



\$525,000 OF CLASS A COMMON SHARES

350,000 SHARES at \$1.50 PER SHARE

MINIMUM PURCHASE 35,000 SHARES \$52,500.

FOR ACCREDITED INVESTORS ONLY

THIS CONFIDENTIAL OFFERING MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE SHARED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER COMMISSION OR REGULATORY AUTHORITY, NOR HAS ANY SUCH COMMISSION, AUTHORITY, OR ATTORNEY GENERAL DETERMINED WHETHER IT IS ACCURATE OR COMPLETE OR PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THESE ARE SPECULATIVE SECURITIES AND INVOLVE A HIGH DEGREE OF RISK. SEE "RISK FACTORS"

THE SHARES OFFERED ARE FOR SALE ONLY TO ACCREDITED INVESTORS (AS DEFINED IN "MEMORANDUM SUMMARY – INVESTOR SUITABILITY REQUIREMENTS")

This CONFIDENTIAL OFFERING MEMORANDUM (the "Memorandum") relates to the offer and sale to accredited investors of up to 350,000 Shares of Class A Common Shares (the "Shares") of EMOTIONTRAC, Inc. (the "Company") at an offering price of \$1.50 per Share for an aggregate offering price of \$525,000⁽¹⁾ (the "Offering"). Each Unit will consist of \$52,500 for the purchase of 35,000 Common Shares of EMOTIONTRAC, Inc.

All of the Shares will be sold on a "best-efforts" basis which means that net Offering proceeds will be available to the Company upon receipt, acceptance and clearance thereof and that no minimum amount of Share sales will be required in order to complete and close this Offering. There can be no assurance that all of the Shares offered will be subscribed for.

The minimum subscription by an investor is \$52,500 for the purchase of 35,000 Common Shares.

The Company reserves the right in its sole discretion to sell fractionalized Units.

In the event you decide not to participate in this Offering, please return the entire CONFIDENTIAL OFFERING MEMORANDUM to the principal office of the Company as set forth below:

EMOTIONTRAC, INC.
10802 Lake Wynds Court
Boynton Beach, Florida 33437

The date of this CONFIDENTIAL OFFERING MEMORANDUM is August 20, 2023

(1) Before deducting offering expenses payable by the Company, estimated to be up to \$35,000, and, in the event the Company elects to retain a qualified placement agent, excluding potential commissions paid to such placement agent in accordance with federal securities law and the securities law of the various states, including but not limited to and subject to applicable securities laws and this Memorandum.

The SHARES will be offered and sold on behalf of the Company by certain officers, advisors and/or directors of EMOTIONTRAC, Inc. The Company may also utilize the services of selected broker-dealers who are members of the Financial Industry Regulatory Authority ("FINRA") in connection with the offer and sale of the SHARES.

All of the SHARES will be sold on a "best efforts" basis up to the \$525,000 offering. There can be no assurance that all of SHARES will be sold.

An investment in the SHARES involves a high degree of risk. Prospective investors in the SHARES should thoroughly consider this Memorandum and certain special considerations concerning the Company described herein. See "RISK FACTORS" below. An investment in the SHARES offered hereby is suitable only for, and may be made only by, accredited investors who have no need for liquidity of investment and understand and can afford the high financial risks of an investment in the SHARES, including the potential for a complete loss of their investment. There is currently no trading market for any securities of the Company, nor is it expected or assured that such market will develop in the foreseeable future.

The SHARES have not been approved or disapproved by the Securities and Exchange Commission (the "SEC") or any state securities commission, nor has the SEC or any state securities commission passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The SHARES of the Company are speculative by nature and are intended for a limited number of accredited investors. Each prospective investor should carefully review this Memorandum and the relevant documents referred to herein before deciding to invest in the Company.

THE MEMORANDUM IS SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN THE COMMON SHARES DUE TO THE CONFIDENTIAL NATURE OF THIS MEMORANDUM, ITS USE FOR ANY OTHER PURPOSE MIGHT INVOLVE SERIOUS LEGAL CONSEQUENCES. CONSEQUENTLY, THIS MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, AND MAY NOT BE DELIVERED TO ANY OTHER PERSON (OTHER THAN YOUR FINANCIAL ADVISOR) WITHOUT THE PRIOR WRITTEN CONSENT OF EMOTIONTRAC, INC.

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GENERAL NOTICES AND REPRESENTATIONS

This Memorandum is furnished on a confidential basis. This Memorandum constitutes an offer of Common Shares only to the person to whom it is specifically delivered for that purpose and is provided solely for the purpose of evaluating an investment in the Company. By accepting delivery of this Memorandum and receiving any other oral or written information provided by the Company in connection with the Offering, each Offeree agrees (a) to keep confidential the contents of this Memorandum and such other information and not to disclose the same to any third party or otherwise use the same for any purpose other than evaluating an investment in the Company, and (b) not to copy, in whole or in part, this Memorandum or any other written information provided by the Company in connection herewith. Each Offeree further agrees to return this Memorandum and any such written information to EMOTIONTRAC, INC. 10802 Lake Wynds Court Boynton Beach, Florida 33437. In the event that (i) the Offeree does not subscribe to purchase any SHARES, (ii) no portion of the Offeree's subscription is accepted, or (iii) the Offering is terminated or withdrawn.

To the extent applicable, the SHARES offered hereby have not been registered under the US federal Securities Act of 1933 (the “Securities Act”) or any US state securities laws, in reliance upon exemptions therefrom. If applicable, the SHARES may not be sold, transferred, pledged or otherwise disposed of in the absence of registration under the Securities Act and under any applicable US state securities or blue-sky laws unless pursuant to exemptions therefrom. This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any SHARES offered hereby to any person in any jurisdiction in which it is

unlawful to make such an offer or solicitation to such person. This Memorandum does not constitute an Offer if the prospective investor is not qualified under applicable securities laws.

In determining whether to invest in the SHARES, each person must rely upon his, her or its own examination of the Company and the terms of the Offering made hereby, including the merits and risks involved. The Company expects that, prior to the closing for the Offering made hereby, it will afford prospective investors in the SHARES an opportunity to ask questions of representatives of the Company concerning the Company and the terms of the Offering and to obtain additional relevant information to the extent the Company possesses such information or can obtain it without unreasonable effort or expense. Except as aforesaid, no person is authorized in connection with the Offering to give any information or make any representation not contained in this Memorandum, and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. The information contained in this Memorandum also supersedes any information concerning the Company or the terms of any investment therein provided to any prospective investor prior to the date of this Memorandum.

The Company makes no express or implied representation or warranty as to the attainability of any forecasted financial information that may be expressed or implied herein or as to the accuracy or completeness of the assumptions from which that forecasted information is derived. It must be recognized that the projections of the Company's future performance are necessarily subject to a high degree of uncertainty, that actual results can be expected to vary from the results projected and that such variances may be material and adverse. Prospective investors are expected to conduct their own investigation with regard to the Company and its prospects. It is expected that each Offeree will pursue his, her or its own independent investigation with respect to the forecasted financial information included herein. Prospective investors in the SHARES are not to construe the contents of this Memorandum as legal, business or tax advice. Each prospective investor in the SHARES should consult his, her or its own attorney, business advisor and tax advisor as to the legal, business, tax and related matters concerning this Offering.

This Memorandum has been prepared solely for the purpose of the proposed offering of the COMMON SHARES. The Company reserves the right to reject any subscription for the SHARES, in whole or in part or to allot less than the number or amount of Shares as to which any prospective investor in the SHARES has subscribed.

THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY SET BY THE MANAGEMENT. THERE CAN BE NO ASSURANCE THAT ANY OF THE SHARES WILL BE SOLD. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION OR ANY US STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SHARES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SHARES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO TRADING MARKET FOR THE COMPANY'S SECURITIES AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE SHARES WILL BE ACCEPTED FOR INCLUSION ON NASDAQ OR ANY OTHER TRADING EXCHANGE AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER U.S. FEDERAL OR STATE SECURITIES LAWS THE SHARES PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE SHARES IS BEING UNDERTAKEN PURSUANT TO CERTAIN EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, WHICH MAY INCLUDE WITHOUT LIMITATION THE APPLICABLE RULES UNDER REGULATION D AND/OR REGULATION S UNDER THE SECURITIES ACT. ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE SHARES, WHICH ARE PURCHASED PURSUANT HERETO, MAY BE RESTRICTED BY APPLICABLE U.S. FEDERAL OR STATE SECURITIES LAWS AND/OR THE SECURITIES LAWS OF ONE OR MORE FOREIGN COUNTRIES (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN. THE OFFERING PRICE OF THE SHARES TO WHICH THE MEMORANDUM RELATES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

The management has provided all of the information stated herein. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company's performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

This Offering is expected to be conducted as an exempt general solicitation offering. Notwithstanding the foregoing, no general solicitation or advertising in whatever form will or may be employed in this Offering of the Shares unless conducted in accordance with and pursuant to the applicable "general solicitation" provisions of Rule 506(b) under Regulation D of the Securities Act, as amended, and as promulgated pursuant to Section 201(a) of the Jumpstart Our Business Startups Act.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. This Offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. Each prospective investor, by accepting delivery of this Memorandum, agrees to return it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the SHARES.

U.S. JURISDICTIONAL (NASAA) LEGENDS

The presence of the following legends for any given state reflects only that a legend may be required by that state and should not be construed to mean an offer or sale is being or may be made in that particular state.

If you are uncertain as to whether or not offers or sales may be lawfully made in your state, you are hereby advised to contact the Company. The Shares described in this Memorandum have not been registered under any state securities laws (commonly called "Blue Sky" laws). These Shares must be acquired for investment purposes only and may not be sold or transferred in the absence of an effective registration of such Shares under such laws, or an opinion of counsel acceptable to the Company that such registration is not required.

The Company intends to offer and sell the SHARES only to accredited investors through the use of general solicitation in accordance with the provisions of Rule 506(b) under Regulation D of the Securities Act, as promulgated pursuant to Section 201(a) of the Jumpstart Our Business Startups Act of 2012.

NOTICE TO ALABAMA RESIDENTS ONLY: THESE SHARES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A CONFIDENTIAL OFFERING MEMORANDUM RELATING TO THESE SHARES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO ARIZONA RESIDENTS ONLY: THESE SHARES MAY BE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF ARIZONA. NEITHER THE ARIZONA CORPORATION COMMISSION NOR THE DIRECTOR OF SECURITIES HAVE REVIEWED OR PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM OR OTHER SELLING LITERATURE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO CALIFORNIA RESIDENTS ONLY: THE SALE OF THE SHARES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SHARES OR PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFORE PRIOR TO SUCH QUALIFICATIONS IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY THE APPLICABLE PROVISIONS OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS OFFERING ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATIONS BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

NOTICE TO CONNECTICUT RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE CONNECTICUT UNIFORM SECURITIES ACT AND ARE BEING SOLD IN RELIANCE UPON THE APPLICABLE EXEMPTIONS CONTAINED IN SAID ACT. THEY CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THESE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO DELAWARE RESIDENTS ONLY: IF YOU ARE A DELAWARE RESIDENT, YOU ARE HEREBY ADVISED THAT THESE SHARES MAY BE OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE DELAWARE SECURITIES ACT. THE SHARES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION, WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

NOTICE TO FLORIDA RESIDENTS ONLY: THE SHARES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION UNDER THE FLORIDA SECURITIES ACT. THE SHARES REFERRED TO

HEREIN MAY ONLY BE SOLD TO, AND ACQUIRED BY THE HOLDER IN A TRANSACTION EXEMPT UNDER THE APPLICABLE PROVISIONS OF SAID ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL OFFEREEES WHO ARE FLORIDA RESIDENTS SHOULD BE AWARE THAT SECTION 517.061(11)(a)(5) OF THE ACT PROVIDES, IN RELEVANT PART, AS FOLLOWS: "WHEN SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, ANY SALE IN FLORIDA MADE PURSUANT TO THIS SECTION IS VOIDABLE BY THE PURCHASER IN SUCH SALE EITHER WITHIN 3 DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER." THE AVAILABILITY OF THE PRIVILEGE TO VOID SALES PURSUANT TO SECTION 517.061(11) IS HEREBY COMMUNICATED TO EACH FLORIDA OFFEREE. EACH PERSON ENTITLED TO EXERCISE THE PRIVILEGE TO AVOID SALES GRANTED BY SECTION 517.061(11)(A)(5) AND WHO WISHES TO EXERCISE SUCH RIGHT, MUST, WITHIN 3 DAYS AFTER THE TENDER OF ANY AMOUNT TO THE COMPANY OR TO ANY AGENT OF THE COMPANY (INCLUDING THE SELLING AGENT OR ANY OTHER DEALER ACTING ON BEHALF OF THE COMPANY OR ANY SALESMAN OF SUCH DEALER) OR AN ESCROW AGENT CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO THE COMPANY AT THE ADDRESS PROVIDED IN THIS MEMORANDUM. SUCH LETTER OR TELEGRAM MUST BE SENT AND, IF POSTMARKED, POSTMARKED ON OR PRIOR TO THE END OF THE AFOREMENTIONED THIRD DAY. IF A PERSON IS SENDING A LETTER, IT IS PRUDENT TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ASSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. SHOULD A PERSON MAKE THIS REQUEST ORALLY, HE MUST ASK FOR WRITTEN CONFIRMATION THAT HIS REQUEST HAS BEEN RECEIVED.

