

Xcelerate, Inc.

110 Renaissance Circle
Maudlin, SC 29662
854-900-2020
www.xcelerate.global

Annual Report

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

Outstanding Shares

The number of shares outstanding of our Common Stock was:

434,446,072 as of April 22, 2024

434,446,072 as of December 31, 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 Control⁴ of the company has occurred during this reporting period:

Yes: ☐ No: ☒

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.

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

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

Xcelerate Inc. ("we," "us," "our" or the "Company") f/k/a Union Dental Holdings, Inc. is a Florida corporation with a current address of 110 Renaissance Circle, Mauldin, SC 29662. We were incorporated on November 26, 1996, under the name Stirus Research & Development, Inc. The Company has gone through several name changes since inception. Most recently the Company was known as Union Dental Holdings, Inc. On October 23, 2020, the Company changed its name to "Xcelerate, Inc."

Current State and Date of Incorporation or Registration: Florida
Standing in this jurisdiction: (e.g. active, default, inactive): Current

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

None.

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

None.

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:

110 Renaissance Circle
Mauldin, SC 29662

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: Issuer Direct Corporation
Phone: 801.272.9294 x 711
Email: Julie.Felix@issuerdirect.com

Address: 1981 Murray Holladay Road, Suite 100,
SLC UT, 84117 I
Is the Transfer Agent registered under the Exchange Act Yes: ☒ No: ☐

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:	XCRT	
Exact title and class of securities outstanding:	Common stock	
CUSIP:	98401T10 5	
Par or stated value:	\$0.0001	
Total shares authorized:	1,000,000,000	as of date: December 31, 2024
Total shares outstanding:	434,446,072	as of date: December 31, 2024
Total number of shareholders of record:	973	as of date: December 31, 2024

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

None

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:	Series B Preferred Stock	
Par or stated value:	\$0.0001	
Total shares authorized:	25,000,000	as of date: December 31, 2024
Total shares outstanding:	120,000	as of date: December 31, 2024
Total number of shareholders of record:	1	as of date: December 31, 2024

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

None

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.

There no dividend or preemption rights. Every common share has one vote.

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

The Series B Preferred shares have no dividend right and not convertible into any other class of stock and have no liquidation rights or preferences. Each share of Series B Preferred Stock is entitled to 1,000 votes on all matter submitted to the Company's shareholders.

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>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date 1/1/2023		Common: 381,446,072 Preferred: 120,000							
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. ***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.
06/20/2023	New issuance	1,000,000	Common	\$0.05	No	Ronald Hargrove	For consulting services	Restricted	4(a)2
06/20/2023	New issuance	9,000,000	Common	\$0.05	No	Cliff Thiesen	For consulting services	Restricted	4(a)2
06/20/2023	New issuance	5,000,000	Common	\$0.05	No	JKW Family Trust -Joshua Weiss has voting control	For consulting services	Restricted	4(a)2
06/20/2023	New issuance	9,000,000	Common	\$0.05	No	Andrew Telsey	For legal services	Restricted	4(a)2

7/10/2023	New issuance	1,000,000	Common	\$0.05	No	John Porter	For investor relations services	Restricted	4(a)2
9/26/2023	New issuance	4,000,000	Common	\$0.05	No	Cliff Thiesen	For Reg A stock purchase	Unrestricted	4(a)2
9/26/2023	New issuance	3,000,000	Common	\$0.05	No	Peter Morris	For providing financing to the company	Restricted	4(a)2
9/26/2023	New issuance	9,000,000	Common	\$0.05	No	Cliff Thiesen	For providing financing to the company	Restricted	4(a)2
9/26/2023	New issuance	10,000,000	Common	\$0.05	No	HS Pharmaceutical -Jon Wilken has voting control	For the purchase of patent rights	Restricted	4(a)2
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date 12/31/2024 Common: 434,446,072 Preferred: 120,000									

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 (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁵	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

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.

Total Outstanding Balance:

Total Shares:

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")

We are a healthcare services and products company engaged in three separate but related businesses within the medical, health and wellness sectors. We are currently focused on (i) the development of medical technology and virtual health services to help patients in developing countries meet their medical needs by extending the reach of physicians through the technology; (ii) the formulation, packaging and marketing of consumer health and beauty, clinically tested skin and hair care products; and (iii) owning and licensing the rights to various forms of medical equipment. As of the date of this Report we are concentrating on the initial 2 businesses and expect to devote our resources to the success of these businesses but if any opportunity arises for us to monetize the licensing of rights to third parties we may pursue the same.

