

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

**XcelPlus International, Inc.**

A Nevada Corporation

363 N. Sam Houston Pkwy E, Suite 1100  
Houston, TX 77060

(346) 348-4034

www.xcelplusint.com

NAICS Code: 562219

SIC Code: 4953

Amended Annual Report  
For the Years Ending: December 31, 2020 and 2019  
(the "Reporting Period")

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

655,274,458

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

655,274,458

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 of the company has occurred over this reporting period:

Yes  No

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<sup>4</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.

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

The name of the issuer is XcelPlus International, Inc.

Company Headquarters

Address 1: 363 N. Sam Houston Pkwy E

Address 2: Suite 1100

Address 3: Houston, TX 77060

Phone: (346) 348-4034

Email: admin@xcelplusint.com

Website(s): <https://www.xcelplusint.com>

Xcelplus International, Inc. was incorporated on August 8, 2000, in Virginia. From February 2004-March 2004, the Company completed a merger with Thomas-Jane Group, Inc., a New York corporation. On February 27, 2006, the Company formed Xcelplus International, Inc., a Nevada corporation, in order to re-domicile the Company in Nevada. On March 13, 2006, Xcelplus International, Inc., a Nevada corporation, merged with Xcelplus International, Inc., a New York corporation. July 6, 2020, the Company filed a Certificate of Reinstatement/Revival with Nevada Secretary of State. The company is active and in good standing with Nevada.

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:

On July 26, 2021, the Company completed a 1:100 reverse-split, whereby each one hundred shares of Common Stock, issued and outstanding immediately prior to the reverse-split (including the number of shares of common stock issuable upon exercise or conversion of all issued and outstanding, options, warrants and convertible securities of every kind), were combined and reclassified into one validly issued, fully paid and non-assessable share of common stock of the Company.

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:

None.

## 2) Security Information

Trading Symbol: XLPI

Exact title and class of securities outstanding: Common

CUSIP: 98389V304

Par or Stated Value: .0001

Total shares authorized: 700,000,000 as of: 12/31/2020

Total shares outstanding: 655,274,458 as of: 12/31/2020

Number of shares in Public Float: 373,388,176 as of: 12/31/2020

Total number of shareholders of record: 700 as of: 12/31/2020

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

None.

### Transfer Agent

Name: Pacific Stock Transfer

Address 1: 6725 Via Austi Pkwy

Address 2: Suite 300

Address 3: Las Vegas, NV 89119

Phone: 800-785-7782

Is the Transfer Agent registered under the Exchange Act? Yes X No

## 3) Issuance History

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

None

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms	Name of Noteholder	Reason for Issuance
12/14/2020	\$0	\$50,000	\$2,794.52	December 14, 2021	Convertible at \$.00185 per share	Ford Seeman	Note conversion

#### **4) Financial Statements**

A. The following financial statements were prepared in accordance with U.S. GAAP.

B. The financial statements for this reporting period were prepared by:

Name: Shelly M. Befumo

Company: Corporate Integrity Solutions, LLC

Address: 4445 Corporation Ln., Suite 264, Virginia Beach, VA 23462

Title: Outside Accountant

Relationship to Issuer: Contract Services

Unaudited financial statements for the fiscal years ended December 31, 2020 and December 31, 2019 appended hereto include:

- (i) Balance sheets;
- (ii) Statements of income;
- (iii) Statements of Retained Earnings (Statement of Changes in Stockholders' Equity);
- (iv) Statements of cash flows; and,
- (v) Financial notes.

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

A. Summarize the issuer's business operations.

The Issuer's primary and secondary SIC codes are:

4953 – Refuse Systems

4991 – Cogeneration Services & Small Power Producers

Xcelplus International, Inc. was incorporated on August 8, 2000, in Virginia. From February 2004-March 2004, the Company completed a merger with Thomas-Jane Group, Inc., a New York corporation. On February 27, 2006, the Company formed Xcelplus International, Inc., a Nevada corporation, in order to re-domicile the Company in Nevada. On March 13, 2006, Xcelplus International, Inc., a Nevada corporation, merged with Xcelplus International, Inc., a New York corporation. July 6, 2020, the Company filed a Certificate of Reinstatement/Revival with Nevada secretary of state. The Company designs, builds, markets and operates waste to energy gasification systems based on the Company's Cool Plasma technology. The Company is currently in the development stage.

