

YouneeqAI Technical Services, Inc.

2700 Youngfield Street, Suite
280 Lakewood, CO 80215

303-918-7595
SIC Code - 0139

Annual Report

For the period ending December 31, 2024

Outstanding Shares

The number of shares outstanding of our Common Stock was:

105,113,933 as of December 31, 2024

55,109,106 as of December 31, 2023

The number of shares outstanding of our Series A Preferred Stock was:

1,155 as of December 31, 2024

1,155 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 Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒ (Since annual report for 2021)

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

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

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

YouneeqAI Technical Services, Inc.	From March 30, 2023	2700 Youngfield St, Suite 280 Lakewood, CO 80215
American Hemp Ventures, Inc.	From February 6, 2019	2700 Youngfield St, Suite 280 Lakewood, CO 80215
ASC Biosciences, Inc.	From May 10, 2017	74-998 Country Club Drive, Suite 220-333 Palm Desert, CA 92260
Nevis Capital Corporation	From July 5, 2013	412 Kiowa Dr. W Lake Kowa, TX 76240
Sino Cement, Inc.	From September 15, 2010	1 Heying Road, Jinqu Town, Mei Xian County, Baoji, Shaanxi 722306 People's Republic of China
Ocean Energy, Inc.	From November 28, 2007	1984 Isaac Newton Square West, Suite 202, Reston, VA 2019

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

November 28, 2007, State of Nevada
Status: Active

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

None

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

The Company intends to effect a consolidation of its Common Shares in the ratio of 1 new share for 10 existing shares, effective May 15, 2025.

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

2700 Youngfield Street, Suite 280
Lakewood, CO 80215

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

2700 Youngfield Street, Suite
280
Lakewood, CO 80215

☒ 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: Pacific Stock Transfer
Phone: 702-361-3033
Email: info@pacificstocktransfer.com
Address: 6752 Via Austi Pkwy, #300, Las Vegas, NV 89119

Publicly Quoted or Traded Securities:

Trading symbol: YQAI
Exact title and class of securities outstanding: Common Stock
CUSIP: 00216Q021
Par or stated value: \$0.001
Total shares authorized: 200,000,000 as of December 31, 2024
Total shares outstanding: 105,113,933 as of December 31, 2024
Total number of shareholders of record: 105 as of December 31, 2024

Other classes of authorized or outstanding equity securities:

Trading symbol: Not applicable
Exact title and class of securities outstanding: Series A Preferred Stock
CUSIP: Not applicable
Par or stated value: \$0.001
Total shares authorized: 10,000,000 as of December 31, 2024
Total shares outstanding: 1,155 as of December 31, 2024
Total number of shareholders of record: 4 as of December 31, 2024

Security Description:

1. For common equity, describe any dividend, voting and pre-emption rights.

The Company's common stock has a voting right of 1 share equals 1 vote. Dividends are determined by and approved by the Board of Directors. The Common Stock does not have any pre-emption rights.

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

Series A Preferred Stock

The Company has authorized 10,000,000 shares of its Series "A" Preferred Shares. These shares have a par value of \$0.001.

The Series A Preferred Shares are convertible into shares of the Company's common stock at a rate of 1 Preferred Share for 10,000 common shares. The shares provide the holder with voting rights on matters brought in from the Company's common stock shareholders. The shares represent a voting right of 1 Series A Preferred Share equals to 10,000 common shares. The Series A Preferred Shares do not have a dividend right but do have a liquidation preference to the common stock.

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

Series A Preferred Shares have voting rights equal to 10,000 Common votes per share of Series A Preferred Stock.

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.

No changes to Common shares. Series A Preferred Stock: A new Designation of Rights and Privileges was adopted in 2022, which provided certain rights as described in Sub-paragraphs 2 and 3 above.

