



**INNERSCOPE HEARING TECHNOLOGIES, INC.**

A Nevada Corporation

2151 Professional Drive 2<sup>nd</sup> Floor,  
Roseville, CA., 95661

833-788-0506

www.innd.com

info@innd.com

SIC Code: 5999

**Annual Report  
For the Period Ending:**

**12/30/2021**

(the "Reporting Period")

As of December 31, 2021, the number of shares outstanding of our Common Stock was:  
6,660,204,051

As of September 30, 2021, the number of shares outstanding of our Common Stock was:  
6,019,872,135

As of December 31, 2020, the number of shares outstanding of our Common Stock was:  
3,628,422,042

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

Yes:  No:

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

Yes:  No:

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

Yes:  No:

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

InnerScope Hearing Technologies, Inc

InnerScope Advertising Agency, Inc. until August 2017

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Nevada, current

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

None

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

None

The address(es) of the issuer's principal executive office:  
**2151 Professional Drive, Second Floor, Roseville, CA 95661**

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

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

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

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

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

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

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

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

Yes:  No:

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

## 2) Security Information

Trading symbol: INND  
Exact title and class of securities outstanding: Common Stock  
CUSIP: 45781P104  
Par or stated value: \$0.001

Total shares authorized: 14,975,000,000 as of date: March 29, 2022  
Total shares outstanding: 7,134,947,009 as of date: March 29, 2022  
Number of shares in the Public Float<sup>2</sup>: 5,686,208,756 as of date: March 29, 2022  
Total number of shareholders of record: 72 as of date: March 29, 2022

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

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

### Transfer Agent

Name: VStock Transfer Company  
Phone: 212-828-8436  
Email: voel@vstocktransfer.com  
Address: 18 Lafayette Place, Woodmere, NY 11598

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

### 3) Issuance History

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

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

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance									
Date <u>12/31/19</u>									
Common: <u>342,118,136</u>									
Preferred: 900,000									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/2/2020	Issuance	14,823,683	Common	9,339	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
1/8/2020	Issuance	16,961,952	Common	10,686	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
1/9/2020	Issuance	17,696,079	Common	11,149	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/10/2020	Issuance	17,371,683	Common	10,944	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
1/16/2020	Issuance	20,387,179	Common	11,417	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/21/2020	Issuance	21,301,476	Common	8,947	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
1/23/2020	Issuance	15,997,204	Common	7,839	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
1/24/2020	Issuance	22,465,245	Common	11,008	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/27/2020	Issuance	23,498,714	Common	9,869	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144

1/27/2020	Issuance	19,030,000	Common	9,325	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/28/2020	Issuance	23,503,500	Common	9,871	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
1/29/2020	Issuance	23,492,082	Common	11,511	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
1/30/2020	Issuance	23,546,490	Common	11,511	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/30/2020	Issuance	28,752,452	Common	12,076	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
2/4/2020	Issuance	23,922,694	Common	9,501	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/7/2020	Issuance	32,328,048	Common	9,501	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/10/2020	Issuance	20,981,914	Common	7,344	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
2/10/2020	Issuance	34,119,371	Common	11,942	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
2/11/2020	Issuance	25,111,371	Common	9,501	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/13/2020	Issuance	28,509,036	Common	9,501	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/18/2020	Issuance	39,031,524	Common	8,197	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
2/19/2020	Issuance	41,373,000	Common	9,501	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/20/2020	Issuance	43,553,333	Common	9,146	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
2/20/2020	Issuance	45,243,190	Common	9,501	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/20/2020	Issuance	41,572,619	Common	8,900	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
2/24/2020	Issuance	44,127,333	Common	9,117	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
2/25/2020	Issuance	50,113,524	Common	10,524	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
2/25/2020	Issuance	35,069,476	Common	7,365	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
3/2/2020	Issuance	55,193,714	Common	11,591	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
3/4/2020	Issuance	48,951,286	Common	6,853	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
3/9/2020	Issuance	61,739,142	Common	8,493	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
3/11/2020	Issuance	63,971,143	Common	8,956	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
3/16/2020	Issuance	67,935,000	Common	4,755	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
3/18/2020	Issuance	67,953,857	Common	4,607	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
3/19/2020	Issuance	70,725,429	Common	4,951	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
3/23/2020	Issuance	77,104,857	Common	5,397	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
3/25/2020	Issuance	82,003,142	Common	5,590	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
3/25/2020	Issuance	79,969,571	Common	5,598	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
3/31/2020	Issuance	89,347,429	Common	6,254	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
3/31/2020	Issuance	83,035,429	Common	5,812	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
4/1/2020	Issuance	90,250,857	Common	6,168	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
4/3/2020	Issuance	102,753,499	Common	7,049	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144

OTC Markets Group Inc.

