

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **JZZ TECHNOLOGIES INC.**

A Nevada Corporation

17 Sunny Line Drive

Calverton, NY 11933

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(631) 721 5334

<https://jzztech.com/>

[info@jzztech.com](mailto:info@jzztech.com)

SIC Code 731925

**Quarterly Report**

**For the Period Ending:** September 30, 2020  
(the "Reporting Period")

As of September 30, 2020, the number of shares outstanding of our Common Stock was: 293,111,405

As of June 30, 2020, the number of shares outstanding of our Common Stock was: 275,396,405

As of March 31, 2020, the number of shares outstanding of our Common Stock was: 253,641,917

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

### **1) Name of the issuer and its predecessors (if any)**

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

JZZ Technologies Inc.

Originally incorporated as Innovisionix Inc. on October 5, 2004 in Nevada; on February 28, 2007 name of corporation changed to JZZ Technologies, Inc; on July 2, 2012 name of corporation changed to Sirius Financial Services, Inc.; on December 4, 2013, name of corporation changed to TK Agra, Inc.; on June 25, 2014, name of corporation changed back to JZZ Technologies, Inc.; on 9-21-16, name of corporation changed to Axihub, Inc.; on July 25, 2018, name of corporation changed back to current name, JZZ Technologies Inc. The Company only traded and issued stock certificates under the name JZZ Technologies, Inc., which is the only name for which CUSIP numbers were issued from 2007 to the present, i.e. 466299 30 2 to 6988IX 10 6 back to 466299 30 2.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated on October 5, 2004 in the State of Nevada and its current standing is active.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

**2) Security Information**

Trading symbol:	JZZI
Exact title and class of securities outstanding:	Common
CUSIP:	466299 30 2
Par or stated value:	\$0.001 per share

Total shares authorized:	450,000,000	as of date: September 30, 2020
Total shares outstanding:	293,111,405	as of date: September 30, 2020
Number of shares in the Public Float <sup>2</sup> :	11,461,364	as of date: September 30, 2020
Total number of shareholders of record:	153	as of date: September 30, 2020

It is the present intention of the Company to amend its certificate of incorporation to (a) authorize 25,000,000 shares of blank check preferred stock, which shall give the Board of Directors absolute power to determine the terms thereof. It is the present intention that the initial class of preferred shares, in an amount to be determined, will have voting rights equal to 10 votes for each preferred share and may be converted to 10 common shares for each preferred share; and (b) to increase to 850,000,000 the number of authorized common shares.

*All additional class(es) of publicly traded securities (if any): N/A*

Trading symbol:	
Exact title and class of securities outstanding:	
CUSIP:	
Par or stated value:	
Total shares authorized:	as of date:
Total shares outstanding:	as of date:

Transfer Agent

<sup>3</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Name: American Stock Transfer and Trust Company, Inc.  
Phone: 602-759-5510  
Email: jkane@astfinancial.com

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>March 31, 2018</u> Common: 97,120,000 Preferred: 0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

03/26/2020	New issuance	9,000,000	Common Stock	\$205,052	Yes	Blue Bridge Consulting LLC Frank Pinizzotto	Debt Conversion	Free Trading	SEC Act 4(a)(2)
Shares Outstanding on March 31, 2020	Ending Balance: Common: 253,641,917 Preferred: 0								
04/03/2020	New issuance	520,000	Common Stock	\$52,000	Yes	Pelle Ojasu	Consulting Services	Restricted	SEC Act 4(a)(2)

