Greenkraft, Inc.
Balance Sheet
12/31/2023

		As of 12/31/2023 (unaudited)
Assets		
Current Assets		
Cash	$	1,089,631
Accounts receivable, net of allowance for doubtful account of $0		-
Inventories, net		1,036,860
Total Current Assets		**2,126,491**
Property and equipment, net		2,603
Right of use		504,267
Total Non- Current Assets		**506,870**
Total Assets	**$**	**2,633,361**
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable		-
Accounts payable - related party		850,000
Accrued liabilities		157,679
Deferred income		517,580
Convertible notes payable		-
Other liabilities		83,427
Short term debt CEC		-
Short term debt related party		-
Lease Liability - current		96,878
Deferred rent - current		-
Sba loan		592,281
Total Current Liabilities	**$**	**2,297,845**
Non-Current Liabilities		
Deferred rent - net of current		-
Long term payable related party		1,901,916
Long term payable - related party Defiance		285,389
Long term payable - related party FWP		525,000
Long term payable - related party CEE		5,945
Long term debt CEC		344,000
Lease Liability - Long Term		407,389
Total Non-Current Liabilities	**$**	**3,469,639**
Total Liabilities	**$**	**5,767,484**
Commitments and Contingencies		-
Shareholders' Deficit		
Common Stock, 400,000,000 shares authorized, 103,102,718 and 105,102,718 shares issued and outstanding, respectively		103,103
Additional Paid-In Capital		4,866,158
Accumulated Deficit		(8,103,384)
Total Stockholders' Deficit		(3,134,123)
Total Liabilities and Stockholders' Deficit	**$**	**2,633,361**

Greenkraft, Inc.
Statements of Operations
12/31/2023
(unaudited)

		2023
Revenue	$	1,081,519
Cost of revenue		607,790
Gross Profit		473,729
Costs and expenses:		
Payroll Expenses		149,832
Rent		120,000
Selling, general and administrative		276,974
Total costs and expenses		546,806
Income (Loss) from operations		(73,077)
Other income		156,206
Total Other income		156,206
Net Income	$	83,129
Basic Income (Loss) per share		0.00
Weighted average number of common shares outstanding- Basic		105,102,718
Diluted Income per Share		0.00
Weighted average number of common shares outstanding - Diluted		108,602,718

Greenkraft, Inc.
Statement of Cash Flows
12/31/2023
(unaudited)

		2023
Operating Activities:		
Income	$	83,129
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Loss on Conversion of debt to stock		
Depreciation expense		10,943
Inventory		360,489
Right of use asset		
Accounts payable		-
Accounts payable- related party		120,000
Accrued expense		
Accrued Liabilities		
Deferred Income		
Freight Inventory		10,097
Deposit On Inventory		
Short Term debt CEC		5,000
Long Term debt CEC		(195,000)
Note Payable		
Warranty Liability		7,500
Net cash (used) in provided by operating activities	$	402,158
Investing Activities:		
Purchase of Machinery and Equipment		
		-
Financing Activities:		
sba loan		
stock repurchase		
Borrowings under lines of credit-related party		
Net cash provided by financing activities		-
Net increase in cash	$	402,158
Cash, Beginning of period	$	687,473
Cash, End of period	$	1,089,631
Cash paid for interest		-
Cash paid for income taxes		-
Forgiveness of related party borrowings LOC		-
Debt converted to Common Stock		

Greenkraft, Inc.
Stockholder’s Equity
12/31/2023
(unaudited)

	Common Stock				Additional Paid-In		Accumulated		Total Stockholders’
	Shares		Amount		Capital		Deficit		Deficit
Net Change 2022						$	15,000	$	15,000
Balance December 31, 2022	103,102,718	$	103,103	$	4,866,158	$	(8,186,513)	$	(3,217,253)
Net Income 2023						$	83,129	$	83,129
Balance December 31, 2023	103,102,718	$	103,103	$	4,866,158	$	(8,103,384)	$	(3,134,123)

GREENKRAFT, INC.
Notes to Condensed Financial Statements (unaudited)

NOTE 1—ORGANIZATION AND BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business. Greenkraft, Inc. is a manufacturer and distributor of automotive products. We manufacture commercial forward cabin trucks for vehicles weighing from 14,001 lbs. to 33,000 lbs. in alternative fuels and electric vehicles. We also manufacture and sell alternative fuel engines.

