PRO MUSIC RIGHTS

PRO MUSIC RIGHTS, INC.
FINANCIAL STATEMENTS (Restated)
As of June 30, 2022

Pro Music Rights Inc

Pro Music Rights Inc Financial Statements (Restated)
As of June 30, 2022
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Audits LLC
CROWDFUNDING AUDITS AND REVIEWS

INDEPENDENT ACCOUNTANT REVIEW REPORT

January 27, 2023

Board of Directors and Members of

Pro Music Rights, Inc.

3811 Airport-Pulling Rd.

Naples, FL 34105

We have reviewed the accompanying balance sheet of Pro Music Rights Inc (the company) as of June 30, 2022 and the related statement of income, statement of equity and statement of cash flows for the period ended from January 1, 2022 to June 30, 2022.

A review includes primary applying analytical procedures to management's financial data and making inquiries of the company's management. A review is less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America; and this includes the design, implementation, and maintenance of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant Responsibility

Our responsibility is to conduct the review in accordance with the Statement on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of material modifications that should be made in the financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter 1

The accompanying financial statements have been prepared assuming that the company will continue as going concern. As discussed in note 2 the Company has incurred cumulative net losses of $(409,903) and negative cash

INDEPENDENT ACCOUNTANT REVIEW REPORT

flow from operations since incorporation. This raises substantial doubt about the company's ability to continue as going concern. Management plan is also explained in note 2 Our opinion is not modified with respect to this matter.

Emphasis of Matter 2

Without modifying our opinion, we draw attention to note 6 to the financial statements for the period ended June 30, 2022 which explains that the financial statements have been restated from those on which we originally reported on August 23, 2022.

Amjad AbuKhamis
Jan 28, 2023

Amjad N I Abu Khamis

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Pro Music Rights Inc

Balance Sheet Statement (Restated)

As of June 30, 2022

ASSETS	June 2022
Current Assets	
Available Cash	175,725
Prepayments	420
Total Current Assets	**176,145**
Intangible Assets	
Copy Rights and Domain Names	45,135
Total Fixed Assets	**45,135**
TOTAL ASSETS	**221,280**
LIABILITIES AND EQUITY	
Liabilities	**-**
Current Liabilities	
Accounts payable	18,912
Sales tax payable	4,536
Advances from a shareholder	359,264
Total Liabilities	**382,712**
Equity	
Common Shares	14,100
Additional Paid In Capital	234,371
Retained Earnings	(409,903)
Total Equity	**(161,432)**
TOTAL LIABILITIES AND EQUITY	**221,280**

Pro Music Rights Inc

Income Statement
As of June 30, 2022

	June 2022
Total Revenues	**35,445**
Income	35,445
Total Revenues	**35,445**
Less Operating Expenses	
Accounting and Legal Fees	123,819
Professional Fees	78,356
Insurance Expense	2,514
Dues and Subscriptions	234
General and Administrative	957
Tax Expenses	1,208
Total Operating Expenses	**207,088**
Net Operating Income (Loss)	**(171,643)**
Net Income (Loss)	**(171,643)**

Pro Music Rights Inc

Statement of Changes in Equity

As of June 30, 2022

	Paid in Capital	Additional Paid in Capital	Retained Earnings	Equity Balance
Beginning Balance as of January 1, 2022	14,100	234,371	(238,260)	10,211
Shares Issued During 2022	-	-	-	10,211
Net Loss During 2022	-		(171,643)	(161,432)
Equity Ending Balance as of June 30, 2022	**14,100**	234,371	(409,903)	**(161,432)**

Pro Music Rights Inc

Statement of Cash Flow
As of June 30, 2022

OPERATING ACTIVITIES	**June 2022**
Net Income (Loss)	(171,643)
Adjustments to Reconcile Net Income to Net Cash provided by operations:	-
Change in Accounts Payables	12,879
Prepaid Expenses	(420)
Net cash used by operating activities	**(154,184)**
FINANCING ACTIVITIES	
Owners Contribution	159,364
Net cash provided by financing activities	**159,364**
NET CASH INCREASE (DECREASE) FOR PERIOD	**180**
Cash at the beginning of the period	175,545
CASH AT END OF PERIOD	**175,725**

Notes to the Financial Statements

Those notes are an integral part of these financial statements

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Pro Music Rights, Inc. ("Pro Music" or "the Company") is a music performing rights organization that represents songwriters, composers, and music publishers and issues public performance licenses to businesses for a flat monthly fee. Included in the standardized public performance license is a usage fee that is distributed as royalties to the songwriters, composers & music publishers that the Company represents. This model differs from competitors as the Company does not charge their artists an administration fee or utilize a royalty pool model.

