TWO HANDS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(IN UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Two Hands Corporation (the "Company") are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with accounting principles generally accepted in the United States of America ("GAAP"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Company maintains systems of internal control that are designed by management to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Nadav Elituv" (signed)
Chief Executive Officer

"Steven Gryfe" (signed)
Chief Financial Officer

TWO HANDS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

		September 30, 2024 (Unaudited)		December 31, 2023
ASSETS				
Current assets				
Cash	$	11,958	$	24,351
Accounts receivable, net		90,099		92,561
VAT taxes receivable		7,084		3,080
Inventory		42,391		39,489
Prepaid expenses		—		10,000
Total current assets		151,532		169,481
Property and equipment, net		7,046		9,513
Operating lease right-of-use asset		8,857		15,559
Total assets	$	167,435	$	194,553
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities				
Accounts payable and accrued liabilities	$	491,820	$	523,486
Due to related party		1,228,735		883,534
Notes payable		105,286		113,333
Line of credit		851,908		629,507
Current portion of operating lease right-of-use liability		8,857		8,759
Total current liabilities		2,686,606		2,158,619
Long-term liabilities				
Promissory notes		250,865		247,862
Non-redeemable convertible notes, net		404,567		502,500
Operating lease right-of-use liability, net of current portion		—		6,800
Total long-term liabilities		655,432		757,162
Total liabilities		3,342,038		2,915,781
Commitments and Contingencies		—		—
Temporary equity				
Series A convertible preferred stock; $0.01 par value; 200,000 shares designated, 0 shares issued and outstanding		—		—
Series B convertible preferred stock; $0.01 par value; 100,000 shares designated, 0 shares issued and outstanding		—		—
Series C convertible preferred stock; $0.001 par value; 150,000 shares designated, 80,000 shares and 80,000 shares issued and outstanding, respectively		76,116		76,116
Series D convertible preferred stock; $0.001 par value; 200,000 shares designated, 0 shares issued and outstanding		—		—
Series E convertible preferred stock; $0.0001 par value; 300,000 shares designated, 0 shares issued and outstanding		—		—
Total temporary equity		76,116		76,116
Stockholder's deficit				
Preferred stock; $0.001 par value; 1,000,000 shares authorized, 0 issued and outstanding		—		—
Common stock; $0.0001 par value; 12,000,000,000 shares authorized, 2,020,406,829 and 42,090,329 shares issued and outstanding, respectively		202,042		4,210
Additional paid-in capital		90,215,116		89,278,354
Accumulated other comprehensive income		28,605		6,270
Accumulated deficit		(93,696,482)		(92,086,178)
Total stockholders' deficit		(3,250,719)		(2,797,344)
Total liabilities and stockholders' deficit	$	167,435	$	194,553

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

TWO HANDS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Sales	$ 179,502	$ 212,453	$ 569,268	$ 585,222
Cost of goods sold	153,477	157,191	483,244	502,295
Gross profit	26,025	55,262	86,024	82,927
Operating expenses				
General and administrative	300,665	307,223	917,354	950,345
Total operating expenses	300,665	307,223	917,354	950,345
Loss from operations	(274,640)	(251,961)	(831,330)	(867,418)
Other income (expense)				
Amortization of debt discount and interest expense	(51,627)	(41,064)	(137,412)	(117,515)
Gain on disposition	—	—	—	50,839
Loss on settlement of non-redeemable convertible notes	(6,850)	(272,805)	(641,562)	(666,305)
Total other income (expense)	(58,477)	(313,869)	(778,974)	(732,981)
Net loss attributed to Two Hands Corporation	(333,117)	(565,830)	(1,610,304)	(1,600,399)
Add: deemed contribution - Series A Stock modification	—	190,040	—	190,040
Add: deemed contribution - Series C Stock modification	—	2,211,884	—	2,211,884
Net income (loss) attributed to Two Hands Corporation common stockholders	$ (333,117)	$ 1,836,094	$ (1,610,304)	$ 801,525
Other comprehensive income (loss)				
Foreign currency translation adjustment	(18,945)	26,766	22,335	(770)
Total other comprehensive income (loss)	(18,945)	26,766	22,335	(770)
Comprehensive income (loss)	$ (352,062)	$ 1,862,860	$ (1,587,969)	$ 800,755
Net income (loss) per common share - basic	$ (0.00)	$ 1.33	$ (0.00)	$ 1.29
Net income (loss) per common share - diluted	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.04)
Weighted average number of common shares outstanding - basic	1,664,375,273	1,375,748	741,361,000	620,585
Weighted average number of common shares outstanding - diluted	1,664,375,273	33,375,748	741,361,000	32,620,597

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

TWO HANDS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the three and nine months ended September 30, 2024
(Unaudited)

