

## Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

### COFFEE INC.

1901 North Roselle Road, Suite 800 PMB #8080, Schaumburg, IL 60195

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(630) 250-2708

[www.coffeeincorporated.com](http://www.coffeeincorporated.com)

[info@coffeeincorporated.com](mailto:info@coffeeincorporated.com)

SIC Code 2095

### Annual Report

For the Period Ending: **December 31, 2023**

(the "Reporting Period")

As of February 19, 2024, the number of shares outstanding of our Common Stock was:

247,499,530

As of December 31, 2023, the number of shares outstanding of our Common Stock was:

247,499,530

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

214,499,530

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

214,499,530

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:

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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.

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

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

**The Company was incorporated as FWF HOLDINGS, INC., Stifstr 32, 20099 Hamburg, Germany, in the state of Nevada on July 22, 2014; and**

**The Company changed its name to DOCASA, INC., 1901 North Roselle Road, Suite 800, Schaumburg, IL 60195, on August 4, 2016.**

**The Company changed its name to THE COFFEESMITHS COLLECTIVE INC., 1901 North Roselle Road, Suite 800, Schaumburg, IL 60195, on October 29, 2018.**

**The Company changed its name to CAFÉ HOLDINGS INC., 1901 North Roselle Road, Suite 800, Schaumburg, IL 60195, on February 20, 2020.**

**The Company changed its name to COFFEE INC., 1901 North Roselle Road, Suite 800 PMB #8080, Schaumburg, IL 60195, on October 12, 2022. This is the current name and address of the issuer.**

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 Company was originally incorporated in Nevada on July 22, 2014, as FWF Holdings, Inc., and on October 29, 2018, changed its name to The Coffeesmiths Collective Inc., and on February 20, 2020, changed its name to Café Holdings Inc., and on October 12, 2022, changed its name to Coffee Inc.**

**Current State of Incorporation: Nevada**

**Current Standing in Nevada: 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:

**None.**

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

**1901 North Roselle Road, Suite 800 PMB #8080, Schaumburg, IL 60195**

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: COFE  
 Exact title and class of securities outstanding: Common Stock  
 CUSIP: 12770L106  
 Par or stated value: \$0.001  
 Total shares authorized: 250,000,000 as of December 31, 2023  
 Total shares outstanding: 247,499,530 as of December 31, 2023  
 Number of shares in the Public Float<sup>2</sup>: 11,058,446 as of December 31, 2023  
 Total number of shareholders of record: 96 as of December 31, 2023

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  
 Total shares outstanding: N/A

### Transfer Agent

Name: Securities Transfer Corporation  
 Phone: (469) 633-0101  
 Email: info@stctransfer.com  
 Address: 2901 Dallas Parkway, Suite 380, Dallas, TX 75093

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> 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:

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>12/31/20</u>	Common: <u>214,499,530</u> Preferred: <u>0</u>								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per	Were the shares issued at a discount to market price at	Individual/ Entity Shares were issued to (entities must have individual with voting /	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

<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.

	returned to treasury)			share) at Issuance	the time of issuance? (Yes/No)	investment control disclosed).	Services Provided		
<u>6/28/23</u>	<u>New issuance</u>	<u>33,000,000</u>	<u>Common</u>	<u>\$0.026</u>	<u>No</u>	<u>Iron Sight Industries Inc.</u>	<u>Project services</u>	<u>Restricted</u>	<u>Rule 144</u>
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date <u>2/12/24</u>	Common: <u>247,499,530</u>								
Preferred: <u>0</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	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.)
<u>12/31/2021</u>	<u>\$6,618,860</u>	<u>\$6,618,860</u>	<u>\$0</u>	<u>01/01/2032</u>	<u>Convertible to common stock at \$0.02</u>	<u>Silverstream Investments Limited</u>	<u>Working Capital</u>
<u>12/31/2021</u>	<u>\$287,486</u>	<u>\$400,000</u>	<u>\$0</u>	<u>01/01/2032</u>	<u>Convertible to common stock at \$0.02</u>	<u>Silverstream Investments Limited</u>	<u>Working Capital</u>

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)<sup>4</sup>:

Name: **Larry Trachtenberg**  
Title: **CEO**  
Relationship to Issuer: **CEO**

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

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

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 Statements are provided starting on page 9.**

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")

**The Company's business operations are in the specialty coffee industry. The Company historically generated revenue through sales at company operated stores in the United Kingdom ("UK") and the United States ("US") where we sold our proprietary coffee and related products, and complementary food and snacks. The global Covid pandemic forced a rethink of these plans and today the Company is focused on the financing and purchasing of well-established coffee roasting brands in the USA, UK and Europe. It seeks to establish economies of scale and drive sales by adopting demonstrably superior supply chain practices and high positive impact for green coffee farmers. The Company is also working with several global professionals on the launch of a new asset-backed, blockchain-based venture in support of small coffee farmers around the world. The Company will not be launching a crypto currency but will be involved in the development of blockchain technology that can be used by third parties to launch blockchain-based projects in the agri-tech sector.**

