

Labor Smart Inc

Amendment to Annual Report 2024 annual report for 12/31/2024 originally published through the OTC Disclosure & News Service on [04/15/2025](#)

Explanatory Note:

Added control people to share issuance table

***This coversheet was automatically generated by OTC Markets Group based on the information provided by the Company. OTC Markets Group has not reviewed the contents of this amendment and disclaims all responsibility for the information contained herein.*

LABOR SMART, INC.

PO BOX 2922
JACKSON, WY 83001

844-562-5345 Telephone
Lockdin.com Company Website
corp@lockdin.com Company Email

Annual Report

For the period ending December 31, 2024 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was 16,736,633,535 as of December 31, 2024. (Current Period.)

The number of shares outstanding of our Common Stock was 16,736,633,535 as of December 31, 2024.(Most Recent Completed Fiscal Year End).

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 Control⁴ of the company has occurred during this reporting period:

Yes: No:

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

⁴ “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.

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

Labor Smart, Inc. a Wyoming entity incorporated May 31, 2011.
Current State and Date of Incorporation or Registration: Wyoming
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
Labor Smart, Inc., a Nevada corporation, formed May 31, 2011
Labor Smart Inc. was moved to Wyoming January 30, 2020.

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

No suspensions

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

None

Address of the issuer's principal executive office:

125 S. King Street , STE 2A , Jackson WY 83001

Address of the issuer's principal place of business:

: *Check 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?

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

2) Security Information

Transfer Agent

Name: Clear Trust, LLC
Phone: 813-235-4490
Email: inbox@cleartrusttransfer.com
Address: 16540 Pointe Village Drive, Suite 210, Lutz FL 33558

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: LTNC

Exact title and class of securities outstanding: Common
CUSIP: 50541A108
Par or stated value: \$0.00001
Total shares authorized: 25,000,000,000 as of date: 12/31/2024
Total shares outstanding: 16,736,633,535 as of date: 12/31/2024
Total number of shareholders of record: 97 shareholders as of date: 12/31/2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: Preferred A
Par or stated value: \$0.00001
Total shares authorized: 51 as of date: 12/31/2024
Total shares outstanding: 51 as of date: 12/31/2024
Total number of shareholders of record: 3 as of date: 12/31/2024

Exact title and class of the security: Preferred H
Par or stated value: \$0.00001
Total shares authorized: 100 as of date: 12/31/2024
Total shares outstanding: 00 as of date: 12/31/2024
Total number of shareholders of record: 00 as of date: 12/31/2024

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

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

The common shares have a one for one voting right. There are no dividend or preemption rights.

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

Each share of Series A Preferred Stock shall be convertible into one (1) share of common stock of the Company at the election of the holder and shall have voting rights equal to: (x) 0.019607 multiplied by the total issued and outstanding shares of Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator.

Each share of Preferred H equals 100,000,000 shares of common shares on conversion.

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 for the two most recently completed fiscal years and any subsequent period.

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)

Shares Outstanding <u>Opening Balance</u> : Date <u>12/31/21</u> Common: <u>13,492,068,486</u> Preferred: <u>51</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the share issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>5/02/2022</u>	<u>New issuance</u>	<u>3,000,000</u>	<u>Common</u>	<u>\$0.002</u>	<u>No</u>	<u>David Goldhagen</u>	<u>cash</u>	<u>Restricted</u>	<u>Exempt</u>

<u>5/13/2022</u>	<u>New issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$0.002</u>	<u>No</u>	<u>NappyBoy Gaming (Control Person T-Pain Faheem Rashad Najm)</u>	<u>cash</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/25/2023</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Justin Hagedorn</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>12/13/2023</u>	<u>New Issuance</u>	<u>500,000,000</u>	<u>Common</u>	<u>\$0.0003</u>	<u>Yes</u>	<u>Michael Araghi</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exempt</u>
<u>04/19/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Michael Calcagnino</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>04/19/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Charles Hardee</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>05/09/2024</u>	<u>New Issuance</u>	<u>600,000,000</u>	<u>Common</u>	<u>\$0.00833</u>	<u>No</u>	<u>Michael Araghi</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exempt</u>
<u>05/09/2024</u>	<u>New Issuance</u>	<u>1,500,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>John Perdue</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>05/17/2024</u>	<u>New Issuance</u>	<u>25,000,000</u>	<u>Common</u>	<u>\$0.0002</u>	<u>Yes</u>	<u>Mike Demson</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exempt</u>
<u>6/14/2024</u>	<u>New Issuance</u>	<u>250,000,000</u>	<u>Common</u>	<u>\$0.0002</u>	<u>No</u>	<u>Maurice Salem</u>	<u>PPM</u>	<u>Restricted</u>	<u>Exempt</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Maurice Salem</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Hadi Kelani</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Hakop Chouldjian</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>07/10/2024</u>	<u>New Issuance</u>	<u>750,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>John Perdue</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>20,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Javier Leal</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Daniel I. Rodriguez</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Juan Orlando Figueroa</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Judith Cueller</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Estefana Ramirez</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>50,000,000</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Brandon Lee Figueroa</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>
<u>08/12/2024</u>	<u>New Issuance</u>	<u>8,333,333</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	<u>Omar Figueroa Jr</u>	<u>Services Rendered</u>	<u>Restricted</u>	<u>Exempt</u>