	Common Stock		Common Stock to be Issued	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount					
Balance, June 30, 2024	1,175,345,629	$ 117,536	$ —	$ 90,208,266	$ 47,550	$ (93,363,365)	$ (2,990,013)
Stock issued for conversion of non-redeemable convertible notes	670,061,200	67,006	—	6,850	—	—	73,856
Stock issued for settlement of promissory notes	175,000,000	17,500	—	—	—	—	17,500
Foreign currency translation adjustment	—	—	—	—	(18,945)	—	(18,945)
Net loss	—	—	—	—	—	(333,117)	(333,117)
Balance, September 30, 2024	**2,020,406,829**	**$ 202,042**	**$ —**	**$ 90,215,116**	**$ 28,605**	**$ (93,696,482)**	**$ (3,250,719)**

	Common Stock		Common Stock to be Issued	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount					
Balance, December 31, 2023	42,090,329	$ 4,210	$ —	$ 89,278,354	$ 6,270	$ (92,086,178)	$ (2,797,344)
Stock issued for conversion of non-redeemable convertible notes	1,795,316,500	179,532	—	641,562	—	—	821,094
Stock issued for settlement of debt - related party	8,000,000	800	—	295,200	—	—	296,000
Stock issued for settlement of promissory notes	175,000,000	17,500	—	—	—	—	17,500
Foreign currency translation adjustment	—	—	—	—	22,335	—	22,335
Net loss	—	—	—	—	—	(1,610,304)	(1,610,304)
Balance, September 30, 2024	**2,020,406,829**	**$ 202,042**	**$ —**	**$ 90,215,116**	**$ 28,605**	**$ (93,696,482)**	**$ (3,250,719)**

TWO HANDS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the three and nine months ended September 30, 2023
(Unaudited)

	Common Stock		Common Stock to be	Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Issued	Capital	Income	Deficit	Deficit
Balance, June 30, 2023	618,947	$ 62	$ —	$ 80,366,051	$ 11,605	$ (84,957,085)	$ (4,579,367)
Stock issued for conversion of non-redeemable convertible notes	1,961,500	196	—	343,884	—	—	344,080
Stock issued for the conversion of Series A convertible preferred stock	25,000,000	2,500	—	56,965	—	—	59,465
Deemed contribution - Series A Stock modification	—	—	—	190,040	—	—	190,040
Deemed contribution - Series C Stock modification	—	—	—	2,211,884	—	—	2,211,884
Foreign exchange loss	—	—	—	—	26,766	—	26,766
Net loss	—	—	—	—	—	(565,830)	(565,830)
Balance, September 30, 2023	**27,580,447**	**$ 2,758**	**$ —**	**$ 83,168,824**	**$ 38,371**	**$ (85,522,915)**	**$ (2,312,962)**

	Common Stock		Common Stock to be	Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Issued	Capital	Income	Deficit	Deficit
Balance, December 31, 2022	137,403	$ 14	$ 336,000	$ 78,909,153	$ 39,141	$ (83,922,516)	$ (4,638,208)
Rounding on reverse stock split	(12)	—	—	—	—	—	—
Stock issued for conversion of non-redeemable convertible notes	2,420,700	242	—	783,258	—	—	783,500
Stock issued for settlement of debt - related party	7,324	1	—	274,792	—	—	274,793
Stock issued for the conversion of Series A convertible preferred stock	25,000,000	2,500	—	56,965	—	—	59,465
Stock issued for the conversion of Series B convertible preferred stock	11,000	1	—	109,781	—	—	109,782
Stock issued for the conversion of Series C convertible preferred stock	4,000	—	—	296,951	—	—	296,951
Stock issued to settle stock to be issued	32	—	(336,000)	336,000	—	—	—
Deemed contribution - Series A Stock modification	—	—	—	190,040	—	—	190,040

Deemed contribution - Series C Stock modification	—	—	—	2,211,884	—	—	2,211,884
Foreign exchange loss	—	—	—	—	(770)	—	(770)
Net loss	—	—	—	—	—	(1,600,399)	(1,600,399)
Balance, September 30, 2023	**27,580,447**	**$ 2,758**	**$ —**	**$ 83,168,824**	**$ 38,371**	**$ (85,522,915)**	**$ (2,312,962)**

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

TWO HANDS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the nine months ended September 30, 2024	2023
Cash flows from operating activities		
Net loss	$ (1,610,304)	$ (1,600,399)
Adjustments to reconcile net loss to cash used in operating activities		
Depreciation and amortization	8,651	9,657
Bad debt	1,276	(25,844)
Gain on disposition	—	(50,839)
Amortization of debt discount	137,412	117,515
Loss on settlement of non-redeemable convertible notes	641,562	666,305
Change in operating assets and liabilities		
Accounts and taxes receivable	(4,603)	(48,953)
Prepaid expense	10,000	—
Inventory	(3,600)	14,979
Deferred revenue	—	(22,284)
Accounts payable and accrued liabilities	586,822	573,590
Operating lease right-of-use liability	(6,373)	(6,191)
Net cash used in operating activities	(239,157)	(372,464)
Cash flows from investing activities		
Net cash used in investing activities	—	—
Cash flow from financing activities		
Expenses paid for by related party	61,748	77,490
Repayment of advances to related party	(25,432)	(27,379)
Proceeds from notes payable	—	105,299
Repayment of notes payable	—	(7,057)
Proceeds from line of credit	190,976	234,417
Net cash provided by financing activities	227,292	382,770
Change in foreign exchange	(528)	(123)
Net change in cash	(12,393)	10,183
Cash, beginning of the period	24,351	17,137
Cash, end of the period	$ 11,958	$ 27,320
Cash paid during the period		
Interest paid	$ —	$ —
Income taxes paid	$ —	$ —
Supplemental disclosure of non-cash investing and financing activities		
Stock issued for settlement of debt - related party	$ 296,000	$ 188,871
Stock issued for settlement of promissory notes	$ 17,500	$ —
Stock issued for settlement of promissory notes - related party	$ —	$ 85,922
Stock issued to settle non-redeemable convertible notes	$ 821,094	$ 783,500
Issue of promissory notes to settle other promissory notes	$ 240,926	$ —
Deemed contribution - Series A Stock Modification	$ —	$ 190,040
Deemed contribution - Series C Stock Modification	$ —	$ 2,211,884

