- *Effects of authorized but unissued common stock and blank check preferred stock.* One of the effects of the existence of authorized but unissued common stock and undesignated preferred stock may be to enable our Board to make more difficult or to discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby to protect the continuity of management. If the Board were to determine that a takeover proposal was not in our best interest, such shares could be issued by the Board without stockholder approval in one or more transactions that might prevent or render more difficult or costly the completion of the takeover transaction by diluting the voting or other rights of the proposed acquirer or insurgent stockholder group, by putting a substantial voting block in institutional or other hands that might undertake to support the position of the incumbent board of directors, by effecting an acquisition that might complicate or preclude the takeover, or otherwise.

  In addition, our Certificate of Incorporation, as amended, grants our Board broad power to establish the rights and preferences of authorized and unissued shares of additional series of preferred stock. The creation and issuance of one or more additional series of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance also may adversely affect the rights and powers, including voting rights, of those holders and may have the effect of delaying, deterring or preventing a change in control of our company.

- *Cumulative Voting.* Our Certificate of Incorporation, as amended, does not provide for cumulative voting in the election of directors which would allow holders of less than a majority of the voting stock to elect some directors.

- *Vacancies.* Section 223 of the Delaware General Corporation Law and our bylaws provide that all vacancies, including newly created directorships, may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

- *Special Meeting of Stockholders.* A special meeting of stockholders may be called by our Board or the Chairman of our Board and must be called by our Secretary at the request in writing of holders of record of a majority of our outstanding capital stock entitled to vote. The requirement that a majority of our outstanding capital stock is required to call a special meeting means that small stockholders will not have the power to call a special meeting to, for example, elect new directors.

- *Bylaws.* Our bylaws authorize the board of directors to adopt, repeal, alter or amend our bylaws without shareholder approval.

- *Removal*. Except as otherwise provided, a director may be removed from office with or without cause at any special meeting of stockholders by the affirmative vote of at least a majority of the voting power and outstanding stock entitled to vote.

RECENT SALES OF UNREGISTERED SECURITIES

During the quarter ended December 31, 2024, the Company issued the following unregistered securities.

Issued 2,259,632,600 shares of common stock, with a fair value of $225,963, for the settlement of non-redeemable convertible notes.

Issued 1,156,998,300 shares of common stock, with a fair value of $115,700, for the settlement of promissory notes.

Issued 32,000,000 shares of common stock for the conversion of 80 shares of Series C Convertible Preferred Stock.

ITEM 6. [RESERVED].

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company is focused exclusively on the grocery market through its on-demand branch of its grocery businesses: Cuore Food Services. The branch uses industry standard warehouse storage space and inventory. The Company’s inventory is updated continuously and generally consists of produce, meats, pantry items, bakery & pastry goods, gluten-free goods, and organic items, acquired from various different suppliers in Canada and internationally, with whom the Company and its principals have cultivated long-term relationships.

On November 16, 2016, the Company changed the name of its wholly owned subsidiary from I8 Interactive to Two Hands Canada Corporation.

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".

Cuore Food Services

Cuore Food Services is the Company's wholesale food distribution branch. Cuore Food Services uses inventory from the Company's warehouse as well as inventory it acquires on an ad hoc basis, and focuses on bulk delivery of goods to food service business such as restaurants, hotels, event planning/hosting businesses.

Management's Plan of Operation

The Company is focused exclusively on the grocery market through its on-demand grocery business: Cuore Food Services.

In January 2025, the Company announced its plans to strategically reposition for future growth outside of the wholesale food distribution branch and is taking steps to ensure a smooth and efficient transition away from the legacy business.

In January 2025, the Company also announce its new business in the artisan crafted denim and premium combed Pima cotton yarns space in cooperation with Videlia Mills.

Products and Services

The Company plans to continue expanding its reach to additional customers and geographies across Canada while enhancing its product line with a focus on Italian staples, including pasta, oils, olives, and canned tomatoes.

Operations and Logistics

The company plans to expand storage and warehousing, expand warehouse staff, add more delivery trucks and expand the delivery area.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Estimates are used for, but not limited to, the accounting for the allowance for doubtful accounts, inventories, impairment of long-term assets, stock-based compensation, derivatives, income taxes and loss contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies, among others, may be impacted significantly by judgment, assumptions and estimates used in the preparation of the Financial Statements:

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 December 31, 2024 and 2023, we excluded the common stock issuable upon conversion of non-redeemable convertible notes, and Series C Stock of 1,167,136,632 shares and 5,056,999,100 shares, respectively, as their effect would have been anti-dilutive.

