ECO-GROWTH STRATEGIES, INC.

An Oregon corporation

6220 Main Avenue, Suite #2
Orangevale, CA 95662

Telephone: (775) 443-4740

Corporate Website: www.ecogrowthstrategies.com
Corporate Email: djwllc@hotmail.com
SIC: 2833 - Medicinal and botanicals

ANNUAL REPORT
For the Period Ending: September 30, 2022
(the "Reporting Period")

As of 9/30/2022, our most recent period end date, the number of shares outstanding of our Common Stock was: 49,505,059

As of 9/30/2021, our most recent fiscal year end date, the number of shares outstanding of our Common Stock was: 47,385,615

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[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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[1] "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.

1) Name and address(es) of the issuer and its predecessors (if any)

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

- Eco-Growth Strategies, Inc. – January 31, 2020
- Falcon Technologies, Inc. – June 1, 2007
- Novamex USA Ltd. – February 12, 1991

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):

February 12, 1991 – Oregon - Active

The issuer was incorporated in the State of Oregon on or about February 12, 1991 as Novamex USA Ltd. Pursuant to a plan of merger, the issuer changed its name on or about June 1, 2007 to Falcon Technologies, Inc. On January 31, 2020, FINRA approved the name change of the issuer to Eco-Growth Strategies, Inc.

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

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.

The address(es) of the issuer's principal executive office:

6220 Main Avenue, Suite #2
Orangevale, CA 95662

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

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:

Not applicable.

2) Security Information

Trading symbol:	ECGS
Exact title and class of securities outstanding:	Common
CUSIP:	27890J104
Par or stated value:	No Par
Total shares authorized:	100,000,000 as of 9/30/2022
Total shares outstanding:	49,505,059 as of 9/30/2022
Number of shares in the Public Float (2):	6,107,875 as of 9/30/2022
Total number of shareholders of record:	Approximately 220 as of 9/30/2022

Additional class of securities (if any):

Trading symbol:	N/A
Exact title and class of securities outstanding:	Preferred
CUSIP:	N/A
Par or stated value:	$0.10
Total shares authorized:	1,000,000 as of 9/30/2022
Total shares outstanding:	1,000,000 as of 9/30/2022

Transfer Agent:

Name:	West Coast Stock Transfer
Address:	721 N. Vulcan Ave., First Floor Encinitas, CA 92024
Phone:	(619) 664-4780
Email:	cs@wcsti.com

Is the Transfer Agent registered under the Exchange Act? [3]

Yes: ☒ No: ☐

[2] "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.

[3] To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

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

Security Description

Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The issuer's common stock has no par and 100,000,000 shares authorized. No dividends have been declared and there are no additional classes with voting or preemption rights.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The issuer's preferred stock has $0.001 par value, and we have authorized 1,000,000 shares at $0.10 stated value per share. As of the balance sheet date, 1,000,000 shares of Series A Convertible Preferred Stock (the "Series A") were outstanding. Each share of the Series A has voting rights as to 60 shares of our common stock. The Series A has the right, after the two years anniversary from the initial issuance date, to convert into our common stock at a conversion ratio equal to 52% of the outstanding shares of common stock at the time of conversion. Upon liquidation of the Company, holders of the Series A shall receive $.10 per share.

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

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: ☐

Number of Shares Outstanding as of 10/01/2019:	Opening Balances: Common: 19,531,847 Preferred: 1,000,000								
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 (if applicable)**	**Restricted or Unrestricted as of this filing?**	**Exemption or Registration Type?**
01/15/20	New Issuance	500,000	Common	$0.10	Yes	Ronald Minor	Cash	Restricted	144
01/21/20	New Issuance	18,750	Common	$0.16	No	Richard Brown	Services	Restricted	144
01/29/20	New Issuance	2,000,000	Common	$0.10	Yes	Mared Investments, LLC (1)	Cash	Restricted	144
02/20/20	New Issuance	5,625,000	Common	$0.24	No	Alan Lien	Services	Restricted	144
10/9/2020	New Issuance	1,120,000	Common	$0.28	No	Richard Brown	Services	Restricted	144
11/16/2020	New Issuance	300,000	Common	$0.32	No	Leonite Capital, LLC (2)	Funding	Restricted	144
1/21/21	New Issuance	4,100,000	Common	$0.72	No	Various Company Employees	Services	Restricted	144
1/21/21	New Issuance	1,450,000	Common	$0.72	No	Various Company Consultants	Services	Restricted	144
1/25/21	New Issuance	12,740,018	Common	$0.68	No	Various Hara Flow, Inc. Shareholders (3)	Hara Flow, Inc. Acquisition	Restricted	144
4/23/22	New Issuance	1,433,333	Common	$0.23	No	AJB Capital Investments LLC (4)	Debt Consideration	Restricted	144
6/25/22	New Issuance	686,111	Common	$0.23	No	Leonite Capital, LLC (2)	Debt Consideration	Restricted	144
Shares Outstanding on 9/30/2022:	Ending Balance: Common 49,505,059 Preferred: 1,000,000								

Example: A company with a fiscal year end of December 31st 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:

(1) Mared Investment, LLC is beneficially controlled by Edward Rashit.

(2) Leonite Capital, LLC is beneficially controlled by Avi Geller.