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

**The Company has no subsidiaries.**

C. Describe the issuers' principal products or services.

**The Company is focused on the financing and purchasing of well-established coffee roasting brands in the USA, UK and Europe. It seeks to establish economies of scale and drive sales by adopting demonstrably superior supply chain practices and high positive impact for green coffee farmers. Already a historically well-established business across the global coffee sector the Company is now also moving forward with the deployment of a revolutionary blockchain technology aimed at disrupting the global green coffee market through the development of a specialized trading platform.**

**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.

**None. The Company's office space is leased for a monthly amount of \$219.**

## 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 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
Stefan Allesch-Taylor	Owner of more than 5%	London, England	90,300,000	Common	36.48%	
Silverstream Investments Limited	Owner of more than 5%	St Helier, Jersey	40,000,000	Common	16.16%	
ACC (Afri-CAN Children's Charity	Owner of more than 5%	Cape Town, South Africa	20,000,000	Common	8.08%	
Larry Trachtenberg	CEO	London, England	3,182,000	Common	1.29%	Includes ownership personally and corporately
Iron Sight Industries Inc.	Owner of more than 5%	Sheridan, WY	33,000,000	Common	13.33%	

## 8) Legal/Disciplinary History

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

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

**None.**

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

**None.**

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

**None.**

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

**None.**

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

**None.**

## 9) Third Party Providers

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

### Securities Counsel

Name: Steven Block  
Firm: **Thompson Hine**  
Address 1: 20 N. Clark St., Suite 3200  
Address 2: Chicago, Illinois 60602-5093  
Phone: 312-998-4242  
Email: [Steven.Block@ThompsonHine.com](mailto:Steven.Block@ThompsonHine.com)

### Accountant or Auditor

Name: **None**  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

### Investor Relations

Name: **None**  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

### Other Service Providers

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

Name: **None**  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

## 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, Larry Trachtenberg, certify that:

1. I have reviewed this **annual disclosure statement of COFFEE 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.

February 19, 2024

/s/ Larry Trachtenberg, CEO

*Principal Financial Officer:*

I, Larry Trachtenberg, certify that:

1. I have reviewed this **annual disclosure statement of COFFEE 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.

February 19, 2024

/s/ Larry Trachtenberg, CFO

**COFFEE INC.**

**(f/k/a/ Café Holdings, Inc.)**

**Condensed Consolidated Annual Financial Statements and Footnotes**

**December 31, 2023**

**(unaudited)**

**COFFEE INC.**  
**(f/k/a Café Holdings, Inc.)**  
**and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
**(unaudited)**

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 199,550	\$ 277,490
Prepaid expense	3,333	5,500
Other receivables	370,000	234,835
Total current assets	<u>572,883</u>	<u>517,825</u>
Other non-current receivable	-	693,241
Total assets	<u>\$ 572,883</u>	<u>\$ 1,211,066</u>
 <b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>Current liabilities:</b>		
Note payable	\$ 71,004	\$ 298,713
Convertible notes payable	6,618,860	6,618,860
Liabilities attributable to discontinued operations	8,814,629	8,814,629
Accounts payable and accrued expenses	592,015	542,748
Total current liabilities	<u>16,096,508</u>	<u>16,274,950</u>
Total liabilities	16,096,508	16,274,950
Commitments and contingencies (Note 4)	-	-
 <b>Shareholders' deficit:</b>		
Common stock, \$0.001 par value, 250,000,000 shares authorized, 247,499,530 and 214,499,530 shares issued and outstanding, at December 31, 2023 and 2022, respectively, and 20,179,231 and 20,179,231 shares conditionally issuable, at December 31, 2023 and 2022, respectively	267,679	234,679
Additional paid-in capital	4,524,194	3,699,194
Class A ordinary shares of DEPT-UK (25,000,000 shares authorized, £1 par value, 0 and 0 shares issued and outstanding as of December 31, 2023 and 2022, respectively)	-	-
Class B ordinary shares of DEPT-UK (10,000,000 shares authorized, £1 par value, 0 and 0 shares issued and outstanding as of December 31, 2023 and 2022, respectively)	-	-
Accumulated other comprehensive loss	91,063	91,063
Accumulated deficit	<u>(44,048,528)</u>	<u>(42,730,787)</u>
Total Café Holdings, Inc. shareholders' deficit	<u>(39,165,592)</u>	<u>(38,705,851)</u>
 <b>Non-controlling interest:</b>		
Preference shares of DEPT-UK (25,000,000 shares authorized, £1 par value, 20,431,502 and 20,431,502 shares issued and outstanding as of December 31, 2023 and 2022, respectively)	23,158,096	23,158,096
Non-controlling interest	483,871	483,871
Total liabilities and shareholders' deficit	<u>\$ 572,883</u>	<u>\$ 1,211,066</u>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**COFFEE INC.**  
**(f/k/a Café Holdings Inc.)**  
**and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**For the Years Ended December 31,**  
**(unaudited)**