On June 27, 2020, Bill Smith, the Company's sole Director appointed Charles Robinson as a Director of the Company. Immediately following Mr. Robinson's appointment, Mr. Smith resigned as Director, President and CEO of the Company.

On August 26, 2021, holders of a majority of the Company's voting securities elected Andrew Befumo, Ford Seeman, and Alejo David Perez as directors of the Company by written consent in lieu of a special meeting of the shareholders. Each new director agreed to serve until his successor is duly elected and qualified, or until the earlier of his death, resignation or removal from office.

B. Subsidiaries, parents, or affiliated companies: None.

C. Issuers' principal products or services.

The Company is focused on gasification of waste to produce synthetic gas (syn gas) and convert it into energy. It is expected that our customer base will include commercial, industrial, municipal and residential, other waste management companies both hazardous and non-hazardous, recycling and reclamation, electric utilities, and governmental entity properties. We are a development stage company and have not realized any revenues.

**Distribution Methods:** The Company's gasification systems are currently assembled on site. The Company plans to acquire a production plant at which gasification systems may be assembled commissioned and prepared for shipment. A complete gasification system may be shipped in a single 40-foot cargo container and flatbed trailer.

Engineering has been completed on the Company's newest Clean Energy 50 Ton gasifier (CE50) gasifier and production of components for the first unit has begun. The CE50 is a portable 50-ton per day gasification system capable of producing syngas from up to 50 tons of waste feedstock per day.

Municipal solid waste (MSW) in the United States is both a significant disposal problem and a potentially valuable resource. Unlike competing fixed location waste gasification systems, our system is a portable self-contained system that can be transported to a waste remediation site on a single flatbed and 40-foot shipping container, and be deployed in a location with no external power source. Competing units cost many times as much to produce and install, require permanent installation and external power supplies to operate. This advantage of portability allows our units to be utilized at a waste source location, such as a closed landfill or other site requiring remediation, eliminating the need to transport waste to a processing site, significantly reducing transport costs and liability.

The energy industry is highly competitive, and we compete with a substantial number of other companies that have greater financial and other resources than we have. Historically gasification technologies have required many years of development with large capital investments necessary for research development and commercial demonstration in order to achieve commercial viability. Our technology is derived from technology developed by physicist Christian Jouvan and demonstrated on commercial scale by AdaptiveArc, Inc. This technology utilizes a technology that comprises a higher efficiency torch than the competition, allowing a wider selection of feedstock and moisture content and recovering more energy from the feedstock than the competition.

We provide an economical, sustainable and cleaner approach for conversion of waste and chemicals into energy. It is through our ability to efficiently and economically gasify a wide range of waste resources including municipal solid waste, (MSW), industrial waste, hazardous waste, disaster remediation, land and landfill remediation, low quality coal and coal waste, and biomass that we create a clean and sustainable syngas for conversion into energy. We are not aware of commercially available gasifiers with such a wide range of feedstock flexibility combined with our high energy conversion efficiency and transportability. Our

gasification technology differs from competitive units by its price, portability, ability to operate without external power sources, ability to provide high molecule-conversion efficiency from moderate to high moisture content waste-streams.

Most gasification systems in the western hemisphere use Air Products technology, which is derived from technology developed by General Electric, Texaco, Shell Oil and Lurgi's gasification technology. To a lesser extent, technologies developed by Siemens and CB&I are also utilized. These technologies are more susceptible to processing operating fluctuations based on feedstock characteristics, and lack the efficiency and capability to treat difficult low heating value and high moisture content feedstocks that our units are designed to handle.

We use metal fabricators and others for production of components for our equipment. We have been successful in locating a number of key suppliers of major equipment and services, and are in the process of securing contracts with these entities. Depending on project location, we may locally source equipment, services and materials if and/or when appropriate.

Our gasification system's wide customer base includes: cryptominers, clean energy users, landfills nearing capacity, virtual landfills, remediation projects including hurricane, disaster, waste coal and other remediation projects and others.

