

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Critical Solutions, Inc.

30 N. Gould St Ste N Sheridan, WY 82801

800-395-6811

www.MKH-Ventures.com

3699

Quarterly Report

For the Period Ending: March 31, 2022

(the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was:

648,598,752

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

643,598,752

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

596,098,752

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

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

The name of the issuer is Critical Solutions, Inc.

The previous name of the issuer was Critical Power Solutions International, Inc. until 3 2008.

The previous name of the issuer was Velocity Aerospace, Inc. until 8-07.

The previous name of the issuer was Innovative Shipping Systems, Inc. until 11-05.

The previous name of the issuer was Same Day Express, Inc. to 9-92.

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):

The issuer is incorporated in the State of Delaware in good standing and "Active".

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 May 28th, 2021, the company qualified its Regulation A statement, which offers 800,000,000 shares of common stock at \$0.01.

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

30 N Gould St Ste N Sheridan, WY 82801

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: ☐

N/A

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:

N/A

2) Security Information

Trading symbol:	<u>CSLI</u>
Exact title and class of securities outstanding:	<u>Common Stock</u>
CUSIP:	<u>22675T 104</u>
Par or stated value:	<u>\$0.01</u>

Total shares authorized:	<u>2,000,000,000</u>	as of date: <u>3/31/2022</u>
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Total shares outstanding:	<u>648,598,752</u>	as of date: <u>3/31/2022</u>
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Number of shares in the Public Float²: 393,509,354 as of date: 3/31/2022
Total number of shareholders of record: 118 as of date: 3/31/2022

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

Trading symbol: N/A
Exact title and class of securities outstanding: Special 2020 Series A Preferred Shares
CUSIP: N/A
Par or stated value: \$0.01
Total shares authorized: 1 as of date: 3/31/2022
Total shares outstanding: 1 as of date: 3/31/2022

Trading symbol: N/A
Exact title and class of securities outstanding: Special 2021 Series B Preferred Shares
CUSIP: N/A
Par or stated value: \$0.01
Total shares authorized: 100,000,000 as of date: 3/31/2022
Total shares outstanding: 0 as of date: 3/31/2022

Transfer Agent

Name: Action Stock Transfer Corporation
Phone: (801)274-1088
Email: action@actionstockstransfer.com
Address: 2469 Fort Union Blvd STE 214, Cottonwood Heights, UT 84121

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

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: ☐

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date <u>12/31/2019</u> Common: <u>651,493,062</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
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	Individual/ Entity Shares were issued to (entities must have individual with voting / investment	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.
					issuance? (Yes/No)	control disclosed).			
February 14 th , 2020	New Issuance	1	Special 2020 Series A Preferred Shares	\$25,000	N/A	Synergy Management Group, LLC (Controlled by Benjamin Berry)	Custodian Services	Exempt	Exempt
April 13 th , 2020	New Issuance	1	Special 2020 Series A Preferred Shares	\$25,000	N/A	MKH Ventures, LLC (Controlled by Samuel A. Barraza	Private Sell	Restricted	N/A
June 24 th , 2020	Cancellation	20,000,000	Common Stock	\$200,000	Yes	Jeff Sirianni	Consulting	Restricted	N/A
June 24 th 2020	Cancellation	4,253,300	Common Stock	\$42,533	Yes	ND3 LLC (Controlled by Jeff Sirianni)	Consulting	Restricted	N/A
June 24 th 2020	Cancellation	612,255	Common Stock	\$6,123	Yes	ND3 LLC (Controlled by Jeff Sirianni)	Consulting	Restricted	N/A
June 24 th 2020	Cancellation	212,255	Common Stock	\$2,123	Yes	ND3 LLC (Controlled by Jeff Sirianni)	Consulting	Restricted	N/A
June 24 th 2020	Cancellation	316,500	Commo Stock	\$3,165	Yes	ND3 LLC (Controlled by Jeff	Consulting	Restricted	N/A