NOTICE TO GEORGIA RESIDENTS ONLY: THESE SHARES MAY BE ISSUED OR SOLD IN RELIANCE ON THE APPLICABLE EXEMPTIONS CONTAINED IN THE GEORGIA SECURITIES ACT OF 1973, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

NOTICE TO ILLINOIS RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF THE STATE OF ILLINOIS NOR HAS THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO INDIANA RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE INDIANA BLUE SKY LAW AND MAY ONLY BE OFFERED AND SOLD IN RELIANCE UPON THE APPLICABLE EXEMPTIONS THEREFROM. THEY CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE LAW OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO KENTUCKY RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF KENTUCKY NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO MARYLAND RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE MARYLAND SECURITIES ACT AND MAY ONLY BE OFFERED AND SOLD IN RELIANCE UPON APPLICABLE EXEMPTIONS CONTAINED IN SAID ACT. THEY CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO MASSACHUSETTS RESIDENTS ONLY: (1) THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF THIS COMMONWEALTH, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER. THESE SHARES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACTS OF 1933, AS AMENDED, OR THE SECURITIES ACT OF THIS COMMONWEALTH, IF SUCH REGISTRATION IS REQUIRED, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE COMMONWEALTH OF MASSACHUSETTS NOR HAS THE SECURITIES DIVISION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO MICHIGAN RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE MICHIGAN SECURITIES ACT AND, IF OFFERED IN MICHIGAN OR TO RESIDENTS OF MICHIGAN, ARE BEING SOLD IN RELIANCE UPON THE APPLICABLE EXEMPTIONS CONTAINED IN SUCH ACT. THESE SHARES MAY NOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO MINNESOTA RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE MINNESOTA BLUE SKY LAW AND MAY ONLY BE SOLD TO MINNESOTA RESIDENTS IN RELIANCE UPON THE APPLICABLE EXEMPTIONS THEREFROM. THEY CANNOT BE RESOLD OR TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE LAW OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO MISSISSIPPI RESIDENTS ONLY: IN MAKING INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SHARES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SHARES HAVE NOT BEEN REGISTERED WITH NOR RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. INVESTORS SHOULD BE AWARE THAT THEY WOULD BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO MISSOURI RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE MISSOURI SECURITIES ACT, AND IF OFFERED IN MISSOURI OR TO RESIDENTS OF MISSOURI, WILL BE SOLD TO, AND ACQUIRED BY, PURCHASERS IN RELIANCE

ON AN APPLICABLE EXEMPTION THEREFROM. UNLESS THE SHARES ARE REGISTERED, THEY MAY NOT BE REOFFERED FOR SALE OR RESOLD IN THE STATE OF MISSOURI, EXCEPT AS A SECURITY, OR IN A TRANSACTION, EXEMPT UNDER SUCH ACT.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE NEW HAMPSHIRE SECURITIES ACT, AND IF OFFERED IN NEW HAMPSHIRE OR TO RESIDENTS OF NEW HAMPSHIRE, WILL ONLY BE SOLD TO, AND ACQUIRED BY, PURCHASERS IN RELIANCE ON AN APPLICABLE EXEMPTION THEREFROM. UNLESS THE SHARES ARE REGISTERED, THEY MAY NOT BE REOFFERED FOR SALE OR RESOLD IN THE STATE OF NEW HAMPSHIRE, EXCEPT AS A SECURITY, OR IN A TRANSACTION, EXEMPT UNDER SUCH ACT.

NOTICE TO NEW JERSEY RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE NEW JERSEY UNIFORM SECURITIES LAW, AND IF OFFERED IN NEW JERSEY OR TO RESIDENTS OF NEW JERSEY, WILL ONLY BE SOLD TO, AND ACQUIRED BY, PURCHASERS IN RELIANCE ON THE APPLICABLE EXEMPTIONS THEREFROM. IF YOU ARE A NEW JERSEY RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SHARES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE BUREAU OF SECURITIES OF THE STATE OF NEW JERSEY. THE BUREAU OF SECURITIES OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO NEW YORK RESIDENTS ONLY: THIS DOCUMENT HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE COMPANY HAS TAKEN NO STEPS TO CREATE AN AFTERMARKET FOR THE SHARES OFFERED HEREIN AND HAS MADE NO ARRANGEMENTS WITH BROKERS OR OTHERS TO TRADE OR MAKE A MARKET IN SUCH SHARES. AT SOME TIME IN THE FUTURE, THE COMPANY MAY ATTEMPT TO ARRANGE FOR INTERESTED BROKERS TO TRADE OR MAKE A MARKET IN THE SHARES AND TO QUOTE THE SAME IN A PUBLISHED QUOTATION MEDIUM, HOWEVER, NO SUCH ARRANGEMENTS HAVE BEEN MADE AND THERE IS NO ASSURANCE THAT ANY BROKERS WILL EVER HAVE SUCH AN INTEREST IN THE SHARES OF THE COMPANY OR THAT THERE WILL EVER BE A MARKET THEREFORE.

NOTICE TO NEVADA RESIDENTS ONLY: IF ANY INVESTOR ACCEPTS ANY OFFER TO PURCHASE THE SHARES, THE INVESTOR IS HEREBY ADVISED THE SHARES WILL ONLY BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE APPLICABLE PROVISIONS OF THE NEVADA SECURITIES LAW. THE INVESTOR IS HEREBY ADVISED THAT THE ATTORNEY GENERAL OF THE STATE OF NEVADA HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING AND THE FILING OF THE OFFERING WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE, OR SALE THEREOF, BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEVADA. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO NORTH CAROLINA RESIDENTS ONLY: THESE SHARES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE NORTH CAROLINA SECURITIES ACT. THE

NORTH CAROLINA SECURITIES ADMINISTRATION NEITHER RECOMMENDS NOR ENDORSES THE PURCHASE OF ANY SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO NORTH DAKOTA RESIDENTS ONLY: THESE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO PENNSYLVANIA RESIDENTS ONLY: EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY THE APPLICABLE PROVISIONS OF THE PENNSYLVANIA SECURITIES ACT, DIRECTLY FROM THE ISSUER OR AFFILIATE OF THIS ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN TWO (2) BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO (2) BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SHARES BEING OFFERED. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SHARES MADE PURSUANT TO A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 PS § 1-207(m)), YOU MAY ELECT, WITHIN TWO (2) BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A LETTER OR TELEGRAM TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY, YOU SHOULD ASK WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. THE SHARES HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE PENNSYLVANIA SECURITIES ACT OF 1972. NO SUBSEQUENT RESALE OR OTHER DISPOSITION OF THE SHARES MAY BE MADE WITHIN 12 MONTHS FOLLOWING THEIR INITIAL SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION, AND THEREAFTER ONLY PURSUANT TO AN EFFECTIVE REGISTRATION OR EXEMPTION.

NOTICE TO TEXAS RESIDENTS ONLY: THE SHARES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER APPLICABLE TEXAS SECURITIES LAWS AND, THEREFORE, ANY PURCHASER THEREOF MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME BECAUSE THE SHARES CANNOT BE RESOLD UNLESS THEY ARE SUBSEQUENTLY

REGISTERED UNDER SUCH SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. FURTHER, PURSUANT TO §109.13 UNDER THE TEXAS SECURITIES ACT, THE COMPANY IS REQUIRED TO APPRISE PROSPECTIVE INVESTORS OF THE FOLLOWING: A LEGEND SHALL BE PLACED, UPON ISSUANCE, ON CERTIFICATES REPRESENTING SHARES PURCHASED HEREUNDER, AND ANY PURCHASER HEREUNDER SHALL BE REQUIRED TO SIGN A WRITTEN AGREEMENT THAT HE WILL NOT SELL THE SUBJECT SHARES WITHOUT REGISTRATION UNDER APPLICABLE SECURITIES LAWS, OR EXEMPTIONS THEREFROM.

NOTICE TO WASHINGTON RESIDENTS ONLY: THE ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED THE OFFERING OR THIS MEMORANDUM, AND THE SHARES HAVE NOT BEEN REGISTERED IN RELIANCE UPON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS CONTAINED IN THE SECURITIES ACT OF WASHINGTON, AND THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

**OFFERS AND SALES MADE OUTSIDE THE UNITED STATES
WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933**

Our Shares may be offered and sold to purchasers outside the United States in accordance with the rules of Regulation S promulgated under the Securities Act and/or such other rules and regulations, as may be applicable under the circumstances. Accordingly, the sale, transfer, or other disposition of any of our SHARES that are purchased pursuant hereto, may be restricted by applicable federal securities laws and/or the laws of one or more non-U.S. countries (depending on the residency of the investor) and by the provisions of the subscription agreement executed by such purchaser.

In the event that Regulation S applies, each distributor selling securities to a distributor, a dealer, or a person receiving a selling commission, fee or other remuneration, prior to the expiration of a one-year distribution compliance period in the case of equity securities, must send a confirmation or other notice to foreign purchasers stating that such purchasers are subject to the same restrictions on offers and sales that apply to a distributor.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so.

Attempted compliance with any rule in Regulation S does not act as an exclusive election; the Company may also claim the availability of any applicable exemption from the registration requirements of the Securities Act. The availability of the Regulation S safe harbor to offers and sales that occur outside of the United States will not be affected by the subsequent offer and sale of these Shares into the United States or to U.S. persons during the distribution compliance period, as long as the subsequent offer and sale are made pursuant to registration or an exemption therefrom under the Securities Act.

During the course of the Offering and prior to any sale, each Offeree of the SHARES and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of the Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Such information will be provided to the extent the Company possess such information or can acquire it without unreasonable effort or expense.

FOREIGN JURISDICTIONAL LEGEND

FOR PERSONS WHO ARE NEITHER NATIONALS, CITIZENS, RESIDENTS NOR ENTITIES OF THE UNITED STATES: THESE SHARES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND, INsofar AS SUCH SHARES ARE OFFERED AND SOLD TO PERSONS WHO ARE NEITHER NATIONALS, CITIZENS, RESIDENTS NOR ENTITIES OF THE UNITED STATES, THEY MAY NOT BE TRANSFERRED OR RESOLD DIRECTLY OR INDIRECTLY IN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS, RESIDENTS OR ENTITIES NORMALLY RESIDENT THEREIN (OR TO ANY PERSON ACTING FOR THE ACCOUNT OF ANY SUCH NATIONAL, CITIZEN, ENTITY OR RESIDENT). FURTHER RESTRICTIONS ON TRANSFER WILL BE IMPOSED TO PREVENT SUCH SHARES FROM BEING HELD BY UNITED STATES PERSONS.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Memorandum and the exhibits attached hereto include "*forward-looking statements*" within the meaning of the Securities Act of 1933. All statements other than statements of historical fact are forward-looking statements.

Forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Among those risks, trends and uncertainties are the Company's ability to raise sufficient working capital to carry out the business plans, the long-term efficacy of the business plans, the ability to protect its intellectual property, and general economic conditions.

Although we believe that in making such forward-looking statements, expectations are based upon reasonable assumptions; such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. We cannot assure you that the assumptions upon which these statements are based will prove to have been correct.

When used in this Memorandum, the words "*expect*," "*anticipate*," "*intend*," "*plan*," "*believe*," "*seek*," "*estimate*" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Because these forward-looking statements involve risks and uncertainties, actual results could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including those discussed under "*Risk Factors*" and elsewhere in this Memorandum.

You should read these statements carefully because they discuss the Company's expectations about its future performance, contain projections of its future operating results or its future financial condition, or state other "*forward-looking*" information. Before you invest in the SHARES, you should be aware that the occurrence of any of the contingent factors described under "*Risk Factors*" could substantially harm the business, results of operations and financial condition. Upon the occurrence of any of these events, you could lose all or part of your investment.

We cannot guarantee any future results, levels of activity, performance or achievements. Except as required by law, we undertake no obligation to update any of the forward-looking statements in this Memorandum after the date of this Memorandum.