Basis of Presentation – The accompanying financial statements of the Company were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Reclassifications - Certain prior year amounts have been reclassified to conform with the current year presentation.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States necessarily requires management to make estimates and assumptions that affect the amounts reported in the financial statements. We regularly evaluate estimates and judgments based on historical experience and other relevant facts and circumstances. Actual results could differ from those estimates.

Concentration of credit risk – Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and trade receivables. The Company places its cash with high credit quality financial institutions. At times, such cash may be in excess of the FDIC limit. With respect to trade receivables, the Company routinely assesses the financial strength of its customers and, as a consequence, believes that the receivable credit risk exposure is limited.

Cash and cash equivalents – Cash equivalents are highly liquid investments with an original maturity of three months or less.

Accounts Receivable – Trade accounts receivable consist of amounts due from the sale of trucks. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 90 days of receipt of the invoice. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts based on historical collection experience and a review of the current status of trade accounts receivable. There are no amounts considered uncollectable as of December 31, 2023. At December 31, 2023, for accounts receivable, $0 represents one customer from the sale of parts.

Inventories – Inventories are primarily raw materials. Inventories are valued at the lower of cost, as determined on a weighted average cost basis, or market. Market value is determined by reference to selling prices after the balance sheet date or to management's estimates based on prevailing market conditions. Management writes down the inventories to market value if it is below cost. Management also regularly evaluates the composition of its inventories to identify slow-moving and obsolete inventories to determine if valuation allowance is required. Costs of raw material inventories include purchase and related costs incurred in bringing the products to their present location and condition. No allowance was deemed necessary by management as of December 31, 2023, respectively.

Property and equipment – Property and equipment are carried at the cost of acquisition or construction and depreciated over the estimated useful lives of the assets. Costs associated with repair and maintenance are expensed as incurred. Costs associated with improvements which extend the life, increase the capacity or improve the efficiency of our property and equipment are capitalized and depreciated over the remaining life of the related asset. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are ten years for all the equipment held by the Company. Depreciation expense of $10,943 are recognized for the year ended December 31, 2023.

Research and development – Costs incurred in connection with the development of new products and manufacturing methods are charged to selling, general and administrative expenses as incurred. During the years ended December 31, 2023 $0, respectively, were expensed as research and development costs.

Long Lived Assets - In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360, Property, Plant and Equipment, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicated that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and a current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life.

Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. No impairment was deemed necessary by management as of December 31, 2023, respectively.

Revenue recognition – The Company recognizes revenue in accordance with ASC 606, "Revenue from Contracts with Customers" ("ASC 606"). In accordance with ASC 606, the Company applies the following methodology to recognize revenue:

i. Identify the contract with a customer.

ii. Identify the performance obligations in the contract.

iii. Determine the transaction price.

iv. Allocate the transaction price to the performance obligations in the contract.

v. Recognize revenue when (or as) the entity satisfies a performance obligation.

Accordingly, the Company recognizes specific components of revenue as described below:

1. Parts – Performance obligation to deliver "X" parts are recognized as products are shipped. Typically there is not a large volume of parts (recently), thus contract price allocated to performance obligations (ratable parts) as shipped.
2. Service – "Right to invoice" practical expedient pursuant to 606-10-55-18, billed at hourly rates plus parts.
3. Trucks – Performance obligation to deliver system. Recognition of revenue at a point in time, given recognition over time criteria not met pursuant to 606-10-25-24. Final transfer of control passed to customer upon receipt and final acceptance. When the truck is accepted by the customer the final invoice is issued and all deferred revenue is recognized along with the related work in process costs for the truck. Trucks generally take 90 days to manufacture, assemble and then ship to our various customers. As of December 31, 2023 customer deposits were $517,580 respectively.