(3) On October 14, 2020, the Company entered into a merger agreement with Hara Flow, Inc., and Hara Flow Acquisition Corp. (collectively, "Hara Flow") whereby, upon the closing of the agreement, Hara Flow, Inc. would merge with and into Hara Flow Acquisition Corp., which would be the surviving entity. The merger closed on January 25 2021, at which time the Company issued 12,740,018 shares of the Company's common shares to the shareholders of Hara Flow. The consideration was valued at $8,663,212 based on the market value of the common shares of the Company on the date of the acquisition, or $0.68. Eight

of the Hara Flow shareholders holding 54,520 common shares chose not to be included in the acquisition and instead had their common shares bought back by Hara Flow, at a fair value of $37,074, based on the market value of the common shares of the Company. As of the date of this filing, the Company has not yet paid the money to the shareholders and therefore, while the shares have been retired, the amount owed for the repurchased shares are recognized as due to Hara Flow shareholders on the accompanying balance sheet.

(4) AJB Capital Investments LLC is beneficially controlled by Ari Blaine.

Preferred Stock

We are authorized to issue 1,000,000 shares of Preferred Stock at $0.10 par value per share. As of September 30, 2022 and 2021, respectively, 1,000,000 shares of Series A Convertible Preferred Stock (the "Series A") were outstanding. Each share of the Series A has voting rights as to 60 shares of our common stock. The Series A has the right, after the two years anniversary from the initial issuance date, to convert into our common stock at a conversion ratio equal to 52% of the outstanding shares of common stock at the time of conversion. Upon liquidation of the Company, holders of the Series A shall receive $.10 per share.

Common Stock

We are authorized to issue 100,000,000 shares of common stock, no par value per share. As of September 30, 2022 and September 30, 2021, our latest fiscal year end, we had 49,505,059 shares and 47,385,615 shares outstanding, respectively.

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) (3)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
12/23/15	1,270,110	1,919,499	N/A	06/30/21	(1)	William Delgado	Loan and Personal Guarantee
10/26/20	1,627,091	1,666,667	242,187	(2)	(2)	Leonite Capital, LLC	Loan
9/30/21	100,000	100,000	6,000	3/30/22	(3)	Umesh Singh	Loan
2/9/22	100,000	100,000	2,000	8/9/22	(4)	Umesh Singh	Loan
3/1/22	275,000	275,000	3,438	2/28/23	(5)	Gary Shover	Loan
4/23/22	550,000	550,000	92,000	11/23/22	(6)	AJB Capital Investments LLC	Loan

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

Notes:

(1) Note carries a current conversion at the option of the holder into 14,391,310 shares of common stock of the Company.

(2) Leonite Capital, LLC is beneficially controlled by Avi Geller. On October 26, 2020, the Company entered into a convertible

promissory note with Leonite Capital LLC in the amount of $1,666,667 (the "Leonite Note"), with an OID in the amount of $166,666, for a purchase price of $1,500,000. Interest rate on the note is at Prime Rate plus 8%. The net proceeds of $1,500,000 will be paid in one or more tranches. The first tranche of $833,334 less OID of $83,334 and legal fees of $15,000, net $735,000, was received on November 3, 2020. On February 9, 2021, the second tranche of $833,334, less an OID of $83,334, was received. The maturity date of each tranche shall be nine months from the date the tranche is advanced. The holder has the right to convert the Leonite Note and interest at any time at a fixed conversion price of $0.25 per share. In connection with the Leonite Note, on October 29, 2020, the Company issued a common stock warrant to purchase 250,000 shares of common stock at an exercise price is $0.30 per share and an exercise period of ten years, with a fair value of $90,725 recognized as a debt discount which will be amortized over the life of the note. The Company also issued 300,000 shares of common stock to the lender, with a fair value of $96,000. The debt discounts were fully amortized as of the year ended September 30, 2021.

(3) On September 30, 2021, the Company entered into a convertible promissory note in the amount of $100,000. The note is due March 30, 2022 and bears interest at 12%. The holder has the right to convert the note and interest at any time at a fixed conversion price of $.30 per share. The Company analyzed the conversion feature under ASC 470-20, "Debt with conversion and other options", and based on the market price of the common stock of the Company on the date of funding as compared to the conversion price, determined there was a $13,500 beneficial conversion feature to recognize, which will be amortized over the term of the note using the effective interest method. In connection with the note, the Company issued a common stock warrant to purchase 25,000 shares of common stock at an exercise price is $0.75 per share and an exercise period of three years, with a fair value of $8,500 recognized as a debt discount. The Company is to also issue 30,000 shares of common stock to the lender, with a fair value of $20,500 recognized in shares payable until issued.

(4) On February 9, 2022, the Company entered into a convertible promissory note in the amount of $100,000. The note is due August 9, 2022 and bears interest at 12%, which would increase to 24% upon an event of default. The holder has the right to convert the note and interest at any time at a fixed conversion price of $.30 per share. The Company analyzed the conversion feature under ASC 470-20, "Debt with conversion and other options", and based on the market price of the common stock of the Company on the date of funding as compared to the conversion price, determined there was a $40,000 beneficial conversion feature to recognize, which will be amortized over the term of the note using the effective interest method. In connection with the note, the Company issued a common stock warrant to purchase 25,000 shares of common stock at an exercise price is $0.75 per share and an exercise period of three years, with a fair value of $11,000 recognized as a debt discount. The Company is to also issue 65,000 shares of common stock to the lender, with a fair value of $28.000 based on the market price of $0.424 on grant date, recognized in shares payable until issued.