4/6/2020	Issuance	100,072,000	Common	7,005	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
4/6/2020	Issuance	103,000,000	Common	5,150	Yes	Crown Bridge Partners, LLC	Conversion	Unrestricted	Rule 144
4/13/2020	Issuance	118,501,285	Common	8,295	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
4/15/2020	Issuance	118,000,000	Common	5,900	Yes	Crown Bridge Partners, LLC	Conversion	Unrestricted	Rule 144
4/21/2020	Issuance	130,000,000	Common	6,500	Yes	Crown Bridge Partners, LLC	Conversion	Unrestricted	Rule 144
4/21/2020	Issuance	127,758,857	Common	8,943	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
4/28/2020	Issuance	129,466,143	Common	9,063	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
4/28/2020	Issuance	88,016,000	Common	6,161	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
5/1/2020	Issuance	154,000,000	Common	7,700	Yes	Crown Bridge Partners, LLC	Conversion	Unrestricted	Rule 144
5/5/2020	Issuance	154,266,667	Common	42,000	Yes	Adar Alef LLC	Conversion	Unrestricted	Rule 144
5/7/2020	Issuance	56,106,000	Common	3,927	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
10/26/2020	Issuance	94,581,142	Common	6,621	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
10/30/2020	Issuance	77,717,285	Common	5,440	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
1/20/2021	Issuance	180,606,286	Common	12,642	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/25/2021	Issuance	104,373,079	Common	7,306	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/26/2021	Issuance	144,915,571	Common	20,288	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
1/27/2021	Issuance	202,271,857	Common	28,318	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
1/29/2021	Issuance	105,432,138	Common	14,761	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/2/2021	Issuance	200,303,457	Common	70,106	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
2/2/2021	Issuance	120,822,135	Common	16,915	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/4/2021	Issuance	133,997,771	Common	46,899	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/4/2021	Issuance	29,750,190	Common	6,248	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
2/5/2021	Issuance	35,122,032	Common	19,668	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/6/2021	Issuance	216,000,000	Common	14,500	Yes	Crown Bridge P	Conversion	Unrestricted	Rule 144
2/9/2021	Issuance	243,100,000	Common	14,586	Yes	Adar Alef LLC	Conversion	Unrestricted	Rule 144
2/10/2021	Issuance	113,352,386	Common	79,347	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/18/2021	Issuance	68,342,596	Common	191,359	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
2/18/2021	Issuance	64,362,967	Common	157,689	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
2/23/2021	Issuance	20,395,770	Common	68,530	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
3/1/2021	Issuance	11,804,739	Common	12,395	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
3/1/2021	Issuance	18,383,489	Common	51,477	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
3/3/2021	Issuance	30,422,113	Common	330,080	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
3/22/2021	Issuance	11,797,494	Common	117,804	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
4/07/2021	Issuance	11,609,746	Common	130,029	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144

4/12/2021	Issuance	24,508,770	Common	274,498	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
4/12/2021	Issuance	5,897,424	Common	71,418	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
4/12/2021	Issuance	5,615,918	Common	68,009	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
4/12/2021	Issuance	26,848,584	Common	325,136	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
5/19/2021	Issuance	24,540,793	Common	262,832	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
5/20/2021	Issuance	25,986,810	Common	274,681	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
6/14/2021	Issuance	18,306,697	Common	187,094	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
6/17/2021	Issuance	16,390,102	Common	157,181	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
7/19/2021	Issuance	10,662,085	Common	91,694	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
7/19/2021	Issuance	22,654,036	Common	160,844	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
7/22/2021	Issuance	10,672,267	Common	91,781	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
7/29/2021	Issuance	13,266,511	Common	114,092	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
8/5/2021	Issuance	2,000,000	Common	2,600	Yes	Patrick Muchiri	Employee Stock	Restricted	Rule 144
8/5/2021	Issuance	41,000,000	Common	565,800	Yes	New to the Street Group LLC	Consultant	Restricted	Rule 144
8/5/2021	Issuance	4,000,000	Common	4000	Yes	David Valerio	Employee Stock	Restricted	Rule 144
8/5/2021	Issuance	2,124,378	Common	11,897	Yes	Frederick Abromeit	Employee Stock	Restricted	Rule 144
8/5/2021	Issuance	3,000,000	Common	86,400	Yes	Ajo Capital Inc.	Consultant	Restricted	Rule 144
8/20/2021	Issuance	22,416,520	Common	118,808	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
8/20/2021	Issuance	19,180,912	Common	111,249	Yes	Odyssey Capital Funding LLC	Conversion	Unrestricted	Rule 144
9/14/2021	Issuance	25,212,470	Common	148,754	Yes	Eagle Equities, LLC	Conversion	Unrestricted	Rule 144
12/15/2021	Issuance	19,121,953	Common	267,584	Yes	GS Capital Partners, LLC	Conversion	Unrestricted	Rule 144
11/18/2021	Issuance	30,000,000	Common	300,000	Yes	GS Capital Partners, LLC	Cash	Restricted	Rule 144
12/27/2021	Issuance	99,141,854	Common	882,363	Yes	Nichloas Naylor	Acquisition	Restricted	Rule 144
12/27/2021	Issuance	330,467,697	Common	2,941,163	Yes	Floyd Kuriloff	Acquisition	Restricted	Rule 144
12/27/2021	Issuance	33,046,770	Common	294,116	Yes	Anthony Bender	Acquisition	Restricted	Rule 144
12/27/2021	Issuance	99,141,854	Common	882,363	Yes	Tana Manning	Acquisition	Restricted	Rule 144
12/27/2021	Issuance	5,190,368	Common	46,194	Yes	Nicholas Naylor	Acquisition	Restricted	Rule 144
12/27/2021	Issuance	17,300,956	Common	153,979	Yes	Floyd Kuriloff	Acquisition	Restricted	Rule 144
12/27/2021	Issuance	1,730,096	Common	15,398	Yes	Anthony Bender	Acquisition	Restricted	Rule 144
12/27/2021	Issuance	5,190,368	Common	46,194	Yes	Tana Manning	Acquisition	Restricted	Rule 144