						Sirianni)			
June 24 th 2020	Cancellation	30,000,000	Commo Stock	\$300,000	Yes	ND3 LLC (Controlled by Jeff Sirianni)	Consulting	Restricted	N/A
June 16 th , 2021	New Issuance	5,000,000	Commo Stock	\$50,000	Yes	Continuation Capital Inc. (Controlled by Paul Winkle)	Issued for \$50,000 Cash	Unrestricted Regulation A	N/A

June 24th 2021	New Issuance	7,500,000	Common Stock	\$75,000	Yes	Suarez Capital, LLC (Controlled by Donnell Suarez)	\$75,000 Received upon issuance	Unrestricted Regulation A	N/A
July 2nd 2021	New Issuance	5,000,000	Common Stock	\$50,000	Yes	Continuati on Capital Inc. (Controlled by Paul Winkle)	Issued for \$50,000 Cash	Unrestricted Regulation A	N/A
July 14th 2021	New Issuance	5,000,000	Common Stock	\$50,000	Yes	Continuati on Capital Inc. (Controlled by Paul Winkle)	Issued for \$50,000 Cash	Unrestricted Regulation A	N/A
July 21st 2021	New Issuance	10,000,000	Common Stock	\$100,000	Yes	Continuati on Capital Inc. (Controlled by Paul Winkle)	Issued for \$100,000 Cash	Unrestricted Regulation A	N/A
July 28th 2021	New Issuance	5,000,000	Common Stock	\$50,000	Yes	AES Capital	Issued for \$50,000 Cash	Unrestricted Regulation A	N/A
August 9th 2021	New Issuance	10,000,000	Common Stock	\$100,000	Yes	Leonite Capital	Issued for \$50,000 Cash	Unrestricted Regulation A	N/A

October 20th 2021	New Issuance	5,000,000	Common Stock	\$50,000	Yes	Continuati on Capital Inc. (Controlled by Paul Winkle)	Issued for \$50,000 Cash	Unrestricted Regulation A	N/A
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>March/31/2022</u>									
Common: <u>648,598,752</u>									
Preferred: <u>1</u>									

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

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	Outstandi ng 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.)
03/05/2021	\$100,000	\$100,00 0	\$5,000	03/05/2022	4,000,000 shares of Preferred B stock; 2,000,000 shares of which are convertible from six (6) months to term at \$.025 per share.	Michael Clauson	Loan *See note below
03/05/2021	\$50,000	\$50,000	-	3/05/2022	2,000,000 shares of Preferred B stock; 2,000,000 shares of which are convertible from 12 months to term at \$.025 per share	Donald Dedo	Loan
6/23/2020	\$83,333	\$100,000	\$28,500	6/23/2021	10,000,000 shares of Preferred B stock; 2,000,000 shares of which are convertible from 12	Robert Gallagher	Loan

					months to term at \$.01 per share		
10/3/2020	\$115,015	\$200,000	\$0	10/3/2025	n/a	Synergy Management Group	Loan
10/5/2020	\$84,985	\$100,000	\$0	10/5/2025	n/a	Adam J.Smith	Loan
10/21/2020	\$80,000	\$100,000	\$0	10/21/2025	n/a	Ralph Hansen	Loan
7/22/2021	\$35,000	\$35,000	\$0	10/21/2025	n/a	Synergy Management Group	Loan

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

4) Financial Statements

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

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: **Samuel A. Barraza**
Title: **President / CEO / CFO**
Relationship to Issuer: **President / CEO / 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.

The unaudited financial statements as of March 31, 2022 and for the three months ended March 31, 2022 are included at the end of this report.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

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")

Our business operations are conducted in remote offices throughout southern California allowing key leadership and project managers to directly oversee operations. Critical Solutions, Inc. acquires and invests in emerging growth and profitable companies..

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

MKH Ventures, LLC
Rodedawg International Industries, Inc.
Universal Systems, Inc.

- C. Describe the issuers' principal products or services.

Consulting Services
Real Estate Investments

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.