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

51% ownership of ESN Group, Inc.
51% ownership of California Skin Research, Inc.,
51% ownership of ASA Africa, LLC

C. Describe the issuers' principal products or services.

Sales of consumer health, beauty aids and hair 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.

Our current address is 110 Renaissance Circle, Mauldin, SC 29662, which is provided to us on a rent-free basis by a company owned by our CEO. This space consists of 200 square feet of executive offices. It is anticipated that this location will meet our needs for the foreseeable future.

The ESN Group leases 8,200 sq feet, including 5,500 sq. ft of warehouse space and 2,700 sq feet of executive office space located at 6383-B Rose Lane, Carpinteria, CA pursuant to a written lease that expires in Marh 2024. Monthly rent is \$7,392.

ASA's principal place of business is located at Plot 1826/26 Chole Road, Masaka Dar es Salaam, Tanzania, which consists of 10 s/m of office space. We are not directly responsible for any of these lease costs.

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)
Michael F. O'Shea	CEO	Maudlin, SC	88,455,730	Common	20.4%
Michael F. O'Shea	CEO	Maudlin, SC	120,000	Preferred B	100%
Steve Gravely	Director	Maudlin, SC	15,000,000	Common	3.5%
Jason Householder	Director	Maudlin, SC	15,000,000	Common	3.5%
Clifford Thiessen	5% shareholder	Greenville, SC	55,500,000	Common	12.8%

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.

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.

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: Andrew Telsey, Esq.
Firm: Andrew I Telsey, P.C.
Address 1: 6198 S. Moline Court
Address 2: Englewood, Colorado 80111
Phone: 303-521-7447
Email: andrew@telseylaw.com

Accountant or Auditor

Name: David Natan -outsourced accountant
Firm: Natan & Associates, LLC
Address 1: 6720 NW 74th Court

Address 2: Parkland, Florida 33067
Phone: 786-412-6085
Email: dn474747@aol.com

Investor Relations

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

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other]: _____

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: David Natan
Title: Outsourced Accountant
Relationship to Issuer: None

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: David Natan
Title: Outsourced Accountant

Relationship to Issuer: None

Describe the qualifications of the person or persons who prepared the financial statements:⁶

Mr. Natan is the owner of a financial/accounting consulting firm and has previously served as Chief Financial Officer of five listed Nasdaq companies and has extensive knowledge of GAAP accounting principles and the requirement of OTC reporting.

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.
- 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.

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.

**XCELERATE, INC.
ANNUAL REPORT
DECEMBER 31, 2024
(UNAUDITED)**

XCELERATE, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2024	December 31, 2023
ASSETS	(Unaudited)	
Current assets		
Cash	\$ 123,548	\$ 238,028
Account receivable	215,942	186,170
Inventory	434,585	414,951
Other assets	12,579	12,557
Total current assets	786,655	851,705
Right of use asset	—	20,829
Goodwill	429,185	429,185
Intangible assets	464,204	617,242
Total Assets	<u>\$ 1,680,044</u>	<u>\$ 1,918,963</u>
LIABILITIES & STOCKHOLDERS' (DEFICIT)		
Current liabilities		
Accounts payable	\$ 801,332	\$ 632,808
Lease liabilities -short term	—	21,968
Notes payable	284,481	—
Line of credit	79,445	—
Notes payable related parties	1,723,910	1,420,793
Total liabilities	2,889,168	2,075,569
Shareholders' Equity (Deficit)		
Series A Preferred stock, par value \$0.0001, -0- shares authorized; -0- and -0- shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	—	—
Series B Preferred stock, par value \$0.0001, 25,000,000 shares authorized; 120,000 and 120,000 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	12	12
Common stock, par value \$0.0001, 1,000,000,000 shares authorized; 434,446,072 and 434,446,072 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	43,444	43,444
Additional paid in capital	9,620,691	9,620,691
Accumulated deficit	(10,499,607)	(9,810,877)
Total Xcelerate, Inc. Stockholders Deficit	(835,460)	(146,730)
Non-controlling interests	(373,664)	(9,877)
Total Stockholders' Equity (Deficit)	(1,209,124)	(156,607)
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 1,680,044</u>	<u>\$ 1,918,963</u>