	<u>2023</u>	<u>2022</u>
Revenue, net	\$ -	\$ -
Operating expenses		
Stock-based compensation	858,000	-
Other general and administrative expenses	339,474	819,910
Total operating expenses	<u>1,197,474</u>	<u>819,910</u>
Operating loss	<u>(1,197,474)</u>	<u>(819,910)</u>
Other income (expense)		
Gain (loss) on settlement	<u>(120,268)</u>	<u>1,227,242</u>
Net loss	<u>\$ (1,317,741)</u>	<u>\$ 407,332</u>
Net income per share	<u>\$ (0.00)</u>	<u>\$ 0.00</u>
Weighted average number of shares outstanding	<u>281,216,921</u>	<u>214,499,530</u>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**COFFEE INC.**  
**(f/k/a Café Holdings, Inc.)**  
**and Subsidiaries**  
**Condensed Consolidated Statement of Shareholders' Deficit**  
**December 31, 2023 and 2022**  
**(unaudited)**

	Class A Ordinary Stock		Class B Ordinary Stock		Common Stock		Common Stock Issuable		Additional Paid-in Capital	Accumulated Other Compre- hensive Income (Loss)	Non- Controlling Interest	Accumulated Deficit	Total Equity
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount					
Balance, December 31, 2021	-	\$ -	-	\$ -	214,499,530	\$214,500	20,179,231	\$ 20,179	\$3,699,194	\$ 91,063	\$ 23,641,967	\$(43,138,119)	\$ (15,471,216)
Net loss for the period ended December 31, 2022	-	-	-	-	-	-	-	-	-	-	-	407,332	407,332
Balance, December 31, 2022	-	\$ -	-	\$ -	214,499,530	\$214,500	20,179,231	\$ 20,179	\$3,699,194	\$ 91,063	\$ 23,641,967	\$(42,730,787)	\$ (15,063,884)
Balance, December 31, 2022	-	\$ -	-	\$ -	214,499,530	\$214,500	20,179,231	\$ 20,179	\$3,699,194	\$ 91,063	\$ 23,641,967	\$(42,730,787)	\$ (15,063,884)
Common stock issued for services	-	-	-	-	33,000,000	33,000	-	-	825,000	-	-	-	858,000
Net loss for the period ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	-	(1,317,741)	(1,317,741)
Balance, December 31, 2023	-	\$ -	-	\$ -	247,499,530	\$247,500	20,179,231	\$ 20,179	\$4,524,194	\$ 91,063	\$ 23,641,967	\$(44,048,528)	\$ (15,523,625)

*See accompanying notes to unaudited condensed consolidated financial statements.*

**COFFEE INC.**  
**(f/k/a Café Holdings Inc.)**  
**and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
**For the Years Ended December 31,**  
**(unaudited)**

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net income (loss) attributable to common shareholders	\$ (1,317,741)	\$ 407,332
Adjustments to reconcile net income before taxes and non-controlling interest to net cash provided by operations:		
Assets attributable to disputed operations	-	3,217,090
Liabilities attributable to disputed operations	-	(2,257,489)
Loss on settlement	120,268	-
Stock-based compensation	858,000	-
Changes in operating assets and liabilities:		
Prepaid expense	2,167	(5,500)
Other receivables	(135,165)	(234,834)
Other receivables, non-current portion	693,241	(693,241)
Accounts payable	(70,999)	(54,581)
<b>Net cash provided by operating activities</b>	<b>149,771</b>	<b>378,777</b>
<b>Cash flows used in financing activities:</b>		
Repayment on notes payable	(227,710)	(101,287)
<b>Net cash used in financing activities</b>	<b>(227,710)</b>	<b>(101,287)</b>
Net increase (decrease) in cash	(77,940)	277,490
Cash at beginning of period	277,490	-
Cash at end of period	<b>\$ 199,550</b>	<b>\$ 277,490</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

*See accompanying notes to unaudited condensed consolidated financial statements.*

**COFFEE INC.**  
**(f/k/a Café Holdings Inc.)**  
**and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**December 31, 2023**  
**(unaudited)**

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

Café Holdings Inc. (f/k/a The Coffeesmiths Collective, Inc., hereinafter the “Company,” “we,” “us,” “our,” or “Café Holdings”) was incorporated in the State of Nevada on July 22, 2014, under the name of FWF Holdings, Inc. The Company changed its name on August 4, 2016. The Company was originally engaged in the business of commercial production and distribution of hot sauce (see Note 3). On August 4, 2016, the Company changed its year end from July 31 to August 31.