Our business is conducted in remote offices throughout southern California allowing key leadership and project managers to directly oversee operations. The facilities are primarily owned and operated by our client/partners with CSLI/MKH Ventures, LLC, owning portions of the real estate and/or business agreements. These offices include licensed cultivation facilities, sales offices, and distribution centers within the "Green Zones" of Los Angeles, CA and Orange County, CA.

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% or 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 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>Benjamin Berry</u>	<u>Court Appointed Custodian</u>	<u>Sheridan, WY</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>Court Appointed Custodian</u>
<u>Samuel A. Barraza</u>	<u>President, CEO</u>	<u>Sheridan, WY</u>	<u>1</u>	<u>Special 2019 Series A Preferred Shares</u>	<u>100%</u>	<u>Securities purchase agreement signed on 04/13/2020</u>
<u>RPG LLC/R. Paul Gray, and Tammy L. Gray (50/50 members)</u>	<u>Former</u>	<u>Court Ashburn, VA</u>	<u>98,213,321</u>	<u>Restricted Common</u>	<u>15.1%</u>	<u>N/A</u>
<u>Robert Munck</u>	<u>Director of Business Development</u>	<u>Aliso Viejo, CA</u>	<u>0</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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;

No

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.

N/A

9) Third Party Providers

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

Securities Counsel

Name: Lloyd E. Ward
Firm: Ward Law Group PLLC
Address 1: 12801 N. Central Expressway Ste. 460
Address 2: Dallas, Texas 75243
Phone: 214-736-1846
Email: lloyd@wardlegalus.com

Accountant or Auditor

N/A

Investor Relations

N/A

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.

Firm: PubCo Reporting Solutions Inc.
Nature of Services: Outside accounting consultant
Address 1: 610 – 475 W Georgia St
Address 2: Vancouver, BC Canada
Phone: 778-819-6838
Email: info@pubcoreporting.com

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, Samuel A. Barraza certify that:

1. I have reviewed this Quarterly Disclosure Statement of Critical Solutions, 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.

May 19, 2022 [Date]

/s/ Samuel A. Barraza [CEO's Signature]

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

Principal Financial Officer:

I, Samuel A. Barraza certify that:

1. I have reviewed this Quarterly Disclosure Statement of Critical Solutions, 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.

May 19, 2022 [Date]

/s/ Samuel A. Barraza [CFO's Signature]

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

FINANCIAL STATEMENTS

For the Three Months ended March 31, 2022

Unaudited - Prepared by Management

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Critical Solutions, Inc.
Consolidated Balance Sheets
(Unaudited)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 90,530	\$ 118,370
Accounts receivable	-	50,000
Total current assets	90,530	168,370
Equity Investments	903,836	903,836
Goodwill	69,000	69,000
Total Assets	\$ 1,063,366	\$ 1,141,206
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 19,294	\$ 56,912
Accrued Interest	33,500	20,833
Due to related parties	2,000	2,000
Convertible notes payable	233,333	233,333
Total Current liabilities	288,127	313,078
Note payable non-current	310,000	315,000
Total Liabilities	598,127	628,078
Stockholders' Equity:		
Series A Preferred Stock, \$0.01 par value, 1 share authorized; 1 share issued and outstanding	-	-
Series B Preferred Stock, \$0.01 par value, 100,000,000 share authorized; no share issued and outstanding	-	-
Common stock, \$0.01 par value, 2,000,000,000 shares authorized; 648,598,752 shares issued and outstanding	6,485,988	6,485,988
Additional paid-in capital	10,574,657	10,547,257
Accumulated deficit	(16,585,957)	(16,511,633)
Total Stockholders' Equity of Critical Solutions, Inc.	474,688	521,612
Non-controlling interest	(9,450)	(8,484)
Total Stockholders' Equity	465,238	513,128
Total Liabilities and Stockholders' Equity	\$ 1,063,366	\$ 1,141,206

See accompanying notes to unaudited consolidated financial statements.