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

XCELERATE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Year ended December 31, 2024	Year ended December 31, 2023
Revenue	\$ 2,219,232	\$ 1,122,085
Cost of sales	<u>1,732,633</u>	<u>827,968</u>
Gross margin	486,599	294,116
Operating Expenses:		
Amortization of intangible assets	153,038	74,321
General and administrative expenses	<u>1,386,078</u>	<u>2,832,461</u>
Total operating expenses	<u>1,539,116</u>	<u>2,906,782</u>
Loss from operations	(1,052,517)	(2,612,666)
Other income (expense)		
Interest expense	<u>—</u>	<u>(277,500)</u>
Total other expense	<u>—</u>	<u>(277,500)</u>
Loss before provision for income taxes	(1,052,517)	(2,890,166)
Provision for income taxes	<u>—</u>	<u>—</u>
Net loss	(1,052,517)	(2,890,166)
Less: Net (loss) attributable to non-controlling interests	<u>(363,787)</u>	<u>(139,466)</u>
Net loss attributable to Xcelerate, Inc	<u>\$ (688,730)</u>	<u>\$ (2,750,700)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>434,446,072</u>	<u>417,196,072</u>

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

XCELERATE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Preferred Stock Series A		Preferred Stock Series B		Common Stock		Additional Paid-in Capital	Accumulated (Deficit)	Non- controlling interest	Total Stockholders' Equity(Deficit)
	Shares	Value	Shares	Value	Shares	Value				
Balance, December 31, 2022	<u>–</u>	<u>\$ –</u>	<u>120,000</u>	<u>\$ 12</u>	<u>385,446,072</u>	<u>\$ 38,544</u>	<u>\$ 7,022,991</u>	<u>\$ (7,060,177)</u>	<u>\$ –</u>	<u>\$ 1,370</u>
Common stock issued for services and financing fees					14,000,000	1,400	667,600			669,000
Common stock issued for services					25,000,000	2,500	1,386,600			1,389,100
Common stock to purchase intellectual property					10,000,000	1,000	543,500			544,500
Non- controlling interest									(9,877)	(9,877)
Net loss								(2,750,700)		(2,750,700)
Balance, December 31, 2023	<u>–</u>	<u>\$ –</u>	<u>120,000</u>	<u>\$ 12</u>	<u>434,446,072</u>	<u>\$ 43,444</u>	<u>\$ 9,620,691</u>	<u>\$ (9,810,877)</u>	<u>\$ (9,877)</u>	<u>\$ (156,607)</u>
	Preferred Stock Series A		Preferred Stock Series B		Common Stock		Additional Paid-in Capital	Accumulated (Deficit)	Non- controlling interest	Total Stockholders' Equity(Deficit)
	Shares	Value	Shares	Value	Shares	Value				
Balance, December 31, 2023	<u>–</u>	<u>\$ –</u>	<u>120,000</u>	<u>\$ 12</u>	<u>434,446,072</u>	<u>\$ 43,444</u>	<u>\$ 9,620,691</u>	<u>\$ (9,810,877)</u>	<u>\$ (9,877)</u>	<u>\$ (156,607)</u>
Non controlling interest									(363,787)	(363,787)
Net loss								(688,730)		(688,730)
Balance, December 31, 2024	<u>–</u>	<u>\$ –</u>	<u>–</u>	<u>\$ 12</u>	<u>434,446,072</u>	<u>\$ 43,444</u>	<u>\$ 9,620,691</u>	<u>\$ (10,499,607)</u>	<u>\$ (373,664)</u>	<u>\$ (1,209,124)</u>

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

XCELERATE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Year ended December 31, 2024	Year ended December 31, 2023
Cash Flows From Operating Activities:		
Net loss	\$ (1,052,517)	\$ (2,890,166)
Stock-based compensation	—	2,058,100
Amortization expense	153,038	74,321
Changes in assets and liabilities		
Accounts receivable	(29,772)	(123,876)
Inventory	(19,634)	85,978
Other assets	(22)	(5,013)
Change in lease liabilities, net	(1,139)	(23,229)
Accounts payable	168,524	110,798
Net cash (used in) operating activities	<u>(781,524)</u>	<u>(713,087)</u>
Cash Flows From Investing Activities		
Acquisition of business net of cash received	—	(356,426)
Net cash (used in) investing activities	<u>—</u>	<u>(356,426)</u>
Cash Flows From Financing Activities:		
Proceeds from notes payable	284,481	—
Proceeds from line of credit	79,445	—
Proceeds from related party loans, net	303,117	1,288,726
Net cash provided by financing activities	<u>667,043</u>	<u>1,288,726</u>
Net Increase In Cash	(114,480)	219,213
Cash At The Beginning Of The Period	238,028	18,815
Cash At The End Of The Period	<u>\$ 123,548</u>	<u>\$ 238,028</u>