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

NOTE 1 - NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Two Hands Corporation (the "Company") was incorporated in the state of Delaware on April 3, 2009 and on July 26, 2016, changed its name from Innovative Product Opportunities Inc. to Two Hands Corporation.

The Two Hands co-parenting application launched on July 2018 and the Two Hands Gone application launched In February 2019. The Company ceased work on these applications in 2021.

The gocart.city online consumer grocery delivery application was released in early June 2020 and Cuore Food Services commenced sale of dry goods and produce to other businesses in July 2020.

In July 2021, the Company made the strategic decision to focus exclusively on the grocery market through three on-demand branches of its grocery businesses: gocart.city, Grocery Originals, and Cuore Food Services.

i) gocart.city is the Company’s online delivery marketplace, allowing consumers to shop online and have their groceries delivered.

ii) Grocery Originals is the Company’s brick-and-mortar grocery store located in Mississauga Ontario at the site of the Company’s warehouse.

iii) Cuore Food Services is the Company’s wholesale food distribution branch.

On May 1, 2023, the Company entered into an asset sale agreement with a non-related private corporation (“Purchaser”) whereby the Company sold the assets of gocart.city. The sale included the e-commerce site, branding, supporting components of the Grocery Originals store and inventory. The ongoing sales and client base gocart.city and Grocery Originals was transferred as part of the asset sale. After May 1, 2023, the Company continued the business of Cuore Food Services.

The operations of the business are carried on by Two Hands Canada Corporation, a wholly-owned subsidiary of the Company, incorporated under the laws of Canada on February 7, 2014.

The Company received approval from the Canadian Securities Exchange (the "CSE") to list its common shares (the "Common Shares") on the CSE. Trading of the Common Shares in the capital of the Company commenced on August 5, 2022, under the symbol "TWOH".

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements of Two Hands Corporation have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission requirements for interim financial statements. Therefore, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2023 of Two Hands Corporation in our Form 10-K filed on April 1, 2024.

The interim financial statements present the balance sheets, statements of operations, stockholders’ deficit and cash flows of Two Hands Corporation. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

The interim financial information is unaudited. In the opinion of management, all adjustments necessary to present fairly the financial position as of September 30, 2024 and the results of operations and cash flows presented herein have been included in the financial statements. All such adjustments are of a normal and recurring nature. Interim results are not necessarily indicative of results of operations for the full year.

GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. During the nine months ended September 30, 2024, the Company incurred a net loss of $1,610,304 and used cash in operating activities of $239,157, and on September 30, 2024, had stockholders' deficit of $3,250,719 and an accumulated deficit of $93,696,482. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date that the financial statements are issued. The Company will be dependent upon the raising of additional capital through placement of its common stock in order to implement its business plan. There can be no assurance that the Company will be successful in this situation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might result from this uncertainty. We are currently funding our operations by way of cash advances from our Chief Executive Officer, note holders, shareholders and others; however, we do not have any oral or written agreements with them or others to loan or advance funds to us. There can be no assurances that we will be able to receive loans or advances from them or other persons in the future.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Two Hands Canada Corporation. All intercompany transactions and balances have been eliminated in consolidation.

USE OF ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONCENTRATIONS

The following table summarizes accounts receivable and revenue concentrations:

	Accounts receivable on September 30, 2024	Revenue for the nine months ended September 30, 2024
Customer #1	18%	—
Customer #2	12%	—
Total concentration	30%	—%

The following table summarizes accounts payable and purchases concentrations:

	Accounts payable on September 30, 2024	Purchases for the nine months ended September 30, 2024
Supplier #1	13%	—
Supplier #2	13%	—
Supplier #3	11%	—
Supplier #4	—	13%
Supplier #5	—	12%
Supplier #6	—	12%
Total concentration	37%	37%

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Trade accounts receivable is recorded at the invoiced amount and do not bear interest. The Company grants credit to its customers with defined payment terms, performs ongoing evaluations of the credit worthiness of its customers and generally does not require collateral. Accounts receivables are carried at their outstanding principal amounts, less an anticipated amount for discounts and an allowance for expected credit losses, which management believes is sufficient to cover potential credit losses based on historical experience and periodic evaluation of the financial condition of the Company's customers. Estimated credit losses consider relevant information about past events, current conditions and reasonable and supporting forecasts that affect the collectability of financial assets.

