

Hannover House, Inc.

1621 Central Avenue, Cheyenne, WY 82001

818-481-5277

www.HannoverHouse.com

Eric@HannoverHouse.com

SIC Codes: 7822 / 2731

ANNUAL REPORT

For the 12-Month Period Ending December 31, 2023

(the "Reporting Period")

**With Additional Information regarding the
Quarterly Report For the 3-Month Period Ending: December 31, 2023**

Outstanding Shares

The number of shares outstanding of our Common Stock was:

1,012,765,343 is the number of shares as of December 31, 2023, the CURRENT REPORTING PERIOD,

1,000,310,429 was the number of shares as of December 31, 2022, the MOST RECENT COMPLETED FISCAL YEAR END;

Shell Status

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: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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)

The Public Company was originally incorporated in 1999 as ECKLAN CORPORTION and has endured several name changes since that date as described below. The privately held company (Truman Press, Inc., dba "Hannover House") that is now the operating entity, was incorporated in 1993 and merged into the Public Company in December, 2009.

Hannover House, Inc.

Ticker Symbol: HHSE

Hannover House, Inc. - Predecessor Entity Details

| Entity Name | Active From | Active Until |
|-----------------------------------|----------------|-----------------|
| Ecklan Corporation | 12/30/1999 | 3/5/2001 |
| Mindset Interactive, Inc. | 3/5/2001 | 8/15/2005 |
| Target Development Group, Inc. | 8/15/2005 | 12/15/2009 |
| Truman Press, Inc./Hannover House | 9/15/1993 | 12/15/2009 |
| TDGI / Hannover House, Inc. | 12/15/2009 | CURRENT |

The Target Development Group, Inc. / Publicly-traded company was incorporated on January 29, 2009 in **Wyoming**; the predecessor privately-held company (Truman Press, Inc.) was originally incorporated in California on Sept. 15, 1993.

Current State and Date of Incorporation of Registration: January 29, 2009 WYOMING

Standing in this jurisdiction: **GOOD STANDING**

Prior Incorporation Information for the issuer and any predecessors during the past five years: Listed above.

There have been no trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception.

The company has not implemented any stock split, stock dividend, recapitalization, merger, acquisition, spin-off or reorganization within the past 12 months or which is presently anticipated.

Address of issuer's principal executive office

The issuer's executive production office is located at: 1275 Sunchase Circle, STE 3, Fayetteville, AR 72701, and the primary address for receipt of mail is: 1722 N. College Ave., # C303, Fayetteville, AR 72703.

Address of the issuer's principal place of business:

The issuer's principal place of business is: 1621 Central Ave., Cheyenne, WY 82001

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

Yes: ☐ No: ☒

2) Security Information

Transfer Agent

Name: Standard Registrar & Transfer Co., Inc.

Phone: 801-571-8844

Email: Amy@StandardRegistrar.com

Address: 440 East 400 South, Suite 200, Salt Lake City, UT 84111

Is the Transfer Agent registered under the Exchange Act?² Yes: ☒ No: ☐

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

Publicly Quoted or Traded Securities:

| | |
|--|---------------------|
| Trading symbol: | HHSE |
| Exact title and class of securities outstanding: | Common Stock Shares |
| CUSIP: | 410686 101 |
| Par or stated value: | \$.001 |

| | |
|---|--|
| Total shares authorized: | 1,100,000,000 as of: December 31, 2023 |
| Total shares outstanding: | 1,012,765,343 as of: Dec. 31, 2023 |
| Number of shares in the Public Float ³ : | 758,845-458 as of: Dec. 31, 2023 |
| Total number of shareholders of record: | 226 as of date: Dec. 31, 2023 |

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

| | |
|--|--------------------------------------|
| Trading symbol: | HHSE |
| Exact title and class of securities outstanding: | Series "A" Preferred Shares |
| CUSIP: | 410686 101 |
| Par or stated value: | \$.001 |
| Total shares authorized: | 10,000,000 as of date: Dec. 31, 2023 |
| Total shares outstanding: | 8,000,000 as of date: Dec. 31, 2023 |

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. 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 does not current issue dividends for shareholders. Common stock holders have a one-vote-per-share voting power. Preemption rights are not applicable;

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

The preferred stock shares are solely and exclusively for Issuer management – and feature a 1,000-to-one voting power per share; the preferred stock shares may also be converted into Common Stock shares at a 100-Common Stock Shares per share of preferred stock, subject to sufficient authorized shares in issue. Preferred shares cannot be liquidated, sold, hypothecated or transferred, unless converted by the preferred shareholder into Common Stock shares. Preferred shares are forfeited and cancelled if not converted into Common Stock shares within six (6) months following the death or the termination of employment by the manager holding preferred shares,

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

See above.

³“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.

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.

Not applicable

) 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>12-31-2021</u> Common: 936,492,996 Preferred: <u>4,000,000</u> | | | | | | | | | |
|---|---|--|---------------------|--|--|--|---|---|--|
| 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. |
| Mar. 16, 2021 | Return of Collateral Shares to Treasury | <500,000> | Common | \$6,500 | NO | Martin Langert | Return of stock certificate issued as collateral | Restricted | Shares issued as corp. loan collateral returned |
| July 30, 2021 | New Issuance | 19,000,000 | Common | \$416,100 | NO | Getting Grace, LLC, Daniel Roebuck Managing Partner | Settlement Agreement re: Prior Legal dispute | Restricted | HHSE common stock shares are not currently registered |
| July 30, 2021 | New Issuance | 7,500,000 | Common | \$164,250 | NO | Eric Parkinson (Officer) | Conversion of officer loans to restricted shares | Restricted | HHSE common stock shares are not currently registered |
| July 30, 2021 | New Issuance | 4,000,000 | Preferred | \$40.00 | NO | Eric Parkinson (Officer) | Exercise of earned option to gain addl. preferred shares | Restricted | HHSE Preferred stock shares are not currently registered |