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

XCELERATE, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Xcelerate Inc. (the “Company”) f/k/a Union Dental Holdings, Inc. is a Florida corporation incorporated on November 26, 1996, under the name Stirus Research & Development, Inc. The Company has gone through several name changes since inception. Most recently the Company was known as Union Dental Holdings, Inc. In May 2020, the Company’s current CEO assumed his positions as the Company’s director and CEO and began implementing the Company’s new business plan described herein. On October 23, 2020, the Company changed its name to “Xcelerate, Inc.”

On January 6, 2020, without the knowledge or consent of the sole officer and director and controlling shareholder, an individual who had no approval or control filed a notice of reinstatement in Florida. Then on March 3, 2020, the same individual filed a name change to Oilvite, Inc. in an unauthorized attempt to gain control of the Company and otherwise engage in corporate identity theft. The individual’s efforts were discovered by the Company’s transfer agent who refused to take instructions from anyone other than the sole officer and director and control shareholder who she knew had not transferred control of the Company and ultimately the individual’s efforts were stopped without further damage or inconvenience. On July 13, 2020, the Company filed Articles of Amendment in Florida changing the name of the Company back to “Union Dental Holdings, Inc.” from Oilvite Inc.

In December 2021, the Company signed a Membership Interest Purchase Agreement to acquire a 51% interest in ASA Africa, LLC, a Wyoming limited liability company (“ASA”), that was a start-up medical technology and virtual health company that management believes is uniquely positioned to help patients in developing countries meet their medical needs by extending the reach of physicians through the technology. This technology is centered around patented and patent pending software that uses and incorporates artificial intelligence (“AI”) and Augmented Reality (“AR”) licensed from AdviNOW, an Arizona based medical software company who developed and holds patents for the licensed software.

ASA’s vision is to be the technology platform that allows “leapfrogging” advancement in the delivery of world class healthcare, initially in Africa, the continent with the largest population growth and high smartphone utilization for services, but without the ability to grow healthcare services in the traditional manner. The Company paid \$320,000 in cash and issued 4,000,000 shares of common stock valued at \$3,018 for its interest in ASA. As a result, on July 24, 2023, ASA became a 51% subsidiary of the Company.

On or about January 19, 2022, the Company filed a Form 1-A Offering Circular with the SEC pursuant to Regulation A promulgated under the Securities Act of 1933, as amended. This offering closed on February 3, 2023, with gross proceeds of \$400,000 from the sale of 8,000,000 common shares at a price of \$0.05 per share.

On July 24, 2023, the Company completed an acquisition of a majority interest in two related private companies, ESN Group, Inc. (“ESN”) and California Skin Research, Inc., (“CSRI”), (collectively the “ESN Group”) and their portfolio of health care and skin care products, including Ceramedx® (www.ceramedx.com), a natural “plant-based” ingredient therapeutic product and Earth Science Beauty (www.earthsciencebeauty.com). The Company acquired an aggregate of 51% interest in both of the aforesaid companies by subscribing for shares in ESN and purchasing shares from two of the former principals of the ESN Group in private sales. To acquire these interests the Company also repaid outstanding debt and purchased shares from current shareholders of the ESN Group, each of whom retained a minority interest in the ESN Group.

The aggregate cost of these acquisitions was \$456,312. The Company funded the acquisition through a \$400,000 interest-free loan from an unaffiliated person, as well interest-free loans from the Company's CEO. The Company issued 3,000,000 shares of its common stock in consideration for the \$400,000 loan. The ESN Group of companies offer Earth Science® nature-inspired beauty and personal care products and Ceramedx® therapeutic skincare solutions. The offered products are paraben-free, cruelty-free products with ingredients that include plant-based nutrients and antioxidants, soothing botanicals, hydrating moisturizers and pure essential oils.

As part of these transactions, the Company retained the services of John Jay Kline, the former President of the ESN Group of companies, who has continued to operate both companies on the Company's behalf. As part of the consideration for his employment, in July 2023 the Company agreed to issue him 2,000,000 shares of common stock. These shares were valued at \$0.1170 each, or a total of \$234,000.