The allowance for doubtful accounts on September 30, 2024 and December 31, 2023 is $104,433 and $105,072, respectively.

INVENTORY

Inventory consisting of groceries and dry goods are measured at the lower of cost and net realizable value. Cost is determined pursuant to the first-in first out(“FIFO”) method. The cost of inventory includes the purchase price, shipping and handling costs incurred to bring the inventories to their present location and condition. Inventory with a short shelf life that is not utilized within the planned period are immediately expensed in the statement of operations. Estimated gross profit rates are used to determine the cost of goods sold in the interim periods, unless physical inventory counts are performed. Any significant adjustment that results from the reconciliation with physical inventory counts is disclosed. On September 30, 2024 and December 31, 2023, the inventory valuation allowance was $0.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense when incurred, while renewals and betterments that materially extend the life of an asset are capitalized.

The costs of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation, are eliminated from the accounts, and any resulting gain or loss is recognized in the results from operations. Depreciation is provided over the estimated useful lives of the assets, which are as follows:

Computer equipment 50% declining balance over a three year useful life

In the year of acquisition, one half the normal rate of depreciation is provided.

REVENUE RECOGNITION

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which we expect to be entitled to receive in exchange for these goods or services. The provisions of ASC 606 include a five-step process by which we determine revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which we expect to be entitled in exchange for those goods or services. ASC 606 requires us to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, we satisfy the performance obligation. We recognize revenue for the sale of our products upon delivery to a customer.

During the nine months ended September 30, 2024 and 2023, the Company had revenue of $569,268 and $585,222, respectively. In 2024, the Company recognized revenue of $569,268 from the sale of dry goods and produce to other customers. In 2023 the Company recognized revenue of $28,715 from the sale of groceries to consumers via the gocart.city online grocery delivery application and $556,507 from the sale of dry goods and produce to other customers.

LEASES

Under ASC 842, a right-of-use asset and lease liability is recorded for all leases and the statement of operations reflects the lease expense for operating leases and amortization/interest expense for financing leases.

The Company does not apply the recognition requirements in the standard to a lease that at commencement date has a lease term of twelve months or less and does not contain a purchase option that it is reasonably certain to exercise and to not separate lease and related non-lease components. Options to extend the leases are not included in the minimum lease terms unless they are reasonably certain to be exercised.

The Company leases an automobile under a non-cancelable operating lease. Right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

DEBT DISCOUNT AND DEBT ISSUANCE COSTS

Debt discounts and debt issuance costs incurred in connection with the issuance of convertible notes are capitalized and amortized to interest expense based on the related debt agreements using the effective interest rate method. Unamortized discounts are netted against convertible notes.

INCOME TAXES

The Company accounts for income taxes in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("FASB ASC") 740, Income Taxes. Under the assets and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

NET LOSS PER SHARE

Basic net income (loss) per share includes no dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding for the period increased to include the number of additional common shares that would have been outstanding if potentially dilutive securities had been issued. Dilutive net loss per share for common stock is calculated utilizing the if-converted method which assumes the conversion of all Series C Stock to common stock. On September 30, 2024 and 2023, we excluded the common stock issuable upon conversion of non-redeemable convertible notes, and Series C Stock of 4,266,441,800 shares and 5,039,499,100 shares, respectively, as their effect would have been anti-dilutive.

FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in United States dollars. The functional currency of the consolidated entities are determined by evaluating the economic environment of each entity. The functional currency of Two Hands Corporation is the United States dollar. Foreign exchange translation adjustments are reported as gains or losses resulting from foreign currency transactions and are included in the results of operations.

Two Hands Canada Corporation maintains its accounts in the Canadian dollar. Assets and liabilities are translated to United States dollars at year-end exchange rates. Income and expenses are transaction at averages exchange rate during the year. Foreign currency transaction adjustments are reported as other comprehensive income, a component of equity in the consolidated balance sheet.

STOCK-BASED COMPENSATION

The Company accounts for stock incentive awards issued to employees and non-employees in accordance with FASB ASC 718, Stock Compensation. Accordingly, stock-based compensation is measured at the grant date, based on the fair value of the award. Stock-based awards to employees are recognized as an expense over the requisite service period, or upon the occurrence of certain vesting events. Additionally, stock-based awards to non-employees are expensed over the period in which the related services are rendered.

FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

Included in the ASC Topic 820 framework is a three level valuation inputs hierarchy with Level 1 being inputs and transactions that can be effectively fully observed by market participants spanning to Level 3 where estimates are unobservable by market participants outside of the Company and must be estimated using assumptions developed by the Company. The Company discloses the lowest level input significant to each category of asset or liability valued within the scope of ASC Topic 820 and the valuation method as exchange, income or use. The Company uses inputs which are as observable as possible and the methods most applicable to the specific situation of each company or valued item.

