

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ENDEXX CORPORATION.

38246 North Hazelwood Circle, Cave Creek, AZ 85331

480-595-6900

www.endexx.com

ir@endexx.com

Annual Report

For the period ending September 30, 2024 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

560,292,487 as of September 30, 2024

506,357,952 as of September 30, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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: ☒

Change in Control

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

Yes: ☐ No: ☒

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

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

1997 – Micron Solutions, Inc.

2002 – PanaMed Corporation

2005 – Endexx Corporation

Current State and Date of Incorporation or Registration: Nevada

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years: N/A

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:

38246 North Hazelwood Circle, Cave Creek, AZ 85331

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

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

38246 North Hazelwood Circle, Cave Creek, AZ 85331

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

No: ☒ Yes: ☐ If Yes, provide additional details below:

N/A

2) Security Information

Transfer Agent

Name: Equiniti
Phone: 718-921-8129

Publicly Quoted or Traded Securities:

Trading symbol:	<u>EDXC</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>29259K 10 2</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>1,000,000,000</u>	<u>as of date: September 30, 2024</u>
Total shares outstanding:	<u>560,292,478</u>	<u>as of date: September 30, 2024</u>
Total number of shareholders of record:	<u>440</u>	<u>as of date: September 30, 2024</u>

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

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>N/A</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>N/A</u>	
Total shares authorized:	<u>N/A</u>	<u>as of date: September 30, 2024</u>
Total shares outstanding:	<u>N/A</u>	<u>as of date: September 30, 2024</u>
Total number of shareholders of record:	<u>N/A</u>	<u>as of date: September 30, 2024</u>

Other classes of authorized or outstanding equity securities:

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Preferred Stock</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>10,000,000</u>	<u>as of date: September 30, 2024</u>
Total shares outstanding:	<u>Series A- 1,824,000</u>	<u>as of date: September 30, 2024</u>
	<u>Series H- 1,031,708</u>	<u>as of date: September 30, 2024</u>
Total number of shareholders of record:	<u>6</u>	<u>as of date: September 30, 2024</u>

Security Description:

1. For common equity, describe any dividend, voting and preemption rights.

Common share voting rights are 1 vote per share and contain no preemption rights. Common shares may receive dividends at the discretion of the Company but contain no defined dividend rights.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The Company's Series H Preferred Stock shares have voting rights equal to the aggregate of all other voting rights plus 1 and each share is convertible into 10 shares of the Company's common stock.

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any 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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Stock:

Shares Outstanding as of Second Most Recent Fiscal Year End:									
Date: September 30, 2022									
Common: 502,438,852									
Preferred: 6,702,049									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
10/4/2022	New issuance	800,000	Common	\$ 0.0840	No	Daniel D. Kiddy	Liability settlement	Unrestricted	4(a)(2)
10/4/2022	New issuance	200,000	Common	\$ 0.0840	No	Schleier Law Offices PC (Brad Schleier)	Liability settlement	Unrestricted	4(a)(2)
11/15/2022	New issuance	1,719,100	Common	\$ 0.0600	No	Strategic Innovations (Brad Listermann)	Liability settlement	Unrestricted	4(a)(2)
1/17/2023	New issuance	1,200,000	Common	\$ 0.0458	No	Nison Consulting (Evan Nison)	Services	Unrestricted	4(a)(2)
5/24/2024	New issuance	15,471,111	Common	\$ 0.0180	No	M2B Funding Corp (Daniel Kordash)	Liability settlement	Unrestricted	4(a)(2)

7/7/2024	Cancellation	(3,846,341)	Preferred H	-	-	Global Investment Holdings Limited (Umais Abubaker)	Equity conversion	Unrestricted	4(a)(2)
7/7/2024	New issuance	38,463,415	Common	\$ 0.0410	No	Global Investment Holdings Limited (Umais Abubaker)	Equity conversion	Unrestricted	4(a)(2)
Number of shares outstanding as of September 30, 2024									
Common:				560,292,478					
Preferred:				2,855,708					