The Company has intellectual property including the following:

Filed	Application No.	Country	Patent No. / Status	Inventor Name	Title of Invention
9/30/2021	63250348	US	Pending	Schlote	Gasifier

## 6) Issuer's Facilities

The Company leases office space at 363 N. Sam Houston Pkwy E, Suite 1100, Houston, TX 77060.

The Company is currently looking for production facilities in the Houston, TX area.

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

Name of Officer/Director and Control Person	Affiliation with Company	Residential Address (City/State only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Alejo David Perez	President, CEO & Director	Houston, TX	0		N/A	
Ford Seeman	Director	Stone Ridge, NY	6,335,160	Common Stock	40%	
Andrew Befumo	Director	Alexandria, VA	0		N/A	As of 12/31/2020
Bill Smith	Owner of more than 5%	Houston, TX	440,000	Common Shares	8.7%	
Bill Smith	Owner of more than 5%	Houston, TX	7,000,000	Preferred A		

Bill Smith	Owner of more than 5%	Houston, TX	7,000,000	Preferred B		
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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.

D. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the businesses, 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 proceeding 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: Andrew Befumo  
Firm: Befumo & Schaeffer, PLLC  
Address 1: 1629 K Street, NW  
Address 2: Suite 300  
Address 3: Washington, DC 20006  
Phone: 202-669-0619  
Email: andrew@befumolaw.com

### Accountant or Auditor

Name: Shelly M. Befumo  
Company: Corporate Integrity Solutions, LLC  
Address: 4445 Corporation Ln., Suite 264, Virginia Beach, VA 23462  
Phone: 202-669-0619  
Email: shelly@befumolaw.com

### Investor Relations

None.

### Other Service Providers

Provide the name of any other service provider(s) 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.

None.

## 10. Issuer Certification

*Principal Executive Officer*

I, Alejo David Perez, certify that:

1. I have reviewed this Annual Disclosure Report of XcelPlus International, 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 20, 2022

/s/ Alejo David Perez

Chief Executive Officer

*Principal Financial Officer*

I, Alejo David Perez, certify that:

1. I have reviewed this Annual Disclosure Report of XcelPlus International, 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 20, 2022

/s/ Alejo David Perez

Chief Executive Officer

XCELPLUS INTERNATIONAL, INC.

INDEX TO FINANCIAL STATEMENTS  
(Unaudited)

	<u>Page</u>
Balance Sheets as of December 31, 2021 and 2020	F-2
Statements of Operations for the Years Ended December 31, 2021 and 2020	F-3
Statements of Stockholders' Equity for the Years Ended December 31, 2021 and 2020	F-4
Statements of Cash Flows for the Years Ended December 31, 2021 and 2020	F-5
Notes to the Financial Statements	

XcelPlus International Inc.  
Unaudited Balance Sheets  
As of December 31, 2020 and 2019

	December 31, 2020	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 31,519	\$ -
Total current assets	31,519	-
<b>TOTAL ASSETS</b>	<b>\$ 31,519</b>	<b>\$ -</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 473,398	\$ 473,611
Accounts payable and accrued liabilities, related parties	208,928	-
Convertible notes payable	50,000	-
Interest payable	142	-
Total current liabilities	732,469	473,611
Total liabilities	732,469	473,611
Commitments and contingencies	-	-
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Series A Preferred Stock, \$ 0.01 par value; 50,000,000 authorized; 43,732,224 shares issued and outstanding as of December 31, 2020 and December 31, 2019	437,322	437,322
Series B Convertible Preferred Stock \$ 0.01 par value; 10,000,000 authorized; 9,000,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019	90,000	90,000
Common stock, \$ 0.0001 par value; 700,000,000 shares authorized, 655,274,458 and 655,274,458 shares issued and outstanding as of December 31, 2020 and December 31, 2019	65,527	65,527
Additional paid-in-capital	1,786,403	1,786,403
Accumulated deficit	(3,080,202)	(2,852,863)
Total stockholders' equity (deficit)	(700,950)	(473,611)
Total liabilities and stockholders' equity (deficit)	\$ 31,519	\$ -

The accompanying notes are an integral part of these financial statements.