| | | | | | | | | | |
|---------------|--------------|------------|--------|-------------|----|--|--|------------|---|
| July 30, 2021 | New Issuance | 3,000,000 | Common | \$65,700 | NO | Sentient Asset Management Trust (Jon Cheng, Mgr) | Shares Issued per Production and MyFlix financing | Restricted | HHSE common stock shares are not currently registered |
| July 30, 2021 | New Issuance | 1,500,000 | Common | \$32,850 | NO | Suzanne Holmquist | Shares Issued per Production and MyFlix financing | Restricted | HHSE common stock shares are not currently registered |
| July 30, 2021 | New Issuance | 1,000,000 | Common | \$21,900 | NO | Christian K. Large (Board Advisory Sign-On Shares) | Shares issued for Board Advisors | Restricted | HHSE common stock shares are not currently registered |
| July 30, 2021 | New Issuance | 1,000,000 | Common | \$21,900 | NO | Kyle Martens (Board Advisory Sign-On Shares) | Shares issued for Board Advisors | Restricted | HHSE common stock shares are not currently registered |
| July 30, 2021 | New Issuance | 1,000,000 | Common | \$21,900 | NO | Steven M. Kay (Board Advisory Sign-On Shares) | Shares issued for Board Advisors | Restricted | HHSE common stock shares are not currently registered |
| Aug. 27, 2021 | New Issuance | 3,343,750 | Common | \$60,187 | NO | Morten Stisen | Shares Issued per Production and MyFlix financing | Restricted | HHSE common stock shares are not currently registered |
| Oct. 18, 2021 | New Issuance | 9,482,758 | Common | \$55,000 | NO | Nordic Food Services APS (Morten Stisen authorized signatory) | Restricted shares issued as collateral to Corp. Loan | Restricted | HHSE common stock shares are not currently registered |
| Oct. 18, 2021 | New Issuance | 10,689,655 | Common | \$62,000 | NO | Accounting for Value APS (multiple Morten Stisen authorized signatory) | Restricted shares issued as collateral to Corp. Loan | Restricted | HHSE common stock shares are not currently registered |
| Nov. 1, 2021 | New Issuance | 9,224,137 | Common | \$50,000 | NO | Accounting for Value APS (multiple Morten Stisen authorized signatory) | Restricted shares issued as collateral to Corp. Loan | Restricted | HHSE common stock shares are not currently registered |
| Nov. 1, 2021 | New Issuance | 2,675,000 | Common | \$20,000 | NO | Nordic Food Services APS (Morten Stisen authorized signatory) | Restricted shares issued as collateral to Corp. Loan | Restricted | HHSE common stock shares are not currently registered |
| Dec. 28, 2021 | New Issuance | 25,000,000 | Common | \$1,650,000 | NO | Lewin Family Irrevocable Trust (Bruce Lewin, primary beneficiary) | Shares issued per legal settlement resolution | Restricted | HHSE common stock shares are not currently registered |

| | | | | | | | | | |
|---------------|--------------|------------|--------|-----------|---------------------------|--|---------------------------------------|------------|---|
| Jan. 18, 2022 | New Issuance | 2,847,582 | Common | \$17,085 | NO (issued as collateral) | Morten Stisen | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| Jan. 18, 2022 | New Issuance | 10,700,000 | Common | \$58,250 | NO (issued as collateral) | Morten Stisen | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| Jan. 18, 2022 | New Issuance | 6,050,000 | Common | \$33,598 | NO (issued as collateral) | Jim Durm | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| Jan. 18, 2022 | New Issuance | 2,115,579 | Common | \$16,502 | NO (issued as collateral) | Morten Stisen | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| Jan. 18, 2022 | New Issuance | 19,496.844 | Common | \$155,000 | NO (issued as collateral) | Nordic Food Services, APS (Morten Stisen authorized signatory) | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| Feb. 22, 2022 | New Issuance | 6,153,846 | Common | \$40,000 | NO (issued as collateral) | Nordic Food Services, APS (Morten Stisen authorized signatory) | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| Aug. 24, 2022 | New Issuance | 769,231 | Common | \$5,000 | NO (issued as collateral) | Morten Stisen | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| | | | | | | | | | |
| Aug. 24, 2022 | New Issuance | 1,724,138 | Common | \$10,000 | NO (issued as collateral) | Nordic Food Service APS (Morten Stisen authorized signatory) | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| | | | | | | | | | |
| Aug. 24, 2022 | New Issuance | 4,115,385 | Common | \$25,000 | NO (issued as collateral) | Nordic Food Service APS (Morten Stisen authorized signatory). | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| | | | | | | | | | |
| Aug. 24, 2022 | New Issuance | 5,534,483 | Common | \$30,000 | NO (issued as collateral) | Accounting for Value APS (Morten Stisen authorized signatory). | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| | | | | | | | | | |
| Aug. 24, 2022 | New Issuance | 4,319,345 | Common | \$25,000 | NO (issued as collateral) | Accounting for Value APS (Morten Stisen authorized signatory). | Collateral Shares per Promissory Note | Restricted | HHSE common stock shares are not currently registered |
| | | | | | | | | | |
| Sept. 18, | New | 12,454,914 | Common | \$40,000 | YES, per | Graham | Conversion | Not | HHSE |

| | | | | | | | | | |
|--|----------|--|--|--|---------------------------|---|--|------------|--|
| 2023 | Issuance | | | | convertible note terms | Financial Services, Inc. (Paul Graham) | of aged, eligible promissory note | Restricted | common stock shares are not currently registered |
| Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date Common: 1,012,765,343 Dec. 31, 2023 Preferred: 8,000,000 | | | | | | | | | |

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

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 (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|----------------|--|--|---|
| Aug. 1, 2010 | \$127,706 | \$100,000 | \$126,429 | Aug. 1, 2011 | 50% discount to market price based on 10-day VWAP | Jo Lynn Anderson | Theatrical Releasing for "Twelve" |
| Aug. 1, 2010 | \$127,706 | \$100,000 | \$126,429 | Aug. 1, 2011 | 50% discount to market price based on 10-day VWAP | Dennis Anderson | Theatrical Releasing for "Twelve" |
| Aug. 10, 2012 | \$77,500 | \$50,000 | \$27,500 | Aug. 10, 2013 | 50% discount to market price based on 10-day VWAP | Sue Bartholomew, Southwinds Homes | "Toys in the Attic" Star Cast Funding |
| Sept. 14, 2012 | \$155,000 | \$100,000 | \$55,000 | Sept. 14, 2013 | 50% discount to market price based on 10-day VWAP | Sue Bartholomew, Southwinds Homes | General O/H and "Toys in the Attic" Prod. |
| Apr. 15, 2017 | \$158,471 | \$130,000 | \$28,471 | Apr. 15, 2018 | 50% discount to market price based on 10-day VWAP | Genautica, LLC (Dan Scholefield, primary beneficiary) | Legal Fees & Settlement re: TCA |
| Oct. 13, 2018 | \$12,849 | \$11,628 | \$1,221 | Oct. 13, 2019 | 50% discount to market price based on 10-day VWAP | Daniel Roebuck | DVD Replication Loan |
| Nov. 18, 2019 | \$57,887 | \$55,000 | \$2,887 | Nov. 18, 2020 | 50% discount to market price based on 10-day VWAP | Graham Financial Services, Inc. (Paul Graham, Pres.) | General O/H, Audit and Legal Fees |
| Nov. 28, 2019 | \$16,003 | \$15,443 | \$560 | Nov. 28, 2020 | 50% discount to market price based on 10-day VWAP | Graham Financial Services, Inc. (Paul Graham, Pres.) | General O/H, Audit and Legal Fees |
| Nov. 28, 2019 | \$33,048 | \$31,400 | \$1,648 | Nov. 28, 2020 | 50% discount to market price based on 10-day VWAP | Graham Financial Services, Inc. / Paul Graham, Pres. | General O/H, Audit and Legal Fees |
| June 30, 2019 | \$15,629 | \$14,850 | \$1,559 | June 30, 2020 | No conversion formula specified to affiliate holder; funds received during 2020 | Eric F. Parkinson | Legal Fees, Overhead, Audit costs |
| Nov. 20, 2020 | \$25,729 | \$25,729 | \$151 | Nov. 20, 2021 | No conversion formula specified to affiliate holder; funds received during 2020 | Eric F. Parkinson | Legal Fees, Overhead, Audit costs |