(5) On March 1, 2022, the Company entered into a convertible promissory note in the amount of $275,000, with an OID in the amount of $25,000, for a purchase price of $250,000. The note is due February 28, 2022 and bears interest at 15%, which would increase to 24% upon an event of default. The holder will be required upon an Uplist closing to convert the note and accrued interest at a 30% discount from the Uplist financing transaction. The conversion feature, which will only occur upon the event of the Uplist, is a contingent conversion, and will upon the triggering event meet the definition of a derivative and require bifurcation and will be accounted for as a derivative liability. In connection with the note, the Company issued a common stock warrant to purchase 55,000 shares of common stock at an exercise price is $5.00 per share, subject to adjustment at the Uplist, and an exercise period of three years, with a fair value of $13,750 recognized as a debt discount which will be amortized along with the OID over the life of the note.

(6) AJB Capital Investments LLC is beneficially controlled by Ari Blaine. On May 23, 2022, the Company entered into a convertible promissory note with AJB Capital Investments LLC in the amount of $550,000, with an OID in the amount of $55,000, for a purchase price of $495,000. The note is due November 23, 2022, which can be extended for an additional six months by a written notice to the holder, and bears interest at 12%. If the note is not paid by the maturity date the outstanding principal shall increase by $15,000. After 180 days from issuance, following an event of default, the holder shall have the right to convert the note into shares of common stock at a conversion price which shall equal the lowest trading price during the previous 20 trading days before the note issuance or the conversion date. Included with the note, the Company issued 1,000,000 warrants to the holders, with an exercise price of $1.00 and an exercise period of five years, for a fair value of $230,000 recognized as a debt discount. The Company additionally issued 1,433,333 shares of common stock to the lender, with a fair value of $330,000 based on the market price of $0.23 on grant date. The total debt discount upon issuance was capped at the principal amount of the debt of $550,000, with the excess of $65,000 recognized as finance costs.

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):

Name: William Delgado

Title: President, Chief Executive Officer and Chief Financial Officer of the Company
Relationship to Issuer: Officer

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 Operations
E. Statement of Cash Flows
F. Statement of Changes in Shareholders' Equity
G. Financial Statement Footnotes; and
H. Audit letter, if audited

The financial statements referenced above are incorporated below in this Quarterly Report.

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.

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 was incorporated in the State of Oregon on or about February 12, 1991 as Novamex USA Ltd. Pursuant to a plan of merger, the Issuer changed its name on or about June 1, 2007 to Falcon Technologies, Inc., which had provided engineering, building, installation, maintenance and upgrade of communications, energy and utility infrastructure, such as wireless, wire line/fiber, install-to-the-home and customer fulfillment activities. On January 31, 2020, FINRA approved the company's name change to Eco-Growth Strategies, Inc. The new business of Eco-Growth Strategies, Inc. is a nutraceutical company developing a range of CBD-based products.

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

The Company conducts business through its wholly-owned subsidiaries, Xtraction One Plus, Inc. and Hara Flow, Inc.

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

The company's mission is to employ best practice science to source, manufacture and package all of its CBD products from within the United States. The Company performs farm site visits and manufacturing site visits and sources its products from only the highest quality hemp farms and processors in North America. The company launched a separate wholly owned subsidiary, Xtraction One Plus, Inc. to develop the processing of hemp bio-mass.

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 leases office and warehouse space at 6220 Main Ave. #2, Orangevale, CA 95662 under a month-to-month lease that expires upon 30 days' notice.

7) Officers, Directors, and Control Persons

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% of 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
William Delgado	Chief Executive Officer, President and Chief Financial Officer	Fair Oaks, CA	5,086,101	Common	10.27%	N/A
William Delgado	Chief Executive Officer, President and Chief Financial Officer	Fair Oaks, CA	1,000,000	Preferred Stock	100.00%	N/A
Dragon Acquisitions LLC [1]	>5% Holder	Fair Oaks, CA	2,500,000	Common	5.05%	
Alen Lien	>5% Holder	Orangevale, CA	5,625,000	Common	11.36%	N/A
Broderick Shemansky	>5% Holder	Santa Cruz, CA	3,666,666	Common	7.41%	N/A
Sarah Drake	>5% Holder	Santa Cruz, CA	3,666,666	Common	7.41%	N/A
Tate Howe	>5% Holder	Santa Cruz, CA	3,666,666	Common	7.41%	N/A

Notes:

(1) Dragon Acquisitions LLC is beneficially controlled by William Delgado.

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, <u>in the past 10 years</u>, 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);

   <u>None</u>

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;

   <u>None</u>

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

None

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.

None

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.

None

9) Third Party Providers

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

Securities Counsel:

Name:	Frederick M. Lehrer
Firm:	Frederick M. Lehrer, P.A.
Address 1:	2108 Emil Jahna Road
Address 2:	Clermont, FL 34711
Phone:	(561) 706-7646
Email:	flehrer@securitiesattorney1.com

Accountant (non-attest firm):

Name:	Neil Reithinger, CPA
Firm:	Eventus Advisory Group, LLC
Address 1:	14201 N. Hayden Road, Suite A-1
Address 2:	Scottsdale, AZ 85260
Phone:	(480) 659-6404
Email:	nreithinger@eventusag.com

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.