The Company's year-end is December 31.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the Financial Accounting Standards Board ("FASB") "FASB Accounting Standard Codification™" (the "Codification") which is the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of consolidated financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and 51% subsidiaries, ESN and AFA. The Company recognizes the noncontrolling interests related to these less-than-wholly-owned subsidiaries, as equity in the consolidated financial statements separate from the parent entity's equity. The net loss attributable to the noncontrolling interest is included in net loss in the consolidated statements of operations. All material intercompany accounts and transactions have been eliminated in consolidation.

Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the twelve months following the date of these consolidated financial statements. As of December 31, 2024, the Company had an accumulated deficit of \$10,499,607 and negative working capital of \$2,102,513.

Because the Company does not expect that existing operational cash flow will be sufficient to fund presently anticipated operations, this raises substantial doubt about the Company's ability to continue as a going concern. Therefore, the Company will need to raise additional funds and is currently exploring alternative sources of financing. Historically, the Company raised capital through private placements, to finance working capital needs and may attempt to raise capital through the sale of common stock or other securities and obtaining some short-term loans. The Company will be required to continue to do so until its operations become profitable. Also, the Company has, in the past, paid for consulting services with its common stock to maximize working capital, and intends to continue this practice where feasible.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The most significant estimates relate to the calculation of stock-based compensation, accounting for the ASA transaction, accounting for the acquisition of the ESN, income taxes and contingencies. The Company bases its estimates on historical experience, known or expected trends, and various other assumptions that are believed to be reasonable given the quality of information available as of the date of these financial statements. The results of these assumptions provide the basis for making estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates and could materially impact the Company's consolidated financial statements. There have been no material changes to the Company's accounting estimates since the issuance of the Company's financial statements for the fiscal year ended December 31, 2023.

Cash and cash equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. On December 31, 2024, and December 31, 2023, the Company's cash equivalents totaled \$123,548 and \$238,028, respectively.

Credit risk

The Company maintains its cash and cash equivalent balances in a financial institution that are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per depositor. While the Company's cash balances typically exceed this limit, management does not believe the credit risk related to these balances is significant.

Accounts receivable, net

Management reviews outstanding balances on a regular basis to determine collectability. Collectability is based on customer history, the aging of amounts due, as well as any other current circumstances that could affect the collectability of amounts. When receivables are considered uncollectible, they are charged off against the allowance account. As of December 31, 2024, and December 31, 2023, accounts receivable balances were \$215,942 and \$186,170, net of allowances for uncollectible amounts, respectively.

Inventories, net

Inventories which are comprised of finished goods, bulk products, containers and packaging, are valued at the lower of cost or net realizable value. The Company's inventories are valued under the first in, first out ("Fifo") method or average cost method. The Company evaluates inventory levels quarterly value based upon assumptions about future demand and market conditions. Any inventory that has a cost basis in excess of its expected net realizable value, inventory that becomes obsolete, inventory in excess of expected sales requirements, inventory that fails to meet commercial sale specifications or is otherwise impaired is written down with a corresponding charge to the statement of operations in the period that the impairment is first identified. During the year ended December 31, 2023, the Company identified \$99,274 in slow moving and obsolete inventory that was expensed. As of December 31, 2024 and December 31, 2023, the balance of inventories were \$434,585 and \$414,951 respectively.

Business Combinations

Under the acquisition method of accounting, the Company allocates the fair value of the total consideration transferred to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. The fair values assigned, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants, are based on estimates and assumptions determined by management. These valuations require the Company's to make significant estimates and assumptions, especially with respect to intangible assets. The Company records the excess consideration over the aggregate fair value of tangible and intangible assets, net of liabilities assumed, as goodwill.

If the initial accounting for a business combination is incomplete by the end of a reporting period that falls within the measurement period, the Company reports provisional amounts in its consolidated financial statements. During the measurement period, the Company adjusts the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date and the Company record those adjustments to its consolidated financial statements.