| | | | | | | | |
|---------------|-----------|-----------|---------|---------------|--|---|---------------------------------------|
| June 19, 2020 | \$17,085 | \$17,085 | \$0 | June 18, 2022 | 2,847,582 Restricted shares issued as collateral. | Morten Stisen | General Operations & Form 10 |
| Dec. 3, 2020 | \$58,250 | \$58,250 | \$0 | Dec. 2, 2022 | 10,700,000 Restricted shares issued as collateral. | Morten Stisen | Legal fees and Settlements |
| Dec. 24, 2020 | \$33,598 | \$33,598 | \$0 | Dec. 23, 2022 | 6,050,000 Restricted shares issued as collateral | Jim Durm | General Operations and Form 10 |
| July 6, 2021 | \$16,502 | \$16,502 | \$0 | July 5, 2023 | 2,115,579 Restricted shares issued as collateral | Morten Stisen | Legal fees and Settlements |
| July 8, 2020 | \$155,000 | \$155,000 | \$0 | July 7, 2022 | 19,496,844 Restricted shares issued as collateral | Nordic Food Svc (Morten Stisen) | Legal, acctng and Form 10 |
| Nov. 25, 2021 | \$40,000 | \$40,000 | \$0 | Nov. 24, 2023 | 6,153,846 Restricted shares issued as collateral | Nordic Food Svc (Morten Stisen) | Legal fees and settlements |
| Dec. 8, 2021 | \$17,150 | \$17,150 | \$2,188 | Dec. 7, 2023 | Note is convertible at 50% discount to Market / VWAP | Graham Financial Svs., Inc. / Paul Graham | Correction on prior accrued interest |
| Sep. 12, 2023 | \$36,000 | \$36,000 | \$455 | Sep. 11, 2024 | Note is convertible at 50% discount to Market / VWAP | Graham Financial Svc., Inc. / Paul Graham | General Use, audits and legal costs |
| Oct. 3, 2023 | \$25,000 | \$25,000 | \$0 | Oct. 2, 2024 | Note is not convertible | Accounting for Value / Morten Stisen | General Use and Wildfire post-Prod. |
| Dec. 12, 2023 | \$30,000 | \$30,000 | \$0 | Dec. 11, 2024 | Note is not convertible | Sue Bartholomew, Southwinds | General Use and Indian Territory film |
| Dec. 15, 2023 | \$49,500 | \$49,500 | \$0 | Dec. 14, 2024 | Note is not convertible | Eric F. Parkinson | General Use and Wildfire Marketing |

4) Issuer's Business, Products and Services

A. Company is a media production and distribution enterprise, involved in book publishing, feature film and video production, and distribution of feature films and videos through various media platforms and territories worldwide.

B. Wholly-owned subsidiaries are Medallion Releasing, Inc. (for handling non-Hannover House producer clients), Vodwiz, Inc. and Bookworks, Inc. Both Medallion Releasing, Inc., and Vodwiz, Inc. are Arkansas domiciled corporations. Bookworks, Inc., as the Screen Actors Guild signatory entity, was previously registered in Arkansas, but is being moved to a registration in Oklahoma to conform to film incentive requirements. Income, assets and costs (if any) from these three subsidiaries are incorporated into the Company's consolidated financial statements.

C. Company publishes fiction and non-fiction books; Company's media distribution includes the release of films to theatres, home video, digital streaming formats, television outlets and international licensors. Company is working with MyFlix, LLC for the development and launch of a new digital streaming site to be named "MyFlix." The business model for MyFlix is to consolidate feature films and television series programming owned by a wide range of studios and content owners, into a single destination digital streaming site. The revenue model for MyFlix will be tailored after the hugely successful sites of TUBI and ROKU, both of which are generating hundreds-of-millions-of-dollars from "Advertising Supported Video On Demand" (AVOD) models – in which consumers can watch films for "free" but subject to seeing paid ads. This model is not only more attractive to customers than a "subscription" model, but it also avoids the complications of dealing with consumer credit cards, disputes, billings and such operational issues that add costs, but do not contribute positively to a company's bottom line. As of the date of this filing, forty-three program suppliers, collectively representing over 12,000 titles, had agreed to participate in the MyFlix service, which would position the site as one of the largest sources for total streaming programming. The growth of digital streaming services has created both a boom and bust in the independent film sectors. Consumers are less likely now to purchase DVDs of unknown movies knowing that the same ten-dollar cost

could cover a month's subscription to a service such as Netflix with over 1,000 titles at any given time. As other studios scramble to open "studio specific" streaming services, Hannover House believes that the MyFlix model is more like the successful Walmart retail strategy of offering a wider selection of programming at everyday low prices. The success of TUBI.TV (a Disney-Fox owned streaming service) supports the validity of the MyFlix business model. Hannover House has an option to purchase MyFlix subject to the achievement of obtainable corporate benchmarks which include the filing of the Form 10 Registration and the resolution or dismissal of four foreign judgments for which the Company has meritorious defenses and legal strategies to oppose.