None

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, William Delgado, certify that:

1. I have reviewed this Annual Report and disclosure statement for the period ended September 30, 2022 of Eco-Growth Strategies, 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.

Dated: January 27, 2023

By: */s/ William Delgado*
Title: Chief Executive Officer

Principal Financial Officer:

I, William Delgado, certify that:

1. I have reviewed this Annual Report and disclosure statement for the period ended September 30, 2022 of Eco-Growth Strategies, 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.

Dated: January 27, 2023

By: */s/ William Delgado*
Title: Chief Financial Officer

ECO-GROWTH STRATEGIES, INC.
CONSOLIDATED FINANCIAL STATEMENTS

TABLE OF CONTENTS

ECO-GROWTH STRATEGIES, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2022	September 30, 2021
Assets		
Current Assets		
Cash	$ 1,413	$ 66,825
Accounts Receivable	15,731	
Prepaid Expenses	-	-
Total current assets	17,144	66,825
Other Assets		
Receivable from related party, net of reserve of $148,437	-	-
Due from related parties	132,499	155,040
Fixed assets, net of accumulated depreciation of $	21,823	28,480
Intangible assets	50,000	50,000
Goodwill	8,596,086	8,596,086
Total assets	$ 8,817,552	$ 8,896,431
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,016,581	$ 456,299
Due to officer	1,152,577	1,205,040
Due to related party	73,870	73,870
Convertible notes payable, net of discount of $111,140	2,543,953	1,684,593
Total current liabilities	4,786,981	3,419,802
Total Liabilities	4,786,981	3,419,802
Commitments and Contingencies (Note 7)		
Stockholders' deficit		
Preferred stock, $0.001 par value, 1,000,000 shares authorized, 1,000,000 shares issued and outstanding at September 30, 2021 and September 30, 2020	$ 100,000	$ 100,000
Common stock, no par, 100,000,000 shares authorized, 49,505,059 and 27,675,597 shares issued and outstanding at September 30, 2021 and September 30, 2020	$ 22,433,321	$ 21,945,321
Shares payable	48,500	20,500
Additional paid-in capital	407,475	112,725
Accumulated deficit	(18,958,725)	(16,701,917)
Total stockholders' deficit	4,030,571	5,476,629
Total liabilities and stockholders' deficit	$ 8,817,552	$ 8,896,431

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

ECO-GROWTH STRATEGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Year Ended September 30,	
	2022	**2021**
Revenue	$ 464,559	$ 180,763
Cost of revenue	406,579	48,055
Gross profit	**57,980**	**132,708**
Operating expenses		
Selling, general and administrative expenses	1,389,204	5,476,231
Operating loss before other (income)expense	(1,331,224)	(5,343,523)
Other expense		
Amortization of debt discount	702,110	332,059
Sale of stock symbol		
Finance costs		
Gain on settlement of debt		
Total other expense	925,584	332,059
Loss from operations before provision for income taxes	(2,256,808)	(5,675,582)
Provision for income taxes	-	-
Net loss	**$ (2,256,808)**	**$ (5,675,582)**
Loss per common share - basic and diluted	$ **(0.05)**	$ **(0.14)**
Weighted average common shares:		
Basic and diluted	**47,385,615**	41,579,582

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

ECO-GROWTH STRATEGIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Preferred stock		Common shares					
	Shares	Amount	Shares	Amount	Shares Payable	Additional paid in Capital	Accumulated deficit	Total stockholders' deficit
Balance September 30, 2020	1,000,000	$ 100,000	27,675,597	$ 8,880,429	$ -	$ -	$ (11,026,335)	(2,045,906)
Shares of common stock issued to consultants	-	-	1,450,000	1,044,000				1,044,000
Shares of common stock issued for stock based compensation	-	-	5,220,000	3,261,680				3,261,680
Shares of common stock issued in Hara Flow acquisition	-	-	12,740,018	8,663,212				8,663,212
Warrants issued in connection with convertible debentures						99,225		99,225
Shares of common stock issued in connection with convertible debentures			300,000	96,000	20,500			116,500
Beneficial conversion feature in relation to convertible debenture						13,500		13,500
Net loss							(5,675,582)	(5,675,582)
	1,000,000	$ 100,000	47,385,615	$ 21,945,321	$ 20,500	$ 112,725	$ (16,701,917)	$ 5,476,629
				21,945,321		112,725	(16,701,917)	5,476,629
							-	0
Warrants issued in connection with convertible debentures						254,750		254,750
Shares of common stock issued in connection with convertible debentures			2,119,444	488,000	28,000			516,000
Beneficial conversion feature in relation to convertible debenture						40,000		40,000
Net loss							(2,256,808)	(2,256,808)
Balance September 30, 2022	1,000,000	$ 100,000	49,505,059	$ 22,433,321	$ 48,500	$ 407,475	$ (18,958,725)	$ 4,030,571

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

ECO-GROWTH STRATEGIES, INC.
CONSOLIDATED STATEMENTS CASH FLOWS
(Unaudited)