04/03/2020	New issuance	2,000,000	Common Stock	\$100,000	Yes	Cicero Transact Group Inc. Michael Woloshin	Service Contract	Restricted	SEC Act 4(a)(2)
04/03/2020	New issuance	2,500,000	Common Stock	\$125,000	Yes	Milton Pagan	Consulting Services	Restricted	SEC Act 4(a)(2)
04/03/2020	New issuance	1,200,000	Common Stock	\$60,000	Yes	Danielle Oliveras	Consulting Services	Restricted	SEC Act 4(a)(2)
4/03/2020	New issuance	191,488	Common Stock	\$9,574	Yes	Paul Delongis	Consulting Services	Restricted	SEC Act 4(a)(2)
04/03/2020	New issuance	2,250,000	Common Stock	\$112,500	Yes	Robert Rosen	Acquisition Agreement	Restricted	SEC Act 4(a)(2)
04/03/2020	New issuance	950,000	Common Stock	\$47,500	Yes	Soroush Samouhi	Acquisition Agreement	Restricted	SEC Act 4(a)(2)
04/20/2020	New issuance	280,000	Common Stock	\$9,800	Yes	Joyce Nagel	Consulting Services	Restricted	SEC Act 4(a)(2)
04/20/2020	New issuance	833,000	Common Stock	\$29,155	Yes	Anthony Giordano	Consulting Services	Restricted	SEC Act 4(a)(2)
04/28/2020	New issuance	3,500,000	Common Stock	\$52,500	Yes	John Cardona	Consulting Services	Restricted	SEC Act 4(a)(2)
04/28/2020	New issuance	5,000,000	Common Stock	\$75,000	Yes	Rainey Trail LLC Harry Mittenthal	Cash	Restricted	SEC Act 4(a)(2)
04/28/2020	New issuance	600,000	Common Stock	\$30,000	Yes	Kyle Kennedy	Consulting Services	Restricted	SEC Act 4(a)(2)
05/29/2020	New issuance	1,280,000	Common Stock	\$25,600	Yes	Doug Messer	Consulting Services	Restricted	SEC Act 4(a)(2)
06/26/2020	New issuance	500,000	Common Stock	\$10,000	Yes	Ted Kramer	Legal Services	Restricted	SEC Act 4(a)(2)
06/26/2020	New issuance	150,000	Common Stock	\$7,500	Yes	Chris Vita	Consulting Services	Restricted	SEC Act 4(a)(2)
07/01/2020	New issuance	500,000	Common Stock	\$10,000	Yes	Fred Mintz	Consulting Services	Restricted	SEC Act 4(a)(2)
07/01/2020	New issuance	500,000	Common Stock	\$10,000	Yes	Alan Fraade	Consulting Services	Restricted	SEC Act 4(a)(2)
08/04/2020	New issuance	9,870,000	Common Stock	\$194,800	Yes	Charles Cardona	Consulting Services	Restricted	SEC Act 4(a)(2)
08/04/2020	New issuance	970,000	Common Stock	\$19,400	Yes	Corewide LLC Oleg Manko	Consulting Services	Restricted	SEC Act 4(a)(2)
08/04/2020	New issuance	500,000	Common Stock	\$10,000	Yes	Ted Kramer	Legal Services	Restricted	SEC Act 4(a)(2)
08/12/2020	New issuance	500,000	Common Stock	\$10,000	Yes	Gott Management Services, Inc. Deirdrea Renwick	Accounting Services	Restricted	SEC Act 4(a)(2)
09/14/2020	New issuance	175,000	Common Stock	\$3,500	Yes	Joseph and Barbara Lebkuecher	Consulting Services	Restricted	SEC Act 4(a)(2)
09/14/2020	New issuance	1,000,000	Common Stock	\$20,000	Yes	Madison Advisory Ventures Inc. Fred Mintz/Alan Fraade	Consulting Services	Restricted	SEC Act 4(a)(2)

09/14/2020	New issuance	100,000	Common Stock	\$2,000	Yes	Kyle Ryan Shannon	Consulting Services	Restricted	SEC Act 4(a)(2)
09/14/2020	New issuance	3,600,000	Common Stock	\$72,000	Yes	Charles Cardona	Consulting Services	Restricted	SEC Act 4(a)(2)

Shares Outstanding on Date of This Report:  <div style="text-align: right;">Ending _____ Balance _____</div> <u>Ending Balance:</u> Date September 30, 2020 <u>293,111,405</u> Common: <u>293,111,405</u> Preferred: <u>0</u>	
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**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

Pursuant to the August 23, 2016 Share Exchange Agreement between JZZ Technologies, Inc. and Axihub, Inc., as of August 11, 2020, 20,000,000 shares of common stock issued to James Wheeler were transferred to the Company's Treasury account.

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
<u>01/25/2016</u>	<u>\$10,500</u>	<u>\$ 10,500</u>	<u>\$3,934</u>	<u>Demand note</u>	<u>50% of Closing Bid Price at Conversion</u>	<u>Elixir, LLC/Charles Cardona</u>	<u>Loan</u>
<u>07/26/2016</u>	<u>\$25,000</u>	<u>\$ 25,000</u>	<u>\$8,364</u>	<u>Demand note</u>	<u>50% of Closing Bid Price at Conversion</u>	<u>Hector Lewis, Jr.</u>	<u>Loan</u>
<u>09/13/2016</u>	<u>\$12,500</u>	<u>\$ 12,500</u>	<u>\$4,049</u>	<u>Demand note</u>	<u>50% of Closing Bid Price at Conversion</u>	<u>Hector Lewis, Jr.</u>	<u>Loan</u>
<u>11/21/2016</u>	<u>\$25,000</u>	<u>\$ 25,000</u>	<u>\$7,718</u>	<u>Demand note</u>	<u>50% of Closing Bid Price at Conversion</u>	<u>Lincoln Lewis</u>	<u>Loan</u>
<u>12/12/2016</u>	<u>\$25,000</u>	<u>\$ 25,000</u>	<u>\$7,603</u>	<u>Demand note</u>	<u>50% of Closing Bid Price at Conversion</u>	<u>Giselle or John Mery</u>	<u>Loan</u>

<u>08/25/2019</u>	<u>\$180,000</u>	<u>\$180,000</u>	<u>\$15,850</u>	<u>Demand note</u>	<u>50% of Closing Bid Price at Conversion</u>	<u>Blue Bridge Consulting, LLC</u>  Frank Pinizzotto	<u>Service Contract</u>
<u>03/24/2020</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$749</u>	<u>March 24, 2021</u>	<u>50% of the lowest Trading Price During the 20 Trading Days prior to Conversion</u>	<u>Tri-Bridge Ventures LLC</u>  <u>John Forsythe III</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>3</sup>:

Name: Fred V. Schiemann  
Title: Outside CPA  
Relationship to Issuer: Contract Services

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;  
D. Statement of income;  
E. Statement of cash flows;  
F. Statement of Changes in Shareholders' Equity  
G. Financial notes; and  
H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

<sup>3</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

## 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Issuer, is an internet website media and marketing company, focusing on the senior market. The business of the Company, through its on-line magazine, is to publish articles and other content directed to the senior market, as well as to provide a medium for specifically focused advertising within the senior market. The Company will also promote products and services through its on-line magazine directed to the senior market.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference.