Critical Solutions, Inc.
Consolidated Income Statement
(Unaudited)

	Three Months Ended
	March 31,
	2022
Operating expenses	
Advertising and marketing	\$ 16,250
General and administrative expenses	15,975
Management fees	25,800
Professional fees	4,597
Total operating expenses	<u>62,623</u>
Loss from operations	<u>(62,623)</u>
Other expense:	
Interest expense	<u>(12,667)</u>
Total other expense	<u>(12,667)</u>
Loss before income taxes	(75,289)
Income tax provision	<u>-</u>
Net Loss	\$ (75,289)
Less: Net loss attributable to non-controlling interest	<u>(966)</u>
Net loss attributable to Critical Solutions, Inc.	(74,323)
Basic and diluted net income per common share:	
Net income per common share	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding	<u>648,598,752</u>

See accompanying notes to unaudited consolidated financial statements.

Critical Solutions, Inc.
Consolidated Statement of Equity
(Unaudited)

	Series Preferred A Stock		Series Preferred B Stock		Common Stock		Additio nal Paid-in	Accumul ated Deficit	Non- controlling Interest	Total Stockhold ers' Equity
	Number of Shares	Amo unt	Number of Shares	Amo unt	Number of Shares	Amou nt	Capital			
Balance - December 31, 2021	1	\$ -	-	\$ -	648,598,752	\$ 6,485,988	\$ 10,547,257	\$ (16,511,633)	\$ (8,484)	\$ 513,128
Stock subscription	-	-	-	-	-	-	25,000	-	-	25,000
Stock based compensation	-	-	-	-	-	-	2,400	-	-	2,400
Net loss	-	-	-	-	-	-	-	(74,323)	(966)	(75,289)
Balance - March 31, 2022	1	\$ -	-	\$ -	648,598,752	\$ 6,485,988	\$ 10,574,657	\$ (16,585,956)	\$ (9,450)	\$ 465,238

See accompanying notes to unaudited consolidated financial statements.

Critical Solutions, Inc.
Consolidated Statement of Cash Flow
(Unaudited)

	Three Months Ended March 31, 2022
Cash Flows from Operating Activities	
Net loss	\$ (75,289)
Adjustments to reconcile net income to net cash used in operating activities:	
Stock based compensation	2,400
Changes in operating assets and liabilities:	
Accounts receivable	50,000
Accounts payable and accrued liabilities	(37,618)
Accrued interest	12,667
Net cash used in operating activities	<u>(47,840)</u>
Cash Flows from Financing Activities	
Proceeds from stock subscription	25,000
Repayment of note payable - non-current	<u>(5,000)</u>
Net cash provided by financing activities	<u>20,000</u>
Net change in cash and cash equivalents	(27,840)
Cash and cash equivalents - beginning of period	<u>118,370</u>
Cash and cash equivalents - end of period	<u><u>\$ 90,530</u></u>
Supplemental cash flow disclosures:	
Cash paid for interest	<u><u>\$ -</u></u>
Cash paid for income taxes	<u><u>\$ -</u></u>

See accompanying notes to unaudited consolidated financial statements.

Critical Solutions, Inc.
Notes to Consolidated Financial Statements
March 31, 2022

NOTE 1 – GOING CONCERN

Liquidity and Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of March 31, 2022, the Company has suffered recurring losses from operations, has an accumulated deficit of \$16,585,957. The Company intends to fund operations through equity financing arrangements, related party advances and revenues from investments and services, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ending December 31, 2022.

The ability of the Company to emerge from an early stage is dependent upon, among other things, obtaining additional financing to continue operations, and development of its business plan. In response to these problems, management intends to raise additional funds through public or private placement offerings.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements as of March 31, 2022 include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and activities have been eliminated. These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value. The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and

- Level 3—Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

The Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, note payable, due to related parties and accrued liabilities, are carried at historical cost. At March 31, 2022 and December 31, 2021, the carrying amounts of these instruments approximated their fair values because of the short-term nature of these instruments.

Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, "*Revenue Recognition*" following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company's revenue derives from consulting service, profit-sharing investment and soundtrack and movie production.