Shares Outstanding on Date of This Report:

Ending Balance

Ending Balance:

Date 12/31/2021 Common: 6,660,204,051

OTC Markets Group Inc.

Preferred: 900,000	
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**Example:** A company with a fiscal year end of December 31, in addressing this item for its year ended December 31, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through December 31, 2021 pursuant to the tabular format above.

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

GS Capital- Gabe Sayegh has voting control Eagle Equities- Yanky Borenstein has voting control New to the Street Group LLC- Vince Caruso has voting control Ajo Capital Inc. - Dror Tepper has voting control	Odyssey Capital Funding LLC-Ahron Fraiman has voting control Crown Bridge- Seth Ahdoot has voting control Adar Alef-Ari Goldstein has voting control
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## B. Debt Securities, Including Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
11/1/2019	57,750	32,158	12,741	11/1/2020	<u>See below for conversion terms</u>	Adar Alef	11/1/2019
12/24/2019	33,000	33,000	10,900	12/23/2020		Eagle Equities	12/24/2019
1/24/2020	22,000	22,000	6,825	1/23/2021		Eagle Equities	1/24/2020
1/30/2020	60,000	60,000	30,265	2/1/2021		GS Capital	1/30/2020
1/30/2020	60,000	60,000	17,887	1/29/2021		Eagle Equities	1/30/2020
2/4/2021	195,000	195,000	21,541	2/5/2022		GS Capital	2/4/2021
3/8/2021	165,000	165,000	18,227	2/25/2022		GS Capital	3/8/2021
4/8/2021	165,000	165,000	14,954	4/6/2022		GS Capital	4/8/2021
7/7/2021	165,000	165,000	11,645	7/6/2021		GS Capital	7/7/2021
8/25/2021	165,000	165,000	11,645	8/24/2021		GS Capital	8/25/2021
9/20/2021	165,000	165,000	6,654	9/19/2021		GS Capital	9/20/2021
10/13/2021	330,000	330,000		10/13/2022		GS Capital	10/13/2021
11/09/2021	266,000	266,000		11/09/2022		GS Capital	11/09/2021
12/21/2021	212,800	212,800		12/21/2022		GS Capital	12/21/2021

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

All conversion terms are at a discount of 30% to the lowest trading price for the 15 days prior to conversion

Eagle Equities- Yanky Borenstein has voting control  
 GS Capital- Gabe Sayegh has voting control  
 Odyssey Capital Funding- Ahron Fraiman has voting control  
 Crown Bridge- Seth Ahdoot has voting control  
 Adar Alef-Ari Goldstein has voting control

## 4) Financial Statements

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

OTC Markets Group Inc.

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual):

Name: Kim Moore  
Title: CFO  
Relationship to Issuer: CFO

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

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

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

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

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

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

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

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

InnerScope Hearing Technologies, Inc. ("Company," "InnerScope") is a Nevada Corporation incorporated on June 15, 2012, with its principal place of business in Roseville, California. The Company was originally named InnerScope Advertising Agency, Inc. and was formed to provide advertising and marketing services to retail establishments in the hearing device industry. On August 25, 2017, the Company changed its name to InnerScope Hearing Technologies, Inc. to better reflect the Company's current direction as a hearing health technology company that manufactures, develops, distributes, and sells numerous innovative hearing health-related products, hearing treatments, and hearing solutions direct to consumer (DTC) with a scalable business model.

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

None

C. Describe the issuers' principal products or services.

The Company is a manufacturer and a distributor/retailer of Direct-to-Consumer ("DTC") FDA (Food and Drug Administration) registered hearing aids, personal sound amplifier products (PSAP's), hearing-related treatment therapies, doctor-formulated dietary hearing supplements. The Company's mission is to improve the quality of life of the 70 million people in North America and the 1.5 billion people worldwide who suffer from hearing impairment and/or

OTC Markets Group Inc.