3) Issuance History

A. Changes to the Number of Outstanding Shares

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date <u>12/31/2022</u> Common Shares: <u>13,293,566</u> Series A Preferred: <u>3,440</u>						
Date of Transaction	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share at issuance)	Individual/Entity Shares were issued to	Reason for share issuance	Exemption or Registration Type
January 19, 2023	(2,000)	Series A Preferred	-	Digital Cavalier Technology Services Inc.	Conversion of Series A Preferred	4(a)(2) Private Offering
January 19, 2023	1,000,000	Common Stock	-	Digital Cavalier Technology Services Inc.	Conversion of Series A Preferred	4(a)(2) Private Offering
February 22, 2023	19,000,000	Common Stock	-	Digital Cavalier Technology Services Inc.	Conversion of Series A Preferred	4(a)(2) Private Offering
February 22, 2023	(285)	Series A Preferred	-	Samuel Mark Spoone	Conversion of Series A Preferred	4(a)(2) Private Offering
February 22, 2023	2,850,000	Common Stock	-	Samuel Mark Spoone	Conversion of Series A Preferred	4(a)(2) Private Offering
April 4, 2023	371,780	Common Stock	\$0.45	River Sky Partners	Service Agreement	4(a)(2) Private Offering
April 15, 2023	4,093,760	Common Stock	\$0.05	Thomas Yang	Conversion of Note	4(a)(2) Private Offering
April 15, 2023	3,000,000	Common Stock	\$0.05	Sergio Garcia	Conversion of Note	4(a)(2) Private Offering
April 15, 2023	3,000,000	Common Stock	\$0.05	Rebeka Kolacna	Conversion of Note	4(a)(2) Private Offering
April 15, 2023	3,000,000	Common Stock	\$0.05	Meryem Tatli	Conversion of Note	4(a)(2) Private Offering

Date of Transaction	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share at issuance)	Individual/Entity Shares were issued to	Reason for share issuance	Exemption or Registration Type
April 15, 2023	3,000,000	Common Stock	\$0.05	Edina Redzematovic	Conversion of Note	4(a)(2) Private Offering
November 14, 2023	2,500,000	Common Stock	\$0.10	Raymond Van Empel	Purchase for Cash	4(a)(2) Private Offering
February 27, 2024	1,354,827	Common Stock	\$0.10	Thomas Yang	Conversion of Note	4(a)(2) Private Offering
February 21, 2024	3,000,000	Common Stock	\$0.10	Raymond Van Empel	Service Agreement	4(a)(2) Private Offering
February 21, 2024	11,000,000	Common Stock	\$0.10	MAVDB Consulting LLC (Josh Bartch)	Service Agreement	4(a)(2) Private Offering
February 21, 2024	3,000,000	Common Stock	\$0.10	Raymond Van Empel	Service Agreement	4(a)(2) Private Offering
February 21, 2024	2,250,000	Common Stock	\$0.10	Carran Schneider	Service Agreement	4(a)(2) Private Offering
February 21, 2024	6,400,000	Common Stock	\$0.10	Ginsberg Consulting LLC (Josh Ginsberg)	Service Agreement	4(a)(2) Private Offering
February 21, 2024	10,000,000	Common Stock	\$0.10	Venda Distributers, Inc. (James Lu)	Service Agreement	4(a)(2) Private Offering
February 21, 2024	500,000	Common Stock	\$0.10	Enkrateia Holding Ltd	Service Agreement	4(a)(2) Private Offering
March 15, 2024	333,333	Common Stock	\$0.15	Bright Music Ltd	Purchase for Cash	4(a)(2) Private Offering
March 15, 2024	6,000,000	Common Stock	\$0.35	Sean Leigh Webster	Service Agreement	4(a)(2) Private Offering
March 19, 2024	666,667	Common Stock	\$0.15	Sean Leigh Webster	Purchase for Cash	4(a)(2) Private Offering
March 19, 2024	4,000,000	Common Stock	\$0.35	Pioneer Garage LLC (Raymond Van Empel)	Service Agreement	4(a)(2) Private Offering
July 5, 2024	1,500,000	Common Stock	\$0.10	Patrick Schneider	Purchase for Cash	4(a)(2) Private Offering
Shares Outstanding on Date of This Report: Ending Balance Date <u>12/31/2024</u> Common Shares: <u>105,113,933</u> Series A Preferred: <u>1,155</u>						

B.

C. Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>May 7, 2022</u>	<u>\$20,235</u>	<u>\$411,000</u>	<u>\$2,043</u>	<u>May 1, 2026</u>	<u>Convertible to common stock at \$0.05 per share</u>	<u>Thomas Yang</u>	<u>Loan</u>

4) Issuer's Business, Products and Services

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

YouneeqAI Technical Services, Inc. (YOAI) strategic direction is to focus on applying Artificial Intelligence (AI) to various eCommerce markets. YouneeqAI utilizes proprietary cookie-less AI technology and machine learning algorithms to provide both content and product personalization and recommendations, thereby delivering real-time personalization and unique user experiences. On February 9, 2022, the Company entered into a License Agreement with Digital Cavalier Technical Services, Inc. (DCTS) that allows for the Company to license, market and sell the technology of DCTS. Digital Cavalier Technical Services is licensing its AI Personalization engine software as a service (SaaS) products and services, for e-commerce, content marketing, digital publishing, and other industries where a relevant customer experience is necessary. The Company has licensed its technology to RC 365 Holdings PLC (UK) under an Exclusive Rights Agreement.

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

Not Applicable.

C. Describe the issuers' principal products or services.

On February 9, 2022, the Company entered into a License Agreement with Digital Cavalier Services, Inc. that allows for the Company to license, market and sell the technology of Digital Cavalier Services. Digital Cavalier Services is licensing its AI Personalization engine software as a service (SaaS) products and services, for ecommerce, content marketing, digital publishing, and other industries where a relevant customer experience is necessary.

5) Issuer's Facilities

At September 30, 2024, the Company does not have any assets, properties, facilities or leases.

6) Officers, Directors, and Control Persons

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding (1)	Names of control person(s) if a corporate entity
<u>Murray Galbraith</u>	<u>CEO, Director</u>	<u>Shawnigan Lake BC Canada</u>	<u>-0-</u>	<u>Series A Preferred Shares</u>	<u>-0-</u>	
<u>Murray Galbraith</u>	<u>CEO, Director</u>	<u>Shawnigan Lake BC Canada</u>	<u>-0-</u>	<u>Common Shares</u>	<u>-0-</u>	
<u>Digital Cavalier Technology Inc</u>	<u>Owner of more than 5%</u>	<u>Shawnigan Lake BC Canada</u>	<u>500</u>	<u>Series A Preferred Shares</u>	<u>43%</u>	<u>Murray Galbraith, (2)</u>
<u>Digital Cavalier Technology Inc</u>	<u>Owner of more than 5%</u>	<u>Shawnigan Lake BC Canada</u>	<u>20,000,000</u>	<u>Common Shares</u>	<u>19%</u>	<u>Murray Galbraith, (2)</u>
<u>James Romano</u>	<u>Director</u>	<u>Kamloops, British Columbia, Canada</u>	<u>-0-</u>	<u>Series A Preferred Shares</u>	<u>-0%-</u>	
<u>James Romano</u>	<u>Director</u>	<u>Kamloops, British Columbia, Canada</u>	<u>-0-</u>	<u>Common Shares</u>	<u>-0%-</u>	
<u>Calderan Ventures Ltd.</u>	<u>Owner of more than 5%</u>	<u>Kamloops, British Columbia, Canada</u>	<u>500</u>	<u>Series A Preferred Shares</u>	<u>43%</u>	<u>James Romano (3)</u>
<u>Jiun Haw Chang</u>	<u>Owner of more than 5%</u>	<u>Aurora, CO</u>	<u>146</u>	<u>Series A Preferred Shares</u>	<u>12.6%</u>	
<u>David Edmunds</u>	<u>CFO</u>	<u>Vancouver, BC, Canada</u>	<u>-0-</u>	<u>Series A Preferred Shares</u>	<u>-0%-</u>	
			<u>-0-</u>	<u>Common Shares</u>	<u>-0%-</u>	
<u>MAVDB Consulting LLC</u>	<u>Ownership of >5%</u>	<u>San Juan, Puerto Rico</u>	<u>11,000,000</u>	<u>Common Shares</u>	<u>11.4%</u>	<u>David Joshua Barch (4)</u>
<u>Venda Distributors Inc.</u>	<u>Ownership of >5%</u>	<u>Burnaby, BC, Canada</u>	<u>10,000,000</u>	<u>Common Shares</u>	<u>9.5%</u>	<u>James Lu</u>
<u>Pioneer Garage LLC.</u>	<u>Ownership of >5%</u>	<u>Mission, BC, Canada</u>	<u>7,000,000</u>	<u>Common Shares</u>	<u>6.7%</u>	<u>Raymond van Empel (5)</u>
<u>Raymond van Empel</u>	<u>Ownership of >5%</u>	<u>Mission, BC, Canada</u>	<u>5,250,000</u>	<u>Common Shares</u>	<u>5.2%</u>	