08/12/2024	New Issuance	8,333,333	Common	\$0.0001	No	Omayra Figueroa	Services Rendered	Restricted	Exempt
08/12/2024	New Issuance	137,315,000	Common	\$0.0002	No	Pedro Jose Caldeira-Branco D'Orey	PPM	Restricted	Exempt
09/09/2024	New Issuance	20,000,000	Common	\$0.0001	No	Jon Sisson	Services Rendered	Restricted	Exempt
09/09/2024	New Issuance	125,000,000	Common	\$0.0001	No	Paloma De La Ascension	PPM	Restricted	Exempt
09/30/2024	New Issuance	10,000,000	Common	\$0.0001	No	Craig A. Sutherland	Services Rendered	Restricted	Exempt
09/30/2024	New Issuance	5,000,000	Common	\$0.0001	No	Michael Davies	Services Rendered	Restricted	Exempt
10/18/2024	New Issuance	200,000,000	Common	\$0.0001	No	Elevate Health & Wellness, LLC Joseph Curshner	PPM	Restricted	Exempt
10/18/2024	New Issuance	125,000,000	Common	\$0.0001	No	Ana Calderon De La Barca Costa	PPM	Restricted	Exempt
12/05/2024	New Issuance	750,000,000	Common	\$0.0001	New	Illumination Brands, Inc. Brad Wyatt	Purchase	Restricted	Exempt

<u>Shares Outstanding on Date of This Report:</u> 16,736,633,535 Ending Balance: Date 12/31/2024 Common: 51 Preferred: 12/31/2024
--

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

B. Convertible Debt

The following is a complete list of the Company’s Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer’s equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$)	Maturity Date	Conversion Terms (e.g., pricing mechanism)	# Shares Converted to Date	# of Potential Shares to be Issued	Name of Noteholder (entities must have)	Reason for Issuance (e.g.,
-----------------------	-----------------------------------	--------------------------	---------------	--	----------------------------	------------------------------------	---	----------------------------

		(include accrued interest)		for determining conversion of instrument to shares)		Upon Conversion ⁵	individual with voting / investment control disclosed).	Loan, Services, etc.)
6/18/2021	\$127,912	\$300,000	11/16/2022	Conversion price is 0.01 per share	none	Varies	Thomas Zarro	Loan

Any additional material details, including footnotes to the table are below:

4) Issuer's Business, Products and Services

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

Labor Smart Inc. is a holding company, having acquired Takeover Industries Inc., an early-stage beverage venture in 2021 with its Subsidiary Next Gen Beverages LLC. In June of 2023. The Company has made several strategic subsidiary purchases which are further explained in Subsection B.

Next Gen Beverages, operating as LOCK'DIN™ Beverages, delivers life-changing, science-driven functional beverages formulated to provide athletes, entrepreneurs and everyday achievers safe and effective natural products that help improve performance and recovery without compromising health. The brand offers four ready-to-drink beverages, including a world-class Hydrogen Water, a Nootropic Functional Drink, and a functional Coffee.

LOCK'DIN™ Beverages creates products that not only taste great but also enhance overall well-being. The brand has rapidly expanded its product line to offer a diverse range of beverages focused on wellness, hydration, mental performance, and overall well-being. Each product is 100% plant-based, with 0 sugar, 0 carbs, and 10 or fewer calories, depending on the drink. The commitment to science driven innovation and sustainable practices has earned LOCK'DIN™ a strong following and recognition as a leader in the functional beverage sector.

Lock'dIn is committed to conducting its business and affairs with honesty, integrity, and in accordance with the highest ethical and legal standards. The Code of Ethics and Business Conduct (aka "The Code") sets for the ethical standards that all directors, officers, employees, and representatives of Lock'dIn and its subsidiaries worldwide. The Code of Ethics sets strict ethical guidelines for company conduct, emphasizing honesty, legal compliance, conflict avoidance, resource usage, employee respect, confidentiality protection, and reporting of wrongdoing to management, with violations possibly leading to disciplinary action or termination.

Illumination Brands is a vertically integrated distribution and brand incubation company focusing on creating new point-of-sales for consumer products while acquiring, innovating, and incubating brands owned by our company and clients. Boasting a distribution network of over 5000 large and small format locations ranging from independent and chain stores to hundreds of on-premise and non-traditional points of sales including high schools, hotels, commercial and government businesses.

At Legacy Distribution Group, we are dedicated to empowering innovative brands through tailored incubation and strategic distribution solutions. Rooted in the vibrant Colorado market, we leverage local insights and a passion for

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

entrepreneurship to nurture emerging businesses. Our commitment to excellence drives us to create seamless direct-to-customer, direct-store delivery, and cross-docking operations, paving the way for global distribution and expansion. Together, we cultivate a collaborative ecosystem that fuels growth, sustainability, and success for global brands.

Go Fast Sports & Beverage Co. is an authentic, lifestyle brand designed for people who have a passion for living life on the edge. Based in Denver, Colorado, the company was established in 1996 to support the lifestyle of sports enthusiasts. Go Fast Energy Drinks are crafted to deliver superior-tasting energy with a clean, premium blend designed for lasting, sustainable performance. Our drinks are free from preservatives, aspartame, and high fructose corn syrup, offering a low-sodium, refreshing energy boost. Infused with natural flavors and a unique herbal blend, each drink features all-natural Bioenergy Ribose®, electrolytes, and five B-complex vitamins to support your energy needs. Go Fast offers product samplings at local retailers, participates in special events to increase brand awareness and exposure, and engages in sponsorships to boost visibility. The company is also active on social media platforms like Facebook, X, Instagram, Google+, and YouTube, and has recently updated its website.

Creager Mercantile, Inc. has been serving Denver metro and Colorado front range businesses since 1958. Creager is proud to be a locally owned and operated family business that understands the needs of our customers because we face the same issues they do. LTNC is proud to have Creager as part of the LTNC family of companies.

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

Next Gen Beverages, LLC dba Lockd In Beverages
Illumination Holdings, Inc.
Legacy Distribution Company
Go Fast Sports & Beverage Co.
Creager Mercantile, Inc.

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

Sports and wellness beverages and related products.