On July 8, 2016, the Company experienced a change in control. Atlantik LP (“Atlantik”), a related party, acquired a majority of the issued and outstanding common stock of the Company in accordance with a stock purchase agreement by and between Atlantik and Nami Shams (the “Seller”). On the closing date, July 8, 2016, pursuant to the terms of the stock purchase agreement, Atlantik purchased from the Seller 115,000,000 shares of the Company’s outstanding restricted common stock for \$200,000, representing 76.1% of the Company’s outstanding common stock at that time.

On September 1, 2016, the Company acquired 99.8% of the voting stock of the Department of Coffee and Social Affairs Limited, a United Kingdom corporation (the “DEPT-UK”), and the Company agreed to issue DEPT-UK’s majority shareholder 170,000,000 shares of the Company’s common stock—110,000,000 shares initially and 60,000,000 shares at a time determined by the Company’s Board of Directors but no later than August 31, 2017, which deadline was subsequently extended to August 31, 2019. Also, on September 1, 2016, the Company acquired 115,000,000 shares of the Company’s common stock from Atlantik in exchange for issuing Atlantik a promissory note for \$320,000, which shares were then cancelled, and which note has since been paid in full. As a result of the acquisition and the issuance of the initial 110,000,000 shares of common stock, and the cancellation of the 115,000,000 Atlantik shares, DEPT-UK is now the majority-owned subsidiary of the Company, and the Company experienced a change of control.

DEPT-UK formed a wholly owned subsidiary, Department of Coffee and Internal Affairs Limited (“DCIA”), on September 11, 2014, as filed with the Registrar of Companies for England and Wales. As of December 31, 2022, DCIA has had no operations or activity.

On April 5, 2017, the Company formed Department of Coffee and Social Affairs IL, Inc. (“DEPT-IL”), an Illinois corporation.

On May 18, 2017, the Company formed Department of Coffee and Social Affairs White Space Limited (“DEPT-UKWS”), as filed with the Registrar of Companies for England and Wales. DEPT-UKWS is a subsidiary of DEPT-UK. As of December 31, 2021, DEPT-UKWS has had no operations or activity.

For financial reporting purposes, the acquisition of DEPT-UK and the change of control in connection with acquisition represented a “reverse merger” rather than a business combination, and DEPT-UK is deemed to be the accounting acquirer in the transaction. For the periods subsequent to August 31, 2016, the acquisition is being accounted for as a reverse-merger and recapitalization. DEPT-UK is the acquirer for financial reporting purposes, and the Company (DOCASA, Inc., f/k/a FWF Holdings, Inc.) is the acquired company. Consequently, the assets and liabilities and the operations that are reflected in the historical financial statements prior to the acquisition are those of DEPT-UK and have been recorded at the historical cost basis of DEPT-UK, and the financial statements after completion of the acquisition include the assets and liabilities of both the Company and DEPT-UK, and the historical operations of DEPT-UK prior to closing and operations of both companies from the closing of the acquisition.

On November 1, 2017, DEPT-UK acquired Tapped and Packed Ltd (“Tapped”), a UK company, for a combination of cash and shares of common stock of the Company. See Note 2. Tapped became a subsidiary of DEPT-UK as a result of the transaction. Tapped has four shop locations in the UK which serve coffee and food.

On February 23, 2018, the Board of Directors determined to change the Company’s fiscal year end to December 31 from August 31. The Company believes this change will benefit the Company by aligning its reporting periods to be more consistent with peer coffee companies.

On May 23, 2018, DEPT-UK acquired Bea’s of Bloomsbury Limited (“Bea’s”), a UK company, for shares of common stock of the Company. See Note 2. Bea’s became a subsidiary of DEPT-UK as a result of the transaction. Bea’s has five shop locations in the UK which serves coffee and food.

Effective October 29, 2018, majority of the shareholders of the Company approved the following changes to the Company's Articles of Incorporation:

On October 29, 2018, the majority of the shareholders of the Company approved the amendment to the Articles of Incorporation to change the Company's name from "DOCASA, Inc." to "The Coffeesmiths Collective, Inc." The purpose of the name change will help further our brand identity and will reflect the major focus of our business operations as a specialty coffee company. The filing of the name change with the state of Nevada was completed and effected as of October 29, 2018. The Company filed with FINRA for a name change and symbol change on November 1, 2018. On December 4, 2018, both changes were approved.

On November 15, 2018, DEPT-UK executed a Share Purchase Agreement with Thomas Acland, David Downie, William Vernon, Kate Elizabeth Acland, and Martyn Ward for the acquisition of Coffee Global Limited (a/k/a Cafe2U ("Cafe2U")). Cafe2U became a subsidiary of DEPT-UK as a result of the transaction. Cafe2U is a franchised mobile coffee van and has 85 vans in the UK all operating under a master franchise agreement.

On December 1, 2018, the Company executed a Capital Contribution Agreement with Paul Leisen, Joan Lundgren, John Sweeney, Jacob Muller and Travis Schaffner for the acquisition of Dollop Coffee, LLC ("Dollop"). Dollop became a subsidiary of Coffeesmiths Collective as a result of the transaction. Dollop has coffee cafes and provides roasting and distribution and has 16 locations in Chicago, Illinois.