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

N/A

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

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	Reason for Issuance (e.g. Loan, Services, etc.)
8/23/2022	\$ 1,451,087	\$ 1,451,087	\$ 360,890	8/23/2023	\$0.0245 per share of common stock	M2B Funding Corp (Daniel Kordash)	Loan
11/4/2020	\$ 100,000	\$ 100,000	\$ 57,920	5/4/2021	\$0.059 per share of common stock	Tim Banazek	Loan
8/23/2022	\$ 722,826	\$ 722,826	\$ 179,842	8/23/2023	\$0.0245 per share of common stock	3a Capital Establishment (Ari Kluger)	Loan
8/15/2022	\$ 492,090	\$ 540,758	\$ 70,568	2/15/2024	-	Apollo Management Group, Inc. (Yohan Naraine)	Loan
6/12/2023	\$ 111,111	\$ 111,111	\$ 25,855	6/12/2024	-	Apollo Management Group, Inc. (Yohan Naraine)	Loan
8/15/2022	\$ 1,363,589	\$ 1,498,450	\$ 195,545	2/15/2024	-	Apollo Capital Corp. (Yohan Naraine)	Loan
8/15/2022	\$ 2,126,541	\$ 2,336,858	\$ 304,956	2/15/2024	-	Apollo Management SPV LLC (Yohan Naraine)	Loan
9/2/2021	\$ 100,000	\$ 100,000	\$ 36,933	9/2/2022	-	David Wolfswinkel	Loan
10/7/2021	\$ 50,000	\$ 50,000	\$ 22,312	10/7/2022	-	David Wolfswinkel	Loan
4/1/2022	\$ 85,594	\$ 85,594	\$ 21,342	4/1/2023	-	M2B Funding Corp (Daniel Kordash)	Loan
8/15/2022	\$ 1,762,881	\$ 1,876,191	\$ 251,551	2/15/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
6/20/2017	\$ 55,353	\$ 55,353	\$ 75,318	8/5/2017	-	Hampton Growth (Teresa Kunz)	Loan
8/15/2022	\$ 267,120	\$ 288,720	\$ 38,208	2/15/2024	-	Jefferson Street Capital (Brian Goldberg)	Loan
8/15/2022	\$ 1,173,164	\$ 1,263,164	\$ 167,702	2/15/2024	-	Jefferson Street Capital (Brian Goldberg)	Loan
6/17/2020	\$ 150,497	\$ 150,497	\$ 25,313	6/17/2050	-	SBA	Loan
8/15/2022	\$ 583,989	\$ 640,239	\$ 83,716	2/15/2024	-	AJB Capital Investments (Ari Blain)	Loan
8/28/2021	\$ 50,000	\$ 50,000	\$ 29,331	9/1/2022	-	Seth Cayer	Loan
10/6/2021	\$ 66,980	\$ 66,980	\$ 29,919	10/6/2022	-	Seth Cayer	Loan
7/12/2022	\$ 24,500	\$ 25,000	\$ 5,424	-	-	Peter Boyer	Loan
7/12/2022	\$ 25,000	\$ 25,000	\$ 5,532	-	-	Richard Steinhart	Loan
7/25/2022	\$ 30,000	\$ 30,000	\$ 5,031	-	-	Richard Steinhart	Loan
7/28/2022	\$ 50,000	\$ 50,000	\$ 10,850	-	-	Paul Lutfy	Loan
8/31/2022	\$ 7,865,000	\$ 8,000,000	\$ 498,355	8/31/2031	VWAP of the last business day of the most recent calendar quarter	Hyla UK (Nick Mehdi)	Loan
1/31/2023	\$ 54,913	\$ 146,500	\$ 9,085	3/7/2023	-	Apollo Management Group, Inc. (Yohan Naraine)	Loan
6/16/2023	\$ 150,000	\$ 150,000	\$ 34,915	12/16/2023	-	M2B Funding Corp (Daniel Kordash)	Loan
7/14/2023	\$ 100,000	\$ 100,000	\$ 21,896	7/14/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
7/27/2023	\$ 60,000	\$ 60,000	\$ 12,753	7/27/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
8/14/2023	\$ 50,000	\$ 50,000	\$ 10,184	8/14/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
9/6/2023	\$ 90,000	\$ 90,000	\$ 17,309	9/6/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
9/8/2023	\$ 95,000	\$ 95,000	\$ 18,178	9/8/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
11/24/2023	\$ 85,000	\$ 85,000	\$ 13,036	5/24/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
12/18/2023	\$ 222,222	\$ 222,222	\$ 31,452	12/18/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
4/14/2023	\$ 121,959	\$ 196,500	\$ -	-	-	Stretch Piece, LLC (Jeffrey Heyn)	Loan

11/29/2022	\$ 986,000	\$ 1,000,000	\$ -	7/11/2023	-	Farmers & Merchants Bank (Paul Kujawa)	Line of Credit
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Use the space below to provide any additional details, including footnotes to the table above:

N/A

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

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

Our primary business is the manufacturing and sale of hemp products and organic, plant-based, all-natural, zero-nicotine vape products.

B. List any subsidiaries, parent company, or affiliated companies.

CBD Unlimited, Inc. (70% owner)

Khode, LLC (70% owner)

Hyla US Holdco Limited (51% owner)

C. Describe the issuers' principal products or services.

Business.

Business Overview:

Endexx Corporation is a Consumer Products (CPG) company specializing in plant-based formulations and innovative delivery systems. The company's mission is centered on creating "Better Products for a Better You©" by developing and marketing products that harness the power of natural ingredients. Endexx's primary business focus is on its HYLA division, which has established itself as a leading brand in the rapidly expanding global vape market.

HYLA Brand:

HYLA is a premier brand under Endexx Corporation, specializing in producing and selling organic, plant-based, all-natural, zero-nicotine, tobacco-free vape products. Each HYLA device contains a natural guarana extract blended with proprietary botanical formulas, offering a healthier alternative to traditional nicotine-based products. Launched in October 2021, HYLA quickly gained market traction, with its initial inventory of 140,000 devices selling out within a month. The products are UL-certified and CE-approved, ensuring the highest safety and quality standards.

In response to growing demand from customers and distributors, HYLA is also exploring adding nicotine-based products to its portfolio. This strategic move is expected to broaden its market appeal and enhance its position in the competitive vape industry.

Intellectual Property:

HYLA Intellectual Property: HYLA has established itself as a key player in the vape industry with a strong portfolio of intellectual property assets. The HYLA brand name and logo are trademarked, ensuring exclusive rights to the brand identity in the rapidly growing vape market. Additionally, the proprietary botanical formulas used in HYLA devices, including the unique blend of guarana extract, are protected by trade secrets. Endexx Corporation is committed to protecting and expanding its intellectual property portfolio to maintain a competitive edge in the market.

Endexx also holds registered trademarks for "Endexx" and "PhytoBites" and has applied for trademarks for "CBD Unlimited," "Maggie's Balm," and "Blesswell." As of the date of this report, the US Patent and Trademark Office (USPTO) has not yet approved any CBD-related trademarks.

Historical Overview:

Endexx Corporation was incorporated in the State of Nevada on September 5, 1997, as Micron Solutions, Inc. The company has undergone several name changes and strategic shifts, reflecting its evolving business focus. In June 2005, the company changed its name to Endexx Corporation, adopting the trading symbol "EDXC." Over the years, Endexx has transitioned from a biotech and SaaS company to its current focus on plant-based products and wellness through its subsidiaries, HYLA and CBD Unlimited.

Operating Subsidiaries:

HYLA US Holdco Limited:

Acquired on August 31, 2022, HYLA specializes in producing and selling organic, plant-based, zero-nicotine vape products. HYLA's product line includes a wide range of premium and mass-market vape devices that are manufactured in UL-certified facilities and undergo rigorous quality control.

CBD Unlimited, Inc.:

CBD Unlimited focuses on developing, manufacturing, and distributing hemp-derived, cannabidiol-enhanced products. These products include full-spectrum oils, topicals, extracts, and pet products, all aimed at supporting health and wellness.