Estimated warranty obligations are recorded at the time of sale and amortized over the two year warranty period. As of December 31, 2023, warranty liability was $142,523. The company does not offer its customers the option to purchase a warranty separately, thus warranties are accounted for under ASC 460.

Income taxes - Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. These assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse.

We have net operating loss carry forwards available to reduce future taxable income. Future tax benefits for these net operating losses carry forwards are recognized to the extent that realization of these benefits is considered more likely than not. To the extent that we will not realize a future tax benefit, a valuation allowance is established.

Earning or Loss per Share - The Company accounts for earnings per share pursuant to ASC 260, Earnings per Share, which requires disclosure on the financial statements of "basic" and "diluted" earnings (loss) per share. Basic earnings (loss) per share are computed by dividing net income (loss) by the weighted average number of common shares outstanding for the year. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive) related to stock options and warrants for each year. As there was a net income for the year ended December 31, 2023 and net loss for 2022, basic and diluted losses per share are the same for the year ended December 31, 2023 as any potentially dilutive shares would be considered anti-dilutive.

Related Parties - A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Recently issued accounting pronouncements – Certain reclassifications have been made to the prior period financial information to conform to the presentation used in the financial statements for the year ended December 31, 2023.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows: Clarification of Certain Cash Receipts and Cash Payments ("ASU 2016-15"), which eliminates the diversity in practice related to classification of certain cash receipts and payments in the statement of cash flows, by adding or clarifying guidance on eight specific cash flow issues. This new guidance was effective for annual reporting periods beginning after December 15, 2017, and interim periods within those fiscal years and early adoption is permitted, including adoption in an interim period. The adoption of this ASU has had no material impact on the Company's financial statements and disclosures.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"), which provides guidance that will require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This new guidance was effective for annual reporting periods beginning after December 15, 2017, and interim periods within those fiscal years and early adoption is permitted, including adoption in an interim period. The adoption of this ASU has had no material impact of the Company's Statement of Cash Flows.

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting.* This ASU clarifies an entity's ability to modify the terms or conditions of a share-based payment award presented. An entity should account for the effects of a modification unless all the following are met: the fair value of the modified award has not changed from the fair value on the date of issuance; the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified; and, the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the original award is modified. This new guidance was effective for annual reporting periods beginning after December 15, 2017, including interim periods within those periods. The adoption of this ASU has had no material impact on the Company's financial statements and disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The ASU requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. This new guidance will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual reporting periods, and early adoption is permitted. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently in the process of evaluating the potential effect that the adoption of this standard will have on its financial position and results of operations.

NOTE 2 – RELATED PARTY TRANSACTIONS

As of December 31, 2023, the Company has notes payable for the amount of $2,718,250, to its President and his related entities. All amounts are due, are unsecured and do not bear interest. This amount was reclassified to long term related party debt because the company's president does not expect repayment during the next 12 months.

First Standard Real Estate LLC is the owner of 2530 South Birch Street, Santa Ana, CA 92707. Greenkraft's president is a member of First Standard Real Estate LLC. Greenkraft leased a portion of the building designated as 20,000 square feet garage area. The term of the lease agreement is from September 1, 2016 to December 31, 2022 and renewed in December 2022 to December 2027, with a monthly rent of $10,000. As of December 31, 2023, Greenkraft owes rent expense of $850,000 to First Standard Real Estate LLC, respectively. This lease was renewed for another 5 years.

NOTE 3- PROPERTY AND EQUIPMENT

For the years ended December 31, 2023, depreciation expense of fixed assets totaled approximately $10,943, respectively. Equipment for years ended December 31, 2023 $109,428.

NOTE 4 – INVENTORIES

For years ended December 31, 2023, company had inventory of $1,036,860.

NOTE 5 – CONVERTIBLE NOTES

As of December 31, 2023 convertible notes had a balance of $0 respectively.

The outstanding note is convertible at a rate of 0.001 into shares of common stock.

NOTE 6- COMMON STOCK

As of December 31 2023, the Company had 400,000,000 Common shares authorized with a par value of $.0001 per share, and 103,102,718 shares were issued and outstanding, respectively.