JZZ Technologies, Inc. is the parent company of its three subsidiaries listed below.

Axihub, Inc. has been a relatively dormant subsidiary for the last two years. Axihub is acting as the managing Company for the operations and activities of the Company. It will negotiate all contracts for the operations and will oversee the various websites and marketing operations of the Company.

Senior Lifestyle Media LLC ("SLM"), a New York limited liability company, was acquired by the Company as of April 1, 2020 as a wholly owned subsidiary of the Company. The Company's internet website and marketing operations are operated by SLM. SLM maintains the brand "Active Lifestyle" and owns the following assets:

- Active Lifestyle website (activelifestylemedia.com), which hosts all online content of SLM;
- Active Lifestyle Magazine, a quarterly online and print magazine;
- Family Caregiver Magazine, quarterly online magazine geared for information, products and services of interest to caregivers, whether they be nurses, aides or relatives of seniors or others requiring care;
- Active Lifestyle Newsletter, a monthly online newsletter, features more topical content than Active Lifestyle Magazine;
- Senior Business Magazine, which SLM shortly intends to publish online, as well as in print on a quarterly basis, and will target entrepreneurs over the age of 50.

Joshua Tree CBD Inc., a New York Corporation, was acquired as a wholly owned subsidiary as of April 1, 2020, intends to market and sell CBD (cannabidiol) products geared to the senior market, mostly through the Active Lifestyle Website.

C. Describe the issuers' principal products or services, and their markets

The Company business is to circulate (mostly via the Active Lifestyle website) online (Internet) newsletters, magazines and other content to provide a medium for on-line advertising, marketing and sales of products and services, all geared to the senior market. With its recently acquired database of over 5.7 million senior email addresses, and through its own advertising and marketing, the Company plans to reach a significant number of earmarked customers and subscribers, subdivided into particular interests for targeted marketing. The revenue model for the Company lies in four income streams: (1) subscription income, (2) advertising revenue, (3) marketing and sales commissions for products and services and (4) sharing of product marketing revenue with our strategic marketing partners.

The Company's additional properties and commercial rights are:

foodandfriendship.com, a website acquired in April 2020, to provide food and drink related content and discounts, acquired for a nominal amount;

petsandpaw.com, a website acquired in April 2020, to contain articles and discounts related to pets and pet ownership, acquired for a nominal amount;

latestdiscountcodes.com, a website acquired in April 2020, to provide coupons, discounts and discounted products and services, acquired for a nominal amount.

Goodbye Book - The Company entered an agreement with Goodbye Book, Inc. on April 29, 2020, which provides a service for storing messages, videos, and important information (insurance policies, investments, etc.) to be provided to family upon death; it is intended that members of Active Lifestyle will be provided with a free, trial membership. The Company will receive a commission on revenue generated by the Company.

Choice Trade – On May 8, 2020, the Company has entered into a marketing agreement with Choice Trade, an on-line investment brokerage firm, to provide members of Active Lifestyle with stock trading services, including certain commission-free listed stock. The Company will receive a \$5.00 fee for each person who, through the Company, signs up with Choice Trade.

Avitas Bio Corp – On June 11, 2020, the Company entered into a marketing agreement with Avitas Bio Corp., a nutraceutical company, selling vitamin supplements and other supplements and nutraceutical products, in which the Company will be making private label sales for which it will receive a commission.

Veterans Helping Veterans Inc. (“Veterans”) – On May 29, 2020, the Company entered into a marketing agreement with Veterans Helping Veterans Inc., whose business is to provide services and products to veterans, where the Company will promote and receive a commission on sales of Veterans’ services and products.

D. Significant Transactions during the Quarter

E. Subsequent Events

None

## 6) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The issuer does not currently own or lease any properties or facilities.

## 7) Officers, Directors, and Control Persons<sup>1</sup>

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer’s securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note



Charles A. Cardona	Chairman/CEO/CFO	17 Sunny Line Drive, Calverton, New York 11933	25,100,000*	Common	8.6%	
<u>Blue Bridge Consulting, LLC</u>  Frank Pinizzotto	<u>Owner of more than 5%</u>	<u>14140 Passage Way, Seminole, FL 33776</u>	<u>15,900,000**</u>	<u>Common</u>	5.4%	
Critical Edge Consulting LLC  Frank Pinizzotto	<u>Owner of more than 5%</u>	2583 Limaburg Road, Burlington, KY 41005	14,000,000	Common	4.8%	
Tailor Made Consulting LLC  William Hoffer	<u>Owner of more than 5%</u>	8975 W Warm Springs Road #1012, Las Vegas, NV 89148	15,000,000	Common	5.1%	

\* Includes 19,700,000 shares owned by Charles Cardona and 5,400,000 shares owned by his spouse and children, but does not include shares issuable upon conversion of a \$10,500 note convertible into shares of the Issuer at 50% of the closing bid at the time of conversion.