Government Regulation:

Endexx operates within a highly regulated environment, particularly concerning its hemp-derived products. The company complies with the Agriculture Improvement Act of 2018 (the “2018 Farm Bill”) and relevant FDA regulations. The company remains vigilant in adapting to regulatory changes that could impact its operations, particularly in the CBD and vape markets.

Planned Future Operations:

Endexx Corporation plans to expand HYL A’s distribution and sales channels both internationally and domestically. Additionally, the company will continue to scale retail and e-commerce sales channels for CBD Unlimited while seeking new distribution partners and evaluating potential acquisitions.

Management is optimistic about the growth potential of the HYL A division, which is expected to be a significant revenue driver in the coming years. The introduction of nicotine-based products, alongside the expansion of its existing portfolio, will likely enhance HYL A's competitive position in the global vape market.

Recent Developments: In the first six months of 2024, HYL A made significant strides in expanding its market presence and product offerings. Key developments include:

Expansion of Distribution Channels: HYL A has secured new distribution agreements across Europe and Asia, significantly increasing its international footprint.

Launch of New Products: HYL A introduced several new flavors and device options, including limited edition products that have been well-received by the market.

Exploration of Nicotine-Based Products: Responding to market demand, HYL A announced its exploration of nicotine-based vape products, which are expected to launch in the second half of 2024.

Risk Factors:

Endexx Corporation acknowledges several risks, including regulatory challenges, supply chain disruptions, and intense market competition. The company is actively working to mitigate these risks through strategic planning and operational efficiency.

5) 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.

The Company leases space on an as needed basis. We do not believe we will have difficulty in obtaining additional executive office, industrial or commercial logistics space, at competitive prices, if necessary.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, 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.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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.

As of September 30, 2024:

Affiliation with Company (e.g.)			Ownership Percentage of Class Outstanding			
Name of Officer/Director or Control Person	Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class		Note
Todd Davis	Chairman	Cave Creek, AZ	28,254,345	Common	5.04%	Shares beneficially held by Rayne Forecast Inc.
Brad Listermann	CEO	Los Angeles, CA	1,719,100	Common	0.31%	Shares beneficially held by Strategic Innovations
Steven Plumb	CFO	Houston, TX	-	Common	0.00%	-
Nick Mehdi	Director	Houston, TX	278,049	Preferred Series H	26.95%	Shares beneficially held by LNMS, LLC
Irving Minnaker	Director	Boca Raton, FL	-	Common	0.00%	-
Dustin Sullivan	Director	Fairfield, CT	3,825,654	Common	0.68%	-
Claude Zdanow	Director	Los Angeles, CA	243,902	Preferred Series H	23.64%	Shares beneficially held by Summitridge Investments LLC

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

None

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

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject 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

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

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

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Smith Eilers, PLLC
Address 1: 149 S. Lexington Ave.
Address 2: Asheville, NC 28801
Phone: 561-484-7172

Accountant or Auditor

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

Investor Relations

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

All other means of Investor Communication:

Twitter: N/A
Discord: N/A
LinkedIn: N/A
Facebook: N/A
Other: 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), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Doug Williams
Firm: Alexander & Williams, PLLC
Nature of Services: Consultant
Address 1: 5050 Quorum Dr. Suite 700
Address 2: Dallas, TX 75254
Email: info@aw-cpa.com

9) Disclosure & Financial Statements

A. The Disclosure Statement was prepared by (name of individual):

Name: EDXC Management – See Signature Page
Title: EDXC Management – See Signature Page
Relationship to Issuer: EDXC Management – See Signature Page

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

- ☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: EDXC Management – See Signature Page
Title: EDXC Management – See Signature Page
Relationship to Issuer: EDXC Management – See Signature Page
Describe the qualifications of the person or persons who prepared the financial statements: EDXC Management – See Signature Page

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- A. Consolidated Balance Sheets as of September 30, 2024 (unaudited) and 2023 (unaudited)
- B. Consolidated Statements of Operations for the Periods Ended September 30, 2024 (unaudited) and 2023 (unaudited)
- C. Consolidated Statements of Stockholders' Deficit for the Periods Ended September 30, 2024 (unaudited) and 2023 (unaudited)
- D. Consolidated Statements of Cash Flows for the Periods Ended September 30, 2024 (unaudited) and 2023 (unaudited)
- E. Notes to the Consolidated Financial Statements (unaudited)

The accompanying financial statements have not been audited.

Disclaimer: The financial information provided in this report is based on data compiled by our bookkeepers and accountants. As the newly appointed interim CEO, I am still in the process of verifying the accuracy and completeness of this information. Any discrepancies or adjustments identified during this verification process will be promptly addressed and reported in subsequent or amended filings.

During preparation and review of the Company's sales and accounts receivable, management noted a number of customers with sales in fiscal 2024 which were either returned, cancelled, or deemed to be uncollectible. Accordingly, management has reversed the revenue previously recognized in the first and second quarters of fiscal 2024 within the accompanying financial statements.