The Company's customers include television and radio stations, internet/streaming services and mobile technologies, Satellite audio services like XM and Sirius, nightclubs, restaurants, bars and other venues. Pro Music which is recognized in U.S. copyright law as a licensor of music was founded in 2018 and is based in Naples, FL.

The Company was incorporated in the state of Delaware on November 4, 2020. The Company was created by virtue of the LLC conversion to a corporation under the "Plan of Conversion" from Pro Music Rights, LLC to Pro Music Rights, Inc. which referred herein as "LLC Conversion". The LLC Conversion has the following effects on the Company:

1. All the claims, demands, property, rights, privileges, powers, franchises, and every other interest of the Converting LLC shall be as effectively the property of the Company as they were of the Converting LLC prior to effectivity of the conversion.
2. All debts, liabilities and duties of the Converting LLC shall be attached to the Company and may be enforced against it to the same extent as if such debts, liabilities, and duties had been incurred or contracted by it.
3. All the outstanding membership interests in the Converting LLC shall be canceled and extinguished and be converted into and represent ownership interest in the Company on a one for one basis, such that one hundred percent (100%) of the membership interests of the Converting LLC shall be converted into one hundred percent (100%) ownership of the Company.

NOTE 2 – BASIS OF PRESENTATION AND GOING CONCERN

Basis of Presentation

The Company has earned insignificant revenues from limited principal operations. Accordingly, the Company's activities have been accounted for as those of a "Development Stage Enterprise" as set forth in Financial Accounting Standards Board Statement No. 7 ("SFAS 7"). Among the disclosures required by SFAS 7 are that the Company's financial statements be identified as those of a development stage company, and that the statements of operations, stockholders' equity (deficit) and cash flows disclose activity since the date of the Company's inception.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Going Concern

The company is a start-up and funding its operational expenses from the operating revenues, and financing activities. The Company has incurred cumulative net losses of $(409,903) and negative cash flow from operations since incorporation. During the year ended December 31, 2021 and June 30, 2022, cash flows from continuing operating activities was a use of cash of $216.7 thousand and $154 thousand, respectively. Management believes that its go-to-market strategy and subscription based model will result in the Company transitioning to generating positive cash flows from operations.

Management plans to include plans to raise additional equity financing. However, there can be no assurance that the Company will be successful in obtaining sufficient equity financing on acceptable terms, if at all.

Failure to generate sufficient revenues, achieve planned gross margins, control operating costs or raise sufficient additional financing may require the Company to modify, delay or abandon some of its planned future expenditures, which could have material adverse effect on the company's business, operating results, financial condition and ability to achieve its intended business objectives. These circumstances raise substantial doubt about the Company's ability to continue as going concern for a reasonable period of time.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Management evaluates the estimates and assumptions based on historical experience, and believes that those estimates and assumptions are reasonable based upon information available to them.

Cash

Cash are stated at cost which approximates fair value. The Company deposits its cash with financial institutions that the management believes are of high credit quality. The Company's cash consists primarily of cash deposited in U.S. dollar denominated investment accounts.

Accounts Receivables and Allowance for Doubtful Accounts

Accounts receivable are stated at Net Realizable Value (NRV). On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off based on a past history of write offs, collections, and current credit conditions. A receivable is considered past due if the company has not received payments based on agreed-upon terms. The company generally does not require any security or collateral to support its receivables. No allowance for doubtful accounts was booked as of December 31, 2021 and June 30, 2022.

Fair Value of Financial Instruments

Pursuant to the accounting guidance for fair value measurements and its subsequent updates, fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The accounting guidance establishes a three-tier fair value hierarchy that requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities;

Level 2—Inputs other than the quoted prices in active markets, that are observable either directly or indirectly;

Level 3—Unobservable inputs based on the Company's own assumption.