5) Issuer's Facilities

The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

LTNC, through its new subsidiary Illumination Holdings, Inc., and its distribution arm, Legacy Distribution, has a network of over 5,000 retail locations across Colorado, Southern Wyoming, and South Dakota. Legacy has a combined experience of over 175 collective years in the Colorado DSD Market and includes many proprietary name brand products that LTNC is pleased to now carry.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

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. 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 investors 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 owners.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
Thomas Zarro	Chairman of Board/Director	Henderson NV	24 Pref A	Preferred	33.33
Brad Wyatt	CEO	Denver, CO	Na	Na	na
Luis Sequiera	Director	Zug, Switzerland	10 Pref A 750,000,000	Preferred Common	4.98 CommonE
Emmanuel Pacquiao	Director	Manilla, Phillipines	250,000,000	Common	na
Michael Araghi	Director	West Covina CA	717,000,000	Common	3.83
Scott Darnell	Director/CFO	Naples FL	Na	Na	Na

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

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);

No

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;

No

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;

No

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

No

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.

No

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.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to 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.

On March 8, 2022, the former President of the Company sued as Takeover Industries against the other officers and directors of the Company, U.S. District Court for the District of Arizona, case no. 2:22-cv-00357. As of December 31, 2022, this suit was still in the initial pleading stages and there was a counterclaim against Takeover and Third-Party Claims against Jason Tucker, Toby McBride, and Joseph Pavlik. The claims originally filed by Takeover against Michael Holley and all claims against Takeover itself have been dismissed. Takeover has filed a proposed set of claims in the same case against former President Jason Tucker and his wife Melissa Tucker, based on conduct of the Tuckers that Takeover discovered during a forensic investigation. It is alleged the Tuckers engaged in a scheme that involved breaches of fiduciary duties. The Company was granted a default judgment, but the Tucker Defendants had the default set aside and in their answer to the complaint they filed a counter-suit and they cross-sued the Company and its principals and spouses. The Company believes this suit to be without merit and that the case will be settled with no financial impact.

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto "a substantial amount of money," in excess of Two Million Dollars (\$2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a "secured debt interest" in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the "Declaration"), stated that he "loaned" Takeover, One Million Five Hundred Thousand Dollars (\$1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, "Takeover owed [Deppoleto] at least \$2,070,098.36". The Company asserts that Mr. Zarro that pursuant to the explicit terms and conditions of his Note and Promissory Note, that the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, "Pavlik"), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a valid and enforceable agreement with Zarro on June 18, 2021, eleven months, and seven days prior to Deppoleto. According to Section 7 of Zarro's Note. The Company has accrued a total of

\$2,167,697 the total of loans and accrued interest that Mr. Deppoleto claiming. The Company is currently in negotiations with the other parties to settle the lawsuit.

On April 19, 2024, Takeover Industries, Inc. was sued in the United States District Court for the Southern District of New York, Case 24-CV-01335, Professional Fighters League, LLC v. Takeover Industries, Inc. a/k/a/ NXT LVL. This suit arises out of a sponsorship agreement Takeover entered into with Professional Fighters League, LLC on December 16, 2021. Takeover was unable to continue to make payments as detailed in the agreement, thereby terminating the agreement per the terms therein. This matter is in dispute but the Company intends to vigorously defend the action and feels it will prevail as a matter of law. The Company filed its answer in the 1st Quarter of 2025.

Legacy Distribution Company was sued by Black Rifle Coffee Company, LLC in Adams County District Court, Adams County, Colorado, case number 24CV33065. Legacy negotiated a settlement plan which is currently in default. LTNC and its attorneys are working on resolving this issue.

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.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Patrick Ryan Morris
Address 1: 24 Laight Street, 2nd Floor, Suite A
Address 2: New York, NY 10013-2143
Phone: 648-692-4012
Email: prm@patrickmorrislaw.com

Accountant or Auditor

Name: Nathan Hicks
Firm: Hicks & Co, LLC
Address: Denver CO
Email: nathan_hicks@illuminationbrands.com

Investor Relations

Name: NA
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): @LiveLockdin; @LaborSmartNews
Discord: _____
LinkedIn: _____
Facebook: @LiveLockdin
Instagram: @LiveLockdin

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:

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

9) Disclosure & Financial Information

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

Name: **KD Trebert**
Title: **Legal Assistant**
Relationship to Issuer: **Consultant**

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: **Hick & Co, LLC**
Title: **Financial Consultant**
Relationship to Issuer: **Consultant**

Describe the qualifications of the person or persons who prepared the financial statements:⁶ A degree in accounting and decades of financial statement experience.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

Labor Smart, Inc. and Subsidiaries
Balance Sheet-Consolidated
December 31, 2024
(Unaudited)

	12/31/2024	12/31/2023
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 263,199	\$ 97,869
Accounts receivable	3,191,609	605
Deposits		
Inventories	1,621,205	49,356
Note receivable	1,189,446	
Due from related party	489,546	
Due from other	81,989	33
Total Current Assets	\$ 6,836,994	\$ 147,863
Other Assets		
Investment in privately held company	\$ 150,000	
Investment in Illumination Holding	27,545,776.0	
Investment in Go Fast	1,315,491.0	
Investment in Creager Mercantile	1,679,637.0	
Right of use lease assets	4,404,221.0	
Property and equipment	233,574.0	5,139
Intangible assets		
Deposits	60,936.0	
Goodwill	4,176,956.0	
Total Other Assets	\$ 39,566,591	\$ 5,139
Total assets	\$ 46,403,585	\$ 153,002
<u>Liabilities</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 9,712,134	\$ 1,333,356
Stock Subscriptions payable	500,000	
Due to related party	3,146,550	
Convertible Note Payable	1,210,913	127,913
Note payable	2,093,491	2,016,697
Lease liability	493,331	
Line of credit	9,397,226	
Revenue purchase agreement	1,638,014	
Total Current Liabilities	\$ 28,191,659	\$ 3,477,966
Long Term Liabilities		
Longterm debt	\$ 3,423,269	
Lease liability	3,910,890	
Total Long Term Liabilities	\$ 7,334,159	\$ -
Total liabilities	\$ 35,525,818	\$ 3,477,966
Shareholders' deficit		
Preferred Stock	\$ -	
Series A preferred	-	
Redeemable Equity	766,000	\$ 541,000
Common stock subscribed	620,430	\$ 326,800
Common stock par	1,753,363	\$ 1,486,557
Paid in capital	18,961,728	\$ 1,658,835
Equity in subsidiary	1,749,754	\$ 1,749,754
Deficit	(12,973,508)	\$ (9,087,910)
Total shareholder deficit	\$ 10,877,767	\$ (3,324,964)
Total liabilities and shareholder deficit	\$ 46,403,585	\$ 153,002

See accompanying notes to consolidated financial statements.