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding (1)	Names of control person(s) if a corporate entity
<u>Joshua Ginsberg</u>	<u>Ownership of >5%</u>	<u>San Juan, Puerto Rico</u>	<u>6,400,000</u>	<u>Common Shares</u>	<u>6.1%</u>	
<u>Thomas Yang</u>	<u>Ownership of >5%</u>	<u>Lakewood, CO</u>	<u>5,448,567</u>	<u>Common Shares</u>	<u>5.2%</u>	

(1) Based on 1,155 Preferred Shares and 105,113,933 Common Shares in issue at December 31, 2024

(2) Mr. M Galbraith, of Shawnigan Lake BC Canada

(3) Mr. J Romano, of Kamloops BC Canada

(4) Mr. DJ Bartch, of San Juan, Puerto Rico

(5) Mr. R van Empel, of Mission BC Canada

7) Legal/Disciplinary History

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

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

None

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

None

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

None

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

None

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

None

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

None

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

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Michael A Littman
Firm: Michael A Littman, Attorney at Law
Address 1: P.O. Box 1839
Address 2: Arvada, CO 80
Phone: 720.530.6184
Email: malattyco@aol.com

Accountant or Auditor

Name: Manny Tzagarakis
Firm: RBSM LLP
Address 1: 805 3rd Avenue, Suite 1430
Address 2: New York, NY 10022
Phone: 212.838.2676
Email: mtzagarakis@rbsmllp.com

Investor Relations

Name: Not Applicable
Firm: Not Applicable
Address 1: Not Applicable
Address 2: Not Applicable
Phone: Not Applicable
Email: Not Applicable

All other means of Investor Communication:

Twitter:	<u>Not Applicable</u>
Discord	<u>Not Applicable</u>
LinkedIn	<u>Not Applicable</u>
Facebook	<u>Not Applicable</u>
[Other]	<u>Not Applicable</u>

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:	<u>Not Applicable</u>
Firm:	<u>Not Applicable</u>
Address 1:	<u>Not Applicable</u>
Address 2:	<u>Not Applicable</u>
Phone:	<u>Not Applicable</u>
Email:	<u>Not Applicable</u>

Disclosure & Financial
Information

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

Name:	David Edmunds & Murray Galbraith
Title:	CFO & CEO and Director (respectively)
Relationship to Issuer:	Officers and Director of Issuer

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:	<u>David Edmunds</u>
Title:	<u>CFO</u>
Relationship to Issuer:	<u>CFO of the Issuer</u>
Describe the qualifications of the person or persons who prepared the financial statements:	<u>Chartered Professional Accountant</u>

10) Issuer Certification

Principal Executive Officer:

I, Murray Galbraith certify that:

1. I have reviewed this Disclosure Statement for YouneeqAI Technical Services, 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.