ENDEXX CORPORATION
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>
<u>Assets</u>		
Current assets		
Cash	\$ 7,512	\$ 7,644
Accounts receivable, net of allowance	937,444	175,067
Inventory, net of allowance	327,318	281,960
Prepaid expenses	269,071	1,539
Total current assets	<u>1,541,345</u>	<u>466,210</u>
Property and equipment, net of accumulated depreciation	38,340	38,340
Intangible - website domains	16,250	16,250
Goodwill	9,807,361	9,807,361
Total assets	<u><u>\$ 11,403,296</u></u>	<u><u>\$ 10,328,161</u></u>
<u>Liabilities, Temporary Equity and Stockholders' Deficit</u>		
Current liabilities		
Accounts payable	\$ 5,108,918	\$ 3,698,737
Customer deposits	28,120	15,182
Accrued expenses	755,453	773,270
Advances, related party	27,500	22,500
Advances	196,900	-
Accrued interest	2,671,221	1,396,711
Payroll and taxes payable, including related party	935,494	939,209
Line of credit	986,000	996,000
Notes payable, current portion, net of discount	11,306,318	9,163,987
Convertible notes payable, net of discount	2,273,913	2,273,913
Derivative liability	7,778,543	7,862,269
Total current liabilities	<u>32,068,380</u>	<u>27,141,778</u>
Notes payable, net of current portion and net of discount	<u>-</u>	<u>977,352</u>
Total liabilities	<u>32,068,380</u>	<u>28,119,130</u>
Commitments and contingencies		
Temporary equity		
Series H preferred stock, 1,031,708 and 4,878,049 issued and outstanding, respectively	423,000	2,000,000
Stockholders' deficit		
Preferred stock, \$0.0001 Par Value, 10,000,000 share authorized		
Series A preferred stock, 1,824,000 issued and outstanding, respectively	182	182
Common stock, \$0.0001 Par Value, 1,000,000,000 share authorized, 560,292,478 and 506,357,952 issued and outstanding, respectively	56,029	50,636
Additional paid-in capital	35,140,568	33,290,481
Accumulated deficit	(54,293,579)	(50,896,249)
Total stockholders' deficit	<u>(19,096,800)</u>	<u>(17,554,950)</u>
Non-controlling interest	(1,991,284)	(2,236,019)
Total liabilities, temporary equity and stockholders' deficit	<u><u>\$ 11,403,296</u></u>	<u><u>\$ 10,328,161</u></u>

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

ENDEXX CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the years ended September 30,	
	2024	2023
Revenues	\$ 1,655,631	\$ 3,908,385
Cost of revenues	825,114	3,390,364
Inventory impairment	-	1,397,730
Gross profit	<u>830,517</u>	<u>(879,709)</u>
Operating expenses		
Depreciation	-	9,665
Advertising and promotion	482,571	527,172
Payroll expenses	100,000	259,487
Professional fees	520,072	1,557,180
Research and development	2,720	5,249
General and administrative expenses	308,542	2,001,739
Total operating expenses	<u>1,413,905</u>	<u>4,360,492</u>
Loss from operations	<u>(583,388)</u>	<u>(5,240,201)</u>
Other (income) and expense		
Change in fair value of derivative liability	(83,726)	(911,862)
Financing costs and discount amortization	1,016,453	2,463,362
Loss on settlement of liabilities	113,769	-
Interest expenses	1,522,711	1,332,163
Other expenses	-	350,000
Total other (income) expense	<u>2,569,207</u>	<u>3,233,663</u>
Net loss	\$ (3,152,595)	\$ (8,473,864)
Attributable to non-controlling interest	244,735	(1,975,927)
Net loss attributable to Endexx shareholders	<u>\$ (3,397,330)</u>	<u>\$ (6,497,937)</u>
Net loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average shares outstanding	<u>520,743,645</u>	<u>504,709,395</u>

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

ENDEXX CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(UNAUDITED)

	Preferred Stock - Series A		Common Stock		Additional	Accumulated	Non-controlling	
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Interest	Total
Balances at September 30, 2022	1,824,000	182	501,376,264	\$ 50,138	\$ 32,914,424	\$ (44,398,312)	\$ (260,092)	\$ (11,693,660)
Shares issued for settlement of liabilities	-	-	2,719,100	272	186,728	-	-	187,000
Shares issued for services	-	-	1,200,000	120	54,880	-	-	55,000
Settlement of derivative liability	-	-	-	-	134,555	-	-	134,555
Correction of prior issuance	-	-	1,062,588	106	(106)	-	-	-
Net loss	-	-	-	-	-	(6,497,937)	(1,975,927)	(8,473,864)
Balances at September 30, 2023	<u>1,824,000</u>	<u>\$ 182</u>	<u>506,357,952</u>	<u>\$ 50,636</u>	<u>\$ 33,290,481</u>	<u>\$ (50,896,249)</u>	<u>\$ (2,236,019)</u>	<u>\$ (19,790,969)</u>
Balances at September 30, 2023	1,824,000	182	506,357,952	\$ 50,636	\$ 33,290,481	\$ (50,896,249)	\$ (2,236,019)	\$ (19,790,969)
Shares issued for settlement of liabilities	-	-	15,471,111	1,547	276,933	-	-	278,480
Shares issued for exchange of Preferred H	-	-	38,463,415	3,846	1,573,154	-	-	1,577,000
Net loss	-	-	-	-	-	(3,397,330)	244,735	(3,152,595)
Balances at September 30, 2024	<u>1,824,000</u>	<u>\$ 182</u>	<u>560,292,478</u>	<u>\$ 56,029</u>	<u>\$ 35,140,568</u>	<u>\$ (54,293,579)</u>	<u>\$ (1,991,284)</u>	<u>\$ (21,088,084)</u>

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

ENDEXX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the years ended September 30,	
	2024	2023
Operating activities		
Net loss	\$ (3,152,595)	\$ (8,473,864)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	-	9,665
Amortization of debt discount	1,016,453	2,398,862
Change in fair value of derivative liability	(83,726)	(911,862)
Bad debt expense	-	833,894
Impairment expense	4,577	1,397,730
Stock-based compensation	-	55,000
Settlement of liabilities	113,769	-
Financing costs	-	49,500
Loss on disposition of assets	-	420
Loss from contingent liability	-	350,000
Changes in operating assets and liabilities:		
Accounts receivable	(762,377)	(438,555)
Inventory	(49,935)	306,157
Prepaid expenses	(267,532)	157,626
Right of use asset and liability	-	(1,496)
Accounts payable	1,410,181	1,154,204
Customer deposit	12,938	(28,184)
Accrued expenses	(17,817)	334,559
Accrued interest	1,328,110	1,159,008
Payroll and taxes payable, including related party	(3,715)	23,979
Net cash used in operating activities	<u>(451,669)</u>	<u>(1,623,357)</u>
Investing activities:		
Net cash used in investing activities	<u>-</u>	<u>-</u>
Financing activities:		
Proceeds from convertible notes payable	-	-
Proceeds from notes payable	265,000	1,022,000
Line of credit, net	(10,000)	996,000
Proceeds from related party advances	5,000	-
Proceeds from advances	196,900	22,500
Repayments of notes payable	(5,363)	(1,066,275)
Net cash provided by financing activities	<u>451,537</u>	<u>974,225</u>
Net (decrease) increase in cash	\$ (132)	\$ (649,132)
Cash, beginning of year	7,644	656,776
Cash, end of year	<u>\$ 7,512</u>	<u>\$ 7,644</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ 107,155</u>
Supplemental schedule of non-cash investing and financing activities:		
Debt discount at origination	<u>\$ 47,222</u>	<u>\$ 119,722</u>
Settlement of derivative liability	<u>\$ -</u>	<u>\$ 134,555</u>

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

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

We were incorporated under the laws of State of Nevada on September 5, 1997, as Micron Solutions. From 2002-2005, the Company operated as Panamed Corporation, a biotech service and licensing company. Panamed Corporation merged with Visual Board Books Inc. (VBB) in February 2005 and changed the consolidated company name to Endexx Corporation (the “Company”).