Labor Smart, Inc. and Subsidiaries
Consolidated Statement of Operations
For the Three Months and Year Ended December 31, 2024
(Unaudited)

		For the three month period ended		For the year ended	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Sales		\$ 3,392,854	\$ 166,282	\$ 4,251,697	\$ 405,567
Sales Related Parties					
Other Income		76,641	203,333	76,641	508,333
Total Sales		<u>\$ 3,469,495</u>	<u>\$ 369,616</u>	<u>\$ 4,328,338</u>	<u>\$ 913,900</u>
Cost of sales		3,298,270	213,678	4,287,777	547,893
	Gross profit	<u>\$ 171,225</u>	<u>\$ 155,937</u>	<u>\$ 40,561</u>	<u>\$ 366,007</u>
Expenses					
Payroll and benefits		\$ 495,695		\$ 1,039,609	
Selling and G & A		566,941	284,478	1,183,056	711,195
Professional fees		46,930	135,181	301,879	355,740
Advertising and Marketing		6,672	12,481	117,400	27,735
Amortization		42,449		50,377	
Depreciation		264,165		456,048	
Total operating expenses		<u>\$ 1,422,852</u>	<u>\$ 432,140</u>	<u>\$ 3,148,369</u>	<u>\$ 1,094,670</u>
	Net loss from operations	<u>\$ (1,251,627)</u>	<u>\$ (276,203)</u>	<u>\$ (3,107,808)</u>	<u>\$ (728,663)</u>
Other expenses (income)					
Interest expense		\$ 669,364	7,120	\$ 800,200	\$ 28,480
Interest (Income)		(23,998)		(24,002)	
Loss on sale of asset		(0)		1,593	
Total other expenses (income)		<u>\$ 645,366</u>	<u>\$ 7,120</u>	<u>\$ 777,791</u>	<u>\$ 28,480</u>
Net loss		<u><u>\$ (1,896,993)</u></u>	<u><u>\$ (283,323)</u></u>	<u><u>\$ (3,885,599)</u></u>	<u><u>\$ (757,143)</u></u>

See accompanying notes to consolidated financial statements.

Labor Smart and Subsidiaries
Statements of Cash Flows
December 31, 2024 and December 31, 2023
(Unaudited)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Cash flows from operating activities		
Net loss	\$ (3,885,599)	\$ (757,143)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock based Compensation	170,750	326,800
Depreciation and amortization	506,425	3,176
Write off of obsolete inventory		390,544
Gain on settlement of accounts payable		508,333
Changes in operating assets and liabilities:		
Account receivable	(3,191,004)	(605)
Prepaid	(60,936)	36,178
Inventory	(1,571,849)	(172,261)
Due from related party	(489,546)	
Other receivables	(81,956)	
Account payable and accrued liabilities	8,378,778	(955,469)
Due to related parties	3,146,550	
Increase (decrease) line of credit	9,397,226	
Current portion of Notes Payable	3,297,808	
Current portion of Lease Payable	493,331	-
Net cash provided by operating activities	<u>16,109,978</u>	<u>(620,447)</u>
Cash used in investment activities		
Investment in privately held company	150,000	
Investment in Illumination Holding	27,545,776	
Investment in Go Fast	1,315,491	
Investment in Cregar Mercantile	1,679,637	
Goodwill	4,176,956	
Note receivable	1,189,446	
Investment in Right of use	4,404,221	
Investment in fixed assets	228,435	
Net cash used in investment activities	<u>40,689,962</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from sale of redeemable stock	225,000	541,000
Proceeds from issuance of common stock	2,166,483	160,000
Common Shares issued for Investment in Illumination Holding	8,930,588	
Common Shares issued for Investment in Go Fast	919,818	
Common Shares issued for Investment in Creager Mercantile	5,169,266	
Increase Long term Note payable	3,423,269	
Increase in long term lease payable	3,910,890	
Net cash provided by financing activities	<u>24,745,314</u>	<u>701,000</u>
Increase in cash	165,330	80,553
Cash at beginning of period	97,869	17,316
Cash at end of period	<u>\$ 263,199</u>	<u>\$ 97,869</u>
Supplemental Cash Flow Information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities		
	<u>\$</u>	<u>\$</u>
	<u>\$</u>	<u>\$</u>

Labor Smart, Inc. and Subsidiaries
Statement of Stockholders Deficit
For the Periods Ended December 31, 2024 and December 31, 2023
(Unaudited)