hearing-related issues. The management team of InnerScope is applying decades of industry experience and believes it is well-positioned to with its innovative in-store point-of-sale Free Self-Check Hearing Screening Kiosks (“Hearing Kiosks”) to directly benefit when the Over-the-Counter (OTC) Hearing Aid Act (the “OTC Hearing Aid Law”) becomes enacted (expected in late 2020) (the OTC Hearing Aid Law allows OTC hearing aids for mild to moderate hearing losses to be sold in retail stores without having to see a professional). The Hearing Kiosk is designed for the tens of millions of Americans with undetected/untreated mild-to-moderate hearing losses to treat themselves with the Company’s easy, convenient, and affordable OTC hearing aids in-store off the shelf and/or DTC online affordable hearing aid options. The company’s full line of Hearing Health products is currently available through these multiple retail/wholesale channels: Walmart.com, Walmart Canada, RiteAid.com, Amazon.com, Giant Eagle, Hy-Vee, Hartig Drug, Food City, and Cardinal Health dba RGH Enterprises Inc., which provides InnerScope products to FSASore.com, HSASore.com, & WellDeservedHealth.com. Additional in-store and online through major retailers and pharmacy chains are launching soon.

**6) Issuer’s Facilities**

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

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

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

**InnerScope Hearing Technologies Locations as of 06/30/2021**

<u>Location Name</u>	<u>Purpose</u>	<u>Address</u>	<u>Rent</u> <small>(per Month)</small>	<u>Start Date</u>	<u>End Date</u>	<u>Condition</u>
InnerScope HQ	Corporate	2151 Professional Drive 2nd Floor, Roseville, CA., 95661	\$12,000	5/1/2017	4/30/2022	In good condition & sufficient for the Company’s current needs

**Investment in Undivided Interest in Real Estate**

InnerScope Hearing Technologies has 49% ownership of a Commerical property located at 2151 Professional Drive, Roseville, CA., 95661. A related party owns the remaining 51%.

**Business Acquisition**

InnerScope Hearing Technologies purchased 100% of Hearing Assist II, LLC on November 22, 2021. Hearing Assist II, LLC is consolidated within the financial statement.

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

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

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer’s securities, as well as any officer, and any director of the Company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning**

OTC Markets Group Inc.

or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.

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	Note
<u>Matthew Moore</u>	<u>CEO</u>	<u>Roseville, CA</u>	<u>19,020,000</u>	<u>Common</u>	<u>0.003%</u>	_____
<u>Matthew Moore</u>	<u>CEO</u>	<u>Roseville, CA</u>	<u>300,000</u>	<u>Series B</u>	<u>33.33%</u>	_____
<u>Kim Moore</u>	<u>CFO</u>	<u>Granite Bay, CA</u>	<u>19,020,000</u>	<u>Common</u>	<u>0.003%</u>	_____
<u>Kim Moore</u>	<u>CFO</u>	<u>Granite Bay, CA</u>	<u>300,000</u>	<u>Series B</u>	<u>33.33%</u>	_____
<u>Mark Moore</u>	BOARDMEMBER	<u>Granite Bay, CA</u>	<u>19,020,000</u>	<u>Common</u>	<u>0.003%</u>	_____
<u>Mark Moore</u>	BOARDMEMBER	<u>Granite Bay, CA</u>	<u>300,000</u>	<u>Series B</u>	<u>33.33%</u>	_____

## 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);

No

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

Yes

Mark L. Moore, as an Affiliate and a California Licensed Hearing Aid Dispenser, was party to an Investigation conducted by the California Speech-Language Pathology & Audiology & Hearing Aid Dispensing Board for provisions of the California Civil Code Section 1790 (the Song-Beverly Consumers Warranty Act.)

As a result of the mentioned investigation above, Mark L. Moore, and Kimberly A. Moore also an Affiliate and a California Licensed Hearing Aid Dispenser and Matthew R. Moore were imposed Civil Penalties pursuant to an executed Stipulated Final Judgment and agreed to not violate certain sections of the California Business and Professions code. In summary, Matthew Moore and Affiliates are not barred nor restricted in ownership or management of a hearing aid company in CA.

A Stipulation of Entry for Final Judgment described above, was entered into on March 7, 2017, which settled all claimed violations by Mark L. Moore, and Kimberly A. Moore, Affiliates, and Matthew R. Moore, & etal. without taking any evidence, and without the trial or adjudication of any issue of the law or fact, and any admission of the truth of any allegation and without any inference or presumption which may arise by reason of entering into the Stipulation of Entry of Final Judgment.

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

No

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

No

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

No

## 9) Third Party Providers

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

### Investor Relations

Name: Lisa Gray, Senior Account Manager  
Firm: Skyline Corporate Communications Group, LLC  
Address 1: One Rockefeller Plaza  
Address 2: 11th Floor  
Phone: (646) 893-5835  
Email: [lisa@skylineccg.com](mailto:lisa@skylineccg.com)

### Other Service Providers

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

## 10) Issuer Certification

### *Principal Executive Officer:*

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

The certifications shall follow the format below:

I, Matthew Moore certify that:

1. I have reviewed this Annual Disclosure Statement of InnerScope Hearing Technologies Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 7<sup>th</sup>, 2022 [Date]

/s/ Matthew Moore [CEO's Signature]

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

### *Principal Financial Officer:*

I, Kim Moore certify that:

1. I have reviewed this Annual Disclosure Statement of InnerScope Hearing Technologies Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 7<sup>th</sup>, 2022 [Date]

/s/ Kim Moore [CFO's Signature]

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

**INNERSCOPE HEARING TECHNOLOGIES, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<b>As of December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 156,201	\$ -
Accounts receivable, allowance for doubtful accounts	936,728	628,377
Accounts receivable from related party	-	296,946
Employee advances	3,000	-
Prepaid assets	16,338	90,506
Inventory	2,807,771	120,191
<b>Total current assets</b>	<b>3,920,038</b>	<b>1,136,020</b>
Security deposits	9,250	13,063
Domain name	3,000	3,000
Other assets	97,576	-
Intangible assets, net of accumulated amortization	15,888,500	879,336
Property and equipment, net of accumulated depreciation	565,147	85,839
Operating leases right-of-use assets, net	159,533	413,443
Investment in undivided interest in real estate	1,204,994	1,214,653
<b>Total assets</b>	<b>\$ 17,928,000</b>	<b>\$ 3,745,354</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities:</b>		
Bank Fees	\$ 26,120	\$ 5,404
Accounts payable and accrued expenses	6,827,635	1,440,662
Accounts payable to related party	15,928	558,266
Notes payable - stockholder	95,800	451,345
Current portion of convertible notes payable, net of discounts	2,035,958	3,255,599
Loan payable	235,644	-
Note payable, other & related party	86,082	474,590
Customer deposits	10,925	3,632
Other liabilities	7,199,678	-
Derivative liabilities	799,411	4,046,408
Operating lease liabilities, current portion	185,144	319,949
<b>Total current liabilities</b>	<b>\$ 17,518,325</b>	<b>10,555,855</b>
Long term portion of note payable- undivided interest in real estate	905,008	973,592
EIDL loan	150,000	-
Operating lease liabilities, Less current portion	-	127,385
<b>Total liabilities</b>	<b>\$ 18,573,333</b>	<b>11,656,832</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' Deficit:</b>		
Preferred stock, \$0.0001 par value; 25,000,000 shares authorized;		
Series A preferred stock, par value \$0.0001, -0- (2021) and -0- (2020)	-	-
Series B preferred stock, par value \$0.0001, 900,000 (2021) and 900,000 (2020) shares authorized, and 900,000 (2021) and 900,000 (2020) shares issued and outstanding	90	90
Common stock, \$0.0001 par value; 14,975,000,000 (2021) and 14,975,000,000 (2020) shares authorized and 6,660,204,051 (2021) and 3,628,422,042 (2020) shares issued and outstanding	666,022	362,844
Common stock to be issued, \$0.0001 par value, 2,412,671 (2021) and 2,412,671 (2020) shares	241	241
Additional paid-in capital	70,722,931	8,545,971
Deferred stock compensation	(36,666)	(36,666)
Accumulated deficit	(71,997,951)	(16,783,959)
<b>Total stockholders' deficit</b>	<b>(645,333)</b>	<b>(7,911,479)</b>
<b>Total Liabilities and Shareholder Equity</b>	<b>\$ 17,928,000</b>	<b>\$ 3,745,354</b>

See notes to consolidated financial statements.

**INNERSCOPE HEARING TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Year Ended December 31st,</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>		
Revenues, other	\$ 695,053	\$ 132,431
Revenues, related party	-	33,430
<b>Total revenues</b>	<b>695,053</b>	<b>165,861</b>
<b>Cost of sales</b>		
Cost of sales, other	204,787	45,029
Cost of sales, related	-	7,461
<b>Total cost of sales</b>	<b>204,787</b>	<b>52,490</b>
<b>Gross profit</b>	<b>\$ 490,266</b>	<b>\$ 113,371</b>
<b>Operating Expenses:</b>		
Compensation and benefits	846,380	623,017
Advertising and promotion	74,312	22,022
Professional fees	975,229	68,034
Rent, including related party	221,572	307,152
Investor relations	115,770	34,112
Other general and administrative	414,239	68,839
<b>Total operating expenses</b>	<b>\$ 2,647,502</b>	<b>\$ 1,123,176</b>
<b>Loss from operations</b>	<b>\$ (2,157,236)</b>	<b>\$ (1,009,805)</b>
<b>Other Income (Expense):</b>		
<b>Other income</b>		
Derivative income (loss)	(53,637,520)	4,807,830
Gain (loss) on equity investment	3,781	17,207
Gain on lease terminations	6,444	-
Gain on debt extinguishment	684,961	(41,283)
Interest expense and finance charges	(114,422)	(123,354)
<b>Total other income (expense), net</b>	<b>\$ (53,056,756)</b>	<b>\$ 4,660,400</b>
<b>EBT (loss)</b>	<b>\$ (55,213,992)</b>	<b>\$ 3,650,595</b>
<b>Income tax provision</b>	-	-
<b>Net Income (Loss)</b>	<b>\$ (55,213,992)</b>	<b>\$ 3,650,595</b>
Basic and diluted income (loss) per share	(0.01)	0.00
Weighted average number of common shares outstanding		
Basic and diluted	5,657,543,911	3,628,422,042

See notes to consolidated financial statements.