Endexx Corporation is a Consumer Products company specializing in plant-based formulations and innovative delivery systems. The company’s mission is centered on creating "Better Products for a Better You[®]" by developing and marketing products that harness the power of natural ingredients. Endexx's primary business focus is on its Hyla division, which has established itself as a leading brand in the rapidly expanding global vape market. The Company has the following operating subsidiaries:

- CBD Unlimited, Inc. (70% owner)
- Khode, LLC (70% owner)
- Hyla US Holdco Limited (51% owner)

Basis of Presentation and Going Concern

The Company prepares its consolidated financial statements in conformity with generally accepted accounting principles in the United States of America (“GAAP”). These principles require 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these estimates are reasonable and have been discussed with the Board of Directors; however, actual results could differ from those estimates. The operating results of the above listed wholly owned subsidiaries were consolidated with the consolidated financial statements of the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

Our consolidated financial statements have been presented on the basis that we are a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have sustained operating losses since inception, which raises substantial doubt about the Company’s ability to continue as a going concern.

As of September 30, 2024, we have a working capital deficit of \$30,527,035, and an accumulated deficit of \$54,293,579. During the year ended September 30, 2024, we had a net loss of \$3,152,595 and cash used in operating activities of \$451,669. The Company’s ability to continue in existence is dependent on its ability to develop additional sources of capital, and/or achieve profitable operations and positive cash flows. Management’s plans with respect to operations include the sustained and aggressive marketing of hemp cannabidiol products and raising additional capital through sales of equity or debt securities as may be necessary to pursue its business plans and sustain operations until such time as the Company can achieve profitability. Management believes that aggressive marketing combined with additional financing as necessary will result in improved operations and cash flow in fiscal 2025 and beyond. However, there can be no assurance that management will be successful in obtaining additional funding or in attaining profitable operations. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

Use of Estimates

The Company's financial statement preparation requires that management make estimates and assumptions which affect the reporting of assets and liabilities and the related disclosure of contingent assets and liabilities in order to report these consolidated financial statements in conformity with GAAP. Actual results could differ from those estimates.

Cash

Cash includes all highly liquid investments that are readily convertible to known amounts of cash and have original maturities at the date of purchase of three months or less. There were no cash equivalents as of September 30, 2024, and 2023. The Company maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). The FDIC provides coverage of up to \$250,000 per depositor, per financial institution, for the aggregate total of depositors' interest and non-interest-bearing accounts. From time to time the Company's cash balances may be in excess of FDIC limits. The Company has not experienced any losses on these accounts and management does not believe that the Company is exposed to any significant risks.

Accounts Receivable

Accounts receivable consists of invoiced and unpaid product sales. The Company records an allowance for doubtful accounts to allow for any amounts that may not be recoverable, which is based on an analysis of the Company's prior collection experience, customer creditworthiness, and current economic trends. Accounts are considered delinquent when payments have not been received within the agreed upon terms and are written off when management determines that collection is not probable. At September 30, 2024, and 2023, the Company recorded \$482,901 as an allowance for doubtful accounts based upon management's review of accounts receivable.

Inventory

Inventory is composed of finished goods, in-process, and raw goods inventory, valued at the lower of cost or net realizable value, and includes production cost, product freight in, and packaging costs. Slow moving and obsolete inventories are written down based on a comparison of on-hand quantities to historical and projected usages.

The Company has authorized a consignment inventory arrangement with one of its mass retail customers. After the consignment inventory has been sold by this customer, the customer notifies the Company of the sale and the Company records revenue in that accounting period. The Company authorizes the replenishment of consignment inventory based on orders placed by the customer. The Company is provided with weekly reports of consignment sales activity and balances.

Prepaid Expenses

The Company considers all items incurred for future services to be prepaid expenses.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Maintenance and repairs are charged to operations as incurred. Depreciation and amortization are based on the straight-line method over the estimated useful lives of the related assets. When assets are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in operations in the period realized.

Depreciation is computed on the straight-line method net of salvage value with useful lives as follows:

Computer equipment and software	5 years
Business equipment and fixtures	7 years
Property and buildings	39 years

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible Assets

Intangible assets are amortized over their estimated useful lives. Each period, the Company evaluates the estimated remaining useful life of its intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. Management tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Impairment Assessment

The Company evaluates intangible assets and other long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. This includes but is not limited to significant adverse changes in business climate, market conditions or other events that indicate an asset's carrying amount may not be recoverable. Recoverability of these assets is measured by comparing the carrying amount of each asset to the future cash flows the asset is expected to generate. If the cash flows used in the test for recoverability are less than the carrying amount of these assets, the carrying amount of such assets is reduced to fair value.

The Company evaluates and tests the recoverability of its goodwill for impairment at least annually during its fourth quarter of each fiscal year or more often if and when circumstances indicate that goodwill may not be recoverable.

Customer Deposits

From time-to-time the Company receives payment from customers in advance of delivering products to the customer. All such deposits are short term in nature as the Company delivers the product, unfulfilled portions, or engineering services to the customer before the end of its next annual fiscal period. These deposits are credited to the customer against product deliveries or at the completion of the customer's order.