Description	Preferred Shares Outstanding	Preferred Par Amount	Equity in Industries	Redeemable Equity	Common Shares Outstanding	Common Par Amount	Additional Paid in capital	Common Stock Subscribed and Earned	Accumulated Deficit	Total
Balance as of December 31, 2023	51		\$ 1,749,754	\$ 541,000	14,865,568,486	\$ 1,486,557	\$ 1,658,835	\$ 326,800	\$ (9,087,910)	\$ (3,324,964)
Common Stock owed for services								\$ 162,750		\$ 162,750
Common Stock issued for services					40,000,000	\$ 4,000	\$ 4,000			\$ 8,000
Sale of Common Stock					250,000,000	\$ 25,000	\$ 25,000.00			\$ 50,000
– Sale of Common Stock to be issued for _____								\$ 374,630		\$ 374,630
Sale of redeemable common Stock				\$ 225,000						\$ 225,000
Net loss for six months ended June 30, 2024									\$ (869,905)	\$ (869,905)
Balance for period ended June 30, 2024	51	\$ -	\$ 1,749,754	\$ 766,000	15,155,568,486	\$ 1,515,557	\$ 1,687,835	\$ 864,180	\$ (9,957,815)	\$ (3,374,489)
Sale of Common Stock					503,064,998	\$ 50,306	\$ 2,197,971			\$ 2,248,277
Shares owed for Acquisition - issued in December					750,000,000	\$ 75,000	\$ 8,855,588			\$ 8,930,588
Net loss for three months ended September 30, 2024									\$ (310,238)	\$ (310,238)
Balance for period ended September 30, 2024	51	\$ -	\$ 1,749,754	\$ 766,000	16,408,633,484	\$ 1,640,863	\$ 12,741,394	\$ 864,180	\$ (10,268,053)	\$ 7,494,138
Issuance of Subscribed Stock										
Elevated Health and Wellness					200,000,000	\$ 20,000	\$ 130,000	\$ (150,000)		\$ -
Ana Calderon De La Barca Costa					125,000,000	\$ 12,500	\$ 81,250	\$ (93,750)		\$ -
Shares owed for Go Fast Acquisition					400,000,000	\$ 40,000	\$ 879,818			\$ 919,818
Shares owed for Creager Mercantile, Inc.					400,000,000	\$ 40,000	\$ 5,129,266			\$ 5,169,266
Net loss for three months ended December 31, 2024									\$ (2,705,455)	\$ (2,705,455)
	51	\$ -	\$ 1,749,754	\$ 766,000	17,533,633,484	\$ 1,753,363	\$ 18,961,728	\$ 620,430	\$ (12,973,508)	\$ 10,877,767

See accompanying notes to consolidated financial statements.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

1. **Nature of Business Operations and Significant Accounting Policies**

Nature of Business

Labor Smart, Inc. (the “Company”) was incorporated in the State of Nevada on May 31, 2011. Labor Smart, Inc. provides temporary blue-collar staffing services. It supplies general laborers on demand to the light industries, including manufacturing, logistics, and warehousing, skilled trades’ people, and general laborers to commercial construction industries.

Takeover Industries, Inc. negotiated a deal with a publicly traded OTC Markets entity known as Labor Smart, Inc. By a stock purchase agreement dated February 26, 2021, LTNC agreed to the purchase of Takeover’s equity in exchange for 6,800,000,000 restricted shares of LTNC (The “Stock Purchase Agreement”). As part of the Stock Purchase Agreement, the principals of Takeover received all 51 Series A Preferred Shares of LTNC. The Company began the process of updating the books of the parent company, LTNC.

Takeover Industries, Inc. is a Nevada corporation focused on selling its proprietary line NXT LVL, including hydrogen infused waters and 2 oz “Gamer Shots.” After acquiring Labor Smart, Takeover’s management quickly went into motion to implement a line of enhanced water products under the NXT LVL brand. These products include NXT LVL Hydrogen Water (“NXT LVL Water”). NXT LVL Water features a proprietary blend of ingredients and utilizes a confidential, proprietary process to infuse the water with additional hydrogen and compounds.

On July 14, 2021, the Company entered into a Purchase and Sale Agreement whereby the Company sold all the assets and liabilities related to its staffing business the (“Staffing Business”) to the former Chief Executive Officer of the Company. The Company, pursuant to the Agreement, sold the Staffing Business for a purchase price of \$500,000, \$300,000 of which has been received by the Company, with the additional \$200,000 to be received within 90 days from the date of the Agreement.

The Company formed Next Gen Beverage LLC a Wyoming Corporation on June 14, 2023, focused on selling hydrogen infused waters. The Company redomiciled to Wyoming on January 30, 2020, and is active and in Good Standing.

On August 14, 2024, the Company acquired 100% of the common shares of the specialty beverage entity Illumination Holding, Inc.’for 750,000,000 shares of its common shares and the assumption of liabilities in the amount of \$22,967,440 The total purchase price recognized of \$25,937,440. This amount will be subject review and purchase accounting

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

adjustments for the twelve months following the date of purchase and an annual appraisal as part of the year end procedures on a going forward basis.

On October 10, 2024 the Company acquired 100% of the common shares of Go Fast Sports & Beverage Co. The purchase price consist 400,000,000 shares of LTNC, a convertible note of \$1,083,000, a cash payment of \$250,000 and the assumption of \$687,327 of liabilities for a total purchase price of \$2,002,818. This amount will be subject review and purchase accounting adjustments for the twelve months following the date of purchase and an annual appraisal as part of the year end procedures on a going forward basis.

On October 10, 2024 the Company purchased 100% of the common shares of Creager Mercantile, Inc. (need a description of their business). The purchase price consists of 400,000,000 shares of LTNC, assumption of \$3,567,976 of Notes Payable, and assumption of other liabilities of \$1,601,290 for a total purchase price of \$5,169,266. This amount will be subject review and purchase accounting adjustments for the twelve months following the date of purchase and an annual appraisal as part of the year end procedures on a going forward basis.

Going Concern

The accompanying condensed consolidated unaudited financial statements have been prepared, assuming a continuation of the Company as a going concern. The Company had a working capital deficit balance of \$21,354,665 and an accumulated deficit of \$12,973,508 as of December 31, 2024. This raises substantial doubt about our ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that this series of events will be satisfactorily completed.

Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If additional financing is not available or is not available on acceptable terms, we will have to curtail or cease our operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

These financial statements do not include any adjustments that might arise from this uncertainty.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and accompanying notes. Significant estimates include the assumption used in the valuation of equity-based transactions, valuation of intangible assets, allowance for doubtful accounts and inventory valuation and reserves. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less at the time of purchase. On December 31, 2024 and December 31, 2023, the Company had \$263,199 and \$97,869, respectively of cash and cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, prepaid expenses, inventory and other assets, accounts payable, accrued liabilities, note payable and convertible note payable approximate their fair values as of December 31, 2024, and December 31, 2023, respectively, because of their short-term natures and the Company's borrowing rate of interest.