\*\* Does not include shares issuable pursuant to a \$180,000 note convertible at 50% of the closing bid at the time of conversion.

It is the present intention of the Company to enter into an employment agreement with Charles A. Cardona, the Company's Chairman and CEO, to provide for his services for a five year, seven month term, effective as of September 1, 2020. As part of his compensation, it is presently intended that he will receive 1,250,000 Common Shares of the Company and warrants to purchase an additional 1,250,000 Common Shares, at a nominal exercise price. His annual salary is intended to be \$120,000, payable on achieving certain monthly revenues, with Mr. Cardona receiving options for shares of preferred stock for unpaid salary.

Charles A. Cardona (B.S. University of Arizona and PhD Astrophysics Stony Brook University) serves as President, CEO, CFO and sole Director of the Company. He has served as CEO since August 2016 and was appointed to the Board of Directors effective August 2016. Mr. Cardona has served as an officer, director and consultant to various public and nonpublic companies. He is also a member of the Board of Directors of ISMedia 360. Mr. Cardona has served as Director of Corporate Development for Ammo Analytical Laboratory and Vice Chairman of the Ammon Foundation and is a member of the board of directors of the Custer Institute Observatory, Long Island, New York's oldest public observatory. He is also a member of the Board of Directors of Pet Adoption World Foundation and an advisor to Kids Adopt a Shelter.

It is the present intention of the Company to add two additional directors to the Board of Directors, James S. Toreson and Robert Rosen.

James S. Toreson (University of Michigan – BSEE and MSEE; University of Nevada – Doctorate of Science; University of Pennsylvania – PhD EE) has previous experience at Xebec, Hewlett-Packard, Spectra-Physics and Bell Telephone Laboratories. At Xebec, he led the

creation and management of a state-of-the-art automated factory in Nevada that employed over 1,000 employees. His recent activities include: design and deployment of utility-scale solar PV power plants; AI and IOT-based bioinformatics in the healthcare field; and research and deployment of cannabis related technologies.

Robert Rosen is a graduate of the Newhouse School of Public Communications at Syracuse University and was a television producer and director of an Emmy award winning business television program. Through an affiliation with the local dental societies in New York, New Jersey and Connecticut, he began DR Administrative Services, Inc. 22 years ago and became one of the largest TPA's for Direct Reimbursement dental plans in the country. Several years ago Mr. Rosen started Senior Lifestyle Media to create Active Lifestyle magazine for the senior community. More recently he became Executive Director of Caregiver Resource Network, a 501(c)(3) not for profit and began publishing Family Caregiver magazine. He is currently publisher of Active Lifestyle magazine and newsletter for Senior Lifestyle Media, LLC, a subsidiary of the Company.

## **8) Legal/Disciplinary History**

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

## **9) Third Party Providers**

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Edward C. Kramer  
Firm: Law Offices of Kramer, LLC  
Address 1: 260 Madison Avenue, 16<sup>th</sup> Floor, New York, NY 10016  
Address 2:  
Phone: 212-490-1616  
Email: [eck@lawkram.com](mailto:eck@lawkram.com)

Accountant or Auditor

Name: Fred V. Schiemann, CPA  
Firm:  
Address 1: 429 W. Plumb Lane, Reno, NV 89509  
Address 2:  
Phone: [775-830-3663](tel:775-830-3663)  
Email: [fschiemann@yahoo.com](mailto:fschiemann@yahoo.com)

Investor Relations n/a

Name:  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name:  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

Name:  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

**10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Charles A. Cardona III certify that:

1. I have reviewed this quarterly disclosure report of JZZ Technologies Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/13/2020

[Date]

[CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, Charles A. Cardona III certify that:

1. I have reviewed this quarterly disclosure report of JZZ Technologies Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/13/2020

[Date]

[CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

# ***JZZ Technologies, Inc. and Subsidiaries***

*Consolidated Financial Statements as of September 30, 2020 and March 31, 2020  
For the Three and Six Months Ended September 30, 2020 and 2019*

# **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

## **INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

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## **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020**

#### **NOTE 1- Summary of History and Significant Accounting Policies**

##### **Nature of Operations**

JZZ Technologies, Inc., ("the Company") a Nevada corporation was incorporated in the State of Nevada on October 5, 2004. The Issuer, is an internet website media and marketing company, focusing on the senior market. The business of the Company, through its on-line magazine, is to publish articles and other content directed to the senior market, as well as to provide a medium for specifically focused advertising within the senior market. The Company will also promote products and services through its on-line magazine directed to the senior market.

On August 25, 2016, the current officer and director of the Company entered into a Share Exchange Agreement with the Company and the shareholders of Axihub, Inc.. The current officer and director of the Company acquired controlling interest in the Company's common stock. The Share Exchange was treated as a recapitalization. The financial statements as of September 30, 2020 and March 31, 2020 are presented under successor entity reporting and included the balance sheet of the Company from the acquisition date of August 25, 2016.