The Company’s financial instruments such as cash, accounts payable and accrued liabilities, non-redeemable convertible notes, notes payable and due to related parties are reported at cost, which approximates fair value due to the short-term nature of these financial instruments.

RECENT ACCOUNTING PRONOUNCEMENTS

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures (Topic 280). This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker (“CODM”) and included within each reported measure of a segment’s profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment’s profit or loss in assessing segment performance and deciding how to allocate resources. The ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is also permitted. The Company is currently evaluating the provisions of the amendments and the impact on its financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the provisions of the amendments and the impact on its financial statements.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

NOTE 3 – NON-REDEEMABLE CONVERTIBLE NOTES

On January 8, 2018, the Company entered into a Side Letter Agreement (“Note”) with a non-related investor, Stuart Turk, to amend and add certain terms to unsecured, non-interest bearing, due on demand notes payable totaling $244,065 issued by the Company during the period of July 2014 and December 2017. The issue price of the Note is $244,065 with a face value of $292,878 and the Note has an original maturity date of December 31, 2018 which is subject to automatic annual renewal. On June 29, 2021, the Company and Stuart Turk entered into an Agreement to change the original maturity date of the Note to December 31, 2025. At the option of the Company, the Company may convert principal and interest at a fixed conversion price of $0.0001 per share of the Company’s common stock. The Note allows the lender to secure a portion of the Company assets up to 200% of the face value of the Note. If the Note is not paid on December 31 each year, the outstanding face amount of the Note increases by 20% on January 1 the following year. During the nine months ended September 30, 2024, the Company elected to convert $150,119 of principal and interest into 1,501,191,200 shares of common stock of the Company at a conversion price of $0.0001 per share. These conversions resulted in a loss on debt settlement of $342,225 due to the requirement to record the share issuance at fair value on the date the shares were issued. The consolidated statement of operations includes interest expense of $25,000 and $28,094 for the nine months ended September 30, 2024 and 2023, respectively, and $12,568 and $9,468 for the three months ended September 30, 2024 and 2023, respectively. On September 30, 2024 and December 31, 2023, the carrying amount of the Note is $0 (face value of $0 less $0 unamortized discount) and $115,004 (face value of $115,004 less $0 unamortized discount), respectively. This Note was paid in full on August 5, 2024.

On May 10, 2018, the Company entered into a Side Letter Agreement (“Note”) with a non-related investor, Jordan Turk, to amend and add certain terms to unsecured, non-interest bearing, due on demand notes payable totaling $35,000 issued by the Company on May 9, 2018. The issue price of the Note is $35,000 with a face value of $42,000 and the Note has an original maturity date of December 31, 2018 which is subject to automatic annual renewal. On June 29, 2021, the Company and Jordan Turk entered into an Agreement to change the original maturity date of the Note to December 31, 2025. At the option of the Company, the Company may convert principal and interest at a fixed conversion price of $0.0001 per share of the Company’s common stock. The Note allows the lender to secure a portion of the Company assets up to 200% of the face value of the Note. If the Note is not paid on December 31 each year, the outstanding face amount of the Note increases by 20% on January 1 the following year. During the nine months ended September 30, 2024, the Company elected to convert $2,263 of principal and interest into 22,625,300 shares of common stock of the Company at a conversion price of $0.0001 per share. These conversions resulted in a loss on debt settlement of $36,747 due to the requirement to record the share issuance at fair value on the date the shares were issued. The consolidated statement of operations includes interest expense of $377 and $1,267 for the nine months ended September 30, 2024 and 2023, respectively, and $0 and $427 for the three months ended September 30, 2024 and 2023, respectively. On September 30, 2024 and December 31, 2023, the carrying amount of the Note is $0 and $1,885 (face value of $1,885 less $0 unamortized discount), respectively. This Note was paid in full on April 29, 2024.

On September 13, 2018, the Company entered into a Side Letter Agreement ("Note") with a non-related investor, Jordan Turk, to amend and add certain terms to unsecured, non-interest bearing, due on demand notes payable totaling $40,000 issued by the Company during the period of July 10, 2018 to September 13, 2018. The issue price of the Note is $40,000 with a face value of $48,000 and the Note has an original maturity date of December 31, 2018 which is subject to automatic annual renewal. On June 29, 2021, the Company and Jordan Turk entered into an Agreement to change the original maturity date of the Note to December 31, 2025. At the option of the Company, the Company may convert principal and interest at a fixed conversion price of $0.0001 per share of the Company's common stock. The Note allows the lender to secure a portion of the Company assets up to 200% of the face value of the Note. If the Note is not paid on December 31 each year, the outstanding face amount of the Note increases by 20% on January 1 the following year. The consolidated statement of operations includes interest expense of $17,883 and $14,889 for the nine months ended September 30, 2024 and 2023, respectively, and $6,005 and $5,018 for the three months ended September 30, 2024 and 2023, respectively. On September 30, 2024 and December 31, 2023, the carrying amount of the Note is $137,323 (face value of $143,327 less $6,005 unamortized discount) and $119,440 (face value of $119,440 less $0 unamortized discount), respectively.