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.

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.

RECENT ACCOUNTING PRONOUNCEMENTS

In August 2020, the FASB issued ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40). This update amends the guidance on convertible instruments and the derivatives scope exception for contracts in an entity's own equity and improves and amends the related EPS guidance for both Subtopics. This standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2023, which means it will be effective for our fiscal year beginning January 1, 2024. The Company recognizes there will be an impact on how conversions are calculated which may require recognition of gains or losses. The Company adopted ASU 2020-06 during the year ended December 31, 2024. See Note 5. Line of Credit for further detail.

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 adopted this new standard on January 1, 2024 and the adoption did not have a material impact on the consolidated 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.

COMPARISON OF RESULTS FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

Sales, Cost of goods sold, Gross profit:

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
Sales	709,526	783,489	(73,963)	(9)
Cost of goods sold	657,718	721,377	(63,659)	(9)
Gross profit	51,808	62,112	(10,304)	(17)
Gross profit %	7.3%	7.9%		

Breakdown of sales by branch:

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
gocart.city – online delivery	—	28,673	(28,673)	(100)
Grocery Originals and Cuore Food Service – retail and wholesale distribution	709,526	754,816	(45,290)	(6)
Total sales	709,526	783,489	(73,963)	(9)

The gocart.city grocery delivery application was released in early June 2020 and gocart.city wholesale commenced sale of dry goods and produce to other businesses in July 2020. Our revenue from gocart.city – online delivery was primarily due to the recognition of revenue from expired grocery vouchers. gocart.city – online delivery was sold on May 1, 2023.

The gross margin percentage decreased from 2023 to 2024 due the inventory valuation allowance of $39,774 at December 31, 2024.

Operating expenses:

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
Salaries and benefits	633,478	712,588	(79,110)	(11)
Occupancy expense	34,520	50,691	(16,171)	(32)
Advertising and travel	(25,229)	80,926	(106,155)	(131)
Auto expenses	16,167	25,268	(9,101)	(36)
Consulting	309,650	292,791	16,859	6
Depreciation and Amortization	11,356	12,662	(1,306)	(10)
Bad debt	35,843	(24,868)	60,711	(244)
Office and general expenses	62,348	68,240	(5,892)	(9)
Professional fees	131,067	113,392	17,675	16
Freight and delivery	7,945	9,609	(1,664)	(17)
Total operating expenses	1,217,145	1,341,299	(124,154)	(9)

Our total operating expenses for the year ended December 31, 2024 was $1,217,145, compared to $1,341,299, for the year ended December 31, 2023, respectively. The decrease in total operating expense is primarily due to decrease in salaries and benefits and a $60,000 recovery on a service contract. The recovery $60,000 is classified as advertising and travel.

Salaries and benefits for the year ended December 31, 2024 and 2023, comprise primarily of salary due to Nadav Elituv, our former Chief Executive Officer, of $600,000 and $600,000, respectively. Salaries and benefits decreased due to the Company using more contractors and fewer employees during 2024. Expense related to contractors are classified as consulting.

Advertising and travel expense decreased due to a $60,000 recovery of an accrued liability recorded at December 31, 2023 for a service contract.

Bad debt increased due to slower recovery of accounts receivable as the Company transitions away from the wholesale food distribution business.

For the year ended December 31, 2024, consulting comprises primarily of (i) $210,182 for consulting fees payable under a consulting agreement with 2130555 Ontario Limited, a Company controlled by Nadav Elituv and (ii) $99,468 paid to contractors to manage our grocery business.

For the year ended December 31, 2023, consulting comprises primarily stock-based compensation expense (i) $0 for the expenditure of advertising credits with SRAX, Inc. (ii) $204,433 for consulting fees and (iii) $88,358 paid to contractors to manage our grocery business.

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.

Other income (expense):

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
Amortization of debt discount and interest expense	(174,898)	(159,335)	(15,563)	10
Loss on settlement of non-redeemable convertible notes and promissory notes	(1,093,735)	(6,775,835)	5,682,100	(84)
Gain on disposition	—	50,695	(50,695)	(100)
Total other income (expenses)	(1,268,633)	(6,884,475)	5,615,842	(82)

Amortization of debt discount and interest expense for the year ended December 31, 2024 was $174,898, compared to $159,335 for the year ended December 31, 2023. Amortization of debt discount and interest expense relates to the issuance of non-redeemable convertible notes and promissory notes.