Forward-looking statements are based on certain assumptions and analyses EMOTIONTRAC, INC. has made in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate. Whether actual results and developments will conform to EMOTIONTRAC, INC. expectations and predictions is subject to a number of risks and uncertainties, including, among others, the following:

The actual amount of capital and other costs required to complete EMOTIONTRAC, Inc.'s Business Plan;

- Conflicts between any federal laws and regulations.
- The availability and adequacy of cash flow to meet its requirements.
- Economic, competitive, demographic, business and other conditions in our local, and regional markets.
- Actions taken or omitted to be taken by third parties including suppliers, competitors and contractors, as well as legislative, regulatory, judicial and other governmental authorities.
- Changes in EMOTIONTRAC, INC. or any of the business strategy or development plans.
- The ability to deploy the funds raised in this Offering; and other factors discussed under "Risk Factors" or elsewhere in this Memorandum.

ABOUT THIS MEMORANDUM

The terms "the" "Company," "us," "our" and "we," as used in this Memorandum, refer to EMOTIONTRAC, INC. a Florida corporation.

You should rely only on the information contained in this Memorandum. The Company has not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Company is not making an offer to sell these Shares in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Memorandum is accurate as of the date on the front cover of this Memorandum only. The Company's business, financial condition, results of operations and prospects may have changed since that date.

The following term sheet summarizes the basic terms and conditions on which the Company proposes to sell the SHARES to certain accredited investors in an exempt offering, subject to documentation in definitive subscription agreements and to completion of all appropriate due diligence investigations. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Memorandum and in the documents relating to this transaction, including, without limitation, the Company's articles of organization, and the subscription agreement for the SHARES.

MEMORANDUM SUMMARY

- The Business:** EMOTIONTRAC, INC. a Florida Corporation that operates nationally.
- The Company:** The Company was initially founded in 2014 as a Florida LLC and reincorporated as a “C” corporation registered under the laws of the State of Florida in 2017.
- The Offering:** The Company proposes to sell the 350,000 SHARES only to certain accredited investors in an exempt, unregistered offering, through general solicitation, subject to documentation included in the Subscription Agreement and Registration Rights Agreement.
- Offering Period:** This Offering will end on September 30, 2023 or sooner, unless extended by the company.
- Restrictions:** Shareholders may not sell or transfer their Shares until conditions are met (sec 2.1).
- Use of Proceeds:** We intend to use the net proceeds as described in the Source and use of proceeds to implement the Company’s Business Plan.

Proposed Plan Distribution:

The Offering will be conducted by the Company on a best effort basis through its: directors and/or officers, none of whom will be entitled to any commission or other special consideration for their selling efforts. The Company may elect, at its discretion, to engage the services of a qualified broker-dealer(s) or outside salesperson(s) in connection with the Offering, subject to applicable securities laws.

Investor Suitability Requirements:

An investment in the SHARES involves a high degree of risk and is suitable only for accredited investors who have no need for liquidity of investment and understand and can afford the high financial risks of such investment. It is expected that the Company will accept subscriptions for the SHARES only from investors who are “accredited” within the meaning of Regulation D under the Securities Act of 1933, as amended. In the case of individuals, persons who have had income of \$200,000 (or joint income with spouse of \$300,000) or more during the last two years and the same is reasonably expected for the current year, as well as persons with a net worth of \$1,000,000, excluding the value of the primary residence, are accredited. See “INVESTOR SUITABILITY REQUIREMENTS” below.

Subscription Agreement:

The investment will be made pursuant to a subscription agreement (“Subscription Agreement”) between the Company and each investor.

Risks:

See “RISK FACTORS” and the other information included in this Memorandum for a discussion of factors you should carefully consider before deciding to invest in the Company.

Available Information

The Company’s Officers will be available upon request to answer questions concerning the terms of this Offering, to provide any reasonably requested information necessary to verify the accuracy of the information contained in this Memorandum and to provide such other information reasonably requested by prospective investors, as they deem necessary for the purposes of considering an investment in the Company.

TERMS OF THE OFFERING

Offering of SHARES

The SHARES are being offered to a limited number of accredited investors who meet the suitability requirements set forth below. See “INVESTOR SUITABILITY REQUIREMENTS” below. We are offering for sale up to 350,000 CLASS A COMMON SHARES (the “SHARES”) at an offering price of \$1.50 per Share for an aggregate offering price of \$525,000 (the “Offering”). The Company reserves the right in its sole discretion to sell fractionalized SHARES.

There is no minimum aggregate number of subscriptions that is required for the initial acceptance of subscriptions and there is no offering escrow. The Offering will commence promptly after the date of this Memorandum and will terminate on the earlier of (i) September 30, 2023, or (ii) upon the sale of all 350,000 CLASS A COMMON SHARES offered hereby. The Company reserves the right to terminate or extend this Offering at any time without notice as deemed necessary in the sole discretion of the Company's management.

Plan of Distribution

General. The SHARES will be offered and sold on behalf of the Company by certain directors, officers, and/or other employees of EMOTIONTRAC, Inc.

SHARES will be issued to investors upon our acceptance of an investor's Subscription Agreement and the Registration Rights Agreement. The Company shall have the sole discretion to accept or reject individual subscriptions.

No Federal Registration. The SHARES are not being registered for sale as securities under the Securities Act of 1933 (the “Securities Act”) in reliance upon all available and applicable exemptions from registration under the Securities Act, including, but not limited to, Rule 506(b) of Regulation D (as may be amended from time to time) under the Securities Act.

Method of Subscription. Investors may subscribe to purchase the SHARES by (a) completing, dating and signing the Subscription Agreement accompanying this Memorandum, and (b) delivering the signed documents to us (or placement agent, if any) and making payment in accordance with the Subscription Agreement accompanying this Memorandum. We reserve the right to accept or reject any subscription in whole or in part. If accepted in part, the rejected portion of the investor's subscription will be refunded to the investor (together with accrued interest thereon, if any). No offer and sale of our SHARES shall be considered to have been made until a fully completed set of subscription documents has been received and approved by our management.

INVESTOR SUITABILITY REQUIREMENTS

General

An investment in the Company involves risk and is suitable only for persons of adequate financial means who do not have liquidity requirements with respect to this investment and who can bear the economic risk of investment losses up through a complete loss of the investment made hereby. This offering is made in reliance on exemptions from the registration requirements of the Securities Act and applicable state securities laws and regulations.

The suitability standards discussed below represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that our SHARES are a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether the investment is appropriate.

In the form of a subscription agreement, we will require each investor to represent in writing, among other things, that (i) by reason of the investor's business or financial experience or that of the investor's professional advisor, the investor is capable of evaluating the merits and risks of an investment in the Company and of protecting its own interests in connection with the transaction, (ii) the investor is acquiring the SHARES in the Company for its own account, for investment only and not with a view toward the resale or distribution thereof, (iii) the investor is aware that neither the SHARES, have been registered under the Securities Act or any state securities laws and that transfer thereof is restricted by the Securities Act and applicable state securities laws, (iv) the investor is aware of the absence of a market for the SHARES and underlying securities, and (v) such investor meets the suitability requirements set forth below.

Suitability

Our SHARES may be sold to an unlimited number of natural persons who have a net worth in excess of \$1,000,000, excluding value of primary residence; a net income of \$200,000 per year; or a net income with their spouse of \$300,000 per year; or who are otherwise “accredited investors” as defined in Regulation D under the Securities Act.

Accredited Investors

To be an accredited investor, an investor must fall within ANY of the following categories at the time of the sale of a Share(s) to that investor:

- (1) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of such person's purchase of our SHARES exceeds \$1,000,000, excluding value of primary residence; or a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (2) A trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the SHARES offered hereby, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D;
- (3) An organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, a limited liability company, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the SHARES, with total assets in excess of \$5,000,000;
- (4) A bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the “Exchange Act”); an insurance company as defined in Section 2(13) of the Securities Act; an Investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of the Investment Company Act; a Small Business Investment Company licensed by the United States Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of the Employee Retirement Income Security Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with the investment decisions made solely by persons that are accredited investors;
- (5) A private business development company as defined in Section 202(22) of the Investment Advisers Act of 1940;
- (6) An executive officer or other person otherwise deemed an insider of the Company; or
- (7) An entity in which all of the equity owners are accredited investors (as defined above).

As used in this Memorandum, the term “net worth” means the excess of total assets over total liabilities, excluding value of primary residence. In determining income, an investor should add to the investor's adjusted gross income any amounts attributable to tax exempt income received, losses claimed as a Shareholder, deductions claimed for depletion, contributions to an IRA or KEOGH retirement plan, alimony payments, and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

In order to meet the conditions for exemption from the registration requirements under the securities laws of certain jurisdictions, investors who are residents of such jurisdictions may be required to meet additional suitability requirements.

PROCEDURE TO PURCHASE SHARES

The suitability standards discussed under "INVESTOR SUITABILITY REQUIREMENTS" above represent minimum suitability standards for prospective investors. Each prospective investor, together with his, her or its investment, tax, legal, accounting and other advisors, should determine whether this investment is appropriate for such investor.

Each investor who wishes to subscribe for SHARES must provide the Company with the following documents:

- (1) A completed and executed Subscription Agreement (which accompany this Memorandum);
- (2) A check for the full purchase price of the Shares for which the investor subscribes, payable to "EMOTIONTRAC, INC." or a wire transfer to the Company's bank account.

Checks should be mailed to the Company at the following address:

EMOTIONTRAC, INC.
10802 Lake Wynds Court
Boynton Beach, Florida 33437

To wire funds to the Company, use the following wire transfer instructions:

| | |
|--------------------------|---|
| Bank: | CITIBANK 10086 JOG ROAD BOYNTON BEACH, FL 33437 |
| Checking Account: | 9117766753 |
| Routing #: | 266086554 |
| Swift Code: | CITIUS33 (International Wires) |

RISK FACTORS

AN INVESTMENT IN EMOTIONTRAC, INC. IS HIGHLY SPECULATIVE, ILLIQUID AND INVOLVES A HIGH DEGREE OF RISK.

Prospective investors should carefully consider the Risk Factors and the other information in this Memorandum before making an investment decision.

EMOTIONTRAC, INC. MAY NOT RAISE SUFFICIENT CAPITAL TO EXECUTE THEIR BUSINESS PLAN.

EMOTIONTRAC Inc., the Company will use its "best efforts" to raise sufficient capital through this Offering. However, EMOTIONTRAC, INC. cannot guarantee the outcome of its capital raising efforts and the amount of capital raised.

THE FUTURE SUCCESS OF EMOTIONTRAC, INC. BUSINESS IS DIFFICULT TO EVALUATE DUE TO ITS LIMITED OPERATING HISTORY

WE HAVE AN IMMEDIATE NEED FOR CAPITAL AND WE WILL BE UNABLE TO COMPLETE THE BUSINESS PLAN IF THE OFFERING IS NOT COMPLETED IN A TIMELY FASHION.

EMOTIONTRAC, Inc.'s business strategy depends completely on our ability to sell the Common Shares.

In addition, we may seek additional funds through an additional offering of our Common Shares or by incurring additional indebtedness. We cannot assure any investor that any additional funds will be available or that sufficient funds will be available to us or that funds will be available in a timely way. Additional funds may not be available on terms acceptable to us. Any future capital that is available may be raised on terms in our offering.

There is no assurance that funds will be available from any source. If we are unable to secure sufficient capital in the future, the Company may be unable to pursue its business strategy and commence full operations. Future capital requirements depend upon many factors including, but not limited to the amount of money required.

MANAGEMENT HAS BROAD DISCRETION TO DETERMINE HOW THE PROCEEDS FROM THE OFFERING ARE USED.

EMOTIONTRAC, INC. will have broad discretion as to the use of the net proceeds from this Offering. This could result in the proceeds being applied to uses that investors may not deem desirable or with which they may not agree. Furthermore, EMOTIONTRAC, INC. cannot assure you that the proceeds as used by management will yield the projected return.

THE MANAGEMENT MUST EFFECTIVELY MANAGE AND SUPPORT THE GROWTH OF THEIR BUSINESSES IN ORDER TO SUCCEED.

The Management has full control in all areas of operations in order to execute their business strategy. Managing growth will place significant demands on the Management, as well as on their respective administrative, operational and financial systems and controls. The inability to effectively manage, finance or support its anticipated growth could have a material adverse effect on its business and the results of its operations.

IT MAY BE DIFFICULT FOR EMOTIONTRAC, INC. TO EVALUATE ITS BUSINESS AND PROSPECTS AS MATURE COMPETITORS OR NEW BUSINESSES ENTER OUR MARKETPLACE.

EMOTIONTRAC, INC. may be unable to recognize and respond to trends, changing preferences or competitive factors within the industry, which may result in a material adverse effect on its business and operations, including those of. EMOTIONTRAC, INC. and cannot assure you that it will be able to successfully use new business strategies effectively or adapt its business models to a changing market. EMOTIONTRAC, INC. is entirely reliant upon the Company's ability to recognize and respond to trends, changing preferences or competitive factors within the commercial industry. The Company's inability to respond effectively to changing customer requirements or market conditions would have a material adverse effect on its business, results of operations and financial condition.

NO LEGAL COUNSEL OBTAINED FOR INVESTORS.