XcelPlus International Inc.  
 Unaudited Statements of Operations  
 For the Years Ended December 31, 2020 and 2019

	For the Years Ended,	
	December 31, 2020	December 31, 2019
Operating expenses:		
General, administrative and selling	227,196	750
Total operating expenses	227,196	750
Loss before other expense	(227,196)	-
Other expense		
Interest expense	(142)	-
Total other expense	(142)	-
Net loss	\$ (227,339)	\$ (750)
Loss per share, basic and fully diluted	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding -		
Basic and fully diluted	655,274,458	655,274,458

The accompanying notes are an integral part of these financial statements.

XcelPlus International Inc.  
 Unaudited Statements of Changes in Stockholders' Equity (Deficit)  
 For the years ended December 31, 2020 and 2019

	Preferred Stock Series A Convertible		Preferred Stock Series B Convertible		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Par Value	Shares	Par Value	Shares	Par Value			
Balance, December 31, 2018	43,732,224	\$ 437,322	9,000,000	\$ 90,000	655,274,458	\$ 65,527	\$ 1,786,403	\$ (2,852,113)	\$ (472,861)
Net loss	-	-	-	-	-	-	-	(750)	(750)
Balance, December 31, 2019	43,732,224	\$ 437,322	9,000,000	\$ 90,000	655,274,458	\$ 65,527	\$ 1,786,403	\$ (2,852,863)	\$ (473,611)
Net loss	-	-	-	-	-	-	-	(227,339)	(227,339)
Balance, December 31, 2020	43,732,224	\$ 437,322	9,000,000	\$ 90,000	655,274,458	\$ 65,527	\$ 1,786,403	\$ (3,080,202)	\$ (700,950)

The accompanying notes are an integral part of these financial statements.

XcelPlus International Inc.  
 Unaudited Statements of Cash Flows  
 For the Years Ended December 31, 2020 and 2019

	For the years ended,	
	December 31, 2020	December 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (227,196)	\$ (750)
<b>Adjustments to reconcile net loss to net cash (used in) operating activities:</b>		
<b>Changes in operating assets and operating liabilities:</b>		
Accounts payable and accrued liabilities, related parties	208,928	750
Accrued interest payable	142	-
Net cash (used in) operating activities	(18,126)	0
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from convertible notes payable	50,000	-
Net cash provided by financing activities	50,000	-
Net change in cash and cash equivalents	31,519	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	\$ 31,519	\$ -
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

XcelPlus International Inc.  
Notes to Unaudited Financial Statements  
For the Years Ended December 31, 2020 and 2019

## 1. NATURE OF OPERATIONS

Xcelplus International, Inc. (“XcelPlus”) was incorporated on August 8, 2000, in Virginia as a private label distributor for a line of specialty chemicals and lubricants. From February 2004 through March 2004, the Company completed a merger with Thomas-Jane Group, Inc., a New York corporation incorporated on December 21, 2001. The Company went public through a direct listing on Pink Sheets in July 2004. In 2006, the Company re-domiciled in Nevada. On July 6, 2020, the Company was reinstated in the state of Nevada. The Company is presently engaged in the development and manufacture of zero-emissions waste to energy products.

### COVID-19

On March 11, 2020, the World Health Organization (“WHO”) declared the Covid-19 outbreak to be a global pandemic. In addition to the devastating effects on human life, the pandemic is having a negative ripple effect on the global economy, leading to disruptions and volatility in the global financial markets. Most US states and many countries have issued policies intended to stop or slow the further spread of the disease.

Covid-19 and the U.S.’s response to the pandemic are significantly affecting the economy. There are no comparable events that provide guidance as to the effect the Covid-19 pandemic may have, and, as a result, the ultimate effect of the pandemic is highly uncertain and subject to change. We do not yet know the full extent of the effects on the economy, the markets we serve, our business, or our operations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Going Concern

The Company has an accumulated deficit of \$3,080,202 at December 31, 2020 and does not have sufficient operating cash flows. The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America (“GAAP”), which contemplates continuation of the Company as a going concern, which is dependent upon the Company’s ability to establish itself as a profitable business.

