 31, 2025 and December 31, 2024, the issued and outstanding shares of common stock was 27,819,385.

NOTE 8 – SEGMENT REPORTING

Operating segments comprised of the components of an entity in which separate information is available for evaluation by the Company's chief operating decision maker, or group of decision makers, in determining how to allocate resources in evaluating performance. The Company consists of a single reporting segment: web hosting and data storage service. The Company's chief operating decision maker ("CODM") is its Chief Executive Officer.

Through March 31, 2025, the Company is still in development stage. Upon the commencement of its operation, the CODM will evaluate the performance of the web hosting and data storage service segment based on the Company's net income (loss) as reported in the Statements of Operations. The Company's segment assets are reported on the Balance Sheets.

The CODM will review performance based on gross profit, operating profit, net earnings and net earnings excluding the impact of the fair value adjustment, a non-GAAP financial measure. Operating profit is reviewed to monitor the operating and administrative expenses of the Company. Profitability is important to the Company's ability to grow and expand operations and strategic initiatives. The Company does not have any operations or sources of revenue outside of the United States.

NOTE 9 – SUBSEQUENT EVENTS

In accordance with ASC 855, "Subsequent Events," the Company has analyzed its operations subsequent to March 31, 2025 to the date these financial statements were issued and has determined that it does not have any material subsequent events to disclose in these financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition or Plan of Operation**FORWARD-LOOKING STATEMENTS**

This quarterly report contains forward-looking statements relating to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “intends”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential”, or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause our or our industry’s actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or performance. You should not place undue reliance on these statements, which speak only as of the date that they were made. These cautionary statements should be considered with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results, later events or circumstances or to reflect the occurrence of unanticipated events.

In this report unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to “common shares” refer to the common shares of our capital stock.

The management’s discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

As used in this quarterly report, the terms “we”, “us”, “our”, and “our company” means Cloudweb, Inc., unless otherwise indicated.

General Overview**Our Company**

Cloudweb, Inc. is a Florida corporation incorporated on May 25, 2014 as Formigli, Inc. In December 2015, the Company changed its name to Data Backup, Inc., and on November 4, 2016, the Company changed its name to Data Backup Solutions Inc. On October 1, 2017, the Company changed its name to Cloudweb, Inc.

Our headquarters are located at 800 W El Camino Real Suite 180 Mountain View, Florida, CA 94040.

We are currently exploring different options of further developing and marketing our web hosting and data storage services Hostwizer.com, W8hosting.com, and JeyCloud.com. This includes plans to make hosting available for free while being supported by advertiser content. The Company will also look into white labeling its services to allow other brands to use our platforms for their own needs.

We do not have any subsidiaries.

We have never declared bankruptcy, been in receivership, or involved in any kind of legal proceeding.

Results of Operations

The following summary of our operations should be read in conjunction with our unaudited condensed financial statements for the three months ended March 31, 2025 and 2024.

Three months ended March 31, 2025 compared to three months ended March 31, 2024

	Three Months Ended March 31,			
	2025	2024	Changes	%
Operating expenses	\$ 17,009	\$ 16,900	109	1%
Other expenses	8,943	9,042	(99)	(1)%
Net Loss	<u>\$ 25,952</u>	<u>\$ 25,942</u>	<u>\$ 10</u>	<u>-</u>

Our net loss for the three months ended March 31, 2025 was \$25,952 compared with net loss of \$25,942 for the three months ended March 31, 2024.

Liquidity and Capital

Working Capital

	As of March 31, 2025	As of December 31, 2024	Changes	%
Current Assets	\$ -	\$ -	\$ -	-
Current Liabilities	\$ 669,446	\$ 643,494	\$ 25,952	4%
Working Capital Deficiency	<u>\$ (669,446)</u>	<u>\$ (643,494)</u>	<u>\$ (25,952)</u>	<u>4%</u>

As at March 31, 2025 and December 31, 2024, our Company had no cash and assets.

As at March 31, 2025, our Company had current liabilities of \$669,446 as compared to \$643,494 as of December 31, 2024. The increase in current liabilities was due to an increase in accrued interest and due to related party.

As at March 31, 2025, our Company had a working capital deficiency of \$669,446 compared with a working capital deficit of \$643,494 as at December 31, 2024. The increase in working capital deficit was primarily due to increase in accrued interest and due to related party.

Cash Flows

	Three Months Ended March 31,		Changes	%
	2025	2024		
Cash flows used in operating activities	\$ (17,800)	\$ (16,450)	\$ (1,350)	8%
Cash flows provided by financing activities	17,800	16,450	1,350	8%
Net changes in cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

Cash Flow from Operating Activities

We have not generated positive cash flow from operating activities. During the three months ended December 31, 2025, net cash used in operating activities was \$17,800 compared to \$16,450 used during the three months ended March 31, 2024.

Cash flows used in operating activities during the three months ended March 31, 2025, comprised of a net loss of \$25,952, reduced by a net change in working capital of \$8,152.

Cash flows used in operating activities during the three months ended March 31, 2024, comprised of a net loss of \$25,942, reduced by a net change in working capital of \$9,492.

Cash Flow from Investing Activities

During the three months ended March 31, 2025 and 2024, our Company did not have any investing activities.

Cash Flow from Financing Activities

During the three months ended March 31, 2025 and 2024, net cash provided by financing activities was \$17,800 and \$16,450 for advancement from the Company's Director for paying operating expenses, respectively.

Going Concern

As of March 31, 2025, we had an accumulated deficit of \$233,486,859. We believe that its existing capital resources may not be adequate to enable it to execute its business plan. These conditions raise substantial doubt as to our Company's ability to continue as a going concern. Our Company is currently exploring different options of further developing and marketing our web hosting and data storage services. The accompanying condensed financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. If we fail to generate positive cash flow or obtain additional financing, when required, we may have to modify, delay, or abandon some or all of our business plans.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company", we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (our principal executive officer, principal financial officer and principal accounting officer), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a- 15(e) and 15d- 15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer has concluded that as of such date, our disclosure controls and procedures were not effective such that the information relating to us required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During the period covered by this report there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We know of no material, existing or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our company.

Item 1A. Risk Factors

As a “smaller reporting company”, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are included as part of this report:

Exhibit Number	Description
31	Rule 13a-14(a)/15d-14(a) Certification
31.1	Section 302 Certification under the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer
32	Section 1350 Certification
32.1*	Section 906 Certification under the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer
101	Interactive Data Files
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith. In addition, in accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

** XBRL Information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CLOUDWEB, INC.

(Registrant)

Dated: May 5, 2025

/s/ Zhi De Liao

Zhi De Liao

President, Chief Executive Officer,
Chief Financial Officer and Director
(Principal Executive Officer, Principal
Financial Officer and Principal Accounting Officer)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Zhi De Liao, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cloudweb, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2025

/s/ Zhi De Liao

Zhi De Liao

President, Chief Executive Officer,
 Chief Financial Officer and Director
 (Principal Executive Officer, Principal
 Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Zhi De Liao, President, of Cloudweb, Inc., hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the quarterly report on Form 10-Q of Cloudweb, Inc. for the period ended March 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cloudweb, Inc.

Date: May 5, 2025

/s/ Zhi De Liao

Zhi De Liao
President, Chief Executive Officer,
Chief Financial Officer and Director
(Principal Executive Officer, Principal
Financial Officer and Principal Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cloudweb, Inc. and will be retained by Cloudweb, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.