We have not retained any independent professionals to review or comment on this Offering, this Memorandum or otherwise represent the interests of the investors. Any statement contained herein is that of EMOTIONTRAC, INC. and no independent counsel has been engaged on behalf of any prospective investor. EMOTIONTRAC, INC. counsel has not conducted any due diligence as to the truth or the reliability of any of the statements contained herein or related to this offering.

EMOTIONTRAC, INC. WILL HAVE IMMEDIATE USE OF FUNDS GENERATED BY THE OFFERING.

All proceeds from this Offering will be immediately accessible by EMOTIONTRAC, Inc., the Company. There is no assurance that EMOTIONTRAC, INC. will raise amounts sufficient to implement its Business Plan, the failure of which would result in material adverse consequences to EMOTIONTRAC, INC.

NO PUBLIC MARKET EXISTS FOR THE COMMON SHARES OF EMOTIONTRAC, INC.

THE COMMON SHARES HAVE A LACK OF LIQUIDITY.

There is no public market on which to trade the Common Shares of EMOTIONTRAC, INC. We cannot assure you that a public market will ever develop. If no public market exists for the Common Shares it may be difficult for Shareholders to sell them if they wish to do so. In addition, the state and federal Common Shares laws place significant restrictions on the sale or transfer of the Common Shares. EMOTIONTRAC, INC. cannot assure you that you will be able to sell your Common Shares other than

THERE HAS NOT BEEN AN INDEPENDENT VALUATION OF THE COMMON SHARES, WHICH MEANS THAT THE COMMON SHARES MAY BE WORTH LESS THAN THE PURCHASE PRICE.

We have determined the purchase price of the Common Shares without independent valuation of the Common Shares. We established the purchase price based on our estimate of capital and expense requirements, not based on perceived market value, book value, or other established criteria. We did not obtain an independent appraisal opinion on the valuation of the Common Shares. The Common Shares may have a value significantly less than the Offering's prices and there is no guarantee that the Common Shares will ever obtain a value equal to or greater than the Offering price.

USE OF PROCEEDS

The net proceeds to be received by us from this Offering, after deducting estimated offering expenses, will be approximately Four Hundred Seventy Two Thousand Five Hundred dollars (\$472,500) in the event that all Class A Common Shares in this Offering are sold.

We intend that the proceeds of the Offering will be used to carry out our Business Plan. The net proceeds from the sale of the Class A Common Shares in this Offering will be used for general working capital, including marketing and general administrative costs. (See Source and Use of Proceeds).

The use of Offering proceeds reflected herein represents our best estimate of how the proceeds of this Offering will be allocated based upon the current state of our business operation, our Business Plan and projected capital requirements. These estimates are subject to change based upon factors such as market developments, the availability of actual proceeds from this Offering, and changes in our business planning and operations. We believe the net offering proceeds will satisfy our projected cash requirements for the product development and marketing necessary to launch and generate revenue. We may need to raise additional money separate from this Offering. The precise amount and timing of future funding needs cannot be determined at this time.

THE OFFERING

The Shares offered hereby are being offered and sold through the efforts of EMOTIONTRAC, INC., however the Company reserves the right to engage the services of broker-dealers who are member firms of the Financial Industry Regulatory Authority (FINRA). Sales of Common Shares by such broker-dealers will be subject to the payment of commissions not to exceed ten percent (10%).

Each investor who proposes to purchase Shares will be required to deliver to EMOTIONTRAC, INC. an executed Subscription Agreement and Registration Rights Agreement.

ADDITIONAL INVESTMENT CONSIDERATIONS

Because of the special considerations potentially affecting tax-exempt investors, any tax-exempt organization that is considering an investment should consult with its own tax and other advisors.

We are dependent on EMOTIONTRAC, INC. senior management. The management of our operations is vested solely in the current management. In connection with the management of our business, the current management will devote only such time to our matters, as they deem appropriate. Our success will continue to be highly dependent upon key members of management. The loss of the services of one or more of them could have a material adverse effect upon our business and development.

Management has broad discretion as to the use of proceeds. The net proceeds from this Offering will be used for the purposes described under "Use of Proceeds." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated.

Actual results of operations will vary from the Company's projections. Management has prepared projections regarding the Company's anticipated financial performance. The Company's projections are hypothetical and based upon a presumed financial performance of the Company's business and other factors influencing our business. The projections are based on management's best estimate of the probable results of operations of the Company, based on present circumstances. Any projected financial results prepared by or on behalf of the Company have not been independently reviewed, analyzed, or otherwise passed upon. Such "forward-looking" statements are based on various assumptions, which assumptions may prove to be incorrect. Such assumptions include, but are not limited to (i) anticipated demand for our services, (ii) anticipated costs associated with sales and marketing, and (iii) anticipated procurement and retention of a customer base. Some assumptions upon which the projections are based, however, invariably will not materialize due the inevitable occurrence of unanticipated events and circumstances beyond our control. Therefore, actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen regulatory changes, the entry of additional competitors into our target market, the terms and conditions of future capitalization, and other risks inherent to our business. Accordingly, there can be no assurance that such projections, assumptions, and statements will

accurately predict future events or actual performance. Any projections of cash flow should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. Investors are advised to consult with their own independent tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. No representations or warranties whatsoever are made by the Company, its affiliates or any other person or entity as to the future profitability of the Company or the results of making an investment in the SHARES.

Risks Associated with an Investment in Shares

Best efforts offering. This Offering is being made on a “best efforts” basis with no minimum number of SHARES required to be sold. As subscriptions are accepted (and any required rescission periods expire), the subscription funds will be available for use by the Company immediately for its intended use of proceeds. Subscriptions are irrevocable (after expiration of any rescission period) and subscribers will not have the opportunity to have their funds returned notwithstanding any future lack of success in recruiting other investors. Accordingly, initial subscribers will necessarily have a greater degree of risk. The Company has not engaged the services of a placement agent or underwriter with respect to the Offering and will offer the SHARES through its managers and executive officers at its discretion. Nevertheless, the Company may seek to elect, at its discretion, to engage the services of a qualified broker-dealer or outside salesperson in connection with the Offering.

There is no minimum capitalization for this offering, and we will use investors’ subscription funds as soon as they are received. There is no minimum capitalization required in this Offering. There is no assurance that all or a significant number of SHARES may be sold in this Offering. We will use investors’ subscription funds as soon as they are received. If only small portions of the SHARES are placed, then the Company may not have sufficient capital to operate. There is no assurance that we could obtain additional financing or capital from any source, or that such financing or capital would be available to us on terms acceptable to us. Under such circumstances, the Company’s plans may need to adjust, and this could have a material adverse effect on the Company’s business.

SHARES are not guaranteed and could become worthless. The SHARES are not guaranteed or insured by any government agency or by any private party. The amount of earnings is not guaranteed and can vary with market conditions. The return of all or any portion of capital invested in the SHARES is not guaranteed, and the SHARES could become worthless.

We are relying on certain exemptions from registration. The SHARES are being offered for sale in reliance upon certain exemptions from the registration requirements of the Securities Act and applicable state securities laws. If the sale of the SHARES were to fail to qualify for these exemptions, purchasers may seek rescission of their purchases of the SHARES. If a number of purchasers were to obtain rescission, the Company would face significant financial demands, which could adversely affect the Company as a whole, as well as any non-rescinding purchasers.

We may be required to register under the Securities Exchange Act. The Company will be required to conform to the rules and regulations promulgated under the various federal and state securities laws applicable to the conduct of its business. Management does not believe that the Company’s activities, as presently contemplated, will require registration or qualification of the Company with any federal or state agency.

Although the Company does not intend to be required to register its Shares under the Securities Exchange Act of 1934, as amended, it is possible that the Securities and Exchange Commission (the “SEC”) may require the Company to so register. For example, under Section 12(g)(1) of the Securities Exchange Act (as amended by the JOBS Act of 2012), private companies with over 2,000 shareholders and over \$10,000,000 in assets, may be required to register with the SEC within 120 days after their fiscal year end. Such registration would increase the operational expenses of the Company and would restrict its activities, thereby possibly having an adverse effect on its business.

The Offering price is arbitrary. The price of the SHARES offered has been arbitrarily established by the Company, without considering such matters as the state of the Company’s business development and the general condition of the industry in which it operates. The price of the SHARES bears little relationship to the assets, net worth, or any other objective criteria of value applicable to the Company.

Additional unforeseen risks. In addition to the risks described in this section, “RISK FACTORS,” and elsewhere in this Memorandum, other risks not presently foreseeable could negatively impact our business, could disrupt our operations and could cause the Company to fail. Ultimately, each investor in the SHARES bears the risk of a complete and total loss of his/her/its investment.

THE BUSINESS

The Company

EMOTIONTRAC, INC. was founded in 2014 as a Florida LLC and reincorporated as a Florida “C” Corporation in 2017.

Description of Business

EMOTIONTRAC has created platform technologies with patented, intellectual property and trade secrets that address a multiplicity of applications for industries that include lawyers, movie studios, political marketing, eCommerce and mobile advertising.

Product

EmotionTrac - is a software solution utilizing AI that deploys facial analysis tools producing premium quantitative data for emotional reaction and engagement to video. The cloud-based software as a service may be used to test audiences' emotional reactions to legal cases for pre-trial preparation, TV and video ads, movie trailers and other video content to gain consumer insights.

BUSINESS AND GENERAL OVERVIEW

Jinglze, LLC (“LLC”) was founded on June 20, 2014 as a Florida Limited Liability Company for the purpose of developing mobile device applications, marketing data & research products and an internet platform for the distribution of mobile advertising. On March 9, 2017, EmotionTrac, Inc. was incorporated and registered with the state of Florida. On April 4, 2017, the LLC was dissolved, and the assets were sold to Jinglze, Inc. The partners in the LLC were issued 10,000,000 shares of Jinglze Class A common stock for their equity in the LLC. On February 15, 2022, the Company changed the name to EmotionTrac, Inc. to more accurately reflect the technology.

EmotionTrac has created patented technology for measuring audience engagement and emotion. Our EmotionTrac AI technology measures slight changes in facial expressions to determine emotional reactions to video watched through a mobile device. EmotionTrac™, our flagship product, is a self-serve software platform that empowers brands, ad agencies, lawyers, consumer insights and any market researcher to deploy on-demand focus group tests that produce true quantitative data for emotional reactions and engagement to video content in multiple billion-dollar markets.

Our EmotionTrac™ technology, using permission-based access of the front facing camera of a mobile device, anonymously tracks a person's emotions while panelists engage in a video. The technology utilizes machine learning and artificial intelligence to register emotional data. This data is then interpreted to deliver various reporting indexes using data science. The videos are deployed through our CampaignTester mobile app. We also recruit and provide the client with an end-to-end solution by making panel audiences available for the clients use for testing at costs significantly lower than traditional audience rentals.

Throughout this Annual Report references to “we”, “our”, “us”, “EmotionTrac”, “the Company”, and similar terms refer to EmotionTrac, Inc.

Competition

There are only a handful of companies currently employing similar technology within our target markets. Some of the dominant players include: Affectiva, Tobii AB, Noldus, Realeyes OU. In all cases, the products these companies offer differ from Jinglze in their application, pricing, feature set, and delivery mechanism. Our competitive research reveals that Jinglze offers substantial product differentiation while also providing additional value to potential customers.

Future Products using our core technology

VerusMedia – is a Digital Video Advertising Network utilizing our VeriView Video Ad technology to provide verified viewed advertising to the millions of mobile app publishers that use video. 81% of all game apps and 40% of non-game apps display advertising received from advertising networks to generate revenue.

PlayJinglze - State-of-the-Art mobile App featuring our VeriView technology to validate users are engaged in advertising. The app features games and contests that rewards user for engaging in advertising.

RewardzShop - A loyalty platform where users manage and redeem awards received when engaging in advertising from app that offer VeriView Video ads. People redeem rewards for gift cards, merchandise, and even charitable contributions.

Liabilities and Litigation

EMOTIONTRAC is not exposed to any liability or litigation at this time.

Technology and Intellectual Property

The company has been issued three patents related to completed products that are being sold in the marketplace, which detects the emotions and engagement of a user while viewing video content. The company also holds and has filed trademarks for their products. The Company incorporates viewer validation and gamification with social rewards by having developed intellectual property and algorithms. These include facial, gaze and volume detection; an algorithm that randomly selects and ranks user positions for each jackpot drawing; rewards paid using a tiered level distribution; calculation of jackpot and total users entered in each hourly drawing; capturing user generated demographic profiles through queries; matching advertisers ad campaigns to users demographics; and method of random payout amounts while distributing referral payments based on the number of available referrals who have downloaded the app. The Company also has products developed that address verification and ad fraud through its Verifiable Viewer View process. The advertiser will know that their audience watched the entirety of their ads (no skipping the ad or looking away) since the user is required to keep their eyes directed toward the screen with the volume up.