Intangible Assets

Intangible assets are comprised of copyrights and domain names. The Company is the owner for the exclusive rights to use these copyrights and domain names. As such, these assets do have an indefinite life. The Company reviews the currently held copy rights and domain names on an annual basis for impairment to determine if an adjustment is required. No impairment adjustment was considered necessary as of December 31, 2021, and June 30, 2022.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, control has been transferred, the fee is fixed or determinable, and collectability is reasonably assured. In instances where final acceptance of the product Is specified by the customer, revenue is deferred until all acceptance criteria have been met. The Company's primary source of revenue is the monthly licensing subscription fee.

The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its arrangements:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to performance obligations in the contract, and
- Recognize revenue as the performance obligation is satisfied.

Income Taxes

The Company accounts for income taxes using the asset and liability method. 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 and tax credit carryforwards. 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.

Because tax laws are complex and subject to different interpretations, significant judgment is required. As a result, the Company makes certain estimates and assumptions in (i) calculating its income tax expense, deferred tax assets and deferred tax liabilities, (ii) determining any valuation allowance recorded against deferred tax assets and (iii) evaluating the amount of unrecognized tax benefits, as well as the interest and penalties related to such uncertain tax positions. The Company's estimates and assumptions may differ significantly from tax benefits ultimately realized.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740), which amends the existing guidance relating to the accounting for income taxes. ASU 2019-12 is intended to simplify the accounting for income taxes by removing certain exceptions to the general principles of accounting for income taxes and to improve the consistent application of GAAP for other areas of accounting for income taxes by clarifying and amending existing guidance.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consisted of the following:

	June 30, 2022	2021
Copyrights	19,010	19,010
Domain Names	26,125	26,125
	$45,135	**$45,135**

In accordance with the LLC Conversion in Note 1, all of the claims, demands, property, rights, privileges, powers, franchises and every other interest of the Converting LLC shall be as effectively the property of the Company as they were of the Converting LLC prior to effectivity of the conversion. Hence, the intangible assets of the LLC amounting to $45,135 is transferred to the Company.

Copyrights and domain names have an indefinite life and are reviewed by management periodically for impairment to determine if an adjustment is required.

NOTE 5 – STOCKHOLDER'S EQUITY

The Company has authorized 1,000,000,000 shares of Class A Common Stock and 500,000,000 shares of Class B Common Stock with a par value of $ 0.00001 per share. Holders of Class A Common Stock have one vote per share and holders of Class B Common Stock are entitle to one hundred (100) votes for each share. Upon the dissolution, liquidation or winding up of the Company, holders of Class A Common Stock will be entitled to receive the assets of the Company after satisfaction of the preferential rights of any outstanding preferred stock or any other outstanding stock ranking on liquidation senior to or on parity with the common stock.

On November 4, 2020, the Company issued 910,000,000 shares of Class A Common Stock and 500,000,000 shares of Class B Common Stock for the one hundred percent (100%) membership interests of the Converting LLC. The fair value of the issued shares is equal to the net book value of the net assets of the Converting LLC at the conversion date.

NOTE 6 – RESTATEMENT OF THE FINANCIAL STATEMENTS

The Company has restated the accompanying financial statements from those which was originally issued on January 8, 2023 to gross down its accounts receivables against the deferred revenues of $432,362,906 of the balance sheet statement. The restatement has no impact on the income, changes in equity and cash flow statements.

The Company has signed Business License Agreements with 441 Customers as of June 30, 2022 to license, on a non-exclusive basis, non-dramatic public performances of their copyrighted musical compositions. After signing the agreements, and based on the agreement terms, the company issues invoices to its customers for Minimum and Base License Fees and Per Usage Fees based on number of business locations.

We believe that our contracts with the customers are legally enforceable as the provision and use of the services was provided. The agreements provide a clear obligation to pay a fixed monthly base license fee, plus any utilization fee, However, based on our judgment and historical pattern of the company's credit and collection practices, we have concluded to gross down our receivables against deferred revenues in recording billings to the customers, and we will recognize the revenues upon receipt of cash or settlement from our customers.