**INNERSCOPE HEARING TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year Ended December 31st,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net Income	\$ (55,213,992)	\$ 3,650,595
Adjustments to reconcile net income (loss) to net cash used in operations:	-	-
Loss on fair value of derivatives	53,637,520	(4,807,830)
Amortization of debt discounts	396,876	-
Depreciation and amortization	63,538	-
Stock compensation expense	505,606	-
(Gain) loss on investment in undivided interest in real estate	3,781	-
(Gain) loss on debt extinguishment	684,961	41,283
Gain on lease terminations	6,444	-
Changes in operating assets and liabilities:	-	5,444
Accounts receivable	(308,351)	(49,664)
Employee advances	(3,000)	750
Inventory	(2,687,580)	17,417
Prepaid assets	74,168	24,332
Security deposits	3,813	2,500
Accounts payable and accrued expenses	1,049,387	614,853
Officer salaries payable	-	(6,618)
Customer deposits	7,293	(10,580)
Due to related party	-	-
Operating lease liabilities	262,190	(22,059)
<b>Net cash used in operating activities</b>	<b>(1,517,346)</b>	<b>(539,577)</b>
<b>Cash flows from investing activities:</b>		
Payment of security deposit	-	-
Purchase of office and computer equipment	(460,270)	(7,662)
Purchase of technology	-	-
Net cash used in investing activities	<b>(460,270)</b>	<b>(7,662)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of note payable	-	288,482
Bank Fees	(26,120)	-
Advances (payments) to stockholder, net	-	30,387
Proceeds from issuances of convertible notes payable	1,903,887	270,933
Proceeds from issuance common share	300,000	363,769
Repayments of note payable	-	(9,537)
Repayments of principal of convertible note payable	(43,950)	(401,166)
Net cash provided by financing activities	<b>2,133,817</b>	<b>542,868</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>156,201</b>	<b>(4,371)</b>
Cash and cash equivalents, Beginning of period	\$ -	\$ 4,371
Cash and cash equivalents, End of period	<b>\$ 156,201</b>	<b>\$ -</b>
Supplemental disclosure of cash flow information:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
<b>Schedule of non-cash Investing or Financing Activity:</b>		
Reclassification of derivative liabilities upon principal repayments of convertible notes	-	-
Conversion of notes payable and accrued interest in common stock	53,161,109	-
Common stock issued for acquisition of subsidiary	8,513,423	-
Operating lease right-of-use assets and liabilities	-	-
Intangible assets in accounts payable	-	-
Series B Preferred Stock issued for payment of related party liabilities	-	-

See notes to consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT**  
Year Ended December 31, 2021 and 2020

	Series B Preferred stock		Common stock		Common stock to be issued		Additional Paid-in Capital	Deferred stock Compensation	Retained deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances January 1, 2020	900,000	\$ 90	342,118,136	\$ 34,212	2,412,671	\$ 241	\$ 7,729,320	\$ (36,666)	\$ (13,133,364)	\$ (5,406,168)
Stock based compensation	-	-	-	-	-	-	-	-	-	-
Amortization of deferred stock compensation	-	-	-	-	-	-	-	-	-	-
Stock issued from common stock to be issued	-	-	-	-	-	-	-	-	-	-
Common stock issued for settlement of accounts payable	-	-	-	-	-	-	-	-	-	-
Common stock issued for convertible notes and accrued interest	-	-	3,286,303,906	328,633	-	-	816,651	-	-	1,145,284
Preferred stock issued	-	-	-	-	-	-	-	-	-	-
Reclassification of derivative liabilities upon payment of convertible debt	-	-	-	-	-	-	-	-	-	-
Net loss for the period ended December 31, 2020	-	-	-	-	-	-	-	-	(3,650,595)	(3,650,595)
Balances December 31, 2020	<u>900,000</u>	<u>\$ 90</u>	<u>3,628,422,042</u>	<u>\$ 362,844</u>	<u>2,412,671</u>	<u>\$ 241</u>	<u>\$ 8,545,971</u>	<u>\$ (36,666)</u>	<u>\$ (16,783,959)</u>	<u>\$ (7,911,479)</u>
Stock based compensation	-	-	52,124,378	5,212	-	-	500,394	-	-	505,606
Shares issued related to acquisition of Hearing Assist	-	-	591,209,963	59,121	-	-	8,454,302	-	-	8,513,423
Stock issued from cash	-	-	30,000,000	3,000	-	-	297,000	-	-	300,000
Common stock issued for settlement of accounts payable	-	-	-	-	-	-	-	-	-	0
Common stock issued for convertible notes and accrued interest	-	-	2,358,447,668	235,845	-	-	52,925,264	-	-	53,161,109
Preferred stock issued	-	-	-	-	-	-	-	-	-	0
Reclassification of derivative liabilities upon payment of convertible debt	-	-	-	-	-	-	-	-	-	0
Net Income for the period ended December 31, 2021	-	-	-	-	-	-	-	-	(55,213,992)	(55,213,992)
Balances December 31, 2021	<u>900,000</u>	<u>\$ 90</u>	<u>6,660,204,051</u>	<u>\$ 666,022</u>	<u>2,412,671</u>	<u>\$ 241</u>	<u>\$ 70,722,931</u>	<u>\$ (36,666)</u>	<u>\$ (71,997,951)</u>	<u>\$ (645,333)</u>

See notes to consolidated financial statements.