IP, Algorithms, Trade Secrets

- Contests
- Users, Roles, & Authentication
- Inventory (Video Serving)
- Point System / Logic
- Contest & Lottery Logic
- Verification System
- Integration's - Transactional Email, Event and stat tracking, Cash Redemption, Hosting

Employees

As of the year ended December 31, 2022, the Company had 2 employees. The Company also has 4 dedicated subcontractors to support sales, marketing and general administrative functions.

Legal Proceedings

There are no legal proceedings material to our business or financial condition pending and, to the best of our knowledge, there are no such legal proceedings contemplated or threatened.

RISK FACTORS

Investing in our securities involves a great deal of risk. Careful consideration should be made of the following factors as well as other information included in this Annual Report before deciding to purchase our common stock. Our business, financial condition or results of operations could be affected materially and adversely by any or all these risks.

THE FOLLOWING MATTERS MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL CONDITION, LIQUIDITY, RESULTS OF OPERATIONS OR PROSPECTS, FINANCIAL OR OTHERWISE. REFERENCE TO THIS CAUTIONARY STATEMENT IN THE CONTEXT OF A FORWARD-LOOKING STATEMENT OR STATEMENTS SHALL BE DEEMED TO BE A STATEMENT THAT ANY ONE OR MORE OF THE FOLLOWING FACTORS MAY CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN SUCH FORWARD-LOOKING STATEMENT OR STATEMENTS.

We have a limited operating history and have generated minimal revenues

Our limited operating history makes evaluating our business and future prospects difficult and may increase the risk of investing. We are continually upgrading our product and have generated minimal revenues.

Our patents and intellectual property may be unenforceable or ineffective

One of the Company's most valuable assets is its intellectual property. We currently have three patents that have been issued, as well as several trade secrets. The Company intends to continue to file additional patent applications, trademarks, copyrights, internet domain names and trade secrets to build its intellectual property portfolio as we discover new technologies.

There are several potential competitors who are better positioned to garner the majority of the market

We compete with larger, established companies who currently have products on the markets and/or various respective product development programs. They have better financial means and marketing/sales and human resources. They may succeed in developing and marketing competing equivalent products or superior products than those developed by us. There can be no assurance that competitors will not render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that that competition will intensify.

We may need to raise additional capital to fund continuing developments and an inability to raise the necessary capital or to do so on acceptable terms could threaten the success of our business.

We estimate that we will require at least \$3 million to expand and scale our business. During the years ended December 31, 2022 and 2021, the Company raised \$262,999 and \$1,241,899, respectively, utilizing both a crowdfunding campaign and individual investors. If it is necessary to raise additional funds prior to the generation of revenue, we cannot be sure that any additional funding will be available on terms favorable to us or at all. Debt or equity financing may subject us to restrictive covenants and significant interest costs.

There is no current market for our common stock and there may never be an active market for our common stock, and we cannot assure you that the common stock will become liquid or that it will be listed on a securities exchange.

We are unable to assure investors that a market for our common stock will develop. If no public markets become available, stockholders will have difficulty selling shares. In addition, certain conditions imposed by the Securities Act must be satisfied prior to any sale, transfer, conversion or other disposition of our common stock.

Our business projections are only estimates

There is no assurance that the Company will meet these estimated projects. There is also no assurance that there will be sufficient demand for our products.

Current management must effectively manage and support the growth of the business

The management team has full control in all areas of operations to execute the business strategy. Managing growth will place significant demands on the management team as well as on individual administrative, operational and financial systems and controls. Any inability to effectively manage, finance or support the Company's anticipated growth could have a materially adverse effect on the business and the results of its operations.

The Company may have difficulty evaluating business and prospects as mature competitors or new business entities enter the marketplace

The Company may be unable to recognize and/or respond to trends, changing preferences or competitive factors within the industry which may result in a material adverse effect on our business and operations. The Company cannot guarantee it will have the ability to successfully use new business strategies or adapt its business models in a changing market. The Company is entirely reliant on our ability to recognize and respond to trends, changing preferences or competitive factors within the commercial industry.

The Company's business model includes two areas-sweepstakes and privacy of personal information-regulated by the federal and state governments

Although the Company believes it has taken adequate steps adequate for the company with regards to the rules applicable to sweepstakes and compliance with privacy requirements, this is a highly regulated area, and the rules are subject to change and interpretation.

Management's ownership of Class B Common Stock makes change in Company control difficult

At the year ended December 31, 2022, the Chief Executive Officer/Chairman owns 80% of the shares of Class B common stock that has 10 voting rights per share. Current investors in Class A common stock will have 1 vote per share. This disproportionate number of voting rights would make a change in control of the Company difficult and may adversely affect the value of the Class A common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATION

The following discussion and analysis of financial condition and results of operations relates to the operations and financial condition reported in the financial statements of EmotionTrac, Inc. for the years ended December 31, 2022 and 2021 and should be read in conjunction with such financial statements and related notes included in this report.

Overview

Our EmotionTrac™ technology, using permission-based access of the front facing camera of a mobile device, anonymously tracks a person's emotions while panelists engage in a video. The technology utilizes machine learning and artificial intelligence to register emotional data. This data is then interpreted to deliver various reporting indexes using data science. The videos are deployed through our CampaignTester mobile app. We also recruit and provide the client with an end-to-end solution by making panel audiences available for the clients use for testing at costs significantly lower than traditional audience rentals.

Results of Operations of EmotionTrac for the Twelve-month Period Ended December 31, 2022 vs. 2021

NET REVENUES: Total net revenues for the years ended December 31, 2022 and 2021 were \$241,781 and \$99,000, respectively. We anticipate a continuing increase of revenue in 2023 and beyond.

COST OF REVENUE: Total cost of revenues for the years ended December 31, 2022 and 2021 were \$27,220 and \$0, respectively. The increase in cost of revenue was the because of the increase in revenue.

GROSS PROFIT: Gross profit for the years ended December 31, 2022 and 2021 was \$214,561 and \$99,000, respectively. This is an increase of \$115,561 or 117%.

OPERATING EXPENSES: Total operating expenses increased to \$1,331,887 for the year ended December 31, 2022 from \$873,907 for the year ended December 31, 2021. The increase is primarily a result of increases in professional fees and general and administrative costs.

LOSS: The Company incurred a net loss of \$1,128,105 for the year ended December 31, 2022, compared with a net loss of \$649,630 for the year ended December 31, 2021, which reflects an increase of \$478,475. The increase in loss is primarily a result of increases in professional fees and general and administrative costs as noted above.

Liquidity and Capital Resources

As of December 31, 2022, we had negative working capital of \$708,345 compared to positive working capital of \$52,296 as of December 31, 2021. The main portion of the working capital decrease is the decrease of cash and decrease in accrued expenses and increase of short-term loans. Cash flows provided by financing activities were \$372,119 and \$1,320,455 for the years ended December 31, 2022 and 2021, respectively. The decrease in cash flows from financing activities was a decrease in the receipt of proceeds for the issuance of shares of common stock. The cash balance as of December 31, 2022 was \$83,149.

For the year ended December 31, 2022, there was a negative cash flows from operations of \$903,804 compared to a negative cash flows from operations of \$814,399 for the year ended December 31, 2021. This is due to an increase in loss offset by increase in accounts payable and accrued expenses. Our ability to meet our obligations depends on our ability to obtain additional financing if needed. We cannot predict whether this additional financing will be in the form of equity or debt or be in another form. We may not be able to obtain the necessary additional capital on a timely basis, on acceptable terms, or at all. In any of these events, we may be unable to implement our current plans which circumstances would have a material adverse effect on our business, prospects, financial conditions and results of operations.

FINANCIAL STATEMENTS AND FOOTNOTES

EMOTIONTRAC, INC.

(formerly Jinglz, Inc.)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2021

Note 1. The Company

The Company and Nature of Business

Jinglze, LLC (“LLC”) was founded on June 20, 2014 as a Florida Limited Liability Company for the purpose of developing mobile device applications, marketing data & research products and an internet platform for the distribution of mobile advertising. On March 9, 2017, Jinglz, Inc. was incorporated and registered with the state of Florida. On April 4, 2017, the LLC was dissolved, and the assets were sold to Jinglz, Inc. The partners in the LLC were issued 10,000,000 shares of Jinglz Class B common stock for their equity in the LLC. Jinglz, Inc. continues to provide the same service as the LLC. On February 15, 2022, the Company changed the name to EmotionTrac, Inc. to more accurately reflect the technology.

Jinglz has created patented technology for measuring audience engagement and emotion. Our EmotionTrac AI technology measures slight changes in facial expressions to determine emotional reactions to video watched through a mobile device. EmotionTrac™, our flagship product, is a self-serve software platform that empowers brands, ad agencies, lawyers, consumer insights and any market researcher to deploy on-demand focus group tests that produce true quantitative data for emotional reactions and engagement to video content in multiple billion-dollar markets.

Our EmotionTrac™ technology, using permission-based access of the front facing camera of a mobile device, anonymously tracks a person’s emotions while panelists engage in a video. The technology utilizes machine learning and artificial intelligence to register emotional data. This data is then interpreted to deliver various reporting indexes using data science. The videos are deployed through our CampaignTester mobile app. We also recruit and provide the client with an end-to-end solution by making panel audiences available for the clients’ use for testing at costs significantly lower than traditional audience rentals.

Technology and Intellectual Property

The Company incorporates machine learning, artificial intelligence and data science for tracking engagement and emotional responses to video presentations and reporting of results. The company also delivers viewer validation and gamification with social rewards by having developed intellectual property and algorithms. These include facial, gaze, emotional intelligence, and volume detection. The company has been issued two patents and an additional invention is patent-pending.

Note 2. Summary of Significant Accounting Policies.

Basis of Presentation

The accompanying condensed financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in accordance with U.S. 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 expense for each reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid instruments with original maturities of three months or less.

Going Concern

For the years ended December 31, 2022 and 2021, the Company had an accumulated deficit of \$6,102,518 and \$4,974,413, respectively. In view of these matters, there is substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue operations is dependent upon the Company's ability to raise additional capital and to ultimately achieve sustainable revenues and profitable operations, of which there can be no guarantee. 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.

Property and Equipment

Property and equipment are recorded at historical cost. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. Depreciation is recorded over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for significant property and equipment categories are as follows:

| | |
|------------------------|-----------|
| Furniture and Fixtures | 5-7 Years |
| Computer Equipment | 5-7 Years |
| Software | 3 Years |

The Company regularly evaluates whether events or circumstances have occurred that indicate the carrying value of long-lived assets may not be recoverable. If factors indicate the asset may not be recoverable, we compare the related undiscounted future net cash flows to the carrying value of the asset to determine if impairment exists. If the expected future net cash flows are less than the carrying value, an impairment charge is recognized based on the fair value of the asset. For the years ended December 31, 2022 and 2021, there was no impairment recognized.

Software Development Costs

During the development stage, the Company recorded software development costs as an asset. With the launching of the software in the year ended December 31, 2020, the Company began to amortize these costs over the useful life of seven years.

Fair Value of Financial Instruments

Financial assets and liabilities recorded at fair value in the Company's Balance Sheet are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The categories, as defined by the standard, are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement dates.
- Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

For certain of our financial instruments, including accounts receivable, accounts payable, and accrued expenses, the carrying amounts are approximate fair value due to their short-term nature.

Risks and Uncertainties

The Company has a limited operating history and has not generated revenue from intended operations. The Company's business and operations are sensitive to general business and economic conditions in the U.S. and worldwide along with local, state, and federal governmental policy decisions. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, competition, technological advancements that render our technology obsolete, or changes in governmental policy. These adverse conditions could affect the Company's financial condition and the results of its operations.

Stock-Based Compensation

The Company accounts for stock-based employee compensation arrangements in accordance with ASC 718, "Compensation — Stock Compensation", which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors based on the estimated grant date fair value of the award. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the Company's statement of operations.

The Company estimates fair value of share-based awards using the Black-Scholes model. This model requires the Company to estimate the expected volatility and value of its common stock and the expected term of the stock options; all of which are highly complex and subjective variables. The variables take into consideration, among other things, actual and projected employee stock option exercise behavior. The Company uses an average of similar companies' historical volatility as a basis for its expected volatility. Expected term is computed using the simplified method provided within Securities and Exchange Commission Staff Accounting Bulletin No. 110. The Company has selected a risk-free rate based on the implied yield available on U.S. Treasury securities with a maturity equivalent to the expected term of the stock option or warrant.

Income Taxes

The Company accounts for income taxes under FASB ASC 740-10-30. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Accounting standards require the consideration of a valuation allowance for deferred tax assets if it is "more likely than not" that some component or all the benefits of deferred tax assets will not be realized.

Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on its results of operations, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its financial statements.