Accounts Receivable

Accounts receivables are recorded at fair value on the date revenue is recognized. The Company provides allowances for doubtful accounts for estimated losses resulting from the inability of its customers to repay their obligation. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to repay, additional allowances may be required. The Company provides for potential uncollectible accounts receivable based on specific customer identification and historical collection experience adjusted for existing market conditions. If market conditions decline, actual collection experience may not meet expectations and may result in decreased cash flows and increased bad debt expense.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

The policy for determining past due status is based on the contractual payment terms of each customer, which are generally net 30 or net 60 days. Once collection efforts by the Company and its collection agency are exhausted, the determination to charge of uncollectible receivables is made. At December 31, 2024 and December 31, 2023, the Company has recorded an allowance for doubtful accounts of \$681,000.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out basis and net realizable value. Net realizable value is defined as sales price, less cost of completion, disposition and transportation and a normal profit margin. As of December 31, 2024, and December 31, 2023, inventory amounted to \$1,621,205 and \$49,356, respectively. As of September 30, 2024, and December 31, 2023, inventory reserves were \$0.

Revenue Recognition

We account for revenue in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 606, “Revenue from Contracts with Customers”. Revenue is measured based on the amount of consideration that we expect to receive, reduced by discounts and estimates for credits and returns (calculated based upon previous experience and management’s evaluation). Outbound shipping charged to customers is recognized at the time the related merchandise revenues are recognized and are included in net revenues. Inbound and outbound shipping and delivery costs are included in cost of revenues.

Our products are sold through our online and telephonic channels. Revenue is recognized when control of the merchandise is transferred to the customer, which generally occurs upon shipment. Payment is typically due on the date of shipment. The Company offers a 30- day return policy on sales.

Stock Based Compensation

Stock options and warrants issued to consultants and other non-employees as compensation for services provided to the Company are accounted for based on the fair value of the services provided or the estimated fair market value of the option or warrant, whichever is more reliably measurable, and in accordance with FASB ASC 718, Compensation- Stock Compensation, including related amendments and interpretations.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

Net Income / (Loss) per Share

Basic income / (loss) per share amounts are computed based on net income / (loss) divided by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock.

Recent accounting pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date.

Income Taxes

We utilize the asset and liability method of accounting for income taxes. We recognize deferred tax liabilities or assets for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. We regularly assess the likelihood that our deferred tax assets will be recovered from future taxable income. We consider projected future taxable income and ongoing tax planning strategies in assessing the amount of the valuation allowance necessary to offset our deferred tax assets that will not be recoverable. We have recorded and continue to carry a full valuation allowance against our gross deferred tax assets that will not reverse against deferred tax liabilities within the scheduled reversal period. If we determine in the future that it is more likely than not that we will realize all or a portion of our deferred tax assets, we will adjust our valuation allowance in the period we make the determination. We expect to provide a full valuation allowance on our future tax benefits until we can sustain a level of profitability that demonstrates our ability to realize these assets. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

Licensing Agreements

One reason for LTNC’s success has been its small management team and their deep connections with the beverage and health industries, and their long- term relationships based on trust and demonstrated results.

On May 12, 2021, the Company entered into a joint venture agreement with Manny Pacquiao for distribution and sales of products throughout Asia. On December 31, 2022

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

and 2021, the Company had licensing expenses of \$475,000 and \$336,800, respectively. The Company had licensing expenses on December 31, 2021 of \$325,000 to Manny Pacquiao for the agreement with Pacquiao and his non-profit Foundation as of December 31, 2022 and 2021 the Company recorded an accrued liability of \$708,333 and \$233,333, respectively. The Company also entered into a licensing agreement with 6 time Grammy Award Winning Artist T-Pain and his Nappy Boys gaming company. During the year ended December 31, 2023, the Company negotiated a settlement with Manny Pacquiao for \$200,000 and 400,000,000 shares of common stock. As of December 31, 2023, the Company recognized a gain of \$508,333.

3. **Notes Payable**

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto a substantial amount of money, in excess of Two Million Dollars (\$2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a “secured debt interest” in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the “Declaration”), stated that he “loaned” Takeover, One Million Five Hundred Thousand Dollars (\$1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, “Takeover owed [Deppoleto] at least \$2,070,098.36”. The Company asserts the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, “Pavlik”), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a valid and enforceable agreement with Zarro on June 18, 2021, eleven months and seven days prior to the Deppoleto event, according to Section 7 of Zarro’s Note. The Company is currently in ongoing negotiations with the other parties to settle the lawsuit and believes it will resolve to everyone’s mutual agreement.

4. **Convertible Note Payable – Related Party**

On June 18, 2021 Labor Smart, Inc entered a Secured Convertible Promissory Note, in the amount of Three Hundred Thousand Dollars (\$300,000) together with interest of 8%. secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. The terms of the loans were 12 monthly payments of \$26,096.53 which included principal and interest with the last payment due

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

on November 16, 2022. The loan has a conversion price is \$.01 per share The Loan was assumed by the Company and the Company made payments on it. During the year ended December 31, 2022 and 2021 the company repaid a total of \$147,990 and \$24,097, respectively. As of December 31, 2024, and December 31, 2023 the amount owed \$127,912 and \$127,912. Accrued interest at December 31, 2024 amounted to \$5,117.

5. Stock Subscription Payable

On May 9, 2024, the Company entered into a private placement agreement for \$500,000. The investor purchased the rights to receive six Preferred Series H Shares which will then convert to 100,000,000 shares of Common Stock. The Series H shares will be filed before the fourth quarter of 2024 and the shares issued. These shares are considered subscribed for and paid for and not yet issued.

6. Equity

On October 6, 2014, the Company filed a Certificate of Designation with the Nevada Secretary of State to amend its Articles of Incorporation to create and designate the rights and preferences of a new series of preferred stock designated the Series A Preferred Stock. The number of shares authorized as Series A Preferred Stock shall be fifty-one (51) shares. Each share of Series A Preferred Stock shall be convertible into one (1) share of common stock of the Company at the election of the holder and shall have voting rights equal to: (x) 0.019607 multiplied by the total issued and outstanding shares of Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator.