	For the Year Ended	
	September 30, 2022	September 30, 2021
Operating Activities		
Net loss	$ (2,256,808)	$ (5,675,582)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock- based compensation expense	-	3,261,680
Common stock issued to consultants	-	1,044,000
Change in fair value of derivative liability	-	-
Amortization of debt discount	702,110	332,059
Amoritization of beneficial conversion feature		
Depreciation	6,657	
Finance costs	65,000	
Changes in operating assets and liabilities:		
Accounts receivable	(15,730)	
Accounts payable and accrued expenses	560,282	71,988
Accrued officer compensation	-	-
Cash acquired in Hara Flow acquisition	-	17,126
Due to Officer	-	-
Due to Related party	-	-
Net cash used in operating activities	(938,490)	(948,729)
Investing Activities		
Purchase of fixed assets	-	(28,480)
Due from related party	22,541	(155,040)
Net cash provided by investing activities	22,541	(183,520)
Financing Activities		
Payments on notes payable	-	-
Proceeds from sale of shares of common stock	-	-
Repayments of convertible notes	-	1,600,000
Proceeds from convertible notes	-	(39,575)
Due to officer	(52,463)	(487,522)
Due to related party	-	(22,340)
Net cash provided by financing activities	850,537	1,050,563
Net decrease in cash and cash equivalents	(65,412)	(81,686)
Cash and cash equivalents at beginning of period	66,825	74
Cash and cash equivalents at end of period	$ 1,413	$ (81,612)
Supplementary disclosure of cash flow information		
Cash paid during the year for:		
Interest	$ -	$ -
Taxes	$ -	$ -
Supplementary disclosure of non-cash investing and financing activities		
Shares of common stock issued for acquisition of Hara Flow, Inc.	$ -	$ 8,663,212
Shares of common stock issued in relation to convertible debt	$ 488,000	$ 96,000
Shares payable of common stock in relation to convertible debt	$ 28,000	$ 20,500
Warrants issued in relation to convertible debt	$ 254,750	$ 99,225
Beneficial conversion feature related to convertible debt	$ 40,000	$ 13,500

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

ECO-GROWTH STRATEGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Unaudited)

NOTE 1 – DESCRIPTION OF BUSINESS

Falcon Technologies, Inc. changed its name to Eco-Growth Strategies, Inc. on May 15, 2019. Eco-Growth Strategies, Inc. (the "Company") intends to be a nutraceutical company developing a range of CBD-based products. The Company's mission is to employ best practice science to source, manufacture, and package all of its CBD products from within the United States. The Company's subsidiary, XtractionOne Plus, Inc. ("XtractionOne"), is anticipated to be a dominant business in the extraction of CBD. XtractionOne was incorporated as a wholly owned subsidiary of the Company on November 30, 2020. Eco-Growth Supplies, Inc. was incorporated as a wholly owned subsidiary of Eco-Growth Strategies, Inc. in November 2020.

On January 25, 2021, the Company acquired Hara Flow, Inc. (Note 3). Hara Flow Inc. markets, distributes, sells, and offers for sale, CBD products including, but not limited to, CBD tinctures, vapes, nootropics and related services. The Company has not submitted proforma financial information for Hara Flow Inc. Hara Flow Inc. was incorporated on January 17, 2018, in the State of California.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company has sustained losses and experienced negative cash flows from operations since inception, and for the year ended on September 30, 2022, has incurred a net loss of approximately $2,257,000 and used net cash of approximately $938,000 to fund operating activities. As of September 30, 2022, the Company had cash on hand of $1,413 and an accumulated deficit of approximately $18,959,000 and a working capital deficit of approximately $4,770,000. These factors raise substantial doubt about their ability to continue as a going concern for one year from the date these financial statements are issued.

Management plans to raise equity capital and/or additional debt financing to fund the Company's long-term operating requirements. The Company's ability to continue as a going concern is dependent on its ability to raise the required additional capital or debt financing to meet short and long-term operating requirements. The Company may also encounter business endeavors that require significant cash commitments or unanticipated problems or expenses that could result in a requirement for additional cash. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective business endeavors or opportunities, which could significantly and materially restrict their operations. The Company continues to pursue external financing alternatives to improve its working capital position. If the Company is unable to obtain the necessary capital, the Company may have to cease operations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and our wholly owned subsidiaries, XtractionOne and HaraFlow, Inc. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity-based transactions, and disclosure of contingent liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Income taxes are accounted for based upon an asset and liability approach. Accordingly, deferred tax assets and liabilities arise from the difference between the tax basis of an asset or liability and its reported amount in the financial statements. Deferred tax amounts are determined using the tax rates expected to be in effect when the taxes will be paid or refunds received, as provided under currently enacted tax law. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense or benefit is the tax payable or refundable, respectively, for the period plus or minus the change in deferred tax assets and liabilities during the period.

Accounting guidance requires the recognition of a financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company believes its income tax filing positions and deductions will be sustained upon examination and accordingly, no reserves, or related accruals for interest and penalties have been recorded for September 30, 2022 and 2021. The Company recognizes interest and penalties on unrecognized tax benefits as well as interest received from favorable tax settlements within income tax expense.

Cash and Cash Equivalents

We consider all highly liquid investments with original maturities of three months or less to be cash equivalents. We maintain our cash in high-quality financial institutions. The balances, at times, may exceed federally insured limits. As of September 30, 2022 and 2021, the Company had no cash equivalents.

Fair Value of Financial Instruments

The carrying value of cash, accounts payable and accrued expenses approximate their fair values based on the short-term maturity of these instruments. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

The three levels of the fair value hierarchy defined by ASC 820 are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities

- Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly

- Level 3 – Significant unobservable inputs that cannot be corroborated by market data.

The Company had no Level 1, 2, or 3 assets and liabilities as of September 30, 2022 and 2021.