Axihub, Inc. is an inactive subsidiary and the Company owns 100% of its common stock per the Share Exchange Agreement described above.

Senior Lifestyle Media LLC was acquired on April 1, 2020 as described below. The Company acquired 100% of its Member Interests. The Company has been inactive during 2019 and through the date of acquisition.

Joshua Tree CBD Inc. was acquired on April 1, 2020 as described below. The Company acquired 100% of its common stock. Joshua Tree was incorporated on February 27, 2020 and was acquired to take advantage of the principal's expertise in the industry and the relationships and contacts he has in the industry.

##### **Basis of presentation**

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the periods presented have been reflected herein.

The Company consolidates its subsidiaries (Senior Lifestyle Media LLC, a New York Limited Liability Corporation, and Joshua Tree CBD Inc., a New York corporation) in accordance with ASC 810, and specifically ASC 810-10-15-8 which states, "[t]he usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, or over 50% of the outstanding voting shares of another entity is a condition pointing toward consolidation." All inter-company transactions have been eliminated during consolidation.

## **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020**

#### **Concentration of Risk**

The Company places its cash and temporary cash investments with established financial institutions. At times, such cash and investments may be in excess of the FDIC insurance limit.

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of JZZ Technologies, Inc., and its three subsidiaries Axihub, Inc., Senior Lifestyle Media LLC and Joshua Tree CBD Inc.. All intercompany transactions are eliminated in consolidation.

#### **Cash and Cash Equivalents**

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

#### **Trade Accounts Receivable**

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. The reserve account at September 30, 2020 and March 31, 2020 was \$0.

#### **Inventory**

The Company's inventory is valued at the lower of cost (first in, first out) or market using the retail method.

#### **Stock-based Compensation**

The Company records stock-based compensation in accordance with ASC 718, *Compensation - Stock Based Compensation* and ASC 505, *Equity Based Payments to Non-Employees*, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

ASC 718 requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.



## **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020**

#### **Intangibles with Finite Lives**

The Company applies the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 360-10, *Property, Plant and Equipment*, where applicable to all long lived assets. FASB ASC 360-10 addresses accounting and reporting for impairment and disposal of long-lived assets. The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with FASB ASC 360-10. FASB ASC 360-10 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets’ carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

The Company does not amortize any intangible assets with finite lives.

Goodwill and intangible assets are reviewed for potential impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable.

#### **Revenue Recognition**

The Company applies ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

#### **Advertising**

Advertising costs are expensed as incurred. Advertising expenses for the six months ended September 30, 2020 and 2019 were \$0.

#### **Research and Development Expenditure**

Research expenditure is recognized as an expense when it is incurred. Development expenditure is recognized as an expense except that expenditure incurred on development projects are capitalized as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalized if, and only if an entity can demonstrate all of the following:

1. its ability to measure reliably the expenditure attributable to the asset under development;
2. the product or process is technically and commercially feasible;
3. its future economic benefits are probable;
4. its ability to use or sell the developed asset;
5. the availability of adequate technical, financial and other resources to complete the asset under development; and
6. its intention to complete the intangible asset and use or sell.

## **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020**

Capitalized development expenditure is measured at cost less accumulated amortization and impairment losses, if any. Development expenditure initially recognized as an expense is not recognized as assets in the subsequent period. The development expenditure is amortized on a straight-line method over a period of not exceeding 15 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

Research and development costs represent the costs of developing and perfecting JZZ's products as well as marketing and planning for those products. These costs are charged to expense as incurred.

The Company estimated these costs to be \$0 in its operations for the the six months ended September 30, 2020 and 2019.

#### **Fair Value of Financial Instruments**

The Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, which provides a framework for measuring fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also expands disclosures about instruments measured at fair value and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

Level 2 — Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Management makes these estimates using the best information available at the time the estimates are made; however actual results could differ materially from those estimates.

#### **Emerging Growth Company Critical Accounting Policy Disclosure**

The Company qualifies as an "emerging growth company" under the 2012 JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging grown company, the Company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company may elect to take advantage of the benefits of this extended transition period in the future.

## **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

### **Notes to Financial Statements September 30, 2020 and March 31, 2020**

#### **Income Taxes**

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases 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. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

#### **Segments**

The Company operates in one business segment, namely the business of business in computer programming and data processing.

#### **Loss Per Share**

Net loss per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period, unless their effect is anti-dilutive due to continuing losses. There were no potentially dilutive shares outstanding as of September 30, 2020 and March 31, 2020.

#### **Recent Accounting Pronouncements**

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or

#### **NOTE 2 – Financial Condition and Going Concern**

The Company’s financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has sustained operating losses in the current year and may not achieve the level of profitable operations to sustain its activities. These factors raise substantial doubt as to its ability to obtain debt and/or equity financing and achieve profitable operations.

## **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020**

Management intends to raise additional operating funds through equity and/or debt offerings. However, there can be no assurance management will be successful in its endeavors. Ultimately, the Company will need to achieve profitable operations in order to continue as a going concern.

There are no assurances that the Company will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placement, public offerings and/or bank financing necessary to support its working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company. If adequate working capital is not available to the Company it may be required to curtail its operations.