INNERSCOPE HEARING TECHNOLOGIES, INC  
Notes to the Financial Statement  
December 31, 2021 (Unaudited)

## **THE COMPANY**

InnerScope Hearing Technologies, Inc. ("Company," "InnerScope") is a Nevada Corporation incorporated on June 15, 2012, with its principal place of business in Roseville, California. The Company was originally named InnerScope Advertising Agency, Inc. and was formed to provide advertising and marketing services to retail establishments in the hearing device industry. On August 25, 2017, the Company changed its name to InnerScope Hearing Technologies, Inc. to better reflect the Company's current direction as a hearing health technology company that manufactures, develops, distributes, and sells numerous innovative hearing health-related products, hearing treatments, and hearing solutions direct to consumer (DTC) with a scalable business model.

The Company is a manufacturer and a distributor/retailer of Direct-to-Consumer ("DTC") FDA (Food and Drug Administration) registered hearing aids, personal sound amplifier products (PSAPs), hearing-related treatment therapies, doctor-formulated dietary hearing supplements. The Company's mission is to improve the quality of life of the 70 million people in North America and the 1.5 billion people worldwide who suffer from hearing impairment and/or hearing-related issues. The management team of InnerScope is applying decades of industry experience and believes it is well-positioned with its innovative in-store point-of-sale Free Self-Check Hearing Screening Kiosks ("Hearing Kiosks") to directly benefit when the Over-the-Counter (OTC) Hearing Aid Act (the "OTC Hearing Aid Law") becomes enacted (expected in late 2020) (the OTC Hearing Aid Law allows OTC hearing aids for mild to moderate hearing losses to be sold in retail stores without having to see a professional). The Hearing Kiosk is designed for the tens of millions of Americans with undetected/untreated mild-to-moderate hearing losses to treat themselves with the Company's easy, convenient, and affordable hearing products. The Company's Hearing Products and its business model break through the persistent barriers that prevent access to effective hearing solutions. The Company's recent acquisition of iHear Medical Inc., a DTC cloud-based hearing solution provider, gives the Company access to over 40 patents and an FDA-registered manufacturing and R&D facility. In addition, the Company has acquired HearingAssist, an established leader in the direct-to-consumer hearing aid market with a customer base of over 400,000. These acquisitions, combined with a partnership with Atlazo Inc., a semiconductor innovator for next-generation AI smart devices, will allow the Company to take the lead position in the direct-to-consumer hearing solutions market by selling innovated proprietary advanced hearing products through Walmart and other major Big Box retailers. The Company's full line of Hearing Health products is currently available through multiple retail/wholesale channels: Walmart.com, RiteAid.com, Amazon.com, Giant Eagle, Hy-Vee, Hartig Drug, Food City, and Cardinal Health dba RGH Enterprises Inc., which provides products to FSASore.com, HSASore.com, and WellDeservedHealth.com, with additional retailers and distribution points launching in the near future.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company's accounting policies conform to the United States' generally accepted accounting principles and have been consistently applied in the preparation of these financial statements. The financial statements included herein have not been audited by an independent registered public accounting firm but include all adjustments (including normal, recurring entries), which are, in the opinion of management, necessary for a fair presentation of the results for such periods.

## **GENERAL PRINCIPLES**

### **a) Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

### **b) Revenue Recognition**

The Company recognizes revenue when earned in accordance with SEC Staff Accounting Bulletin No 101. "Revenue Recognition in Financial Statements."

### **c) Cash and Cash Equivalents**

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

## **CONVERTIBLE NOTES PAYABLE**

On February 5, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$195,000. The Note matures on February 5, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on February 5, 2021, when the Company received proceeds of \$176,000 after disbursements for the lender's transaction costs, fees, and expenses.

On February 25, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$165,000. The Note matures on February 25, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on February 25, 2021, when the Company received proceeds of \$155,000 after disbursements for the lender's transaction costs, fees, and expenses.

On April 6, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$165,000. The Note matures on April 6, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on April 6, 2021, when the Company received proceeds of \$155,000 after disbursements for the lender's transaction costs, fees, and expenses.

On July 7, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$165,000. The Note matures on July 6, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on July 7, 2021, when the Company received proceeds of \$155,000 after disbursements for the lender's transaction costs, fees, and expenses.

On August 25, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$165,000. The Note matures on August 25, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to

conversion. The Note was funded on August 25, 2021, when the Company received proceeds of \$155,000 after disbursements for the lender's transaction costs, fees, and expenses.