On December 1, 2018, DEPT-UK executed a Share Purchase Agreement with Silverstream Investments Ltd. for the acquisition of The Roastery Department Ltd. ("The Roastery"). The Roastery became a subsidiary of DEPT-UK as a result of the transaction. The Roastery is a roastery and has one location in the UK.

On various dates during 2018, DEPT-UK executed various share purchase agreements and asset purchase agreements with various third parties for coffee shops, roastery, bakery and assets, as applicable. The acquired entities became subsidiaries of DEPT-UK. The acquired assets were incorporated into the operations of DEPT-UK. These acquisitions, in aggregate, were for \$783,869 in cash and deferred cash payments of \$594,692.

On February 18, 2019, Dept. Cold Brew changed its name to Baker & Spice (London) Ltd.

On March 14, 2019, Coffeesmiths Collective, Ltd. ("CCL"), a limited liability company, was formed. It is a subsidiary of the parent company and the UK parent company to DEPT-UK and the other subsidiaries located in the UK.

On various dates during the twelve months ended December 31, 2019, the Company executed 10 purchase agreements and asset purchase agreements with various third parties to acquire in the aggregate 35 other coffee shops ("Other Acquisitions - 2019"). The acquired businesses became subsidiaries of the Company. The acquired assets were incorporated into the operations of CCL. These acquisitions, in the aggregate, were for \$4,581,906 in cash, \$554,450 in shares and deferred cash payments of \$936,715.

On February 18, 2020, the Company secured financing for £30 million of equity with the investment group, Silverstream Investments Ltd. ("Silverstream"). Silverstream was already the largest lender to the Company at the time prior to the new proposed investment. Through their prior debt financing, they held a secured position over all of the assets of the UK operations. The projected closing of the new equity investment was on or about March 30, 2020. The only substantial pre-condition to closing the equity investment was that there be no outstanding or pending litigation of substance against the Company. The funds were designed to advance the Company's expansion plans in both the UK and the U.S. and to enable the Company to weather the down time due to what it perceived was an impending COVID-19 crisis for the sector.

On February 20, 2020, the Company changed its name from The Coffeesmiths Collective, Inc. to Café Holdings, Inc. ("CHI"). The Company has filed the change of name with the State of Nevada. The required paperwork was submitted to FINRA for review and has been approved.

As of March 4, 2020, CHI's loan arrangement with Silverstream Investments Limited increased from \$1,280,315 as at December 31, 2019 to \$3,618,860 by April 3, 2020. This was in part due to the conversion of a £1 million pound advance from the new equity investment by Silverstream received on February 21, 2020, and its subsequent conversion to debt when this investment subsequently failed to complete.

On March 21, 2020, the Governor of Illinois issued a "lockdown" notice causing the closure of all food, beverage and hospitality in Chicago until late June 2020. This was the first of several lockdowns in the Chicago area.

On March 22, 2020, the Company was informed that the Conditions Precedent in the SPA had not been met due to the receipt of the legal action by Weiss and the proposed Silverstream investment was rescinded.

On or about March 22, 2020, Silverstream exercised its rights under its secured financing and foreclosed on all UK assets. This left only the Dollop assets in the U.S. in the Company.

On March 23, 2020, the UK Government ordered the immediate closure of hundreds of thousands of businesses across the UK in a “lockdown” affecting 95% of the Company’s UK operating assets for a period that lasted, to varying degrees, for over 24 weeks. This lockdown was then repeated again many months later.

On June 30, 2020, Coffee Global Limited and Taylor Street Baristas (London) Limited was sold.

During this period, the UK Directors, advised by specialist restructuring and insolvency experts, determined that the non-operating holding company CCL in which sat the Group’s headquarters and administrative functions, was no longer viable as it could no longer charge central costs to its subsidiaries in accordance with its business model nor draw upon fresh equity of the then rescinded equity investment.

As a result, the assets of the UK group specifically have either been sold at fair market price or transferred to existing secured preference debt holders who sought to realize their security. Those assets not transferred to debt holders were liquidated.

On or about July 20, 2020, whatever assets had not been liquidated due to COVID-19 or had been taken over by Silverstream in the UK went into Administration.

On October 12, 2022, the Company changed its name to Coffee Inc.

### ***Nature of Operations***

We were in the specialty coffee industry, specifically with company-operated stores. The Company predominately generated revenue through sales at company operated stores in the United Kingdom (“UK”) and the United States (“US”) where we sold our proprietary coffee and related products, and complementary food and snacks.

On March 30, 2022, the Company has entered a Heads of Terms Agreement (the “Agreement”) with a specialty coffee company in the United Kingdom to launch a U.S.-based coffee subscription business, to be based in Illinois, and built around a successful model operating in the UK for several years. The Agreement includes the branding, expertise and continuous product development for Café Holdings, Inc. The blends available for subscription will all be at Specialty Grade. In addition, the Company has retained the services of a specialist global digital marketing agency to market this new service. The Company hopes to publish further information about this agreement and the subscription coffee business venture in the next few months.

