

FOUNDERS BAY HOLDINGS

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SIC Code 7573

QUARTERLY REPORT

For the three months ended September 30,
2021 (the “Reporting Period”)

As of September 30, 2021 and June 30, 2021 (the last quarter end) the number of shares outstanding of our Common Stock was 49,987,985. (Unless otherwise stated, all share numbers in this report give effect to a five-for one forward stock split effected on October 29, 2020.

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 Control¹ of the company has occurred over this reporting period: Yes: ☐ No: ☒

¹OTC Markets defines a “Change in Control” to 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)

Founders Bay Holdings (the “Company”) was incorporated in the State of Nevada on July 23, 1986, as Balloonies Inc. Our name was changed to Imagex Services, Inc. on June 28, 1993; to Intersecurity Holdings Corp. on May 11, 2005, and to our current name on March 10, 2017.

The Company is in good standing in the state of Nevada.

To our knowledge, neither the Company nor its predecessors has ever been subject to any trading suspension orders issued by the Securities and Exchange Commission.

We effected a five-for one forward stock split of our common stock effective October 29, 2020. As a result of the stock split, the number of our outstanding shares increased from 9,997,597 to 49,987,985.

Our principal executive offices are located at 7209 Lancaster Pike Suite 1211 Hockessin, DE.

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:	FDBH
Exact title and class of securities outstanding:	Common Stock, par value \$.0001
CUSIP:	35052R 10 3
Par or stated value:	\$.0001
Total shares authorized:	980,000,000 shares of Common Stock and 20,000,000 shares of preferred stock, as of September 30, 2021.
Total shares outstanding:	49,987,985 shares of common stock and no shares of preferred stock are outstanding as of September 30, 2021

Number of shares in the Public Float ² :	99,850 as of September 30, 2021
Total number of shareholders of record:	613 as of September 30, 2021

All additional class(es) of publicly traded securities (if any):

Trading symbol:	Not applicable.
Exact title and class of securities outstanding:	Not applicable.
CUSIP:	Not applicable.
Par or stated value:	Not applicable.
Total shares authorized:	Not applicable.
Total shares outstanding:	Not applicable.

Transfer Agent

Name: Pacific Stock Transfer Co.
Address: 6725 Via Austi Parkway, Suite 300
Las Vegas, Nevada 89119
Telephone: (800) 785-7782, Facsimile (702) 433-1979
Email: The email of the Company's account executive is
joslyn@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

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 Date</u> December 31, 2019	*Right-click the rows below and select "Insert" to add rows as needed.

2 OTC Markets defines "Public Float" to 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. For purposes of this definition, we understand that OTC Markets defines "unrestricted shares" as those shares which are represented by stock certificates which do not bear any restrictive legend, or are in "street name" with any brokers. The Company makes no representation as to whether such shares may be freely traded under exemptions provided under the Securities Act of 1933, as such status would depend on individual facts and circumstances to which it lacks access.

³ According to OTC Markets, "To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act." According to the EDGAR data system maintained by the Securities and Exchange Commission, Pacific Stock Transfer Co. is registered under the Securities Exchange Act of 1934, file number 084-01145.

Common: 9,997,597 Preferred: 0									
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.
10/19/2020	Share Dividend	39,990,388	Common	none	No	Pro rata to all shareholders	Share Dividend	Shares issued pursuant to the share dividend have the same status as those with respect to which they were issued.	Securities Ac 2(a)(3) as a transaction not involving any offer or sale.
Shares Outstanding on Date of This Report: Ending Balance Date 09/30/2021 <u>Ending Balances:</u> Common: 49,987,985 Preferred: 0									

B. Debt Securities, Including Promissory and Convertible Notes

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

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
4/6/2021	\$568,183.56	\$568,181.82	\$51,138.12	4/6/2022	See FN 1	Leonite Capital, LLC	Working Capital and uplist
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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

FN 1 – Conversion at strike of closing at first tranche (\$19), default conversion of 60% of lowest intraday for the preceding 21 trading days.