Since the Company has not generated any revenues, its ability to continue as a going concern is wholly dependent upon its ability to obtain additional financing. Since inception, the Company has funded operations through short-term borrowings, related party loans, and the proceeds from equity sales in order to meet its strategic objectives. The Company’s future operations are dependent upon its ability to generate revenues along with additional external funding as needed. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue the development of its business plan. Subsequent to December 31, 2020, the Company has raised additional funding of \$1,150,000, with \$1,000,000 in the form of a convertible note payable and \$150,000 in subscription proceeds.

In view of these conditions, the ability of the Company to continue as a going concern is in substantial doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. These consolidated financial statements do not give effect to any adjustments which will be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis of Presentation

The financial statements present the balance sheet, statements of operations, stockholders' equity and cash flows of the Company for the fiscal years ended December 31, 2020 and 2019. The Company has elected a fiscal year ending December 31. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). The Company's headquarters are located in Houston, Texas.

#### Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to revenue recognition and contingencies. The Company bases its estimates on historical experience, known or expected trends, and various other assumptions that are believed to be reasonable given the quality of information available as of the date of these financial statements. The results of these assumptions provide the basis for making estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

#### Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents consist of cash on deposit with banks and money market funds, the fair value of which approximates cost. The Company maintains its cash balances with a high-credit-quality financial institution. At times, such cash may be more than the Federal Deposit Insurance Corporation-insured limit of \$250,000. The Company has not experienced any losses in such accounts, and management believes the Company is not exposed to any significant credit risk on its cash and cash equivalents.

#### Fair Value Measurements

FASB ASC 820 "Fair Value Measurements and Disclosures" ("ASC 820") defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

*Level 2* - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable.

*Level 3* - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2020, and December 31, 2020. The Company uses the market approach to measure fair value for its Level 1 financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The respective carrying value of certain balance sheet financial instruments approximates its fair value. These financial instruments include cash, trade receivables, related party payables, accounts payable, accrued liabilities, and short-term borrowings. Fair values were estimated to approximate carrying values for these financial instruments since they are short term in nature, and they are receivable or payable on demand.

The estimated fair value of assets and liabilities acquired in business combinations and reporting units and long-lived assets used in the related asset impairment tests utilize inputs classified as Level 3 in the fair value hierarchy.

#### Income taxes

The Company accounts for income taxes under FASB ASC 740, "Accounting for Income Taxes". Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or

settled. Under FASB ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. FASB ASC 740-10-05, “*Accounting for Uncertainty in Income Taxes*” prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities.

The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The Company assesses the validity of its conclusions regarding uncertain tax positions every quarter to determine if facts or circumstances have arisen that might cause it to change its judgment regarding the likelihood of a tax position’s sustainability under audit.

#### Related Parties

The Company accounts for related party transactions in accordance with ASC 850 (“Related Party Disclosures”). A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

#### Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260, “*Earnings per Share*”. ASC 260 requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common stockholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

#### Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718, “*Stock Compensation*,” and ASC 505, “*Equity-Based Payments to Non-Employees*.” All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the grant date fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

#### Recent accounting pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new pronouncements that have been issued that might have a material impact on its financial position or results of operations except as noted below:

In December 2019, the FASB issued Accounting Standards Update No. 2019-12 (“ASU 2019-12”), *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The standard is intended to simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740, as well as improve the consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For the Company, the amendments in ASU 2019-12 are effective for annual periods beginning January 1, 2022. The Company is evaluating the impact this new accounting guidance may have on its Consolidated Financial Statements.

Although there are several other new accounting pronouncements issued or proposed by the FASB, which the Company has adopted or will adopt, as applicable, the Company does not believe any of these accounting pronouncements has had or will have a material impact on its financial position or results of operations.

### 3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade payables are recognized initially at the transaction price and subsequently measured at the undiscounted amount of cash or other consideration expected to be paid. Accrued expenses are recognized based on the expected amount required to settle the obligation or liability. The accounts payable and accrued liabilities balance as of December 31, 2020 and December 31, 2019 is \$473,398 and \$473,611, respectively.