On October 22, 2014, the Board of Directors adopted and approved and the majority shareholder, Ryan Schadel, ratified a Company proposed amendment to the Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 150,000,000 to 1,000,000,000. The amendment is effective November 25, 2014.

Effective February 16, 2015, the Company filed a Certificate of Amendment to the Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 1,000,000,000 to 25,000,000,000 and to decrease the par value common stock from \$0.001 per share to \$0.00001 per share. The increase in authorized shares and change in par value have been accounted for retroactively in these financial statements.

Preferred Stock – The Company has 5,000,000 shares of "blank check" preferred stock authorized. As of December 26, 2014 and December 31, 2013, the Company had no

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

preferred shares issued and outstanding, respectively. On October 20, 2014, the Company issued fifty-one (51) shares of Series A Preferred Stock to Ryan Schadel for his service as the Chief Executive Officer and director of the Company.

Takeover Industries, Inc negotiated a deal with a publicly traded OTC Markets entity known as Labor Smart, Inc. By a stock purchase agreement dated February 26, 2021, LTNC agreed to the purchase of Takeover's equity in exchange for 6,800,000,000 restricted shares of LTNC (The "Stock Purchase Agreement"). As part of the Stock Purchase Agreement, the principals of Takeover received all 51 Series A Preferred Shares of LTNC.

During the year ended December 31, 2022, the Company sold 5,000,000 shares of common stock for \$10,000. During the year ended December 31, 2023, the Company sold 520,000,000 shares of common stock for \$160,000. During the year ended December 31, 2023, the Company sold a total of \$541,000 of redeemable common stock.

During the year ended December 31, 2023 the Company owed a total of 1,720,000,000 shares of common stock valued at \$541,000 for services.

During the year ended December 31,, 2024, the Company sold 1,237,315,000 shares of redeemable common stock for \$1,099,630. Included in the amount Tom Zarro the Company's CEO purchased 50,000,000 shares for \$50,000, Director Tom Fitzgerald 125,000,000 shares for \$125,000. Director Luis Sequeria purchased 50,000,000 shares for \$50,000. Director Michael Araghi purchased 6 shares of Preferred H for \$500,000.

During the year ended December 31, 2024 the Company is obligated to issue a total of 486,250,000 shares of common stock valued at \$132,750.

During the year ended December 31, 2024 the Company sold a total of issue a total of 1,078,064,998 shares of common stock for \$2,298,277 .

During the year ended December 31, 2024 the Company issued 750,000,000 shares for the acquisition.

During the year ended December 31, 2024 the Company issued 40,000 shares for services.

During the year ended December 31, 2024 the Company issued 325,000,000 shares owed from subscriptions in prior periods.

During the year ended December 31, 2024 the Company reserved 800,000,000 shares for the acquisitions made in October of Go Fast and Creger Mercantile, Inc.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

Common Stock - The Company has 25,000,000,000 shares of \$0.00001 par value common stock authorized. As of September 30, 2024 and December 31, 2023, the Company had 15,658,633,484 and 14,868,568,486 shares issued and outstanding, respectively. An additional 750,000,000 shares will be issued as part of the acquisition of Illumination Holding, Inc.

Takeover Industries, Inc.

As part of the Stock Purchase Agreement, Jason Tucker, Toby McBride and Joseph Pavlik each received shares of the Preferred Series A shares of the parent company, for a total of 160,825 Series A Preferred issued for cash consideration of \$1,608. The Series A Preferred Series has a voting power equal to 1,000 votes per share of preferred stock. The voting are eligible to vote on any respective matter. Toby McBride shares of preferred stock were subsequently transferred to Mike Holley.

On February 24, 2021, the Company issued a total of 6,800,000,000 shares of common stock to founders for consideration of \$11,000.

During the year ended December 31, 2021, the Company sold a total of 400,000,000 shares of common stock for proceeds of \$1,000,000.

There were several loans from Labor Smart to various entities that were assumed by the prior CEO of Labor Smart on April 20, 2021 in the amount of \$1,381,800 and was reclassified to a capital contribution.

During the year ended December 31, 2022, the Company sold a total of 176,000,000 shares of common stock for proceeds of \$475,000. As of December 31, 2022, the Company recorded a \$35,000 payable for the value of shares not issued.

7. Related Party Transactions

There were several loan note from Labor Smart to various entities that were assumed by the prior CEO of Labor Smart on April 20, 2021 in the amount of \$1,381,800 and was reclassified to a capital contribution. A related party was owed \$60,000. The amount was subsequently repaid during the year ended December 31, 2021.

On June 18, 2021, Labor Smart, Inc entered into a Secured Convertible Promissory Note, in the amount of Three Hundred Thousand Dollars (\$300,000) together with interest of 8% to a secured creditor of the Company with a priority claim senior on all collateral, both tangible

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

and intangible, including its subsidiary, Takeover. The terms of the loans were 12 monthly payments of \$26,096.53 which included principal and interest with the last payment due on November 16, 2022. The loan has a conversion price is \$.01 per share. The Loan was assumed by the Company and the Company was making payment on it. During the year ended December 31, 2022, the company repaid a total of \$147,000. As of December 31, 2024, and December 31, 2023 the amount owed \$127,912 and \$127,912 with accrued interest of \$25,088 on September 30, 2024.

During the six months ended June 30, 2023, the Company CEO Tom Zarro purchased \$280,024 of products from the Company.

During the year ended December 31, 2024, the Company sold 1,237,315,000 shares of redeemable common stock for \$1,099,630. Included in the amount Tom Zarro the Company's CEO purchased 50,000,000 shares for \$50,000, Director Tom Fitzgerald 125,000,000 shares for \$125,000. Director Luis Sequeria purchased 50,000,000 shares for \$50,000. Director Michael Araghi purchased 6 shares of Preferred H for \$500,000.