Revenue Recognition

Revenue is recognized from the sale of hemp products when our performance obligation is satisfied. Our primary performance obligation (the distribution and sales of hemp products) is satisfied upon the shipment of products to our customers, which is also when control is transferred. The transfer of control of products to our customers is typically based on written sales terms that do not allow for a right of return after 30 days from the date of purchase. Revenue is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

Financial Instruments

In accordance with the reporting requirements of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825, *Financial Instruments*, the Company calculates the fair value of its assets and liabilities which qualify as financial instruments under this standard and includes this additional information in the notes to the financial statements when the fair value is different than the carrying value of those financial instruments. The Company does not have assets or liabilities measured at fair value on a recurring basis except its derivative liability.

Consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at the balance sheet dates, nor gains or losses reported in the statements of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held during the periods ended September 30, 2024, and 2023, except as disclosed.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value Measurement

ASC 820, *Fair Value Measurements*, provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 - Pricing inputs are other than quoted prices in active markets but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts or priced with models using highly observable inputs.

Level 3 - Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value.

The following tables present the Company's assets and liabilities that were measured and recognized at fair value as of:

<u>September 30, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Derivative liability	-	-	7,778,543	7,778,543

<u>September 30, 2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Derivative liability	-	-	7,862,269	7,862,269

Under the Company's contract ordering policy, the Company first considers common shares issued and outstanding as well as reserved but unissued equity awards, such as under an equity award program. All remaining equity linked instruments such as, but not limited to, options, warrants, and debt and equity with conversion features are evaluated based on the date of issuance. If the number of shares which may be issued under the Company's agreements exceed the authorized number of shares or are unable to be determined, equity linked instruments from that date forward are considered to be derivative liabilities until such time as the number of shares which may be issued under the Company's agreements no longer exceed the authorized number of shares and are able to be determined.

During prior years, the Company issued debt agreements whose conversion features meet the definition of a derivative liability which requires bifurcation.

At September 30, 2024, the Company estimated the fair value of the conversion feature derivatives embedded in the promissory note based on assumptions used in the Cox-Ross-Rubinstein binomial pricing model using the following weighted-average inputs: the price of the Company's common stock of \$0.0105; a risk-free interest rate of 5.00%; expected volatility of the Company's common stock of 239%; estimated exercise price of \$0.0106; and term of approximately seven years.

At September 30, 2023, the Company estimated the fair value of the conversion feature derivatives embedded in the promissory note based on assumptions used in the Cox-Ross-Rubinstein binomial pricing model using the following weighted-average inputs: the price of the Company's common stock of \$0.038; a risk-free interest rate of 4.59%; expected volatility of the Company's common stock of 254%; estimated exercise price of \$0.0380; and term of approximately eight years.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation of the changes in the Company's Level 3 derivative liability at fair value is as follows:

Balance - September 30, 2023	\$ 7,862,269
Additions	-
Settlements	-
Change in fair value	(83,207)
Balance – September 30, 2024	<u>\$ 7,778,543</u>

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with ASC 815, *Derivatives and Hedging Activities*.

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free-standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: The Company records when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Beneficial Conversion Features

ASC 470-20, *Debt with Conversion and Other Options*, applies to convertible securities with beneficial conversion features that must be settled in stock and to those that give the issuer a choice in settling the obligation in either stock or cash. ASC 470-20 requires that the beneficial conversion feature should be valued at the commitment date as the difference between the conversion price and the fair market value of the common stock into which the security is convertible, multiplied by the number of shares into which the security is convertible. This amount is recorded as a debt discount and amortized over the life of the debt. ASC 470-20 further limits this amount to the proceeds allocated to the convertible instrument.

Research and development costs

Research and development costs are charged to expense as incurred and are included in operating expenses.

Advertising Costs

The costs of advertising are expensed as incurred. Advertising expenses are included in the Company's operating expenses.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income Taxes

The Company accounts for income taxes utilizing the liability method of accounting. Under the liability method, deferred taxes are determined based on differences between financial statement and tax bases of assets and liabilities at enacted tax rates in effect in years in which differences are expected to reverse. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are expected to be realized.

The Company follows ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This interpretation requires recognition and measurement of uncertain income tax positions using a “more-likely-than-not” approach. The Company evaluates its tax positions on an annual basis, and as of September 30, 2024, no additional accrual for income taxes is necessary. The Company’s policy is to recognize both interest and penalties related to unrecognized tax benefits expected to result in payment of cash within one year are classified as accrued liabilities, while those expected beyond one year are classified as other liabilities. The Company has not recorded any interest or penalties since its inception. The Company is required to file income tax returns in the U.S. federal tax jurisdiction and in various state tax jurisdictions and the prior three fiscal years remain open for examination by federal and/or state tax jurisdictions. The Company is currently not under examination by any other tax jurisdiction for any tax year.

(Loss) Income Per Share of Common Stock

ASC 260, *Earnings Per Share*, requires a reconciliation of the numerator and denominator of the basic and diluted earnings (loss) per share (EPS) computations.

Basic earnings (loss) per share are computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

The Company had total potential additional dilutive securities outstanding at September 30, 2024, and 2023, as follows.

	September 30, 2024	September 30, 2023
Preferred H	10,317,080	48,780,490
Warrants	88,918,645	88,918,645
Convertible debt	90,426,058	90,426,058
	<u>189,661,783</u>	<u>228,125,193</u>

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when management assesses that it is probable that a liability has been incurred and the amount can be reasonably estimated.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Recently Issued Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. This ASU (a) simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20, *Debt: Debt with Conversion and Other Options*, that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock; (b) revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification; and (c) revises the guidance in ASC 260, *Earnings Per Share*, to require entities to calculate diluted earnings per share for convertible instruments by using the "if-converted" method. In addition, entities must presume share settlement for purposes of calculating diluted earnings per share when an instrument may be settled in cash or shares. For smaller reporting companies, ASU 2020-06 is effective for fiscal years beginning after December 15, 2023. The Company is currently evaluating the impact that ASU 2020-06 may have on its consolidated financial statements and related disclosures.

As of September 30, 2024, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial statements.