Goodwill and Intangible Assets

Goodwill represents the future economic benefit arising from other assets acquired that could not be individually identified and separately recognized. Initially, the Company measures goodwill based upon the value of the consideration paid plus or minus net assets assumed. This initial measurement is subject to adjustment based on an independent third party valuation study performed within one year of the acquisition date. The goodwill arising from the Company's acquisition is attributable to the value of the potential expanded market opportunity with new customers. Intangible assets have either an identifiable or indefinite useful life. Intangible assets with identifiable useful lives are amortized on a straight-line basis over their economic or legal life, whichever is shorter. The Company's amortizable intangible assets consist primarily of customer relationships. The useful life of these customer relationships is estimated to be three years.

Goodwill is not amortized but is subject to annual impairment testing unless circumstances dictate more frequent assessments. The Company performs an annual impairment assessment for goodwill during the fourth quarter of each year and more frequently whenever events or changes in circumstances indicate that the fair value of the assets may be less than the carrying amount. Goodwill impairment testing compares the fair value of the reporting unit to its carrying amount. The fair value of the reporting unit is determined by considering both the income approach and market approaches. The fair values calculated under the income approach and market approaches are weighted based on circumstances surrounding the reporting unit. Under the income approach, the Company determines fair value based on estimated future cash flows of the reporting unit, which are discounted to the present value using discount factors that consider the timing and risk of cash flows. For the discount rate, the Company relies on the capital asset pricing model approach, which includes an assessment of the risk-free interest rate, the rate of return from publicly traded stocks, the Company's risk relative to the overall market, the Company's size and industry and other Company specific risks. Other significant assumptions used in the income approach include the terminal value, growth rates, future capital expenditures and changes in future working capital requirements. The market approaches use key multiples from guideline businesses that are comparable and are traded on a public market. If the fair value of the reporting unit is greater than its carrying amount, there is no impairment. If the reporting unit's carrying amount exceeds its fair value, then an impairment loss is recognized in an amount equal to the excess.

Income taxes

The Company accounts for income taxes under FASB ASC 740, “Accounting for Income Taxes”. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. FASB ASC 740-10-05, “Accounting for Uncertainty in Income Taxes” prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities.

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

Leases

Under Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 842, the determination of whether an arrangement is a lease is made at the lease’s inception and a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable. Since the Company’s leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Company’s incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets. The Company has lease agreements with lease and non-lease components, for which it has made an accounting policy election to account for these as a single lease component.

Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events, or changes in circumstances, indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not considered recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. An impairment loss, if any, is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management has determined that long-lived assets were not impaired on December 31, 2024 and December 31, 2023.

Revenue and cost recognition

Revenues are accounted for in accordance with FASB ASC 606, Revenue from Contracts with Customers when the control of the various manufactured products is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for these products. The Company's revenue contracts generally represent a single performance obligation to sell its products to customers. Commercial orders which have terms are recognized as revenue upon shipment. Sales are recorded net of discounts and returns.

The Company's revenues are primarily supported by distributors that fulfill the Company's contracts. The Company negotiates the wholesale price of its products with the retailer and the Company's distributors purchase the products at the negotiated discount price; these distributors then negotiate a service arrangement with the ultimate customer.

Net Loss per Share

Net loss per common share is computed by dividing net loss by the weighted average common shares outstanding during the period as defined by Financial Accounting Standards, ASC Topic 260, "Earnings per Share." Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding.

Recently adopted accounting standards

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, that requires lessees to recognize most leases on their balance sheets related to the rights and obligations created by those leases. The accounting treatment for finance leases and lessors remains relatively unchanged. The accounting standards update also requires additional qualitative and quantitative disclosures related to the nature, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB approved an amendment to the new guidance that introduced an alternative modified retrospective transition approach granting companies the option of using the effective date of the new standard as the date of initial application. The Company adopted the standard using the effective date method on January 1, 2022.

The Company elected the transition package of practical expedients that is permitted by the standard. The package of practical expedients allows the Company to not reassess previous accounting conclusions regarding whether existing arrangements are or contain leases, the classification of existing leases, and the treatment of initial direct costs. Additionally, the Company elected certain other practical expedients offered by the new standard which it will apply to all asset classes, including the option not to separate lease and non-lease components and instead to account for them as a single lease component and the option not to recognize ROU assets and related liabilities that arise from short-term leases (i.e., leases with terms of twelve months or less that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise).

As part of its adoption of the new lease accounting standard, the Company also implemented new internal controls and updated accounting policies and procedures, operational processes and documentation practices to enable the preparation of financial information on adoption.