5). Issuer's Facilities

As of the date of this filing, the Company is leasing a combination office-warehouse-production center facility in Fayetteville, Arkansas, located at 1275 Sunchase Circle. This facility has over 3,200 square feet of space that is being used for general offices, storage and as a motion-picture "cyclorama" stage for production activities. Additionally, the company has closed out its prior storage facilities and moved the DVD and book inventories to this new office-warehouse location. The principal assets for the company are the intellectual property rights granted to the company through distribution licenses or sales agency agreements, none of which are transferrable under the terms of the agreements. The granting of sales rights to film and television programs is very specialized and dependent upon the quality of long-standing relationships between the company as seller, and the outlets (which for HHSE products range from USA based retail stores, to digital streaming platforms, television broadcasters and international licensors). As of the applicable filing period of this report, the company has approximately 19,686 units of DVD and BluRay inventory. Inventory of viable book products is 1,466 units. DVD and BluRay replication equipment, and motion picture related support equipment is also being stored at the new office-warehouse in Arkansas, along with standard office furnishings, desktop computers and fixtures customarily needed for a staff of up to ten persons. Most of the equipment, fixtures and other gear are aged at greater than ten years, and as a result, the Company has elected to significantly reduce the valuation of these items by increasing the reserve for depreciation as of this reporting period.

6) All Officers, Directors, and Control Persons of the Company

| 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 |
|---|--|---|------------------------|----------------------|---|---|
| Eric Parkinson | Officer / Director | Fayetteville, AR | 50,641,649 | Common Stock | 5.82% | Rule 144 Restrictions |
| Eric Parkinson | Officer / Director | Fayetteville, AR | 6,400,000 | Series "A" Preferred | 100% * | 1000-to-1 Voting Value; 100-to-1 conversion |
| Christian Large | Director | Tulsa, OK | 1,000,000 | Common Stock | .0009% | Rule 144 Restrictions |

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile. **CONFIRMED.**

*** Notes to Officer, Directors, and Control Persons – stock ownership** – former company President D. Frederick Shefte retired in March of 2021 due to health issues, and passed away on April 18, 2022. . Until such time that a replacement President can be engaged, Company CEO Eric Parkinson will assume the duties as President, in addition to his existing duties as CEO and Secretary. Per the bylaws and other internal agreements with officers, upon cessation of employment for any reason, an officer (in this case, Shefte), is required to surrender "Preferred" (voting) shares. As of the date of this report, Shefte had 1,600,000 Preferred shares that the company is moving to cancel and return to treasury stock for that class of shares. Christian K. Large and Kyle Martens have provided board consultation services to the Company.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NOT APPLICABLE

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

NOT APPLICABLE

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

NOT APPLICABLE

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NOT APPLICABLE

5. Been the subject 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.

NOT APPLICABLE

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NOT APPLICABLE

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 to 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.

NOT APPLICABLE – the Issuer has not been involved in any litigation for the past five years.

8) Third Party Providers

Securities Counsel

Name: Morgan Petitti, Esq.
Firm: Petitti Law Firm
Address 1: 118 W. Streetsboro Road, # 117
Address 2: Hudson, OH, 44236
Phone: 330-697-8548
Email: Petittilaw@gmail.com

Accountant or Auditor *

As of this filing, the Company does not have a Tax Accounting firm. Corporate 1120 S returns have been reviewed by a licenced CPA. Under advisement, the PCAOB auditing firm will be disclosed upon filing of the Form 10 Registration.

Investor Relations Consultant

Company has elected to defer “promotion” of stock shares and traditional investor relations at this time; it is possible that after the Form 10 Registration has been filed, that resources will be expended to broaden awareness of the Company and its various activities.

Other Service Providers

Name: Steven H. Kay, Esq.
Firm: Steven Kay Law Firm
Nature of Services: Legal Representation
Address 1: 1875 Main Drive
Address 2: Fayetteville, AR 72704
Phone: 479-521-3334 / Email: Steven@Rockhouselaw.com

Name: Jonathan McCallum
Firm: Oleum Rain Studios
Nature of Services: Mastering & Graphic Design
Address 1: 854 N. Willow
Address 2: Fayetteville, AR 72701
Phone: 479-283-1687 / Email: JLMcCallum@aol.com

Name: Raymond Ragues
Firm: RAGUES LAW FIRM
Nature of Services: New York Litigation Representation
Address 1: 521 5th Avenue
Address 2: New York, NY 10175
Phone: 845-481-0086
Email: Ray@RaguesLaw.com

Name: Tomer Tal, Esq.
Firm: NEW VENTURE ATTORNEYS
Nature of Services: Securities Law and Filings
Address 1: 101 Church St., Suite 22
Address 2: Los Gatos, CA 95030
Phone: 845-481-0086
Email: Tomer@NewVentureAttorneys.com

Name: Andy Forman
Firm: New Century Media
Nature of Services: Manufacturing of DVD & BluRay Consumer Products
Address 1: 2727 Pellissier Place
Address 2: City of Industry, CA 90601
Phone: (408) 560-9606
Email: Andy@NewCenturyMediaUSA.com

Name: Jeff Miller
Firm: ARROW MEDIA SERVICES
Nature of Services: Mastering and Formatting of V.O.D. Titles
Address 1: 114 W. Adams St., Suite 601
Address 2: Phoenix, AZ 85003
Phone: (602) 358-0061
Email: Jeff@ArrowMedia.Services

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: ERIC PARKINSON
Title: President, C.E.O. & Secy.
Relationship to Issuer: Officer & Director

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

- ☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: ERIC PARKINSON
Title: President, C.E.O. & Secy.
Relationship to Issuer: Officer & Director

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Parkinson has been working in the film production and distribution business continuously since 1983, and has worked as a C.E.O. of a NASDAQ traded equity (Hemdale Communications, Inc.), overseeing a team of CPA's and accountants in the preparation of quarterly and annual reports, as well as financial statements and asset valuations.

Provide the following qualifying financial statements:

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

I, ERIC PARKINSON, certify that:

1. I have reviewed this Disclosure Statement for Hannover House, Inc., covering the year-ending Dec. 31, 2023;
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.

April 18, 2024

/s/ [ERIC PARKINSON], C.E.O.

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

Principal Financial Officer:

I, [identify the certifying individual] certify that:

- 1 I have reviewed this Disclosure Statement for Hannover House, Inc., covering the year-ending Dec. 31, 2023;
- 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.

April 18, 2024

/s/ [ERIC PARKINSON], C.F.O.