The Company is currently focused on the financing and purchasing of well-established coffee roasting brands in the USA, UK and Europe. It seeks to establish economies of scale and drive sales by adopting demonstrably superior supply chain practices and high positive impact for green coffee farmers. The Company is also currently working with several global professionals on the launch of a new asset-backed, blockchain-based venture in support of small coffee farmers around the world. The Company will not be launching a crypto currency but will be involved in the ownership of blockchain technology that can be used by third parties to launch blockchain-based projects in the agri-tech sector.

### ***Principles of Consolidation***

The unaudited consolidated financial statements include the accounts of the Company and its subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Company has no cash in excess of FDIC limits in the U.S. and Financial Services Compensation Scheme in the UK.

### ***Fair Value of Financial Instruments***

The Company measures its financial assets and liabilities in accordance with generally accepted accounting principles. For certain of our financial instruments, including cash, accounts receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities.

We follow accounting guidance for financial and non-financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

### ***Revenue Recognition***

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This update provides a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. We have adopted this update. We do not believe this guidance will impact the recognition of our primary source of revenue from company-owned coffee shops. The adoption of this guidance did not have a material impact on our unaudited consolidated financial statements.

### ***Stock-Based Compensation***

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees. The value of the portion of an award that is ultimately expected to vest is recognized as an expense over the requisite service periods using the straight-line attribution method. The Company accounts for non-employee share-based awards in accordance with the measurement and recognition provisions ASC Topic 505-50. The Company estimates the fair value of stock options at the grant date by using the Black-Scholes option-pricing model.

### ***Income Taxes***

The Company adopted the provisions of ASC 740, "Income Taxes." When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for unrecognized tax benefits in the accompanying condensed consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a

liability for unrecognized tax benefits. As of December 31, 2023, tax years 2016 - 2023 remain open for IRS audit and tax years 2016–2023 remain open for HM Revenue & Customs (“HMRC”) audit. The Company has received no notice of audit from the IRS or HMRC for any of the open tax years.

### ***Net Earnings (Loss) Per Share***

In accordance with ASC 260-10, “Earnings Per Share,” basic net earnings (loss) per common share is computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common stock shares outstanding during the period. The Company does not currently have any potential dilutive securities outstanding as of December 31, 2023 and 2022.

### ***Going Concern***

The Company had net loss for the year ended December 31, 2023, of \$1,317,741 and a working capital deficit as of December 31, 2023, of \$15,523,625, and has cash provided by operations of \$149,771 for the year ended December 31, 2023. In addition, as of December 31, 2023, the Company had a shareholders’ deficit and accumulated deficit of \$39,165,592 and \$44,048,528, respectively. These conditions raise substantial doubt about the Company’s ability to continue as a going concern.

The accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The ability of the Company to continue its operations is dependent on the execution of management’s plans, which include the raising of capital through the debt and/or equity markets, until such time that funds provided by operations are sufficient to fund working capital requirements. If the Company were not to continue as a going concern, it would likely not be able to realize its assets at values comparable to the carrying value or the fair value estimates reflected in the balances set out in the preparation of the consolidated financial statements.

There can be no assurances that the Company will be successful in generating additional cash from the equity/debt markets or other sources to be used for operations. The financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary. Based on the Company’s current resources, the Company will not be able to continue to operate without additional immediate funding. Should the Company not be successful in obtaining the necessary financing to fund its operations, the Company would need to curtail certain or all operational activities and/or contemplate the sale of its assets, if necessary.

### ***Effect of Recent Accounting Pronouncements***

The Company reviews new accounting standards and updates as issued. No new standards or updates had any material effect on these financial statements. The accounting pronouncements and updates issued subsequent to the date of these financial statements that were considered significant by management were evaluated for the potential effect on these financial statements. Management does believe that some of the subsequent pronouncements will have a material effect on these financial statements as presented and does not anticipate the need for any future restatement of these financial statements because of the retro-active application of any accounting pronouncements issued subsequent to December 31, 2021, through the date these financial statements were issued.

In February 2016, the Financial Accounting Standards Board (“FASB”) issued an ASU on lease accounting. The ASU requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. The ASU is effective for reporting periods beginning after December 15, 2018, with early adoption permitted. While the Company is still evaluating the ASU, the Company expects the adoption of the ASU to have a material effect on the Company’s financial condition due to the recognition of the lease rights and obligations as assets and liabilities. The Company expects the ASU to have a material effect on the Company’s results of operations and financial position, and the ASU will have no effect on cash flows.

### **NOTE 2 – CONVERTIBLE NOTES PAYABLE AND NOTES PAYABLE**

The Company executed a convertible note payable with Silverstream Investments Limited (“Silverstream”) which has a balance of \$6,618,860 and \$6,618,860 as of December 31, 2023 and 2022, respectively. The note payable is convertible at \$0.02 per share at the discretion of the lender.