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)⁴:

Name: Crowe Hussain Chaudhury & Co. (Chartered Accountants)

Title: Independent PCAOB Registered Accountant

Relationship to Issuer: Independent Certified Public Accountant

Please see the attached financial statements:

Unaudited Consolidated Balance Sheets as of September 30, 2021 and 2020

Unaudited Consolidated Statements of Income for the Three Months ended September 30, 2021 and 2020

Unaudited Statement of Stockholders' Equity Three Months ended September 30, 2021

Unaudited Consolidated Statements of Cash Flows for the Three Months ended September 30, 2021 and 2020

Notes to the Unaudited Consolidated Financial Statements.

5) Issuer's Business, Products and Services

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

Founders Bay Holdings, operates through its wholly-owned Delaware subsidiary, Founder's Bay Technologies, Inc. and employs proprietary technology for management of electronic health care records under the tradenames CareConnex[®] and CopyQ[®]. Specifically, medical providers such as hospitals, clinics, and physician groups are required to update electronic health care records processes due to government mandates and technological progress. Medical providers can and do choose from a variety of different vendors, leading to incompatibility issues. Electronic health record systems are more efficient for the patient and reimbursement programs if they can be integrated across the board. CareConnex[®] and its CopyQ[®] features address the perennial problems related to the migration of data from legacy systems to current systems, as well as the integration and interoperability of different systems, without the overly expensive and disruptive data migration of system switching projects.

B. Please list any subsidiaries, parents, or affiliated companies.

We operate through our wholly-owned Delaware subsidiary, Founders Bay Technology, Inc.

C. Describe the issuers' principal products or services.

In the United States, the American Recovery and Reinvestment Act of 2009 required that healthcare providers adopt “meaningful use” of electronic medical records (defined as electronic health records for a particular patient which may be shared systemwide) by January 1, 2014, in order to maintain Medicaid and Medicare reimbursement levels. We believe that CareConnex[®] enables US providers to qualify and receive Medicare/Medicaid Federal EHR programs incentives four times faster and cheaper than any other solution on the market.

In the countries of the European Union and South America, our technology is becoming the core technology in new security compliance protocols and consolidation of access to disparate international datasets, allowing for globalization of care and transnational service provider benchmarking.

Our technology has been deployed by 48 hospital networks in the US in addition to over 150 service terminals across seven countries abroad. We believe that our market penetration is at an early stage and intend to take significant market share in the industry. In addition, we are pursuing several national sales contracts for establishment of payor systems in Mexico, Brazil, and Argentina. Our team has over 55 years of Healthcare IT experience. Since starting CareConnex[®] we've grown into a trusted and referred company. We've assembled a team with extensive know-how and translational medicine expertise to develop CareConnex[®] with features that simplify data security and user needs. Our team draws on their extensive experience in all phases of Healthcare from Healthcare professionals, lawyers, investment bankers, marketers, and technology officers.

Since our technology is data neutral, it has immediate applicability to other electronic records systems, such as banking, finance, insurance and securities trading. Although US electronic financial systems are dominated by a few players including IBM, Microsoft and Oracle, developing markets such as those in Asia and Latin America are fragmented and we believe available for companies such as ourselves to attain market share. We also are evaluating growth through acquisition of other players in the electronic records industry.

As merged providers integrate employees, facilities and technology, experts say many are neglecting the need to align crucial back-end software that manages finances, supply chain and human resources, among other functions.

Many health systems that have engaged in the M&A boom of the last decade have failed to integrate their enterprise resource planning software, leaving them with a tangled mess of different products that don't communicate with each other. That means providers may not be able to fully realize some of the synergies that they often hope to gain from mergers, like centralized purchasing and system-level analytics.

We have developed proprietary software which, combined with medical records, allows us to rapidly migrate data from several clinical applications into one easy to use platform,

CareConnex[®]. By taking the records out of old proprietary systems and putting them on virtualized servers, in an open standard format, Medical professionals don't have to worry about hardware failures.

We utilize analytical software to scan documents into a block-chain encrypted CareConnex[®]. Users can then access their stored information via their user dashboard. This dashboard allows users to search patient records through *any* identifying information. Further, through controlled permissions admin users may audit trail users inputs as well as restrict files. CareConnex[®] gives users full ownership and complete control of information.