During the years ended December 31, 2024 and 2023, the Company elected to convert $405,495 and $118,647 of principal and interest of a non-redeemable convertible note into 4,054,949,100 and 16,920,700 shares of common stock of the Company resulting in a loss on settlement of debt of $641,562 and $6,775,835, respectively.

On December 30, 2024, the Company exchanged promissory notes, accrued and other liabilities with a carrying value of $1,628,843 for new promissory notes with principal of $2,081,016 resulting in loss on settlement of promissory notes of $452,173.

During the year ended December 31, 2023 the Company received net proceeds from the sale of gocart.city assets of $64,250 (CAD $86,742). The net proceeds comprise of the settlement $127,594 (CAD $172,261) of accounts payable and $63,344 (CAD $85,519) of account receivable with the Purchaser resulting in a gain of $50,695 (CAD $68,442).

Net loss for the period:

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
Net loss for the period	(2,433,970)	(8,163,662)	5,729,692	(70)

Our net loss for the year ended December 31, 2024 was $2,433,970, compared to $8,163,662 for the year ended December 31, 2023, respectively. Our losses during the years ended December 31, 2024 and 2023 are primarily due to costs associated with professional fees, compensation due to our CEO, interest expense and loss on settlement of non-redeemable convertible notes and promissory notes.

QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected quarterly information that has been derived from the financial statements of the Company. This summary should be read in conjunction with the consolidated financial statements of the Company.

Quarter Ended	**December 31, 2024**	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
Sales	$ 140,258	$ 179,502	$ 226,289	$ 163,477	$ 198,266	$ 212,453	$ 197,324	$ 175,446
Gross profit	$ (34,216)	$ 26,025	$ 45,010	$ 14,989	($ 20,815)	$ 55,262	$ 12,216	$ 15,449
Operating expenses	$ (299,791)	$ (300,665)	$ (311,499)	$ (305,190)	$ (391,043)	$ (307,223)	$ (277,327)	$ (365,706)
Other income (expense)	$ (489,659)	$ (58,477)	$ (228,552)	$ (491,945)	$ (6,151,405)	$ (313,869)	$ (263,974)	$ (155,227)
Net loss for the period	$ (823,666)	$ (333,117)	$ (495,041)	$ (782,146)	$ (6,563,263)	$ (565,830)	$ (529,085)	$ (505,484)
Basic net income (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.17)	$ 1.33	$ (0.00)	$ (0.00)
Diluted net loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.17)	$ (0.01)	$ (0.00)	$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

For the years ended December 31, 2024

Cash flows used in operating activities

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
Net cash used in operating activities	(250,503)	(451,932)	(201,429)	(45)

Our net cash used in operating activities for the year ended December 31, 2024 and 2023 is $250,503 and $451,952, respectively. Our net loss for the year ended December 31, 2024 of $2,423,602 was the main contributing factor for our negative cash flow. We were able to mostly offset the cash used in operating activities by using our stock to pay for expenses such as, amortization of debt discount of $174,898 and loss on debt settlement of $1,093,735.

Cash flows used in investing activities

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
Net cash used in investing activities	—	—	—	—

Cash flows from financing activities

	Year ended December 31,		Change	
	2024	2023		
	$	$	$	%
Net cash from financing activities	228,750	458,630	(229,880)	(50)

Our net cash provided by financing activities for the year ended December 31, 2024 and 2023 is $228,750 and $458,630, respectively.

During the year ended December 31, 2024, the Company received $211,100 (CAD $289,259) in cash from its line of credit with The Cellular Connection Ltd. dated April 14, 2022, and cash advances from related party of $62,928. The cash advances are non-interest bearing, unsecured and have no specific terms of repayment.

As of December 31, 2024, we had cash of $1,733, working capital (deficiency) of $(3,580,522) and total liabilities of $3,665,969.

Our working capital as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	**December 31, 2023**
Current assets	$ 85,447	$ 169,481
Current liabilities	3,665,969	2,158,619
Working capital (Deficiency)	$ (3,580,522)	$ (1,989,138)

The Company is continuing to focus improving cash flows from operations by reducing incentives to customers, by making purchases from different suppliers, accelerating the collection of accounts receivable, reducing expenses, managing accounts payable balances and by paying our officers, directors, consultants and staff with our stock.