On January 31, 2019, the Company entered into a Side Letter Agreement ("Note") with Stuart Turk to amend and add certain terms to unsecured, non-interest bearing, due on demand notes payable totaling $106,968 issued by the Company during the period of January 3, 2018 to December 28, 2018. The issue price of the Note is $106,968 with a face value of $128,362 and the Note has an original maturity date of December 31, 2019 which is subject to automatic annual renewal. On June 29, 2021, the Company and Stuart Turk entered into an Agreement to change the original maturity date of the Note to December 31, 2025. At the option of the Company, the Company may convert principal and interest at a fixed conversion price of $0.0001 per share of the Company's common stock. The Note allows the lender to secure a portion of the Company assets up to 200% of the face value of the Note. If the Note is not paid on December 31 each year, the outstanding face amount of the Note increases by 20% on January 1 the following year. During the nine months ended September 30, 2024, the Company elected to convert $27,150 of principal and interest into 271,500,000 shares of common stock of the Company at a conversion price of $0.0001 per share. These conversions resulted in a loss on debt settlement of $262,590 due to the requirement to record the share issuance at fair value on the date the shares were issued. The consolidated statement of operations includes interest expense of $38,338 and $33,180 for the nine months ended September 30, 2024 and 2023, respectively, and $12,873 and $11,182 for the three months ended September 30, 2024 and 2023, respectively. On September 30, 2024 and December 31, 2023, the carrying amount of the Note is $267,244 (face value of $280,117 less $12,873 unamortized discount) and $266,171 (face value of $266,171 less $0 unamortized discount), respectively.

NOTE 4 – LEASES

The Company entered into an operating lease agreement on October 14, 2021 for an automobile, resulting in the recording of an initial liability and corresponding right-of-use asset of $35,906. The weighted-average remaining non-cancelable lease term for the Company's operating lease was 1.50 years at September 30, 2024. The weighted-average discount rate was 3.96% at September 30, 2024.

The Company's operating lease expires in 2025. The following shows future lease payments for the remaining periods under operating lease at September 30, 2024:

Periods ending December 31,		Operating Lease Commitments
2024	$	2,546
2025		7,639
Total operating lease commitments		10,185
Less: imputed interest		(1,328)
Total right-of-use liability	$	8,857

The Company's discounted current right-of-use lease liability and discounted non-current right-of-use lease liability on September 30, 2024 is $8,857 and $0, respectively.

Operating leases expense for the nine months ended September 30, 2024 is $7,639.

NOTE 5 – LINE OF CREDIT

On April 14, 2022, the Company entered into a binding Grid Promissory Note and Credit Facility Agreement (the “Line of Credit”) with The Cellular Connection Ltd. (the “Lender”). Pursuant to the Line of Credit, the Company can borrow from the Lender up to CAD $750,000 in principal in increments of at least CAD $50,000 upon five business days’ notice and the outstanding principal bears interest at 8% per annum, payable monthly. The outstanding principal and all accrued interest became due and payable in full on May 1, 2024, the maturity date of the Line of Credit. The Lender has provided verbal assurances that the Company may continue to borrow additional funds at the same terms as the Line of Credit. Any indebtedness under the Line of Credit are secured against accounts receivable and inventory of the Company, and is convertible into shares of common stock of the Company at the Company’s option any time after twelve months from the first advance at a conversion price of $0.10 per share, subject to a restriction on the Lender holding more than 4.99% of the Company’s Common Shares. As of September 30, 2024 and December 31, 2023, the Line of Credit of $851,908 (principal $769,828 (CAD $1,040,168) and interest of $82,080) and $629,507 (principal $588,295 (CAD $780,336) and interest of $41,212), respectively, was outstanding. The consolidated statement of operations includes interest expense of $41,334 and $29,162 for the nine months ended September 30, 2024 and 2023, respectively, and $15,143 and $13,382 for the three months ended September 30, 2024 and 2023, respectively.

NOTE 6 – NOTES PAYABLE

As of September 30, 2024 and December 31, 2023, notes payable due to Piero Manzini, and The Cellular Connection Limited, a corporation controlled by Stuart Turk, totaling $105,286 and $113,333, respectively, were outstanding. The balances are non-interest bearing, unsecured and have no specified terms of repayment. On September 9, 2024, notes payable which totaled $4,601 were settled by exchanging these promissory notes for new promissory notes.

NOTE 7 – PROMISSORY NOTES

Promissory Notes

On September 9, 2024, the Company issued promissory notes with principal of $240,926 to settle notes payable, promissory notes and accrued interest. The promissory notes bears interest of 10% per annum, are unsecured and mature on December 31, 2025. At the option of the Company, outstanding principal and interest may be paid in cash or in shares of common stock of the Company valued at the closing price OTC Pink markets prior to the date of conversion. During the nine months ended September 30, 2024, the Company elected to settle $17,500 of principal and interest of promissory notes by issuing 175,000,000 shares of common stock of the Company with a fair value of $17,500. As of September 30, 2024 and December 31, 2023, promissory notes of $224,801 (principal $223,426 and interest of $1,375) and of $0 (principal $0 and interest of $0), respectively, were outstanding.