Note 3. Property and Equipment

Property and equipment consist of computer equipment, furniture and fixtures and leasehold development that is stated at cost of \$27,654 and \$27,654 less accumulated depreciation of \$24,071 and \$19,451 for the years ended December 31, 2022 and 2021, respectively. Depreciation expense was \$4,620 and \$5,226 for the years ended December 31, 2022 and 2021, respectively

Note 4. Intangible Assets

The Company recognizes the costs of software development as intangible assets. During the years ended December 31, 2022 and 2021, the Company recorded \$99,843 and \$99,843, respectively of software development costs.

Note 5. Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax liabilities consist of the following components as of the years ended December 31, 2022 and December 31, 2021, respectively:

| | 2022 | 2021 |
|--------------------------|-------------|-------------|
| Deferred tax assets: | | |
| NOL Carryover | \$ 983,969 | \$ 695,258 |
| Deferred tax liabilities | | |
| Depreciation | | - |
| Valuation allowance | (983,969) | (695,258) |
| Net deferred tax asset | <u>\$ -</u> | <u>\$ -</u> |

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the years ended December 31, 2022 and December 31, 2021, respectively, due to the following:

| | 2022 | 2021 |
|-------------------------|--------------|--------------|
| Book Loss | \$ (236,902) | \$ (136,422) |
| Depreciation | - | - |
| Meals & Entertainment | - | 247 |
| Non-deductible expenses | - | - |
| Valuation allowance | 236,902 | 136,175 |
| | <u>\$ -</u> | <u>\$ -</u> |

On December 31, 2022, the Company had net operating loss carryforwards of approximately \$4,685,569 that may be offset against future taxable income from the year 2023 through 2042. No tax benefit has been reported in the December 31, 2022 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited in future years.

The Company's policy is to recognize potential interest and penalties accrued related to unrecognized tax benefits within income tax expense. For the years ended December 31, 2022 and 2021, the Company did not recognize any interest or penalties, nor did we have any interest or penalties accrued related to unrecognized benefits.

The tax years ended December 31, 2022, 2021 and 2020 are open for examination for federal income tax purposes and by other major taxing jurisdictions to which we are subject.

Note 6. Advertising Expense

Advertising costs are expensed as incurred. During the years ended December 31, 2022 and 2021, the Company recorded \$129,752 and \$125,804, respectively.

Note 7. Non-Convertible Loans

On September 12, 2022, the Company signed for a loan payable with AMEX for \$150,000. It is a 12-month loan with 9% interest. At the end of December 31, 2022, the balance on the loan was \$112,500.

At the years ended December 31, 2022 and December 31, 2021, the Company had loans payable of \$267,957 and \$154,937, respectively. The net increase in loans payable is as a result of the loan payable from AMEX.

Note 10. Equity Transactions

Preferred Stock

The total number of shares of preferred stock which the Company shall have authority to issue is 50,000,000 shares with a par value of \$0.001 per share. There have been no preferred shares issued for the years ended December 31, 2022 or 2021.

Common Stock

The total number of shares of common stock which the Company shall have authority to issue is 100,000,000 shares with a par value of \$0.001 per share.

Class A Common Stock

Of the total number of shares of common stock authorized, 80,000,000 are Class A common stock with one (1) voting right per share.

During the year ended December 31, 2022, the Company issued 175,333 shares of Class A common stock for cash received totaling \$262,999.

At the year ended December 31, 2022, the Company had 5,540,805 shares of Class A common stock issued and outstanding.

Class B Common Stock

Of the total number of shares of common stock authorized, 20,000,000 are Class B common stock with ten (10) voting rights per share.

At the year ended December 31, 2022, the Company had 10,100,000 shares of Class B common stock issued and outstanding.

Stock Options

On October 9, 2017, the Board of Directors authorized the 2017 Jinglez Stock Incentive Plan. The Plan authorized the reservation of up to 3,500,000 shares of common stock. The plan authorizes the Board to determine from time-to-time eligible recipients, number of options to be issued, the exercise price and terms.

The following is a summary of the status of all Company's stock options as of December 31, 2022 and changes during the periods ended on December 31, 2022 and 2021, respectively:

| | Number of Stock Options | Weighted Average Exercise Price | Remaining Life (yrs) |
|--|--|--|---------------------------------|
| Outstanding at January 1, 2021 | 1,630,906 | \$ 1.14 | 2.4 |
| Granted | 298,000 | 1.50 | - |
| Exercised | - | - | - |
| Cancelled | - | - | - |
| Outstanding at December 31, 2021 | 1,928,906 | \$ 1.14 | 2.4 |
| Granted | 385,000 | 1.50 | - |
| Exercised | - | - | - |
| Cancelled | (105,000) | - | - |
| Outstanding at December 31, 2022 | 2,208,906 | \$ 1.18 | 2.3 |
| Options exercisable at December 31, 2022 | 1,432,704 | \$ 1.16 | 2.3 |

Warrants

During the years ended December 31, 2022 and December 31, 2021, the Company issued 249,500 and 1,595,829 warrants, respectively, with exercise prices ranging from \$.01 to \$1.50 per share. Management determined that the value of the warrants was minimal.

The following is a summary of the status of all Company's stock options as of December 31, 2022 and changes during the periods ended December 31, 2022 and 2021, respectively.

| | Number of Warrants | Weighted Average Exercise Price | Remaining Life (yrs) |
|---|-------------------------------|--|---------------------------------|
| Outstanding at January 1, 2021 | 4,053,557 | \$ 0.30 | 4.7 |
| Granted | 1,595,829 | .72 | - |
| Exercised | (500,000) | 1.00 | - |
| Expired | (590,000) | 0.01 | - |
| Outstanding at December 31, 2021 | 4,559,386 | \$ 0.43 | 4.7 |
| Granted | 249,500 | 1.50 | - |
| Exercised | (25,000) | 1.00 | - |
| Expired | (274,892) | 1.50 | - |
| Outstanding at December 31, 2022 | 4,508,994 | \$ 0.61 | 2.4 |
| Warrants exercisable at December 31, 2022 | 4,491,680 | \$ 0.61 | 2.4 |

Crowdfunding

During the years ended December 31, 2022 and 2021, the Company raised \$0 and \$165,998, respectively, through crowdfunding. For the crowdfunding investments, the Company issued 0 shares and 110,665 shares of Class A Common Stock for each of the respective years.

Note 11. Commitments and Contingencies

Lawsuits, claims and proceedings have been or may be instituted or asserted against the Company in the normal course of business. The Company is also subject to local, state and federal laws and regulations related to land development activities, house construction standards, sales practices, employment practices and environmental

protection. As a result, the Company is subject to periodic examinations or inquiry by agencies administering these laws and regulations.

The Company records a reserve for potential legal claims and regulatory matters when they are probable of occurring and a potential loss is reasonably estimable. The Company accrues for these matters based on facts and circumstances specific to each matter and revises these estimates when necessary.

In view of the inherent difficulty of predicting outcomes of legal claims and related contingencies, the Company generally cannot predict their ultimate resolution, related timing or eventual loss. If the Company evaluations indicate loss contingencies that could be material are not probable, but are reasonably possible, the Company will disclose their nature with an estimate of possible range of losses or a statement that such loss is not reasonably estimable. At the years ended December 31, 2022 and 2021, there were no claims that met this criterion; therefore, the Company did not have any accruals for asserted or unasserted matters.

Note 12. Subsequent Events

During the first quarter of 2023, the Company issued 94,350 shares of Class A Common Stock to investors for a total investment of \$141,525.

During the first quarter of 2023, the Company issued 25,000 shares of Class A Common Stock for the exercise of a warrant issued in the year ended December 31, 2021 for \$25,000.

**EMOTIONTRAC, INC.
BALANCE SHEETS
(unaudited)**

| | December 31, 2022 | December 31, 2021 |
|--|------------------------------|------------------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash | \$ 83,149 | \$ 614,834 |
| Accounts receivable | 13,975 | - |
| Prepaid expenses | - | 20,500 |
| Total current assets | 97,124 | 635,334 |
| Property & equipment, net | 3,583 | 8,203 |
| Investment | 5,000 | 5,000 |
| Deposits | 900 | 900 |
| Software Development, net | 399,372 | 499,215 |
| TOTAL ASSETS | \$ 505,979 | \$ 1,148,652 |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 243,349 | \$ 121,932 |
| Accrued compensation | 298,063 | 306,169 |
| Loan payable | 264,057 | 154,937 |
| Total current liabilities | 805,469 | 583,038 |
| Total Liabilities | 805,469 | 583,038 |

STOCKHOLDERS' EQUITY (DEFICIT)

| | | |
|---|--------------------------|----------------------------|
| Preferred stock,, authorized, 50,000,000 shares, \$.001 par value, 0 shares issued and outstanding | - | - |
| Common stock, authorized 100,000,000 shares, \$.001 par value consisting of Class A common stock, 80,000,000 shares authorized, 5,540,805 and 5,365,472 shares issued and outstanding, respectively, and Class B common stock, 20,000,000 shares authorized, 10,100,000 and 10,100,000 shares issued and outstanding, respectively | 15,641 | 15,466 |
| Additional paid in capital | 5,787,386 | 5,524,562 |
| Accumulated deficit | <u>(6,102,518)</u> | <u>(4,974,413)</u> |
| Total Stockholders' Equity (Deficit) | <u>(299,491)</u> | <u>565,615</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | <u>\$ 505,979</u> | <u>\$ 1,148,652</u> |

The accompanying notes are an integral part of these financial statements

**EMOTIONTRAC, INC.
STATEMENTS OF OPERATIONS
(unaudited)**

| | December 31, 2022 | December 31, 2021 |
|-------------------------------|------------------------------|------------------------------|
| REVENUE | | |
| Service income | \$ 408,145 | \$ 128,475 |
| Discounts | <u>166,364</u> | <u>29,475</u> |
| Net Revenue | 241,781 | 99,000 |
| COST OF REVENUE | | |
| Cost of revenue | <u>27,220</u> | <u>-</u> |
| Total Cost of Revenue | 27,220 | - |
| GROSS PROFIT | 214,561 | 99,000 |
| OPERATING EXPENSES | | |
| Executive compensation | 92,862 | 103,200 |
| General and administrative | 880,876 | 558,000 |
| Professional fees | <u>358,149</u> | <u>212,707</u> |
| Total Operating Expenses | <u>1,331,887</u> | <u>873,907</u> |
| Loss from Operations | (1,117,325) | (774,907) |
| OTHER INCOME (EXPENSE) | | |
| Interest income | 1,533 | 2 |
| Loan forgiveness - PPV | - | 138,180 |
| Interest expense | <u>(12,312)</u> | <u>(12,905)</u> |
| Net Loss before Income Taxes | (1,128,105) | (649,630) |
| Income tax expense | <u>-</u> | <u>-</u> |
| Net Loss | <u>\$ (1,128,105)</u> | <u>\$ (649,630)</u> |

The accompanying notes are an integral part of these financial statements

EMOTIONTRAC, INC.
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

| | Common Shares - Class A | | Common Shares - Class B | | Additional Paid in Capital | Accumulated Deficit | Total Stockholders' Equity (Deficit) |
|---|----------------------------|-----------------|----------------------------|------------------|----------------------------------|------------------------|---|
| | Shares | Amount | Shares | Amount | | | |
| Balance at December 31, 2020 | <u>4,378,334</u> | <u>\$ 4,378</u> | <u>10,100,000</u> | <u>\$ 10,100</u> | <u>\$4,283,650</u> | <u>\$ (4,324,783)</u> | <u>\$ (26,654)</u> |
| Shares issued for cash received | 987,138 | 987 | - | - | 1,240,912 | - | 1,241,899 |
| Net loss | - | - | - | - | - | (649,630) | (649,630) |
| Balance at December 31, 2021 | <u>5,365,472</u> | <u>\$ 5,366</u> | <u>10,100,000</u> | <u>\$ 10,100</u> | <u>\$5,524,562</u> | <u>\$ (4,974,413)</u> | <u>\$ 565,615</u> |
| Shares issued for cash received | 175,333 | 175 | - | - | 262,824 | - | 262,999 |
| Net loss | - | - | - | - | - | (1,128,105) | (1,128,105) |
| Balance at December 31, 2022 | <u>5,540,805</u> | <u>\$ 5,541</u> | <u>10,100,000</u> | <u>\$ 10,100</u> | <u>\$5,787,386</u> | <u>\$ (6,102,518)</u> | <u>\$ (299,491)</u> |

The accompanying notes are an integral part of these financial statements

EMOTIONTRAC, INC.
STATEMENT OF CASH FLOWS
(Unaudited)

| | December 31, 2022 | December 31, 2021 |
|--|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Net loss | \$ (1,128,105) | \$ (649,630) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 4,620 | 5,226 |
| Amortization of software development costs | 99,844 | 99,843 |
| PPV loan forgiveness | - | (138,180) |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (13,975) | 1,600 |
| Prepaid expenses | 20,500 | (20,500) |
| Accounts payable and accrued expenses | 121,418 | (119,152) |
| Accrued compensation | (8,106) | 6,393 |

| | | |
|---|-----------|------------|
| Net cash used in operating activities | (903,804) | (814,399) |
| Cash flows from financing activities | | |
| Proceeds for issuance of common stock | 262,999 | 1,241,899 |
| Proceeds from loans payable | 112,700 | - |
| Proceeds from PPV and SBA Loan | - | 78,880 |
| Payments on SBA Loan (adjustment) | (3,580) | (324) |
| Net cash provided by financing activities | 372,119 | 1,320,455 |
| Net increase (decrease) in cash | (531,685) | 506,055 |
| Cash, beginning of period | 614,834 | 108,779 |
| Cash, end of period | \$ 83,149 | \$ 614,834 |
| Supplemental Information: | | |
| Cash paid for: | | |
| Taxes | \$ - | \$ - |
| Interest Expense | \$ 12,312 | \$ 12,905 |

ADDITIONAL INFORMATION

The Company's Officers will be available upon request to answer questions concerning the terms of this Offering, to provide any reasonably requested information necessary to verify the accuracy of the information contained in this Memorandum and to provide such other information reasonably requested by prospective investors as they deem necessary for the purposes of considering an investment in the Company. All communications or inquiries relating to these matters or to a possible purchase of Shares offered hereby should be directed to the following:

You should rely only on the information contained in this Memorandum. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these Shares in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Memorandum is accurate as of the date on the front cover of this Memorandum only.