The Company's financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the year ended December 31, 2024, the Company incurred a net loss of $2,433,970 and used cash in operating activities of $250,503, and on December 31, 2024, had stockholders' deficit of $3,568,234 and an accumulated deficit of $94,520,148. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern within one year of the date that the financial statements are issued. The Company's independent registered public accounting firm, in their report on the Company's financial statements for the year ended December 31, 2024, contains an explanatory paragraph regarding the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments that might result from the outcome of this uncertainty should we be unable to continue as a going concern.

Over the next 12 months we expect to spend approximately $300,000 in cash for operations, legal, accounting and related services and to implement our business plan. We hope to be able to compensate our independent contractors with stock-based compensation, which will not require us to use our cash, although there can be no assurances that we will be successful in these efforts.

	Cash Required to Implement of Business Plan
General and Administration	$ 300,000
Total Estimated Cash Expenditures	$ 300,000

On April 14, 2022, the Company entered into a binding Line of Credit with The Cellular Connection Ltd. Pursuant to the Line of Credit, the Company can borrow from the Lender up to up to CAD $0 (CAD $750,000 available on the Line of Credit less CAD $1,069,595 of funds drawn and outstanding on December 31, 2024) in principal. Commencing in 2025, the Lender has indicated that they are no longer willing to continue to advance cash under this Line of Credit.

We expect to be able to secure additional capital through advances from our Chief Executive Officer in order to pay expenses such as organizational costs, filing fees, accounting fees and legal fees, however, we do not have any written or oral agreements with any other third parties which require them to fund our operations. We are currently in discussions with investors for private loans and an equity line of credit. Although there can be no assurances that we will be able to obtain such funds in the future, the Company has been able to secure financing to continue operations since its inception on April 3, 2009. We are currently quoted on OTC Pink.. If we need additional capital in the next twelve months and if we cannot raise such capital on acceptable terms, we may have to curtail our operations or terminate our business entirely.

The inability to obtain financing or generate sufficient cash from operations could require us to reduce or eliminate expenditures for developing products and services, or otherwise curtail or discontinue our operations, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, to the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities may result in dilution to existing stockholders. If we raise additional funds through the issuance of debt securities, these securities may have rights, preferences and privileges senior to holders of our common stock and the terms of such debt could impose restrictions on our operations. Regardless of whether our cash assets prove to be inadequate to meet our operational needs, we may seek to compensate providers of services by issuing stock in lieu of cash, which may also result in dilution to existing stockholders.

Our common stock started trading over the counter and has been quoted on the Over-The Counter Bulletin Board since February 17, 2011. The stock currently trades under the symbol "TWOH.OB."

Commitments for future capital expenditures at December 31, 2024 is as follows:

	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 – 5 years	After 5 years
Contractual obligations	$	$	$	$	$
Accounts payable and accrued liabilities	528,643	528,643	—	—	—
Debt	3,031,063	3,031,063	—	—	—
Non-redeemable convertible notes	100,000	100,000	—	—	—
Operating leases(1)	6,263	6,263	—	—	—
Total contractual obligations	3,665,969	3,665,969	—	—	—

Notes:

(1) Leases for retail space, equipment and warehousing is currently month to month. Deliveries are currently outsourced.

OPERATING CAPITAL AND CAPITAL EXPENDITURE REQUIREMENTS

On April 14, 2022, the Company entered into a binding Line of Credit with The Cellular Connection Ltd. Pursuant to the Line of Credit, the Company can borrow from the Lender up to up to CAD $0 (CAD $750,000 available on the Line of Credit less CAD $1,069,595 of funds drawn and outstanding on December 31, 2024) in principal. Commencing in 2025, the Lender has indicated that they are no longer willing to continue to advance cash under this Line of Credit.

We expect to be able to secure additional capital through advances from our Chief Executive Officer in order to pay expenses such as organizational costs, filing fees, accounting fees and legal fees, however, we do not have any written or oral agreements with any other third parties which require them to fund our operations. We are currently in discussions with investors for private loans and an equity line of credit. Although there can be no assurances that we will be able to obtain such funds in the future, the Company has been able to secure financing to continue operations since its inception on April 3, 2009. We are currently quoted on OTC Pink. If we need additional capital in the next twelve months and if we cannot raise such capital on acceptable terms, we may have to curtail our operations or terminate our business entirely.