#### **NOTE 3 – Acquisitions**

##### **Senior Lifestyle Media LLC**

Effective April 1, 2020, JZZ Technologies, Inc. acquired all membership interests in Senior Lifestyle Media LLC (“SLM”).

The purchase price for the acquisition of SLM was 2,250,000 shares of the Company’s common stock valued at \$112,500. SLM didn’t have any assets or liabilities and the Company recorded the acquisition as goodwill.

Due to the inability of the Company to adequately value the goodwill of SLM, it impaired the goodwill at June 30, 2020.

The consolidated financial statements herein are presented under predecessor entity reporting and because the acquiring entity had no operations, prior historical information of the acquirer is not presented.

##### **Joshua Tree CBD Inc.**

Effective April 1, 2020, JZZ Technologies, Inc. acquired all membership interests in Joshua Tree CBD Inc. (“JT”).

The purchase price for the acquisition of JT was 950,000 shares of the Company’s common stock valued at \$47,500. JT didn’t have any assets or liabilities and the Company recorded the acquisition as goodwill.

Due to the inability of the Company to adequately value the goodwill of JT, it impaired the goodwill at June 30, 2020.

The consolidated financial statements herein are presented under predecessor entity reporting and because the acquiring entity had no operations, prior historical information of the acquirer is not presented.

**JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements  
September 30, 2020 and March 31, 2020**

**NOTE 4 – Inventories**

Inventories consist of components and finished goods and are stated at the lower of cost or market. Cost is determined using the first-in first-out method.

	September 30, <u>2020</u>	March 31, <u>2020</u>
Finish goods	<u>\$ 387,683</u>	<u>\$ 0</u>

**NOTE 5 – Notes Payable**

The Company's notes payable consists of the following:

	September 30, <u>2020</u>	March 31, <u>2020</u>
Note payable, 10% interest, interest and principle payable March 21, 2021, unsecured	\$ 10,000	\$ 10,000
Notes payable, 8% interest, interest and principle due upon demand, unsecured	<u>98,000</u>	<u>98,000</u>
Total due	108,000	108,000
Current portion	<u>108,000</u>	<u>108,000</u>
Long-term portion	<u>\$ -</u>	<u>\$ -</u>

Principal repayments for the next five year are as follows:

	<u>Amount</u>
September 30, 2021	\$ 108,000
Thereafter	<u>-</u>
	<u>\$ 108,000</u>

**NOTE 6 – Notes Payable-Related Parties**

The Company's notes payable consists of the following:

	September 30, <u>2020</u>	March 31, <u>2020</u>
Notes payable, 8% interest, interest and principle due upon demand, unsecured	<u>\$ 180,000</u>	<u>\$360,000</u>
Total due	180,000	360,000
Current portion	<u>180,000</u>	<u>360,000</u>
Long-term portion	<u>\$ -</u>	<u>\$ -</u>

## JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020

Principal repayments for the next years are as follows:

September 30,	Amount
2021	\$ 180,000
Thereafter	-
	<u>\$ 180,000</u>

#### NOTE 7 – Income Taxes

The Company adopted the provisions of ASC 740-10 (formerly known as FIN No. 48, Accounting for Uncertainty in Income Taxes). ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements. ASC 740-10 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. The application of income tax law is inherently complex. Laws and regulation in this area are voluminous and are often ambiguous. As such, we are required to make many subjective assumptions and judgments regarding the income tax exposures. Interpretations and guidance surrounding income tax laws and regulations change over time. As such, changes in the subjective assumptions and judgments can materially affect amounts recognized in the balance sheets and statements of income.

The Company has no unrecognized tax benefit, which would affect the effective tax rate if recognized. There has been no significant change in the unrecognized tax benefit during the period ended September 30, 2020.

We classify interest and penalties arising from the underpayment of income taxes in the statement of income under general and administrative expenses. As of September 30, 2020, we had no accrued interest or penalties related to uncertain tax positions.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards 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 of 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.

The components of deferred income tax assets (liabilities) at September 30, 2020, were as follows:

	Balance	Rate	Tax
Federal loss carryforward	\$ 3,451,994	21%	\$ 724,919
Valuation allowance			<u>(724,919)</u>
Deferred tax asset			<u>\$ -</u>

## JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020

Due to the passage of the “Tax Cuts and Jobs Act” on December 20, 2017 the rate of the U.S. Federal Income Tax dropped from 34% to 21%, which is a flat percentage tax rate used for the calculation of the deferred income tax assets.

The new law also changes the rules on NOL carry forward. The 20-year limitation was eliminated, giving the taxpayer the ability to carry forward losses indefinitely. However, NOL carry forward arising after January 1, 2018, will now be limited to 80 percent of taxable income.

#### NOTE 8 – Derivative Liability

The Company has a convertible note payable outstanding at September 30, 2020 is convertible into Company’s common stock to be issued upon conversion of notes payable based the current conversion formula into 6,608,220 shares of common stock.

Due to there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion option embedded in the NP, the conversion feature is classified as derivative liabilities and recorded at fair value.