HANNOVER HOUSE, INC. AND AFFILIATES AND SUBSIDIARIES
Financial Statements
December 31, 2023 (UNAUDITED / Audit in process)

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F-1 (OTC ITEM “4-C”)

**HANNOVER HOUSE, INC., AND AFFILIATES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE THREE (and TWELVE) MONTH PERIOD ENDING DECEMBER 31, 2023**

| | 12/31/2023 |
|--|-------------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash & Cash Equivalents | 21,676 |
| Accounts Receivable, Net | (1) 1,235,657 |
| Prepaid Wages | - |
| Merchandise Inventory | 100,704 |
| Prepaid Advertising | (2) - |
| Prepaid Producer Royalties | 2,406,065 |
| Producer Marketing Recoupment | (3) 2,215,432 |
| Film Distribution Rights | 1,996,379 |
| Film Production Investments | (4) - |
| Notes Receivable and Net Recoupment | (5) 381,052 |
| | |
| TOTAL CURRENT ASSETS | 8,356,965 |
| | |
| PROPERTY & EQUIPMENT | |
| Office Furnishings, Equip. & Film Gear | 180,600 |
| Less Accumulated Depreciation | (154,264) |
| Vehicles | 5,000.00 |
| Less Accumulated Depreciation | - |
| Real Property | - |
| TOTAL PROPERTY & EQUIPMENT | 31,336 |
| | |
| OTHER ASSETS | |
| FILM & TV LIBRARY (incl. VODWIZ)* | (6) 28,442,922 |
| | |
| TOTAL OTHER ASSETS | 28,442,922 |
| | |
| | 36,831,223 |

ITEM F 1 – (OTC ITEM “4-C” continued)

LIABILITIES & SHAREHOLDER'S EQUITY

| | <u>12/31/2023</u> |
|------------------------------------|--------------------------|
| CURRENT LIABILITIES | |
| Accounts payable | 32,499 |
| Accrued Royalties | 8,500 |
| Acquisition Advances Due | - |
| Accrued Wages | - |
| Payroll Taxes Payable | - |
| Shuttlewood Investments | 13,000 |
| Interest on Shuttlewood Note | - |
| Graham Financial Services Note | 78,770 |
| Interest on Graham Note | 5,594 |
| Bartolomew / Southwind Notes | 117,500 |
| Interest on Bartholomew Notes | 3,281 |
| All Other Notes Payable | (7) 1,049,113 |
| Interest on Above Notes Payable | 150,050 |
| All other Legal Settlements | (8) 157,000 |
| TOTAL CURRENT LIABILITIES | <u>1,615,307</u> |
| LONG-TERM LIABILITIES | |
| Long-Term Payables | \$ 827,121 |
| Executive Salary Deferrals | 362,949 |
| Lewin Foreign Judgment | 90,000 |
| Contingent Legal Liabilities | |
| Officer Notes Payable | <u>152,993</u> |
| TOTAL LONG-TERM LIABILITIES | <u>1,433,063</u> |
| TOTAL OF ALL LIABILITIES | 3,048,370 |
| SHAREHOLDER'S EQUITY | |
| Common Stock | 31,704,503 |
| Retained Earnings | (9) <u>2,078,350</u> |
| TOTAL SHAREHOLDER'S EQUITY | <u>33,782,853</u> |
| | <u>36,831,223</u> |

F2 (OTC ITEM “4-D”)

**CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE (and TWELVE) MONTH PERIOD ENDING 12-31-2023**

| | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | 12-Months Ending 12/31/2023 |
|---|--------------------|--------------------|--------------------|--------------------|--|
| REVENUES <i>(all media, fees & licenses)</i> | \$ 25,123 | \$ 263,809 | \$ 104,138 | \$ 11,482 | \$ 404,552 |
| Net, Collected Revenues | 25,123 | 13,809 | 29,138 | 11,482 | 79,552 |
| Additional Invoiced Sales | \$ 33,190 | \$ - | \$ 75,000 | \$ - | \$ 108,190 |
| <i>Reserve for Potential Returns</i> | - | - | - | - | - |
| ADJUSTED REVENUES FOR PERIOD | \$ 58,313 | \$ 263,809 | \$ 179,138 | \$ 11,482 | \$ 512,742 |
| COST OF SALES | | | | | |
| Commissions | - | - | - | - | - |
| Sales, Marketing & Mastering | \$ - | \$ - | \$ - | \$ - | \$ - |
| Video Mfg & Releasing Costs | - | - | - | - | - |
| Film & Book Royalties | \$ 924 | \$ 200,000 | \$ 20,846 | \$ - | \$ 221,770 |
| Freight | - | - | - | - | - |
| Other Expenses (Ads, PR, Publicity) | \$ - | \$ 6,550 | \$ - | \$ - | \$ 6,550 |
| | | | | | - |
| TOTAL COST OF SALES | \$ 924 | \$ 206,550 | \$ 20,846 | \$ - | \$ 228,320 |
| | | | | | - |
| GROSS PROFIT | \$ 57,389 | \$ 57,259 | \$ 158,292 | \$ 11,482 | \$ 284,422 |
| | | | | | - |
| GENERAL AND ADMINISTRATIVE EXP. | \$ 28,611 | \$ 83,996 | \$ 44,730 | \$ 21,072 | \$ 178,409 |
| | | | | | - |
| INCOME FROM OPERATIONS | \$ 28,778 | \$ (26,737) | \$ 113,562 | \$ (9,590) | \$ 106,013 |
| | | | | | - |
| INTEREST EXPENSES | \$ 13,518 | \$ 15,821 | \$ 16,788 | \$ 12,909 | \$ 59,036 |
| | | | | | - |
| OTHER EXPENSES (SALARY DEFERRALS) | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | - |
| INCOME BEFORE TAXES | \$ 15,260 | \$ (42,558) | \$ 96,774 | \$ (22,499) | \$ 46,977 |
| | | | | | - |
| PROVISION FOR INCOME TAXES | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | - |
| NET INCOME | \$ 15,260 | \$ (42,558) | \$ 96,774 | \$ (22,499) | \$ 46,977 |
| RETAINED EARNINGS (Beginning of Period) | 3,332,692 | 3,347,952 | 3,305,394 | 3,402,168 | 3,379,669 |
| RETAINED EARNINGS (End of Period) | 3,347,952 | 3,305,394 | 3,402,168 | 3,379,669 | 3,426,646 |

F3 (OTC ITEM “4-E”)

Hannover House, Inc.