Our common stock started trading over the counter and has been quoted on the Over-The Counter Bulletin Board since February 17, 2011. The stock currently trades under the symbol “TWOH.OB.”

RELATED PARTY TRANSACTIONS

Years ended December 31, 2024 and 2023

Due to Related Party

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

During the year ended December 31, 2024, the Company issued advances due to related party for $62,928 for expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $45,278 in cash. On February 26, 2024, the Company issued common stock to settle due to related party with a carrying value of $296,000 (Note 11). On December 30, 2024, the Company issued a New Promissory Note (see Note 7) to settle accrued salary of $1,392,859 due to Nadav Elituv.

During the year ended December 31, 2023, the Company issued advances due to related party for $108,383 for expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $34,246 in cash. In addition, the Company accrued salary of $808,076 due to Nadav Elituv for the year ended December 31, 2023. On February 2, 2023, the Company issued common stock to settle due to related party with a carrying value of $188,871 (Note 11).

During the years ended December 31, 2024 and 2023, the Company paid Linus Creative Services, a business controlled by Bradley Southam, a former director of the Company, $0 and $2,714, respectively, for advertising services.

Promissory Notes – Related Party

As of December 31, 2024 and 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 former 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.

On December 30, 2024, the Company agreed to settle accrued liabilities due to Nadav Elituv, the Company's former Chief Executive Officer, totaling $1,392,859 for a New Promissory Note with carrying value of $1,700,000 resulting in a loss of extinguishment of $307,289.

Our policy with regard to transactions with related persons or entities is that such transactions must be on terms no less favorable than could be obtained from non-related persons.

The above related party transactions are not necessarily indicative of the amounts that would have been incurred had a comparable transaction been entered into with an independent party. The terms of these transactions were more favorable than would have been attained if the transactions were negotiated at arm's length.

PROPOSED TRANSACTIONS

The Company is not anticipating any transactions.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Refer to Note 2 in the consolidated financial statements for the year ended December 31, 2024 for information on accounting policies.

FINANCIAL INSTRUMENTS

The main risks of the Company's financial instrument are exposed to are credit risk, market risk, foreign exchange risk, and liquidity risk.

Credit risk

The Company's credit risk is primarily attributable to trade receivables. Trade receivables comprise amounts due from other businesses from the sale of groceries and dry goods. The Company mitigates credit risk through approvals, limits and monitoring. The amounts disclosed in the consolidated balance sheet are net of allowances for expected credit losses, estimated by the Company's management based on past experience and specific circumstances of the customer. The Company manages credit risk for cash by placing deposits at major Canadian financial institutions.

Market risk

Market risk is the risk that changes in market prices and interest rates will affect the Company's net earnings or the value of financial instruments. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits, while maximizing returns. The Company's market risk consists of risks from changes in foreign exchange rates, interest rates and market prices that affect its financial liabilities, financial assets and future transactions.

Refer to Note 2 in the consolidated financial statements for the year ended December 31, 2024 and Note 2 in the consolidated financial statements for the year ended December 31, 2024 for information on market risk.

Foreign Exchange risk

Our revenue is derived from operations in Canada. Our consolidated financial statements are presented in U.S. dollars and our liabilities other than trade payables are primarily due in U.S. dollars. The revenue we earn in Canadian dollars is adversely impacted by the increase in the value of the U.S. dollar relative to the Canadian dollar.

Liquidity risk

Liquidity risk relates to the risk the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on our consolidated balance sheets consist of accounts payable and accrued liabilities, due to related party, notes payable, convertible notes, net, derivative liabilities, promissory notes, promissory notes – related party and non-redeemable convertible notes, Management monitors cash flow requirements and future cash flow forecasts to ensure it has access to funds through its existing cash and from operations to meet operational and financial obligations. The Company believes it has sufficient liquidity to meet its cash requirements for the next twelve months.

OUTSTANDING SHARE DATA

As of April 11, 2025, the following securities were outstanding:

Common stock: 5,469,037,729 shares

OFF-BALANCE SHEET TRANSACTIONS

We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a Smaller Reporting Company, as defined by Rule 12b-2 of the Exchange Act and in Item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements and related notes are included as part of this Annual Report.