### 4. RELATED PARTY PAYABLES AND ACTIVITY

#### *Accounts Payable and Accrued Liabilities*

During the years ended December 31, 2020 and December 31, 2019, the Company incurred \$26,928 and \$0, respectively, in expenses related to organizational cost and miscellaneous other administrative costs rendered by the prior CEO. The Company accrued salary and consulting fees of \$200,000 during the year ended December 31, 2020. All of the accruals were recorded based on employment and consulting agreements. In December 2020, we paid \$5,000 against accrued salary and \$13,000 against accrued consulting fees. As of December 31, 2020 and December 31, 2019, balance due is \$208,928 and \$0, respectively.

### 5. CONVERTIBLE NOTES PAYABLE

On December 14, 2020, XcelPlus issued a \$50,000 unsecured convertible note payable that carries an 8% per annum interest rate and is payable in cash on or before December 14, 2021. Any or all of the note payable plus accrued interest can be converted at a price of \$.00185 per share. Accrued interest on the convertible note payable totaled \$142 and \$0 at December 31, 2020 and December 31, 2019.

Our future maturities under our debt obligations as of December 31, 2020 are as follows:

Name	Contract Amount	Term	Less than 1 Year	2,022	More Than 5 Years
Promissory Notes	\$50,142	1 - 5	\$50,142		

### 6. INCOME TAXES

Reconciliation between the expected federal income tax rate and the actual tax rate is as follows:

	Period Ended	
	December 31, 2020	December 31, 2019
Federal statutory tax rate	21 %	21 %
State tax, net of federal benefit	5 %	5 %
Total tax rate	26 %	26 %
Allowance	(26 %)	(26 %)
Effective tax rate	- %	- %

The following is a summary of the deferred tax assets:

Period Ended

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Net operating loss carryforwards	\$ 2,955,000	2,670,000
Valuation allowance	(2,955,000)	(2,670,000)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The Company has no tax provision for any period presented due to our history of operating losses. As of December 31, 2020, the Company had estimated net operating loss carry forwards of approximately \$3,080,202 that may be available to reduce future years' taxable income through 2032 subject to Section 382 limitations. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as it has been determined that their realization is not likely to occur and accordingly, the Company has recorded a valuation allowance for the full value of the deferred tax asset relating to these tax loss carryforwards. Additionally, the Company has not filed tax returns, therefore the potential realizability of this loss in future periods is indeterminable.

The Company adopted accounting rules which address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under these rules, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. These accounting rules also provide guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of December 31, 2020 no liability for unrecognized tax benefits was required to be recorded.

## 7. STOCKHOLDERS' EQUITY

### Common stock

The Company is authorized to issue 700,000,000 shares of common stock at a par value of \$0.0001. There were 655,274,458 of common stock issued and outstanding as of December 31, 2020 and December 31, 2019.

### Preferred stock

The Company is authorized to issue 50,000,000 shares of Class A Preferred stock at a par value of \$0.01. There were 43,732,224 Class A Preferred shares issued and outstanding as of December 31, 2020 and December 31, 2019.

The Company is authorized to issue 10,000,000 shares of Class B Preferred stock at a par value of \$0.01. There were 9,000,000 Class B Preferred shares issued and outstanding as of December 31, 2020 and December 31, 2019.

## 8. SUBSEQUENT EVENTS

On January 19, 2021, the Company entered into a Release of Interest Agreement that assigns all rights in and to patents to XcelPlus in exchange for a payment in the amount of \$170,000. The payment is in the form of a two-year convertible promissory note that carries a 6% per annum interest rate. This note carries an 8% default per annum interest rate. The note matures on January 19, 2023. The note can be converted into common shares at \$0.02 per share.

On February 5, 2021, XcelPlus issued a \$300,000 unsecured convertible note that carries an 8% per annum interest rate and is payable in cash on or before February 5, 2024. Any or all of the note payable plus accrued interest can be converted at a price of \$.00185 per share. In addition, the Company issued the holder a warrant to purchase 81,000,000 shares of the Company's common stock at \$0.01 per share for a period of 5 years.