As of September 30, 2024 and December 31, 2023, promissory notes of $26,064 (principal $19,217 and interest of $6,847) and of $247,862 (principal $186,672 and interest of $61,190), respectively, were outstanding. The promissory notes bears interest of 10% per annum, are unsecured and mature on December 31, 2025. On September 9, 2024, promissory notes which totaled $234,843 (principal $167,455 and interest of $67,388) were settled by exchanging these promissory notes for new promissory notes.

Promissory Notes – Related Party

As of September 30, 2024 and December 31, 2023, promissory note – related party of $0 and $0, respectively, were outstanding. The promissory notes – related party bear interest of 10% per annum, are unsecured, mature on December 31, 2025 and are due to 2130555 Ontario Limited, a Company controlled by Nadav Elituv, the Company's Chief Executive Officer. On February 2, 2023, the Company issued common stock to settle promissory note – related party and interest with a carrying value of $85,922.

NOTE 8 – RELATED PARTY TRANSACTIONS

As of September 30, 2024 and December 31, 2023, advances and accrued salary of $1,228,735 and $883,534, respectively, were due to Nadav Elituv, the Company's Chief Executive Officer. The balance is non-interest bearing, unsecured and have no specified terms of repayment.

During the nine months ended September 30, 2024, the Company issued advances due to related party for $61,748 for expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $25,432 in cash. In addition, the Company accrued salary of $609,041 due to Nadav Elituv for services provided during the nine months ended September 30, 2024. On February 26, 2024, the Company issued common stock to settle due to related party with a carrying value of $296,000 (Note 10).

During the nine months ended September 30, 2023, the Company issued advances due to related party for $77,490 for expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $27,379 in cash. In addition, the Company accrued salary of $600,103 due to Nadav Elituv for the nine months ended September 30, 2023. On February 2, 2023, the Company issued common stock to settle due to related party with a carrying value of $188,871.

During the nine months ended September 30, 2024 and 2023, the Company paid Linus Creative Services, a business controlled by Bradley Southam, a director of the Company, $0 and $2,649, respectively, for advertising services.

Employment Agreements

On January 15, 2023, the Company executed an employment agreement for the period from January 1, 2023 to December 31, 2023 with Nadav Elituv, the Chief Executive Officer of the Company whereby the Company shall pay an annual salary of $600,000 from available funds.

On March 17, 2024, the Company executed an employment agreement for the period from January 1, 2024 to December 31, 2024 with Nadav Elituv, the Chief Executive Officer of the Company whereby the Company shall pay an annual salary of $600,000 from available funds.

On July 1, 2023, entered into a consulting agreement to pay 2130555 Ontario Limited, a Company controlled by Nadav Elituv, a monthly consulting fee of $18,000 (CAD $24,000 per month) for services for the period from July 1, 2023 to December 31, 2023.

On January 1, 2024, entered into a consulting agreement to pay 2130555 Ontario Limited, a Company controlled by Nadav Elituv, a monthly consulting fee of CAD $24,000 per month for services for the period from January 1, 2024 to December 31, 2024.

Stock-based compensation – salaries expense related to these employment agreements for the nine months ended September 30, 2024 and 2023 is $0 and $0, respectively. Stock-based compensation – salaries expense was recognized ratably over the requisite service period.

NOTE 9 – PREFERRED STOCK

On August 6, 2013, the Company filed a Certificate of Designation with the Delaware Secretary of State thereby designating two hundred thousand (200,000) shares as Series A Convertible Preferred Stock (“Series A Stock”). Each share of Series A Stock is convertible into one thousand (1,000) shares of common stock of the Company. On April 21, 2022, the Company amended its articles to amend the terms of its Series A Convertible Preferred Stock to become non-voting shares. Previously Series A Stock were entitled to the number of votes equal to the aggregate number of shares of common stock into which the Holder’s share of Series A Stock is convertible, multiplied by one hundred (100).

On December 12, 2019, the Company filed a Certificate of Designation with the Delaware Secretary of State thereby designating one hundred thousand (100,000) shares as Series B Convertible Preferred Stock (“Series B Stock”). After a one year holding period, each share of Series B Stock is convertible into one thousand (1,000) shares of common stock of the Company. Series B Stock is non-voting.

On October 7, 2020, the Company filed a Certificate of Designation with the Delaware Secretary of State thereby designating five thousand (5,000) shares as Series C Convertible Preferred Stock, par value $0.001 per share (“Series C Stock”). Each share of Series C Stock (i) has a liquidation value of $100, subject to various anti-dilution protections (ii) is convertible into shares of common stock of the Company six months after the date of issuance at a price of $0.25 per share effective June 30, 2022, subject to various anti-dilution protections (iii) on conversion will receive an aggregate number of shares of common stock as is determined by dividing the liquidation value by the conversion price. Series C Stock are non-voting. On June 24, 2021, the board of directors approved the increase in the number of designated shares of Series C Convertible Preferred Stock from 5,000 to 30,000 and reduction of the conversion price from $0.0035 per share to $0.002 per share. On April 27, 2022, a 1 for 1,000 reverse stock split of the Company’s common stock took effect which increased the conversion rate from $0.002 per share to $2.00 per share. On June 30, 2022, the Company made an amendment to the Certificate of Designation of its Series C Stock which lowered the fixed conversion price from $2.00 per share to $0.25 per share.