3. Debt

Line of credit

On November 29, 2022, the Company entered into a 9% agreement for the purchase of inventory with a total capacity of \$886,469. During March 2023, the Company replaced the November 29, 2022, agreement with an 8% inventory financing facility totaling \$1,000,000 for the purchase of inventory. \$500,000 is due on June 11, 2023, with the remaining balance and accrued interest due at maturity on July 11, 2023. At September 30, 2024, and September 30, 2023, the line of credit, which had an outstanding balance of \$986,000 and \$996,000, respectively, was past due.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes payable

The Company's notes payable as of September 30, 2024, are summarized as follows:

Noteholder	Origination	Maturity	Interest	Principal
Noteholder A1	8/15/2022	2/15/2024*	6.667%	\$ 492,090
Noteholder A1	1/31/2023	3/7/2023*	2%	54,913
Noteholder A1	6/12/2023	6/12/2024*	18%	111,111
Noteholder A2	8/15/2022	2/15/2024*	6.667%	1,363,589
Noteholder A3	8/15/2022	2/15/2024*	6.667%	2,126,541
Noteholder B	9/2/2021	9/2/2022*	12%	100,000
Noteholder B	10/7/2021	10/7/2022*	15%	50,000
Noteholder C	4/1/2022	4/1/2023*	10%	85,594
Noteholder C	8/15/2022	2/15/2024*	6.667%	1,762,881
Noteholder C	1/31/2023	6/7/2023*	8%	-
Noteholder C	5/25/2023	5/25/2024*	18%	***
Noteholder C	6/16/2023	12/16/2023*	18%	150,000
Noteholder C	7/14/2023	7/14/2024*	18%	100,000
Noteholder C	7/27/2023	7/27/2024*	18%	60,000
Noteholder C	8/14/2023	8/14/2024*	18%	50,000
Noteholder C	9/6/2023	9/6/2024*	18%	90,000
Noteholder C	9/8/2023	9/8/2024*	18%	95,000
Noteholder C	11/24/2023	5/24/2024*	18%	85,000
Noteholder C	12/18/2023	12/18/2024	18%	222,222
Noteholder G	6/20/2017	8/5/2017*	18%	55,353
Noteholder F	8/15/2022	2/15/2024*	6.667%	267,120
Noteholder D	8/15/2022	2/15/2024*	6.667%	1,173,164
Noteholder I	6/17/2020	6/17/2050	4%	150,497
Noteholder J	8/15/2022	2/15/2024*	6.667%	583,989
Noteholder K	8/28/2021	9/1/2022*	15%	50,000
Noteholder K	10/6/2021	10/6/2022*	15%	66,980
Noteholder L	7/12/2022	-	10%	24,500
Noteholder M	7/12/2022	-	10%	25,000
Noteholder M	7/25/2022	-	5%	30,000
Noteholder N	7/28/2022	-	10%	50,000
Noteholder O	8/31/2022	8/31/2031	3.15%	7,865,000
Noteholder P	4/14/2023	-	-	121,959
				<u>\$ 17,462,502</u>

* In default at September 30, 2024

** In default subsequent to September 30, 2024

*** On May 24, 2024, the Company and Noteholder C agreed to settle the outstanding principal and interest and penalty related to its May 25, 2023, note payable of \$131,111 and \$23,600, respectively, in exchange for 15,471,111 shares of the Company's common stock valued at \$278,480, resulting in a loss on conversion of \$113,769.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's notes payable as of September 30, 2023, are summarized as follows:

Noteholder	Origination	Maturity	Interest	Principal
Noteholder A1	8/15/2022	2/15/2024	6.667%	\$ 492,090
Noteholder A1	1/31/2023	3/7/2023	2%	49,913
Noteholder A1	6/12/2023	6/12/2024	18%	111,111
Noteholder A2	8/15/2022	2/15/2024	6.667%	1,363,589
Noteholder A3	8/15/2022	2/15/2024	6.667%	2,126,541
Noteholder B	9/2/2021	9/2/2022	12%	100,000
Noteholder B	10/7/2021	10/7/2022	15%	50,000
Noteholder C	4/1/2022	4/1/2023	10%	85,594
Noteholder C	8/15/2022	2/15/2024	6.667%	1,762,881
Noteholder C	1/31/2023	6/7/2023	8%	-
Noteholder C	5/25/2023	5/25/2024	18%	111,111
Noteholder C	6/16/2023	12/16/2023	18%	150,000
Noteholder C	7/14/2023	7/14/2024	18%	100,000
Noteholder C	7/27/2023	7/27/2024	18%	60,000
Noteholder C	8/14/2023	8/14/2024	18%	50,000
Noteholder C	9/6/2023	9/6/2024	18%	90,000
Noteholder C	9/8/2023	9/8/2024	18%	95,000
Noteholder G	6/20/2017	8/5/2017	18%	55,353
Noteholder F	8/15/2022	2/15/2024	6.667%	267,120
Noteholder D	8/15/2022	2/15/2024	6.667%	1,173,164
Noteholder I	6/17/2020	6/17/2050	4%	152,690
Noteholder J	8/15/2022	2/15/2024	6.667%	583,989
Noteholder K	8/28/2021	9/1/2022	15%	50,000
Noteholder K	10/6/2021	10/6/2022	15%	66,980
Noteholder L	7/12/2022	-	10%	24,500
Noteholder M	7/12/2022	-	10%	25,000
Noteholder M	7/25/2022	-	5%	30,000
Noteholder N	7/28/2022	-	10%	50,000
Noteholder O	8/31/2022	8/31/2031	3.15%	7,865,000
Noteholder P	4/14/2023	-	-	125,129
				<u>\$ 17,266,755</u>

At September 30, 2024, and 2023, accrued interest related to notes payable totaled \$2,072,569 and \$1,074,685, respectively.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Convertible notes payable

The Company's convertible notes payable as of September 30, 2024, are summarized as follows:

Noteholder	Origination	Maturity	Interest	Conversion	Principal	Discount
Noteholder C	8/23/2022	8/23/2023*	12%	\$0.0245/share	1,451,087	-
Noteholder D	8/23/2022	8/23/2023*	12%	\$0.0245/share	722,826	-
Noteholder E	11/4/2020	5/4/2021*	15%	\$0.059/share	100,000	-
					<u>\$ 2,273,913</u>	<u>\$ -</u>

* In default at September 30, 2024

The Company's convertible notes payable as of September 30, 2023, are summarized as follows:

Noteholder	Origination	Maturity	Interest	Conversion	Principal	Discount
Noteholder C	8/23/2022	8/23/2023	12%	\$0.0245/share	1,451,087	-
Noteholder D	8/23/2022	8/23/2023	12%	\$0.0245/share	722,826	-
Noteholder E	11/4/2020	5/4/2021	15%	\$0.059/share	100,000	-
					<u>\$ 2,273,913</u>	<u>\$ -</u>

At September 30, 2024, and 2023, accrued interest related to convertible notes payable totaled \$598,652 and \$322,026, respectively.

Future maturities

Due to the defaults, all of the Company's debt has been recorded as current. Future maturities of the Company's debt as of September 30, 2024, are as follows:

September 30, 2025	\$ 12,846,616
September 30, 2025	3,500
September 30, 2026	3,600
September 30, 2027	3,700
September 30, 2028	3,700
Thereafter	<u>7,861,300</u>
	<u>\$ 20,722,416</u>

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Payroll and Payroll Taxes Payable

The Company's payroll and payroll taxes payable consisted of the following at the respective balance sheet dates:

	September 30, 2024	September 30, 2023
Accrued payroll - employee	\$ 124,390	\$ 128,105
Accrued payroll taxes	811,104	811,104
	<u>\$ 935,494</u>	<u>\$ 939,209</u>

5. Stockholders' Deficit

On January 25, 2021, the Company amended its articles of incorporation to increase its authorized shares to 1,000,000,000 shares and 10,000,000 shares of the Company's common stock and preferred stock, respectively.

The Company's common stock shares have equal voting rights, are non-assessable and have one vote per share. As of September 30, 2024, and 2023, the Company's issued and outstanding common stock totaled 521,829,063 and 506,357,952, respectively.

The Company's Series A Preferred Stock shares have voting rights in the ratio of 25 votes to 1 share held. As of September 30, 2024, and 2023, the Company's issued and outstanding Series A Preferred Stock totaled 1,824,000.

The Company's Series H Preferred Stock shares have voting rights equal to the aggregate of all other voting rights plus 1 and each share is convertible into 10 shares of the Company's common stock. As of September 30, 2024, and 2023, the Company's issued and outstanding Series H Preferred Stock totaled 1,031,708 and 4,878,049, respectively.

The Company's Series Z Preferred Stock shares have voting rights equal to the aggregate of all other voting rights plus 1 and each share is convertible into 100 shares of the Company's common stock. Additionally, the Series Z Preferred Stock carries a cumulative dividend at 4.56% of the stated value, is to be paid in kind with common stock, and is payable only at the time the shares are converted to common stock. The Series Z Preferred Stock was retired by the Company during August 2022.

During July 2024, the Company entered into an agreement to exchange 38,463,415 shares of common stock in exchange for 3,846,341.48 shares of Series H Preferred Stock.

Warrants

A summary of the status of the Company's warrant grants as of September 30, 2024, and the changes during the period then ended, is presented below:

	Warrants	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life
Outstanding at September 30, 2023	88,918,645	\$ 0.03	3.9 years
Outstanding at September 30, 2024	88,918,645	\$ 0.03	2.9 years
Exercisable at September 30, 2024	88,918,645	\$ 0.03	2.9 years

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Commitments and Contingencies

Serious Promotions, Inc.

During October 2020, the Company entered into a five-year endorsement contract with an American DJ, record executive and producer, and media personality. In June 2022, Serious Promotions, Inc. filed a Petition before the American Arbitration Association seeking monetary damages against Endexx And Khode, LLC, a joint venture entered into by Serious Promotions and us. Serious Promotions alleges that Endexx and Khode failed to make certain payments of fees related to the Endorsement and License Agreement entered into by Serious Promotions and its president Khaled Mohamed Khaled (p/k/a DJ Khaled).

In July 2022, Endexx and Khode filed counterclaims against Serious Promotions, Khaled and Impact Brokers for breach of the Endorsement and License Agreement and related violations of legal duties.

During December 2024, the claims were settled with no amounts due from any party.

Noteholder dispute

During August 2021, the Company was informed a convertible note held by Noteholder B had been transferred to a third party and converted into shares of common stock. The outstanding balance of principal and interest at the time of conversion totaled approximately \$265,000. Subsequently, Noteholder B informed the Company that the note had not been transferred to the third party and no common shares had been delivered to Noteholder B. Noteholder B contends that the balance of the note, and accrued interest from August 2021 to present, remain outstanding.

Noteholder B holds two notes, each of which is past due as of September 30, 2024. No default penalty has been enforced by Noteholder B. However, due to the dispute detailed above, Noteholder B's notes may incur interest at a 17% default rate.

The Company has determined it is probable that the dispute with Noteholder B will result in a negative outcome for the Company, estimated to be \$350,000. Accordingly, \$350,000 has been recorded as accrued expenses as of September 30, 2024, and 2023.

7. Related Party Transactions

Black Mountain Botanical

Black Mountain Botanical (BMB), an entity owned by the wife of Mr. Davis, the former CEO, had accounts payable due from the Company totaling \$32,932 at September 30, 2024, and 2023.

Hyla UK Holdco Limited

During August 2022, Hyla US Holdco Limited ("Hyla US") and Hyla UK Holdco Limited ("Hyla UK") entered into a Sales Agent Agreement ("SAA") whereby Hyla UK may act as an independent sales agent for Hyla US products at no additional expense to Hyla US. The term of the agreement is for one year and automatically renews annually unless terminated 90 days prior to expiration.

10) Issuer Certification

Principal Executive Officer:

I, Brad Listermann, certify that:

1. I have reviewed this Disclosure Statement for Endexx Corporation;
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.

December 30, 2024

/s/ Brad Listermann