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "**Agreement**") is made as of _____, 2023, between EMOTIONTRAC, INC., a Florida corporation (the "**Company**"), and the individuals and entities listed on Schedule A to this Agreement (each, an "**Investor**" and collectively, the "**Investors**").

RECITALS

WHEREAS, the Company and the Investors are parties to the Subscription Agreement dated as of August 20, 2023 pursuant to the Private Placement Memorandum (as defined in Section 1.1(e) below) (the "**Subscription Agreement**");

WHEREAS, the Investors' obligations under the Subscription Agreement are conditioned upon certain registration rights under the Securities Act of 1933, as amended (the "**Securities Act**") as described in the Subscription Agreement; and

WHEREAS, the Investors and the Company desire to provide for the rights of registration under the Securities Act as are provided in this Agreement upon the execution and delivery of this Agreement by the Investors and the Company.

NOW, THEREFORE, in consideration of the promises, covenants and conditions set forth in this Agreement, the parties to this Agreement hereby agree as follows:

ARTICLE 1.
REGISTRATION RIGHTS.

1.1 **Definitions.** As used in this Agreement, the following terms shall have the meanings set forth below:

- (a) “**Common Stock**” means the Company’s common stock, par value \$0.00001 per share.
- (b) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.
- (c) “**Filing Date**” means, with respect to the Registration Statement required to be filed hereunder, a date no later than 90 days following the date of this Agreement.
- (d) “**Investor**” means any person owning Registrable Securities.
- (e) “**Private Placement Memorandum**” means the Company’s Confidential Private Placement Memorandum, dated as of August 20, 2023, for the offering of up to 350,000 shares of Common Stock at a purchase price of \$1.50 per share.
- (f) The terms “**Register**,” “**Registered**” and “**Registration**” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.
- (g) “**Registrable Securities**” means any of the Shares or a dividend or other distribution with respect to, or in exchange therefor, or in replacement thereof; provided, however, that Registrable Securities shall not include any shares of Common Stock that have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor’s rights under this Section 1 were not assigned.
- (h) “**Rule 144**” means Rule 144 as promulgated by the SEC under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the SEC.
- (i) “**SEC**” means the United States Securities and Exchange Commission.
- (j) “**Shares**” means the shares of the Common Stock issued pursuant to the Subscription Agreement.

1.2 **Company Registration.**

- (a) On or prior to the Filing Date the Company shall prepare and file with the SEC a Registration Statement covering the Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415. The Registration Statement shall be on Form SB-2 or Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form SB-2 or Form S-3, such registration shall be on another appropriate form in accordance herewith).
- (b) The Company shall cause the Registration Statement to become effective and remain effective as provided in this Agreement. The Company shall use its best efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof. The Company shall use its reasonable commercial efforts to keep the Registration Statement continuously effective under the Securities Act until the date which is the earlier date of (i) twelve months after the date of the first issuance of the Shares pursuant to the Subscription Agreement, (ii) when all Registrable Securities have been sold, or (iii) when all Registrable Securities may be sold immediately without registration under the Securities Act and without volume restrictions pursuant to Rule 144(k), as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company’s transfer agent and the affected Investors.
- (c) The Company shall bear and pay all expenses incurred in connection with any registration, filing or qualification of Registrable Securities with respect to the registrations pursuant to this Section 1.2 for each Investor, including (without limitation) all federal and state registration, filing and qualification fees, printer’s fees, accounting fees and fees and disbursements of counsel for the Company, but excluding underwriting discounts and commissions relating to Registrable Securities and fees and disbursements of counsel for the Investors.

1.3 **Obligations of the Company.** Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

- (a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Investors of at least a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period which shall

end the earlier of when (i) all Registrable Securities have been sold or (ii) all Registrable Securities may be sold immediately without registration under the Securities Act and without volume restrictions pursuant to Rule 144(k);

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(c) Furnish to the Investors such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request to facilitate the disposition of Registrable Securities owned by them; provided, that the Company would not be required to print such prospectuses if readily available to Investors from any electronic service, such as on the EDGAR filing database maintained at www.sec.gov;

(d) Use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities' or blue sky laws of such jurisdictions as shall be reasonably requested by the Investors; provided, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering (each Investor participating in such underwriting shall also enter into and perform its obligations under such an agreement);

(f) Notify each Investor of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated in this Agreement or necessary to make the statements in this Agreement not misleading in the light of the circumstances then existing;

(g) Cause all such Registrable Securities registered pursuant to this Section 1 to be listed on each securities exchange or nationally recognized quotation system on which similar securities issued by the Company are then listed; and

(h) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

1.4 Furnish Information. It shall be a condition precedent to the Company's obligations to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Investor that such Investor shall furnish to the Company such information regarding such Investor, the Registrable Securities held by such Investor, and the intended method of disposition of such securities as shall be required by the Company or the managing underwriters, if any, to effect the registration of such Investor's Registrable Securities.

1.5 Delay of Registration. No Investor shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.6 Indemnification.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Investor, any underwriter (as defined in the Securities Act) for such Investor and each person, if any, who controls such Investor or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject under the Securities Act, the Exchange Act or other federal or state securities law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "**Violation**"): (i) any untrue statement or alleged untrue statement of a material fact contained in a registration statement, including any preliminary prospectus or final prospectus contained in this Agreement or any amendments or supplements thereto (collectively, the "**Filings**"), (ii) the omission or alleged omission to state in the Filings a material fact required to be stated in this Agreement, or necessary to make the statements in this Agreement not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law; and the Company will pay any legal or other expenses reasonably incurred by any person to be indemnified pursuant to this Section 1.7(a) in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 1.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability, or action

to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Investor, underwriter or controlling person.

(b) To the extent permitted by law, each Investor will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Investor selling securities in such registration statement and any controlling person of any such underwriter or other Investor, against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing persons may become subject under the Securities Act, the Exchange Act or other federal or state securities law insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Investor expressly for use in connection with such registration; and each such Investor will pay any legal or other expenses reasonably incurred by any person to be indemnified pursuant to this Section 1.6(b) in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 1.6(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Investor (which consent shall not be unreasonably withheld); provided, however, that in no event shall any indemnity under this Section 1.6(b) exceed the gross proceeds from the offering received by such Investor.

(c) Promptly after receipt by an indemnified party under this Section 1.6 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.6, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.6, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.6.

(d) If the indemnification provided for in Sections 1.6(a) and (b) is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, claim, damage or expense referred to in this Agreement, then the indemnifying party in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions or alleged statements or omissions that resulted in such loss, liability, claim or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. In no event shall any Investor be required to contribute an amount in excess of the gross proceeds from the offering received by such Investor.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions of the underwriting agreement shall control.

(f) The obligations of the Company and Investors under this Section 1.7 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.

1.7 Reports under Securities Exchange Act. With a view to making available the benefits of certain rules and regulations of the SEC, including Rule 144, that may at any time permit an Investor to sell securities of the Company to the public without registration or pursuant to a registration on Form SB-2 or Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after 90 days after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public;

(b) take such action, including the voluntary registration of its Common Stock under Section 12 of the Exchange Act, as is necessary to enable the Investors to utilize Form SB-2 or Form S-3 for the sale of their Registrable Securities, such action to be

taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Company for the offering of its securities to the general public is declared effective;

(c) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(d) furnish to any Investor, so long as the Investor owns any Registrable Securities, forthwith upon request (i) written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after 90 calendar days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form SB-2 or Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Investor of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

1.8 Transfer or Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be transferred or assigned, but only with all related obligations, by a Investor to a transferee or assignee who (a) acquires at least 100,000 shares (subject to appropriate adjustment for stock splits, stock dividends and combinations) of Registrable Securities from such transferring Investor in compliance with all applicable securities laws or (b) holds Registrable Securities immediately prior to such transfer or assignment; provided, that such transfer or assignment is in compliance with all applicable securities laws, and, provided further, that in the case of (a), (ii) prior to such transfer or assignment, the Company is furnished with written notice stating the name and address of such transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned, (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of Section 1.9 and (iii) such transfer or assignment shall be effective only if immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the Securities Act.

1.9 "Market Standoff" Agreement. Each Investor hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to an underwritten public offering by the Company and ending on the date specified by the Company and the managing underwriter (such period not to exceed the earlier of (i) 180 calendar days or (ii) twelve months after the date of the first issuance of the Shares pursuant to the Subscription Agreement) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or

indirectly, any securities of the Company, including (without limitation) shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether now owned or hereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any securities of the Company, including (without limitation) shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether now owned or hereafter acquired), whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of securities, in cash or otherwise. The foregoing covenants shall apply only to the Company's initial underwritten public offering of equity securities, shall not apply to the sale of any shares by a Investor to an underwriter pursuant to an underwriting agreement and shall only be applicable to the Investors if all the Company's executive officers, directors and greater than 5% stockholders enter into similar agreements. Each Investor agrees to execute an agreement(s) reflecting (i) and (ii) above as may be requested by the managing underwriters at the time of the initial underwritten public offering, and further agrees that the Company may impose stop transfer instructions with its transfer agent in order to enforce the covenants in (i) and (ii) above. The underwriters in connection with the Company's initial underwritten public offering are intended third party beneficiaries of the covenants in this Section 1.9 and shall have the right, power and authority to enforce such covenants as though they were a party to this Agreement.

ARTICLE 2. LEGEND.

2.1 Stock Certificates. Each certificate representing the shares of Common Stock held by the Investors shall be endorsed with the following legend (the "**Legend**"):

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD OF UP TO 180 DAYS FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT OF THE COMPANY FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AS SET FORTH IN THAT CERTAIN REGISTRATION RIGHTS AGREEMENT BETWEEN THE CORPORATION AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE CORPORATION'S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

2.2 **Removal of Legend**. The Company agrees that, during the term of this Agreement, it will not remove, and will not permit to be removed (upon registration of transfer, re-issuance or otherwise), the Legend from any such certificate and will place or cause to be placed the Legend on any new certificate theretofore represented by a certificate carrying the Legend.

**ARTICLE 3.
MISCELLANEOUS.**

3.1 **Confidentiality**. Each Investor receiving any non-public information of the Company hereby agrees to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; provided, however, that notwithstanding the foregoing, an Investor may include summary financial information concerning the Company and general statements concerning the nature and progress of the Company's business in an Investor's reports to its affiliates.

3.2 **Governing Law**. This Agreement shall be governed in all respects by the laws of the State of Florida as such laws are applied to agreements between Florida residents entered into and to be performed entirely within Florida, without regard to conflict of laws rules.

3.3 **Waivers and Amendments**. This Agreement may be terminated and any term of this Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and Investors holding at least a majority of the Registrable Securities then outstanding (the "**Majority Investors**"). Notwithstanding the foregoing, additional parties may be added as Investors under this Agreement with the written consent of the Company and the Majority Investors. No such amendment or waiver shall reduce the aforesaid percentage of the Registrable Securities, the holders of which are required to consent to any termination, amendment or waiver without the consent of the record holders of all of the Registrable Securities. Any termination, amendment or waiver effected in accordance with this Section 3.3 shall be binding upon each holder of Registrable Securities then outstanding, each future holder of all such Registrable Securities and the Company.

3.4 **Successors and Assigns**. Except as otherwise expressly provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties to this Agreement.

3.5 **Entire Agreement**. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter of this Agreement, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth in this Agreement.