On September 1, 2021, the Company filed a Certificate of Designation with the Delaware Secretary of State thereby designating two hundred thousand (200,000) shares as Series D Convertible Preferred Stock, par value $0.001 per share (“Series D Stock”). Each share of Series D Stock is convertible into one hundred (100) shares of common stock of the Company six months after the date of issuance. Series D Stock are non-voting.

On June 30, 2022, the Company made an amendment to the Certificate of Designation of its Series C Stock which lowered the fixed conversion price from $2.00 per share to $0.25 per share. Per separate agreement, the fixed conversion price was adjusted to $400 per share. The Company accounted for the amendment as an extinguishment and recorded a deemed dividend in accordance with ASC 260-10-599-2. As such, on June 30, 2022, the shares of Series C Stock recorded at fair value of 296,951 resulting in a deemed contribution of $834,001.

On October 4, 2022, the Company filed a Certificate of Designation with the Delaware Secretary of State that had the effect of designating 300,000 shares of preferred stock as Series E Convertible Preferred Stock (“Series E Stock”). Series E Stock are non-voting, have a par value of $0.0001 per share and have a stated value of $1.00 per share. Each share of Series E Stock carries an annual cumulative dividend of 10% of the stated value. The Company may redeem Series E Stock in cash, if redeemed within 60 days of issuance date, at 110% of the stated value plus accrued unpaid dividends and between 61 days and 180 days at 115% of the stated value plus unpaid accrued dividends. After 180 days of the issuance date, the Company does not have the right to redeem Series E Stock. After 180 days after the issue date, Series E Stock at the stated value together with any unpaid accrued dividends are convertible into shares of common stock of the Company at the Holder’s option at a variable conversion price calculated at 75% of the market price defined as the lowest three average trading price during the ten trading day period ending on the latest trading day prior to the conversion date. After 18 months following the issuance date, the Company must redeem for cash Series E Stock at its stated value plus any accrued unpaid dividends and the default adjustment, if any.

On September 29, 2023, a 1 for 1,000 reverse stock split of the Company’s common stock took effect.

Series A Stock, Series B Stock, Series C Stock, Series D Stock and Series E Stock has been classified as temporary equity (outside of permanent equity) on the consolidated balance sheet on September 30, 2024 and December 31, 2023, since share settlement is not within the control of the Company.

NOTE 10 - STOCKHOLDERS' EQUITY

The Company is authorized to issue an aggregate of 12,000,000,000 common shares with a par value of $0.0001 per share and 1,000,000 shares of preferred stock with a par value of $0.0001 per share.

On August 22, 2023, pursuant to stockholder consent, our Board of Directors authorized an amendment (the "Amendment") to our Certificate of Incorporation, as amended, to effect a reverse stock split of the issued and outstanding shares of our common stock, par value $0.0001, on a 1 for 1,000 bases. We filed the Amendment with the Delaware Secretary of State on August 22, 2023. On September 21, 2023 the Financial Industry Regulatory Authority, Inc. notified us that the reverse stock split would take effect on September 29, 2023. All common stock share and per-share amounts for all periods presented in these consolidated financial statements have been adjusted retroactively to reflect the reverse stock split.

During the nine months ended September 30, 2024, the Company elected to convert $179,532 of principal and interest of non-redeemable convertible notes into 1,795,316,500 shares of common stock of the Company with a fair value of $821,094 resulting in a loss of extinguishment of debt of $641,562.

During the nine months ended September 30, 2024, the Company elected to settle $17,500 of principal and interest of promissory notes by issuing 175,000,000 shares of common stock of the Company with a fair value of $17,500.

On February 26, 2024, the Company agreed to issue 8,000,000 shares of common stock with a fair value of $109,600 to settle accrued salary and expenses of $296,000 (CAD $400,000) due to Nadav Elituv, the Chief Executive Officer of the Company resulting an increase in additional paid-in capital of $186,400.

NOTE 11 - SUBSEQUENT EVENTS

From October 1, 2024 to November 6, 2024, the Company elected to convert $12,100 of principal and interest of non-redeemable convertible notes into 121,000,000 shares of common stock of the Company with a fair value of $12,100 resulting in a loss of extinguishment of debt of $0.

From October 1, 2024 to November 6, 2024, the Company elected to settle $19,563 of principal and interest of promissory notes by issuing 195,630,000 shares of common stock of the Company with a fair value of $19,563.

The Company elected to convert 80,000 shares of Series C Convertible Preferred Stock into 32,000,000 shares of common stock of the issuer in accordance with the original terms of the Series C Convertible Preferred Stock.