Pursuant to ASC 815, “Derivatives and Hedging,” the Company initially did not recognize the fair value of the embedded conversion feature of the NP on date of issuance due to limitations on the conversion feature of the security that have now expired and only the fair value of the securities were charged to operations. During the period of August 25, 2016 to March 31, 2020, the Company recorded a mark-to-market adjustment based on the fair value of the derivative liability on that date which has resulted in a charge of \$324,631 to operations during this period of time. The fair value of the derivative liability was determined using the Black Scholes option pricing model with a quoted market price of \$0.05, a conversion price of fifty percent of the closing bid price, high expected volatility, no expected dividends, an expected term of one year and a risk-free interest rate of 15%. As of September 30, 2020, the number of common shares that could be potentially issued to settle the conversion of the notes is 13,325,431 common shares.

The liability has been increased for the conversion rate into common stock for the period ending September 30, 2020 and prior years and adjustments for the change in the derivative value based on the increase in the conversion to common shares. The amount of the increase for the six months ended September 30, 2020 was \$13,825 and for the six months ended September 30, 2019 was \$90,000.

The following table sets forth by level with the fair value hierarchy the Company’s financial assets and liabilities measured at fair value on September 30, 2020.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
None	\$ -	\$ -	\$ -	\$ -
<b>Liabilities</b>				
Derivative Financial instruments	\$ -	\$ -	\$ 338,466	\$ 338,466

The total derivative liability relates to the conversion of the Company’s convertible notes payable outstanding.

## **JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements September 30, 2020 and March 31, 2020**

#### **NOTE 9 – Capital Changes**

##### **Common Stock**

The Company issued 82,203,797 shares of its common stock for consulting services valued at \$164,407 for the year ended March 31, 2019.

The Company issued 18,000,000 shares of its common stock for debt in the amount of \$417,876 during the year ended March 31, 2020.

The Company issued 2,500,000 shares of its common stock for cash in the amount of \$5,000 during the year ended March 31, 2020.

Two different entities contributed additional paid-in capital totaling \$167,333 for no additional consideration in common stock.

The Company issued 5,000,000 shares of its common stock for cash in the amount of \$75,000 during the three months ended June 30, 2020.

The Company issued 9,974,488 shares of its common stock for consulting services valued at \$333,621 during the three months ended June 30, 2020.

The Company issued 3,580,000 shares of its common stock for debt in the amount of \$54,109 during the three months ended June 30, 2020.

The Company issued 3,200,000 shares of its common stock for two entities described above in Note 3 valued at \$160,000 during the three months ended June 30, 2020.

The Company issued 1,000,000 shares of its common stock in satisfaction of debt in the amount of \$20,000 during the three months ended September 30, 2020.

The Company issued 16,715,000 shares of its common stock for consulting services valued at \$334,140 during the three months ended September 30, 2020.

#### **NOTE 10 – Treasury Stock**

The Company has placed into treasury 20,000,000 shares of its common stock at a price of \$20,000 in the quarter ended September 30, 2020.

#### **NOTE 11 – Contingencies and Commitments and Legal Matters**

Management of the Company has conducted a diligent search and concluded that there were no commitments, contingencies, or legal matters pending at the balance sheet dates that have not been disclosed.



**JZZ TECHNOLOGIES, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements  
September 30, 2020 and March 31, 2020**

**NOTE 12 – Subsequent Events**

In accordance with ASC 855-10, the Company has analyzed its operations subsequent to September 30, 2020 through the date these financial statements were issued and has determined that it does have any material subsequent events to disclose in these financial statement other than the events described immediately below.

**JZZ TECHNOLOGIES INC.**  
Consolidated Balance Sheets  
September 30, 2020 and March 31, 2020  
(Unaudited)

	September 30, 2020	March 31, 2020
<b>ASSETS</b>		
Current Assets		
Cash	\$ 5,954	\$ 7,034
Inventory	387,863	-
Total Current Assets	393,817	7,034
Total Assets	<u>\$ 393,817</u>	<u>\$ 7,034</u>
<b>LIABILITIES AND STOCKHOLDERS' (DEFICIT)</b>		
Current Liabilities		
Notes payable	\$ 108,000	\$ 108,000
Notes payable-Related party	180,000	180,000
Accounts payable and accrued expenses	865,109	47,070
Accounts payable and accrued expenses-Related party	213,049	166,140
Due to shareholders	200	200
Advances from related party	117,872	95,272
Derivative liability	338,466	324,631
Total Current Liabilities	1,822,696	921,313
Total Liabilities	1,822,696	921,313
Commitments and contingencies	-	-
Stockholder's (Deficit)		
Common stock, \$.001 par value, 450,000,000 shares authorized; 273,111,405 and 253,641,917 shares issued and outstanding at September 30, 2020 and March 31, 2020	273,111	253,642
Additional paid-in capital	1,730,004	792,603
Accumulated (Deficit)	(3,451,994)	(1,960,524)
	(1,448,879)	(914,279)
Plus-Treasury stock	20,000	-
Total Stockholders' (Deficit)	(1,428,879)	(914,279)
Total Liabilities and Stockholders' (Deficit)	<u>\$ 393,817</u>	<u>\$ 7,034</u>