8. Commitments and Contingencies.

On March 8, 2022, the former President of the Company sued as Takeover Industries against the other officers and directors of the Company, U.S. District Court for the District of Arizona, case no. 2:22-cv-00357. All claims originally filed against Takeover have been dismissed. Takeover filed a proposed set of claims in the same case against former President Jason Tucker and his wife Melissa Tucker, based on the conduct of the Tuckers that Takeover discovered during a recent investigation. It is alleged the Tuckers engaged in a scheme that involved breaches of fiduciary duties. The Tucker defendants failed to file an answer and Takeover was granted a default judgment. The Tuckers filed a Motion to Set Aside the Default due to an error by counsel and on June 24, 2024, the motion to set aside the default was granted. The Tucker Defendants were given until July 8, 2024, to file an answer to the original complaint against them. Subsequent to the end of the second quarter, on July 8, 2024, the Tucker Defendants filed an Answer to the Amended Complaint with a Third-Party Complaint against Next Gen Beverages LLC, Thomas Zarro and his spouse, Michael Holley and his spouse, Takeover Industries, Joseph Pavlik, and Toby McBride and a Counterclaim against Next Gen Beverages, LLC, Thomas Zarro and spouse, Michael Holley and spouse, Takeover Industries, Inc., Joseph Pavlik, and Toby McBride. The allegations in the Counterclaim and Third-Party complaint are a recapitulation of the charges made and already dismissed, except the claims against the Zarros which are specious, and the Company is convinced all claims will be dismissed again. The Company believes that the case will be settled with no financial impact.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto “a substantial amount of money,” in excess of Two Million Dollars (\$2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a “secured debt interest” in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the “Declaration”), stated that he “loaned” Takeover, One Million Five Hundred Thousand Dollars (\$1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, “Takeover owed [Deppoleto] at least \$2,070,098.36”. The Company asserts the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, “Pavlik”), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a valid and enforceable agreement with Zarro on June 18, 2021, eleven months and seven days prior to the Deppoleto event, according to Section 7 of Zarro’s Note. The Company is currently in ongoing negotiations with the other parties to settle the lawsuit and believes it will resolve to everyone’s mutual agreement.

On February 22, 2024, Professional Fighters League, LLC filed suit against Takeover Industries, Inc. aka NXT LVL in the United States District Court for the Southern District of New York, Case Number 24-CV-01335-GS for a Breach of Contract. The Court ordered the complaint be amended to cure deficiencies. This amendment was filed March 26, 2024. Takeover Industries Inc was not served until April 22, 2024. The Company filed a Motion to Dismiss on May 13, 2024. There was a settlement conference in front of the Magistrate. Judge subsequent to the end of the quarter, held July 16, 2024, and both sides are still actively engaged in settlement discussions. The Company believes this will settle to the satisfaction of both sides. The Motion to Dismiss was ruled against in the 1st quarter of 2025 and the Company has filed its answer in a timely fashion

The Professional Fighters League is alleged damages of \$2,152,000. The Company had previously accrued \$441,000 for amounts owed up to December 31, 2022.

Based on the express terms of the Agreement, it is the opinion of the Company, as expressed more fully in the filed Motion, that the plain and unambiguous language contained in the Agreement, limits any liability to the amount that the Company paid.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

9. **Major Customers**

For the six months ended June 30, 2023, a related party comprised 81% of sales and others over 10%, for the year ended December 31, 2024 no customer was over 10% of sales.

10. OFFICERS AND DIRECTORS

The Board of Directors, who are also officers, consists of Thomas Zarro, Brad Wyatt, and Scott Darnell. Zarro was also the CO-CEO with Brad Wyatt. Scott Darnell is the President and CFO. Michael Holley was the COO and Secretary. Mr. Holley stepped down as an officer and director in the first week of December 2024 and has remained as a consultant to the Company. The independent members of the Board of Directors are Manny Pacquiao, Sequeira, and Michael Araghi.

11. SUBSEQUENT EVENTS

The Company elected Brad Wyatt as the sole CEO. Thomas Zarro remains the Chairman of the Board of Directors. Donald L. "Chip" Creager III has become a new director as part of the purchase of Creager Mercantile, Inc. Mr. Creager has a degree in accounting from Western Colorado University and an MBA for University of Denver, Daniels College of Business. The Company brought in independent board member, Rabih Safadi. Mr. Safadi working as a consultant professionalized corporate operations, developed a 5-year business plan, built data pipelines and technology infrastructure, and launched sales channels on Amazon and Walmart. He has a deep understanding to help LTNC as it transitions into a diversified leader in functional beverages.

On January 15, 2025 the Company announced a partnership with Upper Street Marketing, Inc. to launch Casa Rica Tequila nationwide.

On January 31, 2025 LTNC announced an official partnership with fighter Brandon Figueroa.

On February 6, 2025, the Company announced it secured a elite hydration deal through Lock'dIn Beverages with ME by Meliá Dubai for Lock'dIn's hydration water.

On March 11, 2025, the Company announced a partnership with Romao Brothers, a premier distributor of beverages.

On March 14, 2025, the Company announced that it is contemplating a corporate rebrand and a ticker change.

On April 1, 2025, the Company announced it is targeting GLP-1 Market with Functional Gummies, with pre-orders starting April 7, 2025, through Elevate Health & Wellness.

Labor Smart, Inc. and Subsidiaries
Footnotes to Financial Statements December 31, 2024 and 2023
(Unaudited)

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, Bradley Wyatt, CEO certify that:

1. I have reviewed this Disclosure Statement for Labor Smart, 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.

4/28/2025 [Date]

/s/Bradley Wyatt [CEO's Signature]

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

Principal Financial Officer:

I, Scott Darnell, certify that:

1. I have reviewed this Disclosure Statement for Labor Smart, 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.

4/28/2025 [Date]

/s/Scott Darnell [Interim CFO's Signature]

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