The design and optimization of CareConnex[®] provides us with opportunities to phase out old operating systems, anti-virus and server hardware that could crash and lose records or may be a data security breach risk. Additionally, CareConnex[®] can migrate DICOMs & extract data, assist in data retention, manage ambulatory and healthcare exchange information, and keep health care data protected and accessible for regulatory compliance, reporting, and research. Further, CareConnex[®] can be stored on or offsite or in any HIPAA compliant data neutral storage facility you already own. CareConnex[®] medical records archiving solution frees you from multiple old EMR/EHR/PACS or other systems.

6) Issuer's Facilities

We currently lease office space at 7209 Lancaster Pike Suite 1211 Hockessin, DE.

7) Company Insiders (Officers, Directors, and Control Persons)

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Notes
Michael Thomas	CEO/Director/Beneficial Owner of more than 5%	Guadalajara, Jalisco, Mexico	49,425,750	Common	99.0%	Indirectly held through Founders Bay Corp., which is owned by Mr. Thomas.

Mark Herrick, Esq.	Corporate Secretary	Los Angeles, California	-0-	NA	-0-	NA
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8) Legal/Disciplinary History

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

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

None

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;

None

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: Lynne Bolduc, Esq.
Firm: Fitzgerald Yap Kreditor, LLP
Address 1: 2 Park Plaza, Suite 850
Address 2: Irvine, CA 92705
Phone: (949) 788-8900
Email: lbolduc@fyklaw.com

Accountant or Auditor

Firm: Crowe Hussain Chaudhury & Co., Chartered Accountants
Address 1: House No. 982, Street No. 21, Phase 4
Address 2: Bahria Town, Islamabad
Phone: +92 51 573 7581-2
Email: cahabib@hotmail.com

Investor Relations

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

Other Service Providers

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

Not Applicable

10) Issuer Certification

I, Michael Thomas, certify that:

1. I have reviewed this Quarterly Report for the three months ended March 31, 2021 of Founders Bay Holdings.;
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 February 2, 2021

/s/ Michael Thomas

Chief Executive Officer and Chief Financial Officer



Crowe Hussain Chaudhury & Co.
(Chartered Accountants)

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Bahria Town, Islamabad

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**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
FOUNDERS BAY HOLDINGS**

Opinion on the Financial Statements

We have audited the accompanying Statement of financial position of Founders Bay Holdings as of September 30, 2021 and the statement of income, changes in stockholder's equity and cash flows for the period from July 01, 2021 through September 30, 2021, and the related notes (collectively referred to as "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2021 and the results of its operations and its cash flows for the period from July 01, 2021 through September 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

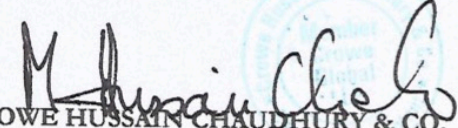
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements except tax computation. We believe that our audit provides a reasonable basis for our opinion.

C.A. Habib
Partner

Dated: November 02, 2021


CROWE HUSSAIN CHAUDHURY & CO.
(CHARTERED ACCOUNTANTS)

FOUNDERS BAY HOLDINGS
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	30-Sep-21 -----(\$USD)-----	30-Jun-21
CURRENT ASSETS			
Cash		214,738	242,905
Accounts receivable		21,564,917	20,708,341
		21,779,655	20,951,246
NON CURRENT ASSETS			
Property and equipment	5	1,946,348	2,010,858
Intangible assets	6	4,330,602	4,473,140
Contracts receivable	8	7,441,112	7,441,112
Loan Receivable - Founder Bay		407,909	418,742
		14,125,971	14,343,852
TOTAL ASSETS		35,905,626	35,295,098
LIABILITIES AND STOCK HOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts payable		84,950	65,452
Contracts deferred	8	7,441,112	7,441,112
		7,526,062	7,506,564
STOCKHOLDER'S EQUITY			
AUTHORIZED CAPITAL			
980,000,000 shares of \$ 0.001 each		980,000	980,000
Issued and subscribed capital			
50,072,985 shares of \$ 0.00019 each	9	9,998	9,998
Additional paid in capital		2,265,354	2,265,354
Accumulated surplus		26,104,212	25,513,182
		28,379,564	27,788,534
		35,905,626	35,295,098

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FOUNDERS BAY HOLDINGS
STATEMENT OF INCOME
FOR THE PERIOD FROM JULY 01, 2021 TO SEPTEMBER 30, 2021