Earnings (Loss) Per Share ("EPS")

Basic EPS is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding. Diluted EPS includes the effect from potential issuances of common stock, such as stock issuable pursuant to the exercise of stock options and warrants and the assumed conversion of convertible notes.

The following table summarizes the securities that were excluded from the diluted per share calculation because the effect of including these potential shares was antidilutive:

	Year Ended	
	September 30 2022	September 30, 2021
Preferred Stock	24,500,120	24,500,120
Warrants	1,605,000	525,000
Potentially diluted securities	26,105,120	25,000,120

Stock-based Compensation

In accordance with ASC 718, "Compensation – Stock Compensation," the Company measures the cost of employee services received in exchange for share-based compensation measured at the grant date fair value of the award. The Company's accounting policy for equity instruments issued to advisors, consultants, and vendors in exchange for goods and services follows the provisions of FASB ASC 505-50. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the advisor, consultant or vendor is reached or (ii) the date at which the advisor, consultant or vendor's performance is complete. In the case of equity instruments issued to advisors and consultants, the fair value of the equity instrument is recognized over the term of the advisor or consulting agreement. Stock-based compensation related to non-employees is accounted for based on the fair value of the related stock or options or the fair value of the services, whichever is more readily determinable.

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): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. This ASU (1) simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20, Debt: Debt with Conversion and Other Options, that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock; (2) revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification; and (3) revises the guidance in ASC 260, Earnings Per Share, to require entities to calculate diluted earnings per share (EPS) for convertible instruments by using the if-converted method. In addition, entities must presume share settlement for purposes of calculating diluted EPS when an instrument may be settled in cash or shares. For SEC filers, excluding smaller reporting companies, ASU 2020-06 is effective for fiscal years beginning after December 15, 2021 including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. For all other entities, ASU 2020-06 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Entities should adopt the guidance as of the beginning of the fiscal year of adoption and cannot adopt the guidance in an interim reporting period. The Company is currently evaluating the impact that ASU 2020-06 may have on its consolidated financial statements and related disclosures.

As of September 30, 2022, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial statements.

Management's Evaluation of Subsequent Events

The Company evaluates events that have occurred after the balance sheet date of September 30, 2022, through the date which the financial statements were issued. Based upon the review, other than described in Note 10 – Subsequent Events, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements.

NOTE 3 – HARA FLOW ACQUISITION

On October 14, 2020, the Company entered into a merger agreement with Hara Flow, Inc., and Hara Flow Acquisition Corp. whereby upon the closing of the agreement Hara Flow would merge into the acquiring company, which would be the surviving entity. The merger closed on January 25 2021, at which time the Company issued 12,740,018 shares of the Company's common shares to the shareholders of Hara Flow. The consideration was valued at $8,663,212 based on the market value of the common shares of the Company on the date of the acquisition, of $0.68. Eight of the Hara Flow shareholders holding 54,520 common shares choose not to be included in the acquisition and instead had their common shares bought back by Hara Flow, at a fair value of $37,074, based on the market value of the common shares of the Company. As of the date of this filing the Company has not yet paid the money to the shareholders and therefore, while the shares have been retired, the amount owed for the repurchased shares are recognized as Due to Hara Flow shareholders on the accompanying Balance Sheet.

The following table summarizes the purchase price allocation of the fair value of assets acquired in the acquisition:

		Purchase Price Allocation
Total purchase consideration	$	8,663,212
Assets acquired:		
Cash	$	17,126
Tradename		30,000
Non-competes		20,000
Goodwill		8,596,086
	$	8,663,212

The total purchase price of $7,747,000 has been allocated to the tangible and intangible assets acquired based on estimated fair values as of the completion of the Acquisition. Hara Flow did not have any liabilities as of the date of acquisition. The final fair value of Spinus's identifiable intangible assets were determined primarily using the income approach which requires an estimate or forecast of all the expected future cash flows, either through the use of the relief-from-royalty method or the multi-period excess earnings method. The Company will record amortization expense assuming a straight-line basis over the expected life of the finite lived intangible assets, which approximates expected future cash flows.

Goodwill represents the amount by which the estimated consideration transferred exceeds the fair value of the assets the Company acquired. The Company will not amortize the goodwill but will instead test the goodwill for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment. The Company tested the goodwill at the annual date and determined there was no impairment. The Goodwill will be evaluated during the first quarter of the year ending September 30, 2023, due to the release and settlement. See subsequent event Note 10.

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of September 30, 2022 and 2021, accounts payable and accrued expenses consist of the following amounts:

		September 30, 2022		**September 30, 2021**
Accounts payable	$	170,726	$	-
Accrued expenses		150,000		-
Accrued compensation to executive officer		200,000		200,000
Accrued compensation to related party		5,750		5,750
Accrued interest		270,436		166,146
Payroll liabilities		219,668		102,112

Total	$ 1,016,580	$ 474,008

NOTE 5 – DUE TO RELATED PARTY

As of September 30, 2022 and 2021, the Company has payables to Global Digital Solutions Inc., an entity controlled by our Chief Executive Officer, totaling $73,870 and $73,870, respectively.