See Accompanying Notes

**JZZ TECHNOLOGIES INC.**  
Consolidated Statements of Operations  
Three and Six Months Ended September 30, 2020 and 2019  
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2020	2019	2020	2020
Revenues	\$ 5,100	\$ -	\$ 5,100	\$ -
Total revenues	5,100	-	5,100	-
Operating Expenses				
General and administrative expenses	836,063	48,001	1,308,899	96,007
Total operating expenses	836,063	48,001	1,308,899	96,007
(Loss) before other expenses	(830,963)	(48,001)	(1,303,799)	(96,007)
Other (expense)				
Change in derivative liability	(173,260)	(90,000)	(13,835)	(90,000)
Impairment loss	-	-	(160,000)	-
Interest (expense)	(2,228)	(2,077)	(4,427)	(4,032)
Interest (expense)-Related party	(3,630)	(6,679)	(9,409)	(15,859)
Total other (expense)	(179,118)	(98,756)	(187,671)	(109,891)
(Loss) before income taxes	(1,010,081)	(146,757)	(1,491,470)	(205,898)
Income taxes	-	-	-	-
Net (loss)	<u>\$ (1,010,081)</u>	<u>\$ (146,757)</u>	<u>\$ (1,491,470)</u>	<u>\$ (205,898)</u>
(Loss) per share-Basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding				
Basic and diluted	<u>283,895,753</u>	<u>233,141,917</u>	<u>277,276,053</u>	<u>233,141,917</u>

See Accompanying Notes

**JZZ TECHNOLOGIES INC.**  
Consolidated Statements of Cash Flows  
Six Months Ended September 30, 2020 and 2019  
(Unaudited)

	Six Months Ended September 30,	
	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (loss)	\$ (1,491,470)	\$ (205,898)
Adjustments to reconcile net loss to net cash used in operating activities:		
Common stock issued for services	670,361	-
Conversion of services into common stock	74,109	-
Impairment of assets	160,000	
Changes in assets and liabilities:		
(Increase) in inventory	(387,863)	
Increase in accounts payable and accrued expenses	864,948	(64,110)
Increase in advances from related party	20,000	-
(Decrease) in derivative liability	<u>13,835</u>	<u>90,000</u>
Net cash (used) in operating activities	<u>(76,080)</u>	<u>(180,008)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in notes payable	-	180,000
Proceeds from sale of common stock	<u>75,000</u>	<u>-</u>
Net cash provided by financing activities	<u>75,000</u>	<u>180,000</u>
Net (decrease)/increase in cash	(1,080)	(8)
<b>CASH AT BEGINNING PERIOD</b>	<u>7,034</u>	<u>8</u>
<b>CASH AT END OF PERIOD</b>	<u><u>\$ 5,954</u></u>	<u><u>\$ -</u></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
<b>NON-CASH TRANSACTIONS</b>		
Common stock issued for services	<u>\$ 670,361</u>	<u>\$ -</u>
Conversion of services into common stock	<u>\$ 74,109</u>	<u>\$ -</u>
Common stock issued for acquisitions/Impairment loss	<u>\$ 160,000</u>	<u>\$ -</u>

See Accompanying Notes

**JZZ TECHNOLOGIES INC.**  
Consolidated Statements of Stockholders' (Deficit)  
Three Months Ended September 30, 2020 and 2019  
(Unaudited)

	Common Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Paid-in Capital	(Deficit)	(Deficit)
Balance-April 1, 2019	233,171,917	\$ 233,142	\$ 222,894	\$ (1,409,607)	\$ (953,571)
Net (loss) for the three months ended June 30, 2019	-	-	-	(57,141)	(57,141)
Balance-June 30, 2019	233,171,917	233,142	222,894	(1,466,748)	(1,010,712)
Net (loss) for the three months ended September 30, 2019	-	-	-	(148,757)	(148,757)
Balance-June 30, 2019	<u>233,171,917</u>	<u>\$ 233,142</u>	<u>\$ 222,894</u>	<u>\$ (1,615,505)</u>	<u>\$ (1,159,469)</u>

	Common Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Paid-in Capital	(Deficit)	(Deficit)
Balance-April 1, 2020	253,641,917	\$ 253,642	\$ 792,603	\$ (1,960,524)	\$ (914,279)
Common stock issued for cash	5,000,000	5,000	70,000	-	75,000
Common stock issued for services	9,974,488	9,974	323,647	-	333,621
Common stock issued for debt	3,580,000	3,589	50,520	-	54,109
Common stock issued for investments	3,200,000	3,200	156,800	-	160,000
Net (loss) for the three months ended June 30, 2020	-	-	-	(481,389)	(481,389)
Balance-June 30, 2020	275,396,405	275,405	1,393,570	(2,441,913)	(772,938)
Common stock issued for services	16,715,000	16,706	317,434	-	334,140
Common stock issued for debt	1,000,000	1,000	19,000	-	20,000
Treasury stock	(20,000,000)	(20,000)	-	-	(20,000)
Net (loss) for the three months ended September 30, 2020	-	-	-	(1,010,081)	(1,010,081)
Balance-September 30, 2020	<u>273,111,405</u>	<u>\$ 273,111</u>	<u>\$1,730,004</u>	<u>\$ (3,451,994)</u>	<u>\$ (1,448,879)</u>