Management-prepared. These statements cover the period from inception on June 22, 2026 through August 31, 2026 and have not been audited or reviewed by an independent accountant. Two matters require the accountant's determination before they are final: the payroll treatment of founder compensation, and the U.S. GAAP classification of the SAFE instruments.

BALANCE SHEET — AUGUST 31, 2026

Assets	
Cash	$60.94
Other assets	-
Total assets	**$60.94**
Liabilities and stockholders' equity	
SAFE obligation — provisional classification	$20,000.00
Stockholders' deficit	($19,939.06)
Total liabilities and stockholders' equity	**$60.94**

STATEMENT OF OPERATIONS

Revenue	-
Other income	$0.44
Founder compensation expense	($20,004.50)
Net loss	**($20,004.06)**

STATEMENT OF CASH FLOWS

Cash flows from operating activities	
Other income received	$0.44
Founder compensation paid	($20,004.50)
Net cash used in operating activities	**($20,004.06)**
Cash flows from investing activities	
Net cash used in investing activities	**-**
Cash flows from financing activities	
SAFE proceeds	$20,000.00
Founder cash contribution	$65.00
Net cash provided by financing activities	**$20,065.00**
Net increase in cash	**$60.94**
Cash at inception	-
Cash at August 31, 2026	$60.94

STATEMENT OF STOCKHOLDERS' EQUITY

	Additional paid-in capital	Accumulated deficit	Total
Balance at inception	**-**	**-**	**-**
Founder cash contribution	$65.00	-	$65.00
Net loss	**-**	**($20,004.06)**	**($20,004.06)**
Balance at August 31, 2026	**$65.00**	**($20,004.06)**	**($19,939.06)**

NOTES TO MANAGEMENT-PREPARED FINANCIAL STATEMENTS

1. Organization and basis of presentation

VeriStrata, Inc. was incorporated in Delaware on June 22, 2026. Because the company did not exist in earlier fiscal years, these statements cover the period from inception through August 31, 2026. They were prepared by management from the Brex bank and card ledgers using accrual-basis U.S. GAAP concepts, but have not been audited or reviewed by an independent accountant.

2. Nature of operations and going concern

The company is developing an evidence-mapping software platform. It had no revenue through August 31, 2026 and had $60.94 of cash at period end. Continued operations depend on additional financing. Management is pursuing a Regulation Crowdfunding offering intended to fund product hardening and pilot validation.

3. Cash

Cash consists of deposits held at Brex. The source ledger produced an ending cash balance of $60.94. An August bank statement was not supplied for independent statement-level confirmation.

4. Founder compensation

The founder has worked full time on VeriStrata and its predecessor since 2025, and that work was self-financed. During 2025 the founder contributed $150,005 of personal capital to the predecessor entity and drew approximately $148,600 of it for living costs while building the platform full time, with no outside investment and no salary from any other source. The working alpha, browser extension, evidence pipeline, and governance layer were produced in that period.

The first outside capital arrived in July 2026. Cash disbursements totaling $20,004.50 were made for the founder between incorporation on June 22, 2026 and August 31, 2026 through direct transfers, Remitly, PayPal, BECU, and card merchants — approximately $8,570 per month across that period — continuing the same full-time work through the fundraising period. Management states that these payments were compensation and living-cost runway for full-time services to VeriStrata, and they are recorded as founder compensation expense rather than as a receivable.

Under the funded plan, founder compensation is set at $6,000 per month, $90,000 across the fifteen months the base round funds, or 56% of the round. Disbursements before the close were made at a higher monthly rate because that period covered founder living costs during the raise itself, before the funded budget takes effect.

The company did not process the payments through payroll, and this draft does not estimate employer payroll taxes, withholding, penalties, or related liabilities. A CPA and payroll professional must determine the required federal, state, and international payroll treatment and filings.

5. SAFEs

The company received $20,000 in cash under two post-money SAFE instruments with a $6,000,000 valuation cap and no discount. This draft presents the instruments as a noncurrent SAFE obligation solely as a provisional classification. Final classification and any fair-value or derivative accounting must be determined by the independent accountant under the applicable U.S. GAAP literature.

6. Reported novation of predecessor instruments

Management reports that two $1,000 SAFE instruments originally issued by TruthTrollers, LLC were novated to VeriStrata while retaining a $6,000,000 cap and 20% discount. VeriStrata received no new cash. Executed novation documents and a CPA-approved accounting entry were not included in the source package used for this draft; accordingly, the $2,000 is disclosed but not recorded in the accompanying balances. The statements must be adjusted if the novations were legally effective on or before August 31, 2026.

7. Stockholders' equity and intellectual property

The Brex ledger shows $65 of small cash deposits from the founder, provisionally recorded as additional paid-in capital. Corporate stock issuance records, par value accounting, and documentation supporting the founder intellectual-property assignment were not used to establish additional recorded amounts. Internally developed intellectual property generally is not recorded at an asserted market value merely because it was assigned by the founder.

8. Subsequent financing and Wefunder presentation

The two direct $10,000 SAFEs may be presented to Wefunder as $20,000 of off-platform investment on the same monetary terms as the proposed round, subject to Wefunder verification. The two reported novated $1,000 instruments have different discount economics and are excluded from that campaign progress amount; they remain a separate capitalization and accounting disclosure.

ITEMS FOR THE INDEPENDENT ACCOUNTANT

- Founder compensation — payroll treatment. Determine required withholding, employer payroll taxes, filings, and any related liabilities for the $20,004.50 recorded as compensation, including the treatment applicable to a founder resident outside the United States. Open and required.
- August 2026 Brex statement, to confirm the $60.94 ending balance. To be supplied.
- Both $10,000 SAFE agreements — executed and available. Accountant to confirm U.S. GAAP classification.
- Both novation agreements — executed and available, together with the original predecessor instruments and effective dates. Accountant to record the $2,000 of assumed obligations.
- Founder stock issuance records, capitalization ledger, and formation-cost records. The founder IP assignment is executed and available; the stock ledger is to be produced.
- Independent accountant to make the required adjustments and issue the review report for the planned offering size. Required before any Regulation Crowdfunding filing.