/s/Murray Galbraith

Date: April 28, 2025

Principal Financial Officer:

I, David Edmunds certify that:

1. I have reviewed this Disclosure Statement for YouneeqAI Technical Services, 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.

/s/ David Edmunds

Date: April 28, 2025

YOUNEEQAI TECHNICAL SERVICES, INC.
UNAUDITED FINANCAL STATEMENTS
December 31, 2024 and 2023

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YOUNEEQAI TECHNICAL SERVICES, INC.
BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
UNAUDITED

	Year Ended	
	December 31, 2024	December 31, 2023
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalent	5,304	1,111
Total Current Assets	5,304	1,111
Other Assets		
Intangible Asset - License, net	71,115	924,447
Total Other Assets	71,115	924,447
Total Assets	76,419	925,558
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts Payable and Accrued Expenses	410,334	\$43,826
Advances Payable, Related Party	172,500	4,150
License Royalty Liability, Current	1,499,564	1,636,700
Note Payable, Current	199,920	199,920
Total Current Liabilities	2,282,318	1,884,596
Long Term Liabilities		
Notes Payable, Related Party, Net of Discount	5,037	55,080
Total Long Term Liabilities	5,037	55,080
Total Liabilities	2,287,355	1,939,676
Stockholders' Deficit		
Preferred Stock		
\$0.001 par value, 10,000,000 shares authorized, 1,551 shares issued and outstanding, December 31, 2024, and 2023, respectively	1	1
Common Stock		
\$0.001 par value, 200,000,000 shares authorized, 105,113,933 and 55,109,106 shares issued and outstanding as of December 31, 2024, and 2023, respectively	105,114	55,109
Beneficial Conversion Feature on Related Party Note Payable	962,388	962,388
Additional Paid In Capital	39,750,952	31,885,591
Accumulated Deficit	(43,029,391)	(33,917,207)
Total Stockholders' Deficit	(2,210,936)	(1,014,118)
Total Liabilities and Stockholders' Deficit	76,419	925,558

YOUNEEQAI TECHNICAL SERVICES, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
UNAUDITED

	Year Ended	
	December 31, 2024	December 31, 2023
	\$	\$
REVENUES	117,760	-
COST OF SERVICES		
Amortization of License Fees	853,332	853,332
GROSS LOSS	735,572	853,322
OPERATING EXPENSES		
General and Administrative	38,291	\$ 43,150
Professional Fees	540,153	251,674
Compensation, Related Parties	213,317	71,525
Stock Compensation	7,547,625	167,301
Total Operating Expenses	8,339,386	462,125
LOSS BEFORE OTHER INCOME (EXPENSE)	9,074,958	1,315,457
OTHER INCOME (EXPENSE)		
Beneficial Conversion Feature Expenses	9,745	(307,192)
Gain (Loss) on Extinguishment of Debt	-	98,111
Interest Expense	(27,481)	(1,426,948)
Total Other Income (Expense)	(37,226)	(1,636,029)
NET INCOME (LOSS)	(9,112,184)	\$(2,951,486)
EARNINGS PER SHARE:		
Basic Income (Loss) per Share	\$ (0.09)	\$ (0.07)
Fully Diluted Income (Loss) per Share	\$ (0.09)	\$ (0.06)
Basic Weighted Average Shares Outstanding	97,326,317	44,965,703
Fully Weighted Average Shares Outstanding	102,055,817	45,293,203

YOUNEEQAI TECHNICAL SERVICES, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
UNAUDITED