On September 20, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$165,000. The Note matures on September 20, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on October 13, 2021, when the Company received proceeds of \$155,000 after disbursements for the lender's transaction costs, fees, and expenses.

On October 13, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$330,000. The Note matures on October 13, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on October 13, 2021, when the Company received proceeds of \$310,000 after disbursements for the lender's transaction costs, fees, and expenses.

On November 9, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$266,000. The Note matures on November 9, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on November 9, 2021, when the Company received proceeds of \$250,000 after disbursements for the lender's transaction costs, fees, and expenses.

On November 15, 2021, the Company sold 30 million shares for aggregate proceeds of \$300,000, of which a portion of the proceeds was utilized to pay principal and interest on an outstanding convertible loan in the aggregate amount of approximately \$70,000.

On December 21, 2021, the Company issued to a third-party investor a convertible redeemable note (the "Note") with a face value of \$266,000. The Note matures on December 21, 2022, has a stated interest of 8%, and is convertible at any time following the funding of such Note into a variable number of the Company's common stock, based on a conversion ratio of 70% of the lowest closing bid price for the 15 days prior to conversion. The Note was funded on December 21, 2021, when the Company received proceeds of \$200,000 after disbursements for the lender's transaction costs, fees, and expenses.

## **INVESTMENT IN UNDIVIDED INTEREST IN REAL ESTATE**

On May 9, 2017, the Company and LLC1 purchased certain real property from an unaffiliated party. The Company and LLC1 have agreed that the Company purchased and owns 49% of the building, and LLC1 purchased and owns 51% of the building. The contracted purchase price for the building was \$2,420,000, and the total amount paid at closing was \$2,501,783, including fees, insurance, interest, and real estate taxes. In addition, the Company paid for their building interest by delivering cash at closing of \$209,971 and being a co-borrower on a note in the amount of \$2,057,000, of which the Company has agreed with LLC1 to pay \$1,007,930.

## **BUSINESS ACQUISITION**

ASC Topic 805, "Business Combinations," requires that all business combinations be accounted for using the acquisition method and that certain identifiable intangible assets acquired in a business combination be recognized as assets apart from goodwill. ASC Topic 350, "Intangibles-Goodwill and Other" ("ASC 350"),

requires goodwill and other identifiable intangible assets with indefinite useful lives not to be amortized, such as trade names, but instead tested at least annually for impairment and be written down if impaired. ASC 350 requires that goodwill be allocated to its respective reporting unit and that identifiable intangible assets with finite lives be amortized over their useful lives.

On November 22, 2021, the Company purchased Hearing Assist II, LLC. The Company acquired 100% interest in the entity for a total consideration of 591,209,963 common shares valued at \$8,513,423 on the day of purchase. As part of the acquisition, the Company assumed assets in the amount of \$15,713,000, consisting of trademarks, domains, customer lists, customer contracts, licenses, royalties, other contracts, and liabilities in the amount of \$7,199,678.

#### **NOTE PAYABLE - UNDIVIDED INTEREST IN REAL ESTATE**

On May 9, 2017, the Company and LLC1 purchased certain real property from an unaffiliated party. The Company and LLC1 have agreed that the Company purchased and owns 49% of the building, and LLC1 purchased and owns 51% of the building. The contracted purchase price for the building was \$2,420,000, and the total amount paid at closing was \$2,501,783, including fees, insurance, interest, and real estate taxes. The Company is a co-borrower on a \$2,057,000 Small Business Administration Note (the "SBA Note"). The SBA Note carries a 25-year term, with an initial interest rate of 6% per annum, adjustable to the Prime interest rate plus 2%, and is secured by a first position Deed of Trust and business assets located at the property. The Company initially recorded a liability of \$1,007,930 for its portion of the SBA Note, with the offset being to Investment in undivided interest in real estate on the balance sheet presented herein.

#### **DERIVATIVE LIABILITY**

The Company determined that the conversion features of the convertible notes represented embedded derivatives since the Notes are convertible into a variable number of shares upon conversion. Accordingly, the notes are not considered to be conventional debt under EITF 00-19, and the embedded conversion feature is bifurcated from the debt host and accounted for as a derivative liability. Accordingly, the fair value of these derivative instruments is recorded as liabilities on the consolidated balance sheet, with the corresponding amount recorded as a discount to each Note, with any excess of the fair value of the derivative component over the face amount of the Note recorded as an expense on the issue date. Such discounts are amortized from the date of issuance to the maturity dates of the Notes. The change in the fair value of the derivative liabilities is recorded in other income or expenses in the condensed consolidated statements of operations at the end of each period, with the offset to the derivative liabilities on the balance sheet.

#### **GOING CONCERN**

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which assumes the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The Company experienced a net loss of \$55,213,992 for the year ended December 31, 2021. (\$2,157,236 Loss from Operation and \$53,056,756 from "Other Expense". "Other Expense" includes \$53,637,520 in Derivative Expense that is considered a non-cash expense). This raises doubt about the Company's ability to continue as a going concern and to operate in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from this uncertainty.