NOTE 3 – INVENTORY

Inventory, net is stated at the lower of cost or net realizable value at Fifo with cost determined under the moving average method. As of December 31, 2024 and December 31, 2023, inventory, net was \$434,585 and \$414,951, respectively.

NOTE 4 – BUSINESS ACQUISITIONS

During the three months ended September 30, 2023, the Company entered into various agreements with two sellers to acquire the ESN Group, Inc. and California Skin Research, Inc, as well as acquired its majority interest in ASA. See Note 1, above. to these consolidated financial statements.

For the acquisition of ESN and ASA, the following table summarizes the acquisition date fair value of the consideration paid, identifiable assets acquired and liabilities assumed:

The value of \$0.0007545 per common share paid as part of the consideration to acquire ASA was derived based upon the trading price of the Company's common stock on the date of the transaction. The Company believes that represented the fair market value of common stock at the time of issuance.

The Company allocated the fair value of the total consideration paid of \$572,247 as follows: \$429,185 was allocated to goodwill and \$143,062 was allocated to intangible assets, comprised primarily of customer relationships with a life of three years. The value of goodwill represented the Company's ability to generate profitable operations going forward.

NOTE 5 – GOODWILL AND INTANGIBLE ASSETS

As of December 31, 2024, the balances of goodwill and intangible assets were \$429,185 and \$464,204, respectively. As of December 31, 2023, intangible assets were comprised of \$111,270 relating to the acquisition of ASA and ESN, being amortized at the rate of \$3,974 per month over the remaining 28 month period, and \$466,825 in intellectual property being amortized at the rate of \$9,075 per month over the remaining 54 month period.

NOTE 6 – NOTES PAYABLE RELATED PARTIES

A significant portion of the funding for the Company's operations has been provided by its CEO and other affiliated shareholders in the form of interest-free demand loans. As of December 31, 2024, and December 31, 2023, the balance of notes payable was \$1,723,910 and \$1,420,793, respectively. During the year ended December 31, 2024, the Company's CEO provided the Company with interest-free demand loans of \$114,300.

The composition of the notes payable balance as of December 31, 2024, was \$1,300,000 due to two shareholders and \$423,910 due to the Company's CEO.

NOTE 7 – EQUITY

Common Stock

The Company has authorized 1,000,000,000 shares of \$0.0001 par value, common stock. As of December 31, 2024, and December 31, 2023, there were 434,446,072 and 434,446,072 shares of common stock issued and outstanding, respectively.

No shares were issued during the year ended December 31, 2024.

2023 Activity

During the year ended December 31, 2023, the Company issued a total of 49,000,000 common shares comprised of the following:

- 39,000,000 shares were issued to service providers, for financing fees and its advisory board. These shares were valued at approximately \$0.042 per share based on the trading price of the Company's common stock on the date of approval by the Company's Board of Directors for this share issuance. As a result, the Company recorded a non-cash charge of \$2,058,100 for stock-based compensation on its Statement of Operations for the year ended December 31, 2023.
- 10,000,000 shares were issued to purchase intellectual property. These shares were valued at \$.05445 based upon the trading price of the Company's common stock on the date the Company acquired the intellectual property.

Preferred Stock

The Company has authorized 25,000,000 shares of Preferred Stock, par value \$0.0001 per share.

As a result of issues raised by OTC Markets in February 2021, the Company and Mr. O'Shea mutually agreed to redeem all of the Company's issued and outstanding Series A Preferred Shares back to the Company. Also in February 2021, the Company's Board of Directors authorized the creation of Series B Preferred Shares and issued an aggregate of 120,000 of these Series B Preferred Shares to Mr. O'Shea in consideration for his agreement to redeem the Series A Preferred Shares. Each Share of Series B Preferred Stock is entitled to 1,000 votes on all matters submitted to the Company's shareholders. They are not convertible into shares of the Company's Common Stock. No compensation expense was recognized on this transaction because the fair market value of the Series A Preferred shares redeemed were estimated to be equivalent to the fair market value of the Series B Preferred shares.

As of December 31, 2024, and December 31, 2023, there were 120,000 Preferred B shares outstanding.

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, Michael O'Shea certify that:

1. I have reviewed this Disclosure Statement for Xcelerate Inc ;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 29, 2025

/s/ Michael O'Shea CEO

Principal Financial Officer:

I, Michael O'Shea certify that:

1. I have reviewed this Disclosure Statement for Xcelerate Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 29, 2025

/s/ Michael O'Shea CFO