The Company executed a note payable with Silverstream. The balance as of December 31, 2023 and 2022, was \$71,004 and \$298,713, respectively.

## **NOTE 3 – SHAREHOLDERS’ EQUITY**

### ***Common Stock***

The Company is authorized to issue up to 250,000,000 shares of common stock. Each outstanding share of common stock entitles the holder to one vote per share on all matters submitted to a shareholder vote. All shares of common stock are non-assessable and non-cumulative, with no pre-emptive rights.

On May 1, 2019, Allesch-Taylor exercised his rights to the common stock related to the issuable common stock (see Note 1) in regard to the acquisition in 2016, in the amount of 23,157,894 shares. Simultaneously with the issuance, Allesch-Taylor assigned these shares to unrelated third parties. After the issuance, there remains 20,179,231 shares of common stock issuable to Allesch-Taylor.

On June 28, 2023, the Company issued 33,000,000 shares of common stock to Iron Sight Industries Inc. for services. The issuance was valued at \$0.026 or \$858,000.

As of December 31, 2023, the Company has not granted any stock options.

### ***Preference Shares and Non-Controlling Interest***

Non-controlling interest is shown as a component of shareholders’ deficit on the consolidated balance sheets and the share of new loss attributable to non-controlling interest is shown as a component of net loss in the consolidation statements of operations and comprehensive loss.

The Articles of Association of DEPT-UK, pursuant to the Companies Act 2006, authorized DEPT-UK to issue up to 25,000,000 preference shares, par value £1.00 per share (such subsidiary preference shares referred to herein as “Preference Shares”). Such Preference Shares have no votes and limited distribution rights. Subject to the provisions of the Companies Act 2006, DEPT-UK shall have the right pursuant to Section 687-688 of the Companies Act 2006 to redeem at par the whole or any part of the Preference Shares at any time or times after the date of issue of the said Preference Shares upon giving to the holders not less than three months’ previous notice in writing. The Preference Shares, at the discretion of the Board of Director of DEPT-UK, can be purchased at the value they were issued or can be converted into contributed capital. The Preference Shares are accounted for as non-controlling interest. As of December 31, 2023 and 2022, 20,431,502 and 20,431,502 shares were outstanding, respectively. Of the outstanding shares, 1,592,710 and 1,592,710 were issued to related parties (Stefan Allesch-Taylor and Matthew Gill), as of December 31, 2023 and 2022, respectively.

Contributions were used to fund working capital, acquisitions and capital expenditures. The Preference Shares are reflected on the consolidated balance sheet as non-controlling interest.

## **NOTE 4 – COMMITMENTS AND CONTINGENCIES**

### **Legal Matters**

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of April 24, 2022, the only outstanding issues are below. Other than these issues, there were no other pending or threatened lawsuits known. Due to the Litigation, the Company is not privy to activities related to Dollop Coffee.

On March 20, 2020, the Company received Notice of a Claim filed in the State of Illinois in the Circuit Court of Cook County, Case No. 2020CH03407, Dollop Brand, LLC, et al. v. DOCASA, Inc., et al (the “Litigation”) informing the Company of an alleged immediate dissolution of its 51% joint venture in Dollop Coffee, LLC (“Dollop Coffee”) by minority shareholder Dollop Brand, LLC (“Brand”) and Brand’s principal Dan Weiss (“Weiss”). There were also further claims of \$20 million against the Company and against officers of the Company who served on the Dollop Coffee Board of Managers (*i.e.*, directors). In the complaint filed in March 2020, Weiss declared that he now owned 89% of Dollop. The Company firmly believes these actions to be vexatious, arbitrary and both unlawful and illegal in their substance. The Company’s attorneys provided Weiss with regulations that, during this debate of ownership, the Company had an obligation to file consolidated financial statements with the OTC Markets. Weiss categorically refused to provide any information to the Company. The Company therefore could not file the required financials January 2020 to date. The Company executed a settlement with Weiss on December 31, 2021.

The payment to Dollop Coffee LLC for the 51% equity investment by CHI was enabled through a Ten-Year Zero Coupon Convertible Loan Note for \$3 million from Silverstream Investments Limited in December 2019. The consideration for Dollop, paid in full at closing, included both payments for equity and the provision of working capital. Further funding of up to \$1.3 million for the purchase of minority shareholder interests in Dollop was to be made available when final acquisition terms with those shareholders had been

agreed. This transaction never took place. The terms of the \$3 million Silverstream loan were that it was convertible into equity in the Company (CHI) at any time between December 2019 and December 2029 at a 40% discount to the average bid price in the 4 weeks preceding conversion. Alternatively, the loan is repayable at any time (only if repaid in full) if conversion does not take place but in these circumstances Silverstream will be entitled to a repayment termination fee equivalent to 7% per annum interest for the life of the outstanding loan, payable in shares in the company at a 40% discount to the average bid price in the 4 weeks.