Consolidated Statement of Cash Flow

For the 3-and-12-Month Period Ending December 31, 2023

| | 3-Mos. Ending 12/31/2023 | FYE 12/31/2023 |
|--|-------------------------------------|---------------------------|
| Cash flows from operating activities | | |
| Net Income | \$ (22,499) | \$ 46,997 |
| Increase in Accounts Receivable | - | \$ 358,190 |
| Decrease in Prepaid Expenses | - | |
| Decrease in Other Current Assets | - | |
| Increase in Notes Payable | 104,500 | \$ 186,660 |
| Increase in Accounts Payable | (10,096) | \$ (21,348) |
| Cash Provided By / Used in Operating Activities | \$ 71,905 | \$ 453,660 |
| Cash Flow from Investing Activities | \$ - | \$ - |
| Cash Provided By / Used in Investing Activities | 71,102 | 724,038 |
| Cash Flow from Financing Activities | \$ - | \$ - |
| Cash Provided by Financing Activities | \$ - | |
| NET INCREASE IN CASH | \$ (803) | \$ (1,934) |
| BEGINNING CASH BALANCE (1-1-2023) | \$ 2,342 | \$ 3,473 |
| ENDING CASH BALANCE (12-31-2023) | \$ 1,549 | \$ 1,549 |

F 4 (OTC ITEM “4-F”)

**STATEMENT OF SHAREHOLDERS EQUITY
FOR THE THREE-MONTH PERIOD ENDING 12-31-2023**

| | Common Stock | | Retained Earnings | Total |
|---|---------------------|---------------|--------------------------|--------------|
| | Shares | Amount | | |
| Balance at Sept. 30, 2023 | 1,012,765,343 | \$ 31,704,503 | \$ 3,327,169 | 35,031,672 |
| <i>Net Adjustments to Equity</i> | | | \$ | \$ 1,226,320 |
| <i>Net Adjustments to Retained Earnings</i> | | | \$ (1,248,819) | \$ |
| Net Income | | | \$ | \$ (22,499) |
| Balances at Dec. 31, 2023 | 1,012,765,343 | 31,704,503 | 2,078,350 | 33,782,853 |

F5

**GENERAL AND AMINISTRATIVE EXPENSES
FOR THE THREE-AND-TWELVE MONTH PERIOD ENDING 12-31-2023**

GENERAL AND ADMINISTRATIVE EXPENSES

| CATEGORY | 3-Months Ending 3/31/2023 | 3-Months Ending 6/30/2023 | 3-Months Ending 9/30/2023 | 3-Months Ending 12/31/2023 | 12-Months Ending 12/31/2023 |
|----------------------------------|--|--|--|---|--|
| Auto | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bank Charges | \$ 600 | \$ 735 | \$ 605 | \$ - | \$ 1,940 |
| Consulting | \$ 7,000 | \$ 4,500 | \$ - | \$ - | \$ 11,500 |
| Employees and Officers | \$ - | \$ 31,653 | \$ 22,550 | \$ 4,500 | \$ 58,703 |
| Entertainment | \$ - | \$ - | \$ - | \$ - | \$ - |
| Equipment | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fees | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance | \$ 375 | \$ - | \$ 375 | \$ 375 | \$ 1,125 |
| Labor | \$ - | \$ - | \$ 3,680 | \$ 2,682 | \$ 6,362 |
| Legal and Accounting | \$ 13,000 | \$ 26,000 | \$ 9,400 | \$ 4,500 | \$ 52,900 |
| Misc / Marketing & Promos. | \$ - | \$ - | \$ 1,413 | \$ 5,290 | \$ 6,703 |
| Office & Storage | \$ 935 | \$ 930 | \$ 930 | \$ 1,815 | \$ 4,610 |
| Rent | \$ 4,260 | \$ 4,260 | \$ 4,260 | \$ - | \$ 12,780 |
| Taxes & Payroll Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Telephone | \$ 1,266 | \$ 1,215 | \$ 1,106 | \$ - | \$ 3,587 |
| Travel | \$ 809 | \$ 13,155 | \$ - | \$ 1,433 | \$ 15,397 |
| Utilities & Internet | \$ 366 | \$ 558 | \$ 411 | \$ 477 | \$ 1,812 |
| TOTAL OF G&A EXPENSES | \$ 28,611 | \$ 83,006 | \$ 44,730 | \$ 21,072 | \$ 177,419 |

F6 – COMPARATIVE Year-over-Year Balance Sheets (2022 vs. 2023)

| | CURRENT PERIOD 12/31/2023 | PRIOR FYE COMPARISON 12/31/2022 | YEAR-OVER YEAR DIFFERENCE |
|--|--|--|--|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash & Cash Equivalents | 21,676 | 3,473 | 18,203 |
| Accounts Receivable, Net | (1) 1,235,657 | 877,467 | 358,190 |
| Prepaid Wages | - | - | - |
| Merchandise Inventory | 100,704 | 100,704 | - |
| Prepaid Advertising | (2) - | 765,000 | (765,000) |
| Prepaid Producer Royalties | 2,406,065 | 2,406,065 | - |
| Producer Marketing Recoupment | (3) 2,215,432 | 2,847,749 | (632,317) |
| Film Distribution Rights | 1,996,379 | 1,996,379 | - |
| Film Production Investments | (4) - | 688,386 | (688,386) |
| Notes Receivable and Net Recoupment | (5) 381,052 | 201,252 | 179,800 |
| | | | - |
| TOTAL CURRENT ASSETS | 8,356,965 | 9,886,475 | (1,529,510) |
| | | | - |
| PROPERTY & EQUIPMENT | | | - |
| Office Furnishings, Equip. & Film Gear | 180,600 | 154,725 | 25,875 |
| Less Accumulated Depreciation | (154,264) | (134,274) | (19,990) |
| Vehicles | 5,000.00 | - | 5,000 |
| Less Accumulated Depreciation | - | - | - |
| Real Property | - | - | - |
| TOTAL PROPERTY & EQUIPMENT | 31,336 | 20,451 | 10,885 |
| | | | - |
| OTHER ASSETS | | | - |
| FILM & TV LIBRARY (incl. VODWIZ)* | (6) 28,442,922 | 28,442,922 | - |
| | | | - |
| TOTAL OTHER ASSETS | 28,442,922 | 28,442,922 | - |
| | | | |
| | 36,831,223 | 38,349,848 | |