NOTE 6 - DUE TO OFFICER

In May 2007, Falcon Technologies, Inc. ("Falcon"), issued a convertible promissory note, as amended, in the amount of $420,000 to Forte Capital Partners LLC (the "Forte Note"). Falcon defaulted on the Forte Note and, in December 2015, Forte Capital Partners LLC received a judgement in the amount of $1,919,499 against the Company and Mr. Delgado as the personal guarantor of the Forte Note.

On December 23, 2020, Mr. Delgado, the personal guarantor of the Forte Note, signed a second amendment to the Forte Note where Mr. Delgado has assumed the liability under the Forte Note and that released the Company from the liability. The Company has been issued a liability release from Forte Capital Partners LLC. The Company has not been released from its obligation to Mr. Delgado. In consideration for the assumption of this liability, the board of directors of the Company passed a resolution that the Company issue 2,500,000 shares of common stock and 500,000 of common stock to Mr. Delgado.

During the quarter ended December 31, 2020, the Company advanced $489,328 to Global Digital Solutions Inc., a related company controlled by Mr. Delgado. During the year ended September 30, 2020, the Company transferred this advance to Mr. Delgado in exchange for a reduction of the amount due to him resulting from the Forte Note settlement.

The Company passed a resolution in December 2020 stating that Global Digital Solutions, Inc. has acknowledged that the Company made certain note payoffs for the benefit of Global Digital Solutions, Inc. The resolution also stated that the note payoffs should be deducted from the liability to our Chief Executive Officer and the payoffs shall not create a liability between Global Digital Solutions, Inc. and the Company.

During the year ended September 30, 2022 and 2021, the Company paid approximately $52,000 and $ 488,000, respectively. to the officer against the amount due to him. As of September 30, 2022 and 2021 the balance due to officer is $1,205,040 and $1,692,562, respectively.

NOTE 7 – CONVERTIBLE NOTE

On May 23, 2022, the Company entered into a convertible promissory note in the amount of $550,000, with an OID in the amount of $55,000, for a purchase price of $495,000. The note is due November 23, 2022, which can be extended for an additional six months by a written notice to the holder, and bears interest at 12%. If the note is not paid by the maturity date the outstanding principal shall increase by $15,000. After 180 days from issuance, following an event of default, the holder shall have the right to convert the note into shares of common stock at a conversion price which shall equal the lowest trading price during the previous 20 trading days before the notes issuance or the conversion date. Included with the note, the Company also issued 1,000,000 warrants to the holders, with an exercise price of $1.00 and an exercise period of five years, for a fair value of $230,000 recognized as a debt discount. The Company additionally issued 1,433,333 shares of common stock to the lender, with a fair value of $330.000 based on the market price of $0.23 on grant date. The total debt discount upon issuance was capped at the principal amount of the debt of $550,000, with the excess of $65,000 recognized as finance costs. For the year ended September 30, 2022 the amortization of the debt discount was $368,000.

On March 1, 2022, the Company entered into a convertible promissory note in the amount of $275,000, with an OID in the amount of $25,000, for a purchase price of $250,000. The note is due February 28, 2022 and bears interest at 15%, which would increase to 24% upon an event of default. The holder will be required upon an Up list closing to convert the note and accrued interest at a 30% discount from the Uplist financing transaction. The conversion feature, which will only occur upon the event of the Uplist, is a contingent conversion, and will upon the triggering event meet the definition of a derivative and require bifurcation and will be accounted for as a derivative liability. In connection with the note, the Company issued a common stock warrant to purchase 55,000 shares of common stock at an exercise price is $5.00 per share, subject to adjustment at the Uplist, and an exercise period of three years, with a fair value of $13,750 recognized as a debt discount which will be amortized along with the OID over the life of the note. For the year ended September 30, 2022 the amortization of the debt discount was $22,611.

On February 9, 2022, the Company entered into a convertible promissory note in the amount of $100,000. The note is due August 9, 2022 and bears interest at 12%, which would increase to 24% upon an event of default. The holder has the right to convert the note and interest at any time at a fixed conversion price of $.30 per share. The Company analyzed the conversion feature under ASC 470-20, "Debt with conversion and other options", and based on the market price of the common stock of the Company on the date of funding as compared to the conversion price, determined there was a $40,000 beneficial conversion feature to recognize, which will be amortized over the term of the note using the effective interest method. In connection with the note, the Company issued a common stock warrant to purchase 25,000 shares of common stock at an exercise price is $0.75 per share and an exercise period of three years, with a fair value of $11,000 recognized as a debt discount. The Company is to also issue 65,000 shares of common stock to the lender, with a fair value of $28.000 based on the market price of $0.424 on grant date, recognized in shares payable until issued. The total debt discount upon issuance was $39,000, to be amortized over the six month life of the note and was fully amortized by the year ended September 30, 2022.

On September 30, 2021, the Company entered into a convertible promissory note in the amount of $100,000. The note is due March 30, 2022 and bears interest at 12%. The holder has the right to convert the note and interest at any time at a fixed conversion price of $.30 per share. The Company analyzed the conversion feature under ASC 470-20, "Debt with conversion and other options", and based on the market price of the common stock of the Company on the date of funding as compared to the conversion price, determined there was a $13,500 beneficial conversion feature to recognize, which will be amortized over the term of the note using the effective interest method. In connection with the note, the Company issued a common stock warrant to purchase 25,000 shares of common stock at an exercise price is $0.75 per share and an exercise period of three years, with a fair value of $8,500 recognized as a debt discount which was fully amortized through March 31, 2022. The Company also will issue 30,000 shares of common stock to the lender, with a fair value of $20,500 recognized in shares payable until issued.