On December 31, 2023, the Company and Dollop Brand LLC settled the outstanding balance due to the Company. Dollop Brand LLC agreed to pay \$200,000 in December 2023 and \$349,685 in January 2024 to settle the outstanding balance which resulted in the Company recording a loss on settlement of \$120,268 for the year ended December 31, 2023. See Note 6.

On or about March 22, 2020, Silverstream exercised its rights under its secured financing and foreclosed on all UK assets. This left only the Dollop assets in the U.S. in the Company.

On or about March 30, 2020, the Company retained attorneys Horwood Marcus & Berk Chartered (“HMB”) in Chicago to represent the Company and the above-mentioned officers of the Company in the Litigation. The Company has filed counterclaims against Brand and Weiss in the Litigation, as well as a series of motions seeking relief that includes, but is not limited to: (a) the dismissal of Brand’s and Weiss’s claims against the Company and its officers; and (b) court appointment of an independent receiver/manager for Dollop Coffee. The Company continues to explore legal action against Brand, Weiss and their and Dollop Coffee’s retained professionals. The Company estimates that these claims could be in excess of \$90 million.

It was agreed with Silverstream Investments Limited in April 2020 that they would procure the financing of 50% of the litigation costs incurred by CHI. In exchange for providing 50% of these litigation costs, it has been agreed that Silverstream will be entitled to 50% of the net recovery from any settlements, with 50% of the net recovery going to CHI. These repayments are being made to Silverstream upon monthly receipts from Dollop Coffee.

The balance of the litigation costs not covered by Silverstream and incurred by CHI (approximately \$400,000) are being repaid on a monthly basis to HMB Law under an agreement between the parties.

On June 16, 2020, in the Circuit Court of Cook County, Illinois, Law Division, a Complaint for Breach of Contract was filed in Caffè Streets, Inc. v. DHW Streets, LLC and Daniel Weiss, Case No. 2020L006458.

On June 17, 2020, in the Circuit Court of Cook County, County Department, Law Division, a Plaintiff’s Complaint for Breach of Contract and Other Relief was filed in Affito Domus Vendita Holdings, LLC v. Dollop Larrabee, LLC, Dan Weiss, individually, and Dollop Coffee, LLC, Case No. 2020L006501.

On January 3, 2022, the lawsuit filed by Dollop Brand, LLC, et al (see Note 3) against DOCASA, Inc., et al, was dismissed with prejudice as the parties had reached a settlement. The terms of the settlement mean that CHI sold its 51% controlling interest in Dollop Coffee back to the original owner for \$2,250,000. This sum is being repaid to CHI over a period which commenced on January 1, 2022 and runs until December 2026. Upon settlement of the litigation with Dollop Coffee, the Company was expecting to receive historical financial information from Dollop which had up to that point been denied it. Upon receipt of the supplied information in January 2022, it was determined by the Company and its accounting firm that the information was insufficient for the purposes of updating the accounts for 2020 and 2021, and best efforts were made to provide a set of accounts which would be meaningful for the Company going forward.

On January 15, 2022, following extensive discussions, it was agreed to consolidate all of the Silverstream liabilities into a single position and new terms were agreed. The Silverstream liability at April 3, 2020, being \$3,618,860 and used for ongoing working capital and acquisitions at the time, and the further Silverstream liability of \$3,000,000 used for the acquisition of Dollop Coffee, were consolidated into a consolidated amount of \$6,618,860. This liability is non-interest bearing and will be repayable either on demand from Silverstream or convertible at any time until January 1, 2032, at a conversion price of \$0.02 per share at the discretion of and in a quantum determined by the lender.

The Company has appointed a specialist law firm in Illinois to represent it in an offensive professional malpractice lawsuit relating to the action taken by Dollop Coffee in March 2020. This claim has now been filed and the Company will continue to keep shareholders abreast of its progress.

## **NOTE 5 – CONCENTRATIONS**

### **Concentration of Credit Risk**

Financial instruments, which potentially subject the Company to a concentration of credit risk, consist principally of temporary cash investments.

The Company places its temporary cash investments with financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) for the United States and the Financial Services Compensation Scheme (“FSCS”) for the United Kingdom. No amounts exceeded federally insured limits as of December 31, 2023. There have been no losses in these accounts through December 31, 2023.

## **NOTE 6 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through the date the financial statements were issued and filed with the Securities and Exchange Commission. The Company has determined that there are no other such events that warrant disclosure or recognition in the financial statements, except as stated herein.

On January 5, 2024, the Company received \$349,685 from Dollop Brand, LLC in conjunction with full satisfaction of the balance owed to the Company (see Note 4).

The Company has been active and compliant with all OTC Pink Limited regulations without interruption since new OTC rules came into force at the end of December 2022. The Company’s profile has been verified.