F6 – COMPARATIVE Year-over-Year Balance Sheets (2022 vs. 2023) - Continued

| LIABILITIES & SHAREHOLDER'S EQUITY | CURRENT PERIOD 12/31/2023 | PRIOR FYE COMPARISON 12/31/2022 | YEAR-OVER YEAR DIFFERENCE |
|---|--|--|--|
| CURRENT LIABILITIES | | | |
| Accounts payable | 32,499 | 48,210 | (15,711) |
| Accrued Royalties | 8,500 | 43,759 | (35,259) |
| Acquisition Advances Due | - | - | - |
| Accrued Wages | - | 122,182 | (122,182) |
| Payroll Taxes Payable | - | - | - |
| Shuttlewood Investments | 13,000 | 34,000 | (21,000) |
| Interest on Shuttlewood Note | - | - | - |
| Graham Financial Services Note | 78,770 | 82,000 | (3,230) |
| Interest on Graham Note | 5,594 | 5,740 | (146) |
| Bartolomew / Southwind Notes | 117,500 | N.A. | 117,500 |
| Interest on Bartholomew Notes | 3,281 | N.A. | 3,281 |
| All Other Notes Payable | (7) 1,049,113 | 1,298,424 | (249,311) |
| Interest on Above Notes Payable | 150,050 | 185,863 | (35,813) |
| All other Legal Settlements | (8) 157,000 | 147,000 | 10,000 |
| TOTAL CURRENT LIABILITIES | 1,615,307 | 1,967,178 | (351,871) |
| LONG-TERM LIABILITIES | | | |
| Long-Term Payables | \$ 827,121 | \$ 1,442,407 | (615,286) |
| Executive Salary Deferrals | 362,949 | 362,949 | - |
| Lewin Foreign Judgment | 90,000 | 100,000 | (10,000) |
| Contingent Legal Liabilities | | | |
| Officer Notes Payable | 152,993 | 105,218 | 47,775 |
| TOTAL LONG-TERM LIABILITIES | 1,433,063 | 2,010,574 | (577,511) |
| TOTAL OF ALL LIABILITIES | 3,048,370 | 3,977,752 | (929,382) |
| SHAREHOLDER'S EQUITY | | | |
| Common Stock | 31,704,503 | 31,039,404 | 665,099 |
| Retained Earnings | (1) 2,078,350 | 3,332,692 | (1,254,342) |
| TOTAL SHAREHOLDER'S EQUITY | 33,782,853 | 34,372,096 | (589,243) |
| | 36,831,223 | 38,349,848 | (1,518,625) |

F7 – COMPARATIVE Year-over-Year REVENUES & PROFITS (2022 vs. 2023)

| | CURRENT PERIOD 12/31/2023 | PRIOR Year Period 12/31/2022 | Difference |
|---|--|---|----------------------|
| REVENUES <i>(all media, fees & licenses)</i> | \$ 404,552 | \$ 114,681 | 289,871 |
| Net, Collected Revenues | 79,552 | 96,558 | (17,006) |
| Additional Invoiced Sales | \$ 108,190 | \$ 107,064 | 1,126 |
| <i>Reserve for Potential Returns</i> | - | - | - |
| ADJUSTED REVENUES FOR PERIOD | <u>\$ 512,742</u> | <u>\$ 203,622</u> | 309,120 |
| COST OF SALES | | | |
| Commissions | | | |
| Sales, Marketing & Mastering | \$ - | \$ - | - |
| Video Mfg & Releasing Costs | - | - | - |
| Film & Book Royalties | \$ 221,770 | \$ - | 221,770 |
| Freight | - | - | - |
| Other Expenses (Ads, PR, Publicity) | <u>\$ 6,550</u> | <u>\$ 2,500</u> | 4,050 |
| | - | - | - |
| TOTAL COST OF SALES | <u>\$ 228,320</u> | <u>\$ 2,500</u> | 225,820 |
| | - | - | - |
| GROSS PROFIT | <u>\$ 284,422</u> | <u>\$ 201,122</u> | 83,300 |
| | - | - | - |
| GENERAL AND ADMINISTRATIVE EXP. | <u>\$ 178,409</u> | <u>\$ 108,936</u> | 69,473 |
| | - | - | - |
| INCOME FROM OPERATIONS | <u>\$ 106,013</u> | <u>\$ 92,186</u> | 13,827 |
| | - | - | - |
| INTEREST EXPENSES | <u>\$ 59,036</u> | <u>\$ 55,543</u> | 3,493 |
| | - | - | - |
| OTHER EXPENSES (SALARY DEFERRALS) | <u>\$ -</u> | <u>\$ -</u> | - |
| | - | - | - |
| INCOME BEFORE TAXES | <u>\$ 46,977</u> | <u>\$ 36,643</u> | 10,334 |
| | - | - | - |
| PROVISION FOR INCOME TAXES | <u>\$ -</u> | <u>\$ -</u> | - |
| | - | - | - |
| NET INCOME | <u><u>\$ 46,977</u></u> | <u><u>\$ 36,643</u></u> | <u><u>10,334</u></u> |
| RETAINED EARNINGS (Beginning of Period) | 3,379,669 | 3,296,049 | 83,620 |
| RETAINED EARNINGS (End of Period) | 3,426,646 | 3,332,692 | 93,954 |

COMPARISONS OF KEY FINANCIAL ITEMS FROM 12-31-2022 TO CURRENT REPORTING PERIOD, 12-31-2023

| | | 12/31/2022 | 12/31/2023 | Difference | Percentages |
|---------------------------|----------|---------------|---------------|----------------|-------------|
| Revenues | 1 | \$ 203,622 | \$ 512,742 | \$ 309,120 | 152% |
| G&A Totals | 2 | \$ 108,935 | \$ 177,419 | \$ 68,484 | 63% |
| Total Assets | 3 | \$ 38,349,848 | \$ 36,831,223 | \$ (1,518,625) | -4% |
| Total Liabilities | 4 | \$ 3,977,752 | \$ 3,048,370 | \$ (929,382) | -23% |
| Retained Earnings | 5 | \$ 3,332,692 | \$ 2,078,350 | \$ (1,254,342) | -38% |
| Shareholder Equity | 6 | \$ 34,372,096 | \$ 31,704,503 | \$ (2,667,593) | -8% |

FOOTNOTES TO YEAR OVER YEAR COMPARISONS:

1). Significant increase in REVENUES for current reporting period is due primarily to the addition of new titles onto various Video-On-Demand platforms in the North American market.

2). Significant increase in G&A for the current reporting period is due primarily to the engagement of Desiree Garnier as Marketing Director and Jeff Howard as in-house accountant during 2024, both of which engagements have since expired and not been renewed.

3). Modest decrease in ASSETS is due to a careful review of the program rights still in effect from the company's film and television library, as well as a general write-down of costs erroneously listed as both "recoupable notes" and "production loans" (since reclassified solely as recoupable notes).