NOTE 7 - LONG TERM DEBT

The Company paid $195,000 from $539,000 debt and has $344,000 long term debt and $0 short term debt, this is from amounts converted from deferred income of $1.284 million to long term debt which consist of incentives received by the CEC that were converted to debt due to age of incentives and for the company to apply to new incentives available by the CEC. This payments are $20,000 per month.

NOTE 8 - SHORT TERM DEBT

The Company obtained eidl sba loan offered by the sba office due to the pandemic in 2022 with an amount of $592,281, repayment will be made according to sba guidelines. The company received eidl grant from sba due to the pandemic which was considered income for 2021. The company received PPP loan for payroll expenses during the pandemic and will be forgiven per the PPP guidelines. Company also applied for ERC credits which are listed under other income.

NOTE 9 – COMMITMENT AND CONTINGENCIES

The Company leases space for its offices and warehouse under lease that renewed on December 31, 2022. Rent expense was $120,000 for 2023, payable in installments of $10,000 per month. This lease was renewed for another 5 years.

NOTE 10 - STOCK ISSUANCE

Company did not issue any stock for period ending 2023.

NOTE 11 – PROVISION FOR INCOME TAXES

Greenkraft uses the liability method, where deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes. During fiscal 2023, the company incurred net losses and, therefore, had no tax liability. The net deferred tax asset generated by the loss carry-forward has been fully reserved. The Company has evaluated Staff Accounting Bulletin No. 118 regarding the impact of the decreased tax rates of the Tax Cuts & Jobs Act. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The U.S. federal income tax rate of 21% is being used due to the new tax law recently enacted.

NOTE 12 - LIQUIDITY

The accompanying financial statements have been prepared in accordance to FASB Subtopic 205-40, Presentation of Financial Statements—Going Concern. In connection with preparing financial statements for each annual and interim reporting period, an entity's management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). Greenkraft's management evaluated the current financial situation of the company and believes the company is able to continue as a going concern within one year.

During the year ended December 31, 2023, the Company incurred income from continuing operations of $83,129, and the stockholders' deficit was $3,134,123 and the working capital was $335,516. The company received PPP loan for payroll expenses during the pandemic in 2021 that was deducted from its payroll expenses and or considered other income and was later forgiven per guidelines followed by the company. Company also applied for ERC credits which are listed under other income. Based on the financial support letter from the CEO of Greenkraft, he and his related party entities, have no present or future plans or intentions to (A) liquidate Greenkraft, Inc.; (B) sell or otherwise dispose of all, or a significant portion of, its investment in the Company or otherwise change its capital structure; (C) discontinue providing financial support to Greenkraft, Inc; or (D) pursue the collection if the company has cash flow issues. The Company is expected to have sufficient cash flow to cover the normal business operation for the twelve month-ended December 31, 2023. In the next 12 months, the Company will continue to receive sales orders, recognize revenue by selling the qualified trucks for the government incentive program, committed financial support from the owner and his related parties to fund its ongoing operation until the Company is able to meet its own obligations as they become due.

Management believes they will have sufficient funds to support their business based on the following: (a) revenues derived from signing up new dealers' contracts and delivering alternative fuel trucks to them; (b) reclassifying accounts payable- related parties and related parties' debt as non- current liabilities in amount of $816,334 and $1,901,916, respectively, which is related to the financial support letter from the CEO, and (c) the CEO can raise additional funds needed to support our business plan. Management intends to seek new capital from owners and related parties to provide needed funds, as necessary. However, there can be no assurance that the Company can raise any additional funds, or if it can, that such funds will be on terms acceptable to the Company.

NOTE 13 – LINE OF CREDIT

During the year ended December 31, 2023, no line was provided by the CEO.

NOTE 14 – SUBSEQUENT EVENTS

In accordance with ASC 855-10, *Subsequent Events*¸ we have analyzed our operations subsequent to December 31, 2023, through the date the financial statements were available to be issued and have determined that we do not have any material subsequent events to disclose in these financial statements.