	Period from July 01, 2021 to September 30, 2021	Period from April 01, 2021 to June 30, 2021
Revenue	11,366,000	5,738,500
Cost of sales	<u>1,423,440</u>	<u>1,717,490</u>
Gross profit	9,942,560	4,021,010
Operating Expenses		
Sales and marketing	3,999,830	897,242
Research and development	3,134,860	986,888
General and administrative	1,705,650	851,873
Depreciation and amortization	235,635	234,446
	9,075,975	2,970,449
Earnings		
EBIT	866,585	1,050,561
Income tax	<u>275,555</u>	<u>327,466</u>
Net income	<u>591,030</u>	<u>723,095</u>
Earning per share	0.01	0.01
Weighted average shares outstanding, basic and diluted	50,072,985	50,072,985

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FOUNDERS BAY HOLDINGS
STATEMENT OF STOCKHOLDER'S EQUITY
FOR THE PERIOD FROM JULY 01, 2021 TO SEPTEMBER 30, 2021

	Common shares	Common stock	Additional paid in capital	Retained earning	Total
			-----(\$USD)-----		
Balance as at April 01, 2021	50,072,985	9,998	2,265,354	24,790,087	27,065,439
Net income transferred from statement of income	-	-	-	723,095	723,095
Balance as at June 30, 2021	<u>50,072,985</u>	<u>9,998</u>	<u>2,265,354</u>	<u>25,513,182</u>	<u>27,788,534</u>
Balance as at July 01, 2021	50,072,985	9,998	2,265,354	25,513,182	27,788,534
Net income transferred from statement of income	-	-	-	591,030	591,030
Balance as at September 30, 2021	<u>50,072,985</u>	<u>9,998</u>	<u>2,265,354</u>	<u>26,104,212</u>	<u>28,379,564</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FOUNDERS BAY HOLDINGS
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 01, 2021 TO SEPTEMBER 30, 2021

	Period from July 01, 2021 to September 30, 2021	Period from April 01, 2021 to June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	591,030	723,095
Adjustments for non - cash items:		
Depreciation and amortization	235,635	234,446
Profit before working capital changes	826,665	957,541
Working capital changes:		
(Increase) in accounts receivable	(856,576)	(892,666)
(Increase) in accounts payable	19,498	35,560
	(837,078)	(857,106)
Net cash generated from operating activities	(10,413)	100,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made to acquire property and equipment	(12,787)	(23,000)
Payments made to acquire intangible assets	(15,800)	(15,000)
Net cash (used in) investing activities	(28,587)	(38,000)
CASH FLOWS FROM FINANCING ACTIVITIES	10,833	(418,742)
Net (decrease) in cash and cash equivalents during the period	(28,167)	(356,307)
Cash and cash equivalents at the beginning of the period	242,905	599,211
Cash and cash equivalents at the end of the period	214,738	242,905

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FOUNDERS BAY HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JULY 01, 2021 TO SEPTEMBER 30, 2021

1 THE COMPANY AND ITS OPERATIONS

Founders Bay Holdings ("the Company") is a Nevada corporation incorporated on July 23, 1986 as Ballonies, Inc. The company was engaged in various enterprises from that time under the names Imagex Services, Inc. (June 29, 1993) and Intersecurity Holdings Corporation (May 11, 2005) until it acquired its current Delaware operating subsidiary. Founders Bay Technologies pursuant to an agreement dated August 18, 2016. On October 21, 2016 the company's name was changed to Founder Bay Technologies and then to Founders Bay Holdings on March 10, 2017 in order to avoid confusion with its subsidiary.