4). Significant decrease in LIABILITIES is due to third party confirmation of current debt and liability balances as part of the company's ongoing audit activities.

5). Significant decrease in RETAINED EARNINGS was caused primarily as the result of the company writing down certain assets and general verification of balances, with the election of impacting retained earnings instead of shareholder's equity for tax planning purposes.

6). Modest decrease in SHAREHOLDER EQUITY is again the result of restating proper balances for assets, liabilities, and other balance sheet items that have been adjusted during the company's ongoing audit activities.

F 8\ (OTC ITEM “4-G”)

**NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 12-31-2023**

The following notes refer to those items marked on Item F1 (consolidated balance sheets) as indicated with red note reference markers.

- (1) Accounts Receivable has been adjusted to include newly invoiced on-boarding & metadata services performed for MyFlix program suppliers. It is relevant to note that the majority of Accounts Receivable are for deferred on-boarding / mastering fees on MyFlix supplier titles, which must be earned-out from digital deliveries of titles in a first position priority payment. The other receivables, the majority of which are to Cinedigm (*as principal wholesaler to Walmart, Target & Best Buy*) are disputed by Cinedigm due to a claim of offset for marketing fees;
- (2) Company had previously capitalized \$765,000 worth of “prepaid advertising” with Tradewell Agency for more than 12 years, including subsequent transfer of the obligation to Tradewell assignees. However, recent efforts to utilize the credits proved futile, so this asset item has been written off. There will be future attempts to utilize these advertising credits, and if successful, the value of such utilized ads will be noted on future statements;
- (3) “Producer Marketing Recoupment” has been written down by \$632,137 in order to reflect a write-down for expenses that can no longer be recouped, due to loss of title distribution rights;
- (4) Film Production Investments were reconciled to: 1). Remove previously capitalized costs on “abandoned” productions (*e.g., Championship Soccer, Dinosaurs and ShadowVision*), and to correctly identify that funds provided for “Wildfire”, “Belle Starr” and “Indian Territory” are subject to secured, promissory notes, and therefore are not considered Film Production Investments;
- (5) Notes Receivable – See footnote item “4” above;
- (6) The prior Hannover House Film & Television Library report was conducted ten years ago, and this item adjustment represents the new valuation report from a reputable, third-party specialty firm (as required for auditors and Form 10 filing). This valuation represents seventy-seven (77) titles as the majority of titles previously listed in the HHSE library report (455 total) have either expired (and not pursued for relicensing), or have been discontinued for mutual consent or lack of value to the company. The new library report includes the improved valuations for higher-end titles (including WILDFIRE and THE LAST DAYS OF BELLE STARR), and significant adjustments on catalog titles to diminish prior forecasts for DVD and BluRay sales in favor of the growing revenues enjoyed from Video-On-Demand streaming outlets. Most of the titles in the Hannover House Film & Television Library are represented by the Company under sales agency agreements, which do not allow the sales rights to be sold, transferred or otherwise disposed of by Company or successors; a majority of the titles additionally include provisions allowing for the termination of sales rights in the event that Hannover House ceases to operate or that Eric Parkinson (as “key man”) ceases to perform his duties as principal executive of Hannover House. These are customary protections that independent producers usually require when engaging independent distributors for the representation of their title assets. The new library valuation report shows an increase of \$1,029,405 during the next seven-year licensing cycle, which improvement in asset value is represented on the company’s assets balance sheet;
- (7) Notes Payable – The Company did enter into new loans during Q4 totaling \$104,500;
- (8) Other Legal Settlements are Uptone and Hinds Law balances as of 12-31-2023;
- (9) Retained Earnings has been reduced by \$1,248,819, to reflect those write-downs described above;

Some of the legal fees paid during Q4, 2023 include payments made to Hinds Law Group, formerly known as Hinds-Shankman, for application to prior legal fees incurred prior to the reporting period.

**EXHIBIT “1-A” – KEY PROJECTS FOR COMPANY
(AND IMAGES / GRAPHICS)**

1). WILDFIRE: THE LEGEND OF THE CHEROKEE GHOST HORSE –

Company has completed this production and will be releasing the film to theatres, under a major studio streaming agreement – which provides HHSE with a 60-day window for USA theatrical release. As the studio distribution partner has not yet finalized the streaming launch date for this film, Hannover House has been on hold for the film’s theatrical window, which will precede the streaming release. Company had hoped for Jan. 26 and later for April 19 as the theatrical launch date... but now believes that the major streaming date is likely for October, thus setting an August theatrical window opportunity for HHSE.

2). THE LAST DAYS OF BELLE STARR – Highlights from footage of this film was screened at the Cannes Film Festival last year – after which time HHSE was “strongly encouraged” by a major studio distributor to modify the focus of the movie to be more about the U.S. Marshals and the Tribes – as opposed to being centered on Belle Starr. Accordingly, the film has been reworked and partially re-written as “**INDIAN TERRITORY**” with the Belle Starr elements set-aside for a future sequel or stand-alone production. Ten days of filming remain on **INDIAN TERRITORY**, set to occur in early June. Four major stars (*with a multi-billion-dollar worldwide box office value*) are signed to star in this film.

3). MODERN ANTIQUITIES – Film is planned for production in winter, 2025. As of the date of this filing, approx. half of this film’s production costs have been arranged through confirmed incentives; company hopes to secure international sales at the Cannes Film Festival that will provide the remaining funding commitment required. Two major stars will appear in this film.

4). MYFLIX – Consumer website is under construction (off-line) with a placeholder site published at www.MyFlix.com (*temporary site was published in order to qualify for the recently granted TRADEMARK approval for the “MyFlix” business name*). Activation of the consumer site (*which is the official “launch” of the service*) is timed to occur on or about the same time as the forthcoming HHSE Form 10-(12)g registration filing.

5). INTERNATIONAL SALES & LICENSING – Company will be taking a slate of existing (catalog) titles, as well as four new feature titles, to the Cannes Film Festival (*May 14-25, 2024*) to solicit international sales and licensing deals. Details of the new titles and completed properties will be published in early May.

6). NEW TITLES FOR DISTRIBUTION – Company will be representing and releasing two original productions, “UNHOLY SONG” and “DARK FEATHERS: DANCE OF THE GEISHA” to theatres and internationally during 2024.

IMAGES FROM HHSE-FACILITATED FEATURE PRODUCTIONS
AND UPCOMING THEATRICAL / INTERNAITONAL RELEASES