3.6 **Notices**. All notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered personally by hand or by courier, mailed by United States first-class mail, postage prepaid, sent by facsimile or sent by electronic mail directed (a) if to an Investor, at such Investor's address, facsimile number or electronic mail address set forth in the Company's records, or at such other address, facsimile number or electronic mail address as such Investor may designate by ten days' advance written notice to the other parties to this Agreement or (b) if to the Company, to its address, facsimile number or electronic mail address set forth on its signature page to this Agreement and directed to the attention of the Chief Executive Officer, or at such other address, facsimile number or electronic mail address as the Company may designate by ten days' advance written notice to the other parties to this Agreement. All such notices and other communications shall be effective or deemed given upon personal delivery, on the date of mailing, upon confirmation of facsimile transfer or upon confirmation of electronic mail delivery.

3.7 **Interpretation**. The words "include," "includes" and "including" when used in this Agreement shall be deemed in each case to be followed by the words "without limitation." The titles and subtitles used in this Agreement are used for convenience only and are not considered in construing or interpreting this Agreement.

3.8 **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement, and the balance of the Agreement shall be interpreted as if such provision were so excluded, and shall be enforceable in accordance with its terms.

3.9 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

3.10 **Execution and Delivery**. A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties to this Agreement, and an executed copy of this Agreement may be delivered by one or more parties to this Agreement by facsimile or similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party to

this Agreement, all parties to this Agreement agree to execute an original of this Agreement as well as any facsimile, telecopy or other reproduction of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

EMOTIONTRAC, INC.

By: _____
Aaron Itzkowitz, CEO
10802 Lake Wynds Court
Boynton Beach, FL 33437

INVESTOR

NAME/TITLE

SIGNATURE

ADDRESS

TELEPHONE

FACSIMILE

EMAIL

[SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT]

SUBSCRIPTION AGREEMENT

EMOTIONTRAC, INC.

\$525,000 OF CLASS A COMMON SHARES

350,000 SHARES at \$1.50 PER SHARE

MINIMUM PURCHASE 35,000 SHARES \$52,500.

FOR ACCREDITED INVESTORS ONLY

SUBSCRIPTION AGREEMENT

EMOTIONTRAC, INC.

10802 Lake Wynds Court
Boynton Beach, Florida 33437

Dear Prospective Investor:

This Subscription Agreement ("Agreement") has been executed by the undersigned in connection with the exempt general solicitation offer and sale to a select group of accredited investors of up to 350,000 SHARES of EMOTIONTRAC, INC. at an offering price of \$1.50 per Share for an aggregate offering price of \$525,000 (the "Offering"). Each Share will be sold at of \$1.50 per share. The terms and conditions of the Shares are more fully described in the CONFIDENTIAL OFFERING MEMORANDUM dated August 20, 2023.

The undersigned hereby makes the following representations, warranties and agreements:

1. Information. The undersigned has received and carefully reviewed the Company's CONFIDENTIAL OFFERING MEMORANDUM dated August 20, 2023 (the "Memorandum") accompanying this Agreement. The representations and warranties herein contained shall survive the execution and delivery of this Agreement and the sale of the SHARES hereunder.

2. Agreement to Subscribe. The undersigned hereby subscribes for _____ SHARES at a price of \$1.50 per share, payment for which in the amount of \$_____ is made herewith. Payment for such subscription is being made by wire transfer or by check, bank draft or money order.

3. The Company may accept or reject any subscription in whole or in part or otherwise alter the terms current interest holders, and its and their affiliates may purchase the SHARES on the same basis as other subscribers. Under which subscriptions may be accepted. The Company, its officers, directors, advisors.

4. The undersigned understands that except as provided under state securities laws, this subscription is irrevocable and that the execution and delivery of this Agreement will not constitute an agreement between the undersigned and the Company until the Company has accepted this Agreement.

5. Access to Information. The undersigned acknowledges that the undersigned is subscribing for the SHARES after what the undersigned deems to be adequate investigation of the business and prospects of the Company by the undersigned, or the purchaser representative(s) appointed by the undersigned. The undersigned and the

undersigned's purchaser representative(s), if any, have been furnished with the Memorandum and any other materials relating to the business and operation of the Company which have been requested by them and have been given an opportunity to make any further inquiries desired of the management and any other personnel of the Company. The undersigned and the undersigned's purchaser representative(s), if any, have received complete and satisfactory answers to any such inquiries.

6. Certain Representations. The undersigned represents and warrants that the Information submitted herewith to the Company by or on behalf of the undersigned is true and correct as of the date hereof. The undersigned further represents and warrants that:

(a) If the undersigned is a corporation, it is duly organized, validly existing and in good standing under the laws of the state and country of its incorporation; that the corporation has the corporate power to carry on its business and to make the investment contemplated herein and that this investment is for a proper corporate purpose; that this subscription has been duly and validly authorized, executed and delivered and when accepted by the Company will constitute the valid, binding, and enforceable agreement of the undersigned; that the corporation has sufficient liquid assets to pay the full acquisition costs in connection with the SHARES it proposes to acquire; and that the corporation has sufficient assets such that it can afford a total loss of its investment in the SHARES.

(b) If the undersigned is a partnership or association, that each individual partner or member of the partnership or association can bear the economic risks of his, her, or its pro rata share of this investment and can afford a total loss of his, her, or its investment; and that each individual partner or member has sufficient liquid assets to pay his, her, or its portion of the full acquisition costs in connection with the SHARES the partnership or association has agreed to acquire, has adequate means of providing for his, her, or its current needs and possible personal contingencies, and has no present need for liquidity of his, her, or its investment.

(c) The undersigned has been advised that the SHARES are being registered under the Securities Act of 1933, as amended (the "Act"), on the basis of an applicable statutory exemption, which may include, without limitation or exclusion, Rule 506(b) of Regulation D, as may be amended from time to time, and on the representations made by the undersigned herein. The undersigned understands that no federal agency has passed on or made any recommendation or endorsement of the SHARES and that the Company is relying on the truth and accuracy of the representations, declarations and warranties herein made by the undersigned in offering the SHARES for sale to the undersigned without having first registered the same under the Act.

(d) The undersigned is acquiring the SHARES for investment for the undersigned's own account and not with a view to their resale or distribution and does not intend to divide his, her, or its participation with others or to resell or otherwise dispose of all or any part of the SHARES unless and until they are subsequently registered under the Act, or an exemption from such registration is available.

(d.1) The undersigned is an accredited investor as such term is defined in Rule 501 of Regulation D, as amended, under the Act.

(e) The undersigned alone, or together with the undersigned's purchaser representative, has the ability to evaluate the merits and risks of an investment in the Company and has reviewed the company's SEC filings at [https://www.secinfo.com/\\$/SEC/Registrant.asp?CIK=1721305](https://www.secinfo.com/$/SEC/Registrant.asp?CIK=1721305). The undersigned based upon his, her, its, or their knowledge and experience in financial and business matters fully understands the risks for making and investment in the Company.

(f) The undersigned understands that, in the view of the Securities and Exchange Commission (the "Commission"), the applicable statutory exemption(s) referred to above would not be available if, notwithstanding the undersigned's representations, the undersigned had in mind merely acquiring the SHARES for immediate resale or distribution upon a market developing therefore.

(g) The undersigned further understands that in the event Rule 144 of the Act ("Rule 144") hereafter becomes applicable to the SHARES, any routine sale of the SHARES made thereunder can be made only in limited

amounts in accordance with the terms and conditions of this subscription agreement and of Rule 144 and that in the event Rule 144 is not applicable, compliance with a disclosure exemption will be required before the undersigned can transfer part or all of the SHARES. However, the Company shall supply the undersigned with any information necessary to enable the undersigned to make routine sales of the SHARES under Rule 144, if applicable, and if there shall, at such time, be a market therefore, of which there is no assurance.

(h) The undersigned accepts the condition that, before any transfer of any of the SHARES can be made by the undersigned; written approval must first be obtained from the Company's counsel. The basis of such approval, which shall not be unreasonably withheld, shall be in compliance with the requirements of the federal and state statutes regulating securities. The undersigned understands that a legend to this effect may be placed on the underlying Shares, and that the Company, will issue stop transfer instructions to its transfer agent, if any.

(i) The undersigned understands and agrees that if the undersigned's subscription is accepted, the undersigned may be required to execute other documents to effectuate or evidence his, her, or its purchase of the SHARES.

(j) No one acting on behalf of the Company has made any representation, warranty, or agreement to or with the undersigned with respect to purchase of the SHARES, except as described herein and in the Memorandum accompanying this Agreement.

(k) The undersigned affirms that the information and representations contained herein, particularly those representations relating to the undersigned's general ability to bear the risks of the investment being made hereby and the undersigned's suitability as an investor are true and correct.

(l) The undersigned is aware that the SHARES are a speculative investment involving a very high degree of risk and that there is no guarantee that the undersigned will realize any gain from the undersigned's investment. The undersigned is able (i) to bear the economic risk of this investment, (ii) to hold the SHARES indefinitely, and (iii) presently able to afford a complete loss of this investment.

(m) The undersigned has adequate other means of providing for the undersigned's current needs and personal contingencies and therefore has no need for liquidity in this investment. The undersigned's overall commitment to investments, which are not readily marketable, is not disproportionate to the undersigned's net worth and the undersigned's investment in the SHARES will not cause such overall commitment to become excessive.

(n) The undersigned represents that the funds provided for this investment are either separate property of the undersigned, common shares property over which the undersigned has the right of control or are otherwise funds as to which the undersigned has the right of management.

(o) The undersigned understands the meaning and legal consequences of the representations and warranties made herein, all of which are true and correct as of the date hereof and will be true and correct as of the date of the undersigned's acquisition of the SHARES subscribed for herein. Each such representation and warranty shall survive such purchase.

(q) The undersigned will indemnify and hold harmless the Company, its agents, counsel, successors, and assigns, and each of their affiliated persons, from any and all damages, losses, costs and expenses (including reasonable attorney's fees) which they, or any of them, may incur by reason of the undersigned's failure, or alleged failure, to fulfill any of the terms and conditions of this subscription or by reason of the undersigned's breach of any of his, her, or its representations and warranties contained herein.

(r) The undersigned is a bona fide resident of the state set forth on the signature page hereof, maintains his, her, or its principal residence there and is at least 21 years of age.

(s) The undersigned has relied on his, her, or its own legal counsel to the extent the undersigned has deemed necessary as to all legal matters and questions presented with reference to the offering and sale of the SHARES subscribed for herein.

(t) The undersigned hereby agrees that this subscription is irrevocable and that the representations and warranties set forth in this Agreement shall survive the acceptance hereof by the Company.

(u) The undersigned hereby agrees and acknowledges that the agreements and representations herein set forth shall become effective and binding upon the undersigned and the undersigned's heirs, legal representatives, successors, and assigns upon the Company's acceptance hereof.

7. General.

(a) All notices or other communications given or made hereunder shall be in writing and shall be delivered, or mailed by registered or certified mail, return receipt requested, postage prepaid, to the undersigned at the undersigned's address set forth below and to the Company at the address set forth above.

(b) Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed in accordance with and governed by the internal laws of the State of Texas, without giving effect to conflicts of law.

(c) This Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties. The undersigned agrees not to transfer or assign this Agreement, or any of his, her, or its interest herein, without the express written consent of the Company.

(d) The undersigned agrees that counsel to the Company shall not be liable for taking any action pursuant to this Agreement in the absence of willful misconduct, misfeasance, malfeasance, or fraud.

(e) The undersigned has enclosed with this Agreement appropriate evidence of the authority of the individual executing this Agreement to act on its behalf (i.e. if a trust, a copy of the trust agreement; if a corporation, a certified corporate resolution authorizing the signature and a copy of the articles of incorporation; or if a partnership, a copy of the partnership agreement).

[Remainder of Page Intentionally Left Blank]

SUBSCRIBER INFORMATION

Subscriber Information for Issuance of EMOTIONTRAC, INC.COMMON SHARES as Follows:

(Name)

(Street and No.)

(City, State and Postal Code, Country)

(Social Security No. or Federal Employer ID No.)

(Date of Birth)

Very truly yours,

(Signature of Subscriber)

Dated: _____

Company Acceptance of Subscription Upon Execution Below:

EMOTIONTRAC, INC.

By: _____
Aaron Itzkowitz, CEO

Dated: _____

NOTICE OF ACCEPTANCE

EMOTIONTRAC, INC.

\$525,000 OF CLASS A COMMON SHARES

350,000 SHARES OFFERED

Offering Price: \$1.50 Per Share

FOR ACCREDITED INVESTORS ONLY

NOTICE OF ACCEPTANCE

Investor: _____

Number of SHARES: _____

Date of Acceptance: _____

The subscription by the above referenced investor for the above referenced number of SHARES being offered by the COMPANY in accordance with the terms and conditions provided by the offering documents furnished to the investor is hereby accepted as of the date set forth above.

EMOTIONTRAC, INC.

By: _____
Aaron Itzkowitz, CEO