Founders Bay Holdings, a Nevada corporation organized in 1986, operates through its wholly owned Delaware subsidiary Founders Bay Technologies, Inc. Our company employs proprietary technology for management of electronic health care records under the trade name CareConnex. Specifically medical providers such as hospitals, clinics and physician groups are required to update electronic health care records processes due to government mandates and technological progress. Medical providers can and do choose from a variety of different vendors, leading to incompatibility issues. Electronic health record systems are more efficient for the patient and reimbursement programs if they can be integrated across the board. In the United States, the American Recovery and Reinvestment Act requires that health care providers adopt "meaningful use" of electronic medical records (defined as electronic health records for a particular patient which may be shared system wide) by January 01, 2014, in order to maintain Medicaid and Medicare reimbursement levels. We believe that CareConnex enables US providers to qualify and receive Medicare / Medicaid Federal EHR programs incentives four times faster and cheaper than any other solution in the market. Our technology has been deployed 48+ hospital networks in the US in addition to over 150 service terminals across 7 countries abroad. We believe that our market penetration is at an early stage and intend to take significant market share in the industry. In addition, we are pursuing several national sales contracts for establishment of payor systems in Mexico, Brazil and Argentina. Since our technology is data neutral, it has immediate applicability to other electronic records system such as banking, finance, insurance and securities trading. Although US electronic financial systems are dominated by a few players including IBM, Microsoft and Oracle developing markets such as Asian and Latin America are fragmented and we believe available for companies such as ourselves to attain market share. We also are evaluating growth through acquisition of other players in the electronic records industry.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies is presented to assist in understanding the Company's financial statements. The accounting policies presented in these footnotes conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of accompanying financial statements. These financial statements and notes are representations of the Company's management who are responsible for their integrity and objectivity.

2.1 ACCOUNTING PRINCIPLES

The Company's accounting and reporting policies conform to generally accepted accounting principles in the United States.

FOUNDERS BAY HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JULY 01, 2021 TO SEPTEMBER 30, 2021

2.2 REVENUE RECOGNITION

The company's revenue recognition policies are in compliance with FASB ASC 605-35 "Revenue Recognition". Revenue is recognized with a formal arrangement exists, the price is fixed or determinable, all obligations have been performed pursuant to the terms of the formal arrangement and collectability is reasonably assured. The company recognizes revenue on sales of its services, based on the terms of the customer agreement. The customer agreement takes the form of either a contract or a customer purchase order and each provides information with respect to the service being sold and the sales price. If the customer agreement doesn't have specific delivery or customer acceptance terms, revenue is recognized at the time the service is provided to the customer.

2.3 PROPERTY AND EQUIPMENT

The Organization capitalizes significant purchases and maintenance of property and equipment as well as investments in its intellectual property, which are all expected to be utilized over more than one fiscal year. Capitalized expenses are stated on the basis of cost and donated items are recorded at their current estimated fair market value at date of donation. Depreciation is computed using the double declining balance method over the estimated useful lives of the assets.

2.4 INCOME TAXES

The company follows FASB ASC Subtopic 740, Income taxes, for recording the provision for income taxes. As per the accompanied financial statements, income tax provision recognized for the period from July 01, 2021 to September 30, 2021 and April 01, 2021 to June 30, 2021 was \$275,555 and 327,466 respectively.

Founders Bay Holdings historical effective income tax has averaged 30-35% of EBIT over the last 3 years. The Company has no income tax assets or liabilities

2.5 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilized certain assumptions that participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observable inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- **Level 1 observable inputs** - unadjusted quoted prices in active markets for identical assets and liabilities;

FOUNDERS BAY HOLDINGS
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- **Level 2 observable inputs** - other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data; and
- **Level 3 Un observable inputs** - includes amounts derived from valuation models where one or more significant inputs are unobservable.

2.6 USE OF ESTIMATES

The preparation of financial statements in accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. A change in management's estimate or assumption could have a material impact on Founders Bay Technologies Inc's financial condition and results of operations during the period in which such changes occurred. Actual results could differ from those estimates. Founder Bay Technologies, Inc's financial statements reflect all adjustments that management believe are necessary for the fair presentation of their financial condition and results of operations for the periods presented.

2.7 CAPITAL STOCK

The Company has authorized 980,000,000 shares of common stock with a par value of \$ 0.00019. 50,072,985 shares of common stock were issued and outstanding as at September 30, 2021.

3 CASH AND CASH EQUIVALENT

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

4 CONCENTRATION OF CREDIT AND MARKET RISK

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2021, the organization had \$0 of uninsured balances at these institutions.