Earnings (Loss) per Share

The Company computes basic and diluted net loss per share amounts in accordance with ASC Topic 260, "Earnings per Share." Basic loss per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares of common stock outstanding during the reporting period. Diluted loss per share reflects the potential dilution that could occur if convertible notes to issue common stock were converted resulting in the issuance of common stock that could share in the loss of the Company. For the three months ended March 31, 2022, convertible notes were dilutive instruments and were not included in the calculation of diluted loss per share as their effect would be antidilutive.

NOTE 3 - ACQUISITIONS

Rodedawg International Industries, Inc.

On December 18, 2020, the Company entered into an agreement with International Venture Society, LLC., a Nevada corporation, for the purchase of Rodedawg International Industries, Inc., in exchange for one (1) Special 2020 Series A Preferred Share convertible into 200,000,000 shares of common stock, and super voting rights of 60% of all votes of Rodedawg International Industries, Inc. through consideration of \$34,000.

The acquisition of these companies met the definition of a business in accordance with FASB ASC Topic 805, "*Business Combinations*". As such, the Company accounted for the acquisition as a business combination.

Since the acquisition, Rodedawg International Industries, Inc. has been included in the consolidated statements of operations.

Universal Systems, Inc.

On July 22, 2021, the Company entered into an agreement with Synergy Management Group, LLC, a Wyoming Limited Liability Company for the acquisition of Universal Systems, Inc. in exchange for the issuance of one hundred (100) Special 2021 Series A Preferred Shares, and 60% super voting rights of Universal Systems, Inc. through the issuance of promissory note of \$35,000. As a part of the consolidation of assets of MKH Ventures, LLC, Critical

Solutions, Inc., was assigned the one hundred (100) Special 2021 Series A Preferred Shares, and 60% super voting rights of Universal Systems, Inc.

The acquisition of these companies met the definition of a business in accordance with FASB ASC Topic 805, "*Business Combinations*". As such, the Company accounted for the acquisition as a business combination.

Since the acquisition, Universal Systems, Inc. has been included in the consolidated statements of operations.

NOTE 4 - EQUITY INVESTMENTS

As of March 31, 2022 and December 31, 2021, the Company had equity investments of \$903,836.

The equity investments include the following:

- Investment in Global Green Solutions, Inc. for the acquisition 9.9% common shares in exchange of consulting services valued at \$143,184.
- Profit sharing contract with 770 Washington LLC of \$100,000
- Referral fee agreements with AKKB Holdings LLC and 770 Washington LLC of \$360,000
- Investment in Machinery, Equipment, Land and Building of \$300,652

NOTE 5 – CONVERTIBLE NOTES PAYABLE

As of March 31, 2022 and December 31, 2021, the Company had convertible notes payable of \$233,333 and \$83,333, respectively.

	March 31, 2022	December 31, 2021
Convertible Note - issued in June 2020	\$ 83,333	\$ 83,333
Convertible Note - issued in March 2021	150,000	150,000
	<u>\$ 233,333</u>	<u>\$ 233,333</u>

On March 5, 2021, the Company issued a collateralized debenture to Michael Clauson for \$100,000 in exchange for 4,000,000 Preferred B Shares at \$0.025 per share, 2,000,000 of which are convertible at six months from the date of the agreement. No Preferred B shares have been issued and will be authorized and issued at the end of the initial six months. The convertible note has a one year term and annual interest rate of 20%. As of March 31, 2022 and December 31, 2021, the accrued interest was \$5,000 and \$0, respectively.

On March 5, 2021, the Company issued a collateralized debenture to Donald Dedo for \$50,000 in exchange for 2,000,000 Preferred B Shares at \$0.025 per share, 2,000,000 of which are convertible at six months from the date of the agreement. No Preferred B shares have been issued and will be authorized and issued at the end of the initial six months. The convertible note has a one year term and annual interest rate of 20%.

On June 23, 2020, the Company issued a collateralized debenture to Robert Gallagher for \$100,000 in exchange for 10,000,000 Preferred B Shares at \$0.01 per share, 2,000,000. The convertible note has a one year term and annual interest rate of 20%. During the year ended December 31, 2020, the Company made note repayment of \$16,667. As of March 31, 2022 and December 31, 2020, the outstanding balance of the convertible note was \$83,333. As of March 31, 2022 and December 31, 2021, accrued interest payable was \$28,500 and \$15,000, respectively.