FOR THE YEAR ENDED DECEMBER 31, 2023

	Series A Preferred Stock		Common Stock		Additional Paid In Capital	Beneficial Conversion Feature	Accumulated Deficit	Total Stockholders' Deficit
	No of Shares	Amount \$	No of Shares	Amount \$	\$	\$	\$	\$
Ending Balance, December 31, 2022	3,440	3	13,293,566	13,294	29,318,629	710,687	(30,965,721)	(923,108)
Conversion of Series A Preferred Shares to Common Stock	(2,285)	(2)	22,850,000	22,850	(22,848)	-	-	-
Common Stock Issued for Services	-	-	371,780	371	166,927	-	-	167,298
Common Stock Issued for Cash	-	-	2,500,000	2,500	247,500	-	-	250,000
Beneficial Conversion for Related Party Note	-	-	16,093,760	16,094	2,175,383	-	-	2,191,477
Change in Value of Beneficial Conversion Feature	-	-	-	-	-	251,701	-	251,701
Net (Loss)	-	-	-	-	-	-	(2,951,486)	(2,951,486)
Ending Balance, December 31, 2023	1,155	1	55,109,106	55,109	31,885,591	962,388	(33,917,207)	(1,014,118)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Series A Preferred Stock		Common Stock		Additional Paid In Capital	Beneficial Conversion Feature	Accumulated Deficit	Total Stockholders' Deficit
	No of Shares	Amount \$	No of Shares	Amount \$	\$	\$	\$	\$
Ending Balance, December 31, 2023	1,155	1	55,109,106	55,109	31,885,591	962,388	(33,917,207)	(1,014,118)
Common Stock Issued for Services	-	-	46,150,000	46,150	7,068,850	-	-	7,115,000
Common Stock Issued for Cash	-	-	2,500,000	2,500	297,500	-	-	300,000
Common Stock Issued for Conversion of Related Party Note	-	-	1,354,827	1,355	66,386	-	-	67,741
Fair Value of Stock Options Issued	-	-	-	-	432,625	-	-	432,625
Net (Loss)	-	-	-	-	-	-	(9,112,184)	(9,112,184)
Ending Balance, December 31, 2024	1,155	1	105,113,933	105,114	39,750,952	962,388	(43,029,391)	(2,210,936)

YOUNEEQAI TECHNICAL SERVICES, INC.
STATEMENT OF CASHFLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2023</u>
	\$	\$
OPERATING ACTIVITIES:		
Net Income (Loss)	(9,112,184)	(2,951,486)
Adjustments to Reconcile Net Loss:		
Amortization of License Fees and Depreciation	853,332	853,332
Stock Compensation	7,115,000	167,301
Stock Option Expense	432,625	-
Loss on Beneficial Conversion Feature	7,105	307,192
Non- Cash Items in Interest Expense	-	1,449,988
Gain (Loss) on Extinguishment of Debt	-	(98,111)
Changes in Operating Assets & Liabilities:		
Accounts Payable and Accrued Expenses	370,880	15,851
Amounts Due to Related Parties	1,500	-
License Fee	(137,136)	(168,300)
Net Cash Used In Operating Activities	<u>(445,807)</u>	<u>(424,336)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Cash Used in Investing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Note Payable, related parties	150,000	128,500
Proceeds from Sale of Common Stock	300,000	250,000
Net Cash Received from Financing Activities	<u>450,000</u>	<u>378,500</u>
(DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	<u>4,193</u>	<u>\$(45,736)</u>
CASH & CASH EQUIVALENTS, BEG OF PERIOD	<u>1,111</u>	<u>\$46,847</u>
CASH & CASH EQUIVALENTS, END OF THE PERIOD	<u><u>5,304</u></u>	<u><u>\$1,111</u></u>
SUPPLEMENATAL CASH FLOW DISCLOSURES		
Non Cash Investing Activities		
Cash Paid for Interest	<u>\$ 1,150</u>	<u>\$ -</u>
Cash Paid for Taxes	<u>\$ -</u>	<u>\$ -</u>
Non Cash Financing Activities		
Common stock issued for Series A Conversion	<u>\$ -</u>	<u>\$ 22,850</u>
Common stock issued for Note Payable Conversion	<u>\$ 67,741</u>	<u>\$ 804,668</u>
Common stock issued for Services	<u>\$ 7,115,000</u>	<u>\$ 167,301</u>

**YOUNEEQAI TECHNICAL SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
UNAUDITED**

NOTE 1 –OPERATIONS

Organization and Description of Business

Ocean Energy, Inc. was incorporated in Nevada on November 28, 2007, as Ocean Energy, Inc. for the purpose of producing and distributing Ocean Power Converters (“OPC”) and supplying seashore consumers. In November 2012, management announced plans to change direction to an investment holding company and a name change to Nevis Capital Corporation.