FOUNDERS BAY HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS
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	Period from July 01, 2021 to September 30, 2021	Period from April 01, 2021 to June 30, 2021
5 PROPERTY AND EQUIPMENT		
Server farm	871,319	871,319
Internal workstations	658,900	658,900
Fixtures	105,517	105,517
Communications equipment	64,511	57,811
Delivery loaner equipment	1,404,304	1,402,717
Security equipment	1,069,896	1,065,396
	4,174,447	4,161,660
Less: Accumulated depreciation	(2,228,099)	(2,150,802)
	<u>1,946,348</u>	<u>2,010,858</u>

Depreciation expense for the period from July 01, 2021 to September 30, 2021 and April 01, 2021 to June 30, 2021 was \$77,297 and \$76,570 respectively.

	Period from July 01, 2021 to September 30, 2021	Period from April 01, 2021 to June 30, 2021
6 INTANGIBLE ASSETS		
Machine learning module	162,321	156,121
AI server	2,854,933	2,851,133
Cloud storage archive module	319,550	319,550
Auto - data tracing	367,183	367,183
White label option	190,081	190,081
Easy - evidence module	1,191,130	1,191,130
Shelf - repair option	437,728	437,728
GUI - API option	1,950,598	1,944,798
Regulatory workflow module	867,152	867,152
International module	808,034	808,034
	9,148,710	9,132,910
Less: Accumulated amortization	(4,818,108)	(4,659,770)
	<u>4,330,602</u>	<u>4,473,140</u>

Amortization expense for the period from July 01, 2021 to September 30, 2021 and April 01, 2021 to June 30, 2021 was \$158,338 and \$157,876 respectively.

FOUNDERS BAY HOLDINGS
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7 RELATED PARTY TRANSACTIONS

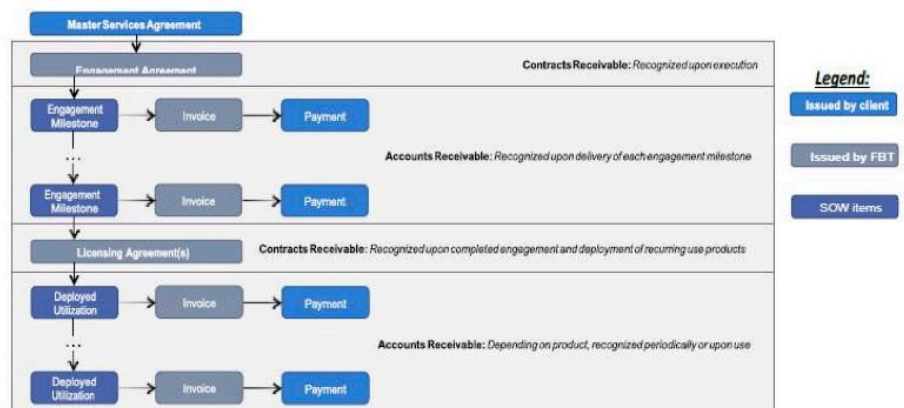
There were no related party transactions for the period from July 01, 2021 to September 30, 2021 (April 01, 2021 to June 30, 2021: Nil)

8 CONTRACTS RECEIVABLE

The entire value of the license subscription agreements are recognized as contracts receivable when the client signs the agreement. Contracts receivables as at September 30, 2021 and June 30, 2021 was \$ 7,441,112 and \$ 7,441,112 respectively.

For contracts with only the periodic license fee, the value is entered as the total annual subscription fee multiplied by the term of the license. For contracts with the volume - based usage fee, the value is estimated based on minimum fee or forecasted usage. Contract renewal rates are 98% and so far, no contract has been cancelled. In any case, early termination is associated with fees approximately equal to annual subscription.

When license contract is executed, the contract represents FBT's obligation to deliver the licensed product for the term of the contract. Thus, it is also a liability and recorded as contracts deferred in the financial statements. Contract deferred as at September 30, 2021 and June 30, 2021 was \$ 7,441,112 and \$ 7,441,112 respectively.



9 STOCKHOLDER'S EQUITY

The Company has authorized 980,000,000 shares of common stock with a par value of \$0.00019. 50,072,985 shares of common stock were issued and outstanding as at September 30, 2021. Approx. 99% of the issued and outstanding shares of the Company are controlled by Mr. Michael Thomas.

10 GENERAL

Figures have been rounded off to nearest \$USD.