On October 26, 2020, the Company entered into a convertible promissory note with Leonite Capital LLC in the amount of $1,666,667 (the "Leonite Note"), with an OID in the amount of $166,666, for a purchase price of $1,500,000. Interest rate on the note is at Prime Rate plus 8%. The net proceeds of $1,500,000 will be paid in one or more tranches. The first tranche of $833,334 less OID of $83,334 and legal fees of $15,000, net $735,000, was received on November 3, 2020. On February 9, 2021, the second tranche of $833,334, less an OID of $83,334, was received. The maturity date of each tranche shall be nine months from the date the tranche is advanced. The holder has the right to convert the Leonite Note and interest at any time at a fixed conversion price of $.25 per share. In connection with the Leonite Note, on October 29, 2020, the Company issued a common stock warrant to purchase 250,000 shares of common stock at an exercise price is $0.30 per share and an exercise period of ten years, with a fair value of $90,725 recognized as a debt discount which will be amortized over the life of the note. The Company also issued 300,000 shares of common stock to the lender, with a fair value of $96,000 at the first issuance, and 686,111 shares of common stock to the lender, with a fair value of $158,000 in June of 2022. The debt discounts were fully amortized as of the year ended September 30, 2021.

NOTE 8 - STOCKHOLDERS' EQUITY

Preferred Stock

Each share of the Series A has voting rights as to 60 shares of the common stock of the Company. The Series A has the right, after the two years anniversary from the initial issuance date, to convert into our common stock at a conversion ratio equal to 52% of the outstanding shares of common stock at the time of conversion. Upon liquidation of the Company, holders of the Series A shall receive $.10 per share.

Common Stock

On January 21, 2021, the Company issued 4,100,000 shares of fully vested common stock to employees for services already provided with a fair value of $2,952,000 based on the market price of the stock on the date granted of $0.72.

On January 21, 2021, the Company also issued 1,450,000 shares of fully vested common stock to consultants for services already provided with a fair value of $1.044,000 based on the market price of the stock on the date granted of $0.72.

During the quarter ended December 30, 2020, the Company issued 1,120,000 common shares for services and 300,000 common shares in connection with the convertible note (Note 7), which were recognized at a fair market value of $309,680 and $96,000 based on the market value of $0.28 and $0.32 per share, respectively, at the date of issuance.

On May 23, 2022, the Company issued 1,433,333 common shares in connection with the convertible note, (Note 7) with a fair value of $330.000 based on the market price of $0.23 on grant date.

In June 2022 the Company issued 686,111 shares of common stock in connection with the second tranche of a convertible note (Note 7), which was recognized at a fair market value of $158,000, based on the market value of $0.23 at the date of issuance.

Warrants

The Company have issued warrants which are fully vested and available for exercise as follows:

- 1,000,000 warrants issued on May 23, 2022, in connection with a convertible note (Note 7), with an exercise price of $1.00 and an exercise period of five years, for a fair value of $230,000; and
- 55,000 warrants issued on March 1, 2022, at an exercise price is $5.00 per share, and an exercise period of three years, with a fair value of $13,750; and
- 25,000 warrants issued on February 9, 2022, at an exercise price is $0.75 per share and an exercise period of three years, with a fair value of $11,000; and
- 50,000 issued for consulting services with an exercise price $0.25, issued and vested on February 4, 2020 and expiring on February 4, 2023; and
- 200,000 issued for financing costs with an exercise price $0.10, issued and vested on February 29, 2020, and expiring on February 29, 2025.
- 250,000 issued in connection with a convertible debenture (Note 7) with an exercise price of $0.30 and expiring on October 29, 2030.
- 25,000 issued in connection with a convertible debenture (Note 7) with an exercise price of $0.75 and expiring on September 30, 2024

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We may be involved in legal proceedings in the ordinary course of our business, and our management cannot predict the ultimate outcome of these legal proceedings with certainty. The Company is not a plaintiff or defendant in any cases as of September 30, 2022.

Employment Agreements

The Company approved the employment agreement with Mr. Delgado for a five-year term beginning on October 1, 2018 and with an annual salary of $100,000. The salary expense is included in selling, general and administrative expenses for the years ended September 30, 2022 and 2021.

The Company approved the employment agreement with Alan Lien, a related party, for a five-year term beginning January 1, 2020 and with an annual salary of $150,000. The salary expense is included in selling, general and administrative expenses for the years ended September 30, 2021, and 2020. The Company also issued to Mr. Lien

5,625,000 shares on January 1, 2020, with a fair market value of $1,325,875.

NOTE 10 - SUBSEQUENT EVENTS

The Company evaluated subsequent events after the balance sheet date and through the date of this report and determined that no events were deemed material to these financial statements.

Subsequent to the year end, the CFO of the Company was issued 2,000,000 shares of common stock.

In October 2022, the Company ceased operations for Hara Flow due to a significant drop in sales related to a change in state law for the sale and packaging of CBD (Hemp) products. The Company entered into Release and Settlement Agreements with four employees related to the Hara Flow subsidiary and they returned 16,624,998 shares of the Company common stock. The Company does not anticipate restarting Hara Flow in the future. Based on this, the Company will evaluate the impairment of the Goodwill related to the acquisition of Hara Flow in the first quarter of the year ended September 30, 2023.