On March 1, 2021, XcelPlus issued a \$700,000 unsecured convertible note that carries an 8% per annum interest rate and is payable in cash on or before March 1, 2024. Any or all of the note payable plus accrued interest can be converted at a price of \$.00185 per share. In addition, the Company issued the holder a warrant to purchase 189,000,000 shares of the Company's common stock at \$0.01 per share for a period of 5 years.

On July 26, 2021, the Company completed a 1:100 reverse-split, whereby each one hundred (100) shares of Common Stock, issued and outstanding immediately prior to the reverse-split (including the number of shares of common stock issuable upon exercise or conversion of all issued and outstanding, options, warrants and convertible securities of every kind), were combined and reclassified into one (1) validly issued, fully paid and non-assessable share of common stock of the Company.

On August 26, 2021, the Company issued 5,910,198 common shares of stock in consideration for the conversion of \$1,050,000 of convertible promissory notes and accrued interest payable of \$43,386. In connection with the debt conversion, the Company reduced its liabilities by \$1,093,386. There was no gain or loss on settlement of debt due to the conversions occurring within the terms of the convertible notes.

On August 27, 2021, the holders of a majority of the outstanding voting stock of the Company restructured the board of directors by removing Charles Robinson from the Board and appointing the following individuals to the Board: Alejo David Perez and Andrew Befumo, effective immediately.

On August 27, 2021, the new board of directors removed Charles Robinson as Chief Executive Officer and appointed Alejo David Perez as the new Chief Executive Officer, effective immediately.

On September 1, 2021, Ford Seeman, an affiliate of the Company, purchased 6,000,000 shares of common stock of the Company at a per-share price of \$0.025 with aggregate gross proceeds of \$150,000. The Company intends to use the funds for working capital. No brokers or placement agents were involved. The transaction is exempt from the registration requirements of Section 5 of the Securities Act of 1933, as amended, in reliance on Section 4(a)(2) thereof and/or Rule 506 of Regulation D thereunder.

On August 26, 2021, the Company granted 4,000,000 shares of restricted common stock to Andrew Befumo pursuant to a board resolution for compensation for director services. The Company valued the restricted stock at par value. 2,000,000 shares vested immediately and 1,000,000 shares each shall vest on September 13, 2022 and 2023, respectively.

On August 26, 2021, the Company granted 4,000,000 shares of restricted common stock to Ford Seeman pursuant to a board resolution for compensation for director services. The Company valued the restricted stock at par value. 2,000,000 shares vested immediately and 1,000,000 shares each shall vest on September 13, 2022 and 2023, respectively.

On August 26, 2021, the Company granted 4,000,000 shares of restricted common stock to Alejo David Perez pursuant to a board resolution for compensation for director services. The Company valued the restricted stock at par value. 2,000,000 shares vested immediately and 1,000,000 shares each shall vest on September 13, 2022 and 2023, respectively.

On September 13, 2021, the Company granted 7,000,000 shares of restricted common stock to Bill Smith pursuant to an amended Consulting Agreement with GDI International, Inc. and Bill Smith. The Company valued the restricted stock at par value. 5,000,000 shares vested immediately, and 2,000,000 shares shall vest on each anniversary of the grant date.

On September 13, 2021, the Company granted 5,000,000 shares of restricted common stock to Andrew Befumo pursuant to an amended Consulting Agreement with Corporate Integrity Solutions, LLC and Andrew Befumo. The Company valued the restricted stock at par value. 2,500,000 shares vested immediately, and 625,000 shares shall vest on each anniversary date of the grant.

On September 13, 2021, the Company granted 5,000,000 shares of restricted common stock to Alejo David Perez pursuant to an Employment Agreement. The Company valued the restricted stock at par value. 2,500,000 shares vested immediately and 625,000 shares each shall vest on February 1, 2022; February 1, 2023; February 1, 2024; and February 1, 2025.

On September 13, 2021, the Company granted 7,000,000 shares of restricted common stock to Roberto Roman pursuant to an amended Employment Agreement. The Company valued the restricted stock at par value. 4,500,000 shares vested immediately and 625,000 shares each shall vest on June 1, 2022; June 1, 2023; June 1, 2024; and June 1, 2025.