NOTE 6 – NOTES PAYABLE

As of March 31, 2022 and December 31, 2021, the Company had notes payable of \$310,000 and \$315,000, respectively.

	March 31, 2022	December 31, 2021
Promissory Notes - issued in October 2020	\$ 275,000	\$ 280,000
Promissory Note - issued in July 2021	35,000	35,000
	<u>\$ 310,000</u>	<u>\$ 315,000</u>

On October 3, 2020, the Company issued a promissory profit sharing note of \$200,000 with a five year term to Synergy Management Group. The Company's repayment of the promissory note will receive 10% preferred return of each crop harvest located at 770 E. Washington St., Los Angeles, CA starting about October 30, 2020 at the rate of 60% split to the investor and 40% to the grower until the full principal was paid in full. During the year ended December 31, 2021, the Company made note repayment of \$84,985. As of March 31, 2022 and December 31, 2021, the outstanding note payable amount was \$115,015.

On October 5, 2020, the Company issued a promissory profit sharing note of \$100,000 with a five year term to Adam J. Smith. The Company's repayment of the promissory note will receive 10% preferred return of each crop harvest located at 770 E. Washington St., Los Angeles, CA starting about October 30, 2020 at the rate of 60% split to the investor and 40% to the grower until the full principal was paid in full. During the year ended December 31, 2021, the Company made note repayment of \$15,015. As of March 31, 2022 and December 31, 2021, the outstanding note payable amount was \$84,985.

On October 21, 2020, the Company issued a promissory profit sharing note of \$100,000 with a five year term to Ralph Hansen. The Company's repayment of the promissory note will receive 10% preferred return of each crop harvest located at 770 E. Washington St., Los Angeles, CA starting about October 30, 2020 at the rate of 60% split to the investor and 40% to the grower until the full principal was paid in full. During the year ended December 31, 2021, the Company made note repayment of \$20,000. As of March 31, 2022 and December 31, 2021, the outstanding note payable amount was \$80,000.

On July 22, 2021, the Company issued a promissory note of \$35,000 to Synergy Management for the acquisition of 60% super voting rights of Universal Systems, Inc. The note will mature and due in full when the Company is funded by registration A or similar exemption above \$100,000. As of March 31, 2022 and December 31, 2021, the outstanding note payable amount was \$35,000.

NOTE 7 – RELATED PARTY TRANSACTIONS

As of March 31, 2022 and December 31, 2021, the amount due to related parties was \$2,000.

During the three months ended March 31, 2022, the Company incurred management fees of \$25,800 to related parties of the Company.

NOTE 8 – CAPITAL STOCK

Preferred Stock

The Company is authorized to issue 1 share of 2020 Series A Preferred Stock with a par value of \$0.01.

On February 12th, 2020, Benjamin Berry was granted a custodianship order in the district court of Chancery of the State of Delaware. Subsequently, on February 12, 2020, the Custodian granted to itself, 1 share of preferred stock,

Special 2020 Series A Preferred Stock at par value of \$0.01. The Special 2020 Series A Preferred has 60% voting rights over all classes of stock and is convertible into 500,000,000 shares of the Company's common stock.

On May 13th, 2022, the Company designated a Special 2021 Series B Preferred Stock. The number of authorized shares of 2021 Series B Preferred Stock is 100,000,000 shares with par value of \$0.01 per share. The designation of the preferred shares was retrospectively reflected in the financial statements.

As of March 31, 2022 and December 31, 2021, the Company had 1 share of preferred stock issued and outstanding.

Common Stock

The Company is authorized to issue 2,000,000 shares of common stock with a par value of \$0.01.

During the year ended December 31, 2021, the Company issued 52,500,000 shares of common stock for proceeds of \$525,000.

As of March 31, 2022 and December 31, 2021, the Company had 648,598,752 shares of common stock issued and outstanding.