On April 13, 2017, the Board of Directors authorized a name change from “Nevis Capital Corporation” to “ASC Biosciences, Inc.”, thereby merging with our controlling Parent Company ASC Biosciences, Inc.

From February 27, 2017, until December 27, 2018, ASC Biosciences, Inc. (“ASC”) had been a development stage biotechnology company that had a licensed proprietary adult stem cell platform capable of forming nearly every tissue in the human body. In laboratory animal experiments, these cells, Multipotent Adult Stem Cells (“MASCs”) differentiated into cartilage, bone, tendon, muscle, ligament, fat, blood vessels, nerves, skin, etc.

In December 2018, the Directors and Officers of ASC resigned their positions and submitted their restricted common shares to the Transfer Agent for cancellation. An equivalent number of shares was re-issued to the nominees of American Hemp Ventures, Inc. (“AHV”). AHV was organized as the holding company to encompass the cultivation of and marketing of various Hemp products, by the end of 2020 the Company had shuttered its hemp operations.

Name Change

In October 2022, the Company filed an amendment to its Articles of Incorporation to change its name to YouneeqAI Technical Services, Inc. (“YouneeqAI or the Company”), the action was approved by the OTC Market/FINRA on March 30, 2023.

Asset Acquisition

In February 2022, the Company entered into an exclusive license agreement to acquire the right to use the Youneeq Artificial Intelligence Software for a total consideration of \$2,560,000. This transaction is classified as an asset acquisition rather than a business combination in accordance with ASC Topic 805-50, due to the nature of the acquired assets being solely intellectual properties (IP) without substantive processes or outputs necessary to meet the definition of a business under ASC 805-10-55.

The intellectual properties, valued at \$2,560,000, represent the developed software that is AI-based technology to capture and analyze both website visitor behavior historically and in real-time. These assets are recognized at cost, as there were no processes or outputs to suggest a valuation above the direct costs incurred. Consequently, no goodwill or additional value was recognized in this transaction.

Capitalized Software Development Costs

Software development costs capitalized as of December 31, 2024 and 2023, were \$71,115 and \$924,447, respectively. Capitalized software includes the Company’s acquired Youneeq Artificial Intelligence Software. The Company capitalizes costs related to the development of its AI software. Software development costs incurred prior to establishing technological feasibility are charged to operations and included in research and development costs. The technological feasibility of a computer software product is established when the Company has completed all planning, designing, coding, and testing activities that are necessary to establish that the product can be produced to meet its design specifications including functions, features, and technical performance requirements. Software development

costs incurred after establishing feasibility (as defined within ASC 985-20 for software cost related to sold as a perpetual license and ASC-350-40 for software sold as a service) are capitalized and amortized on a product-by-product basis when the product is available for general release to customers.

Annual amortization, charged to cost of sales when the product is available for general release to customers, is computed using the greater of (a) the straight-line method over the remaining estimated economic life of the product, generally years or (b) the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product. Amortization of capitalized software costs from continuing operations amounted to \$853,332 and \$853,332 in the years ended December 31, 2024 and 2023, respectively. Software development costs have a life of three years. The Company assessed its recoverability of capitalized software assets noting there was no impairment charge recorded as of December 31, 2024.

Yang Line of Credit Promissory Note

In May 2022, the Company entered into a Line of Credit Promissory Note with a Mr. Thomas Yang, in exchange for advancing funds to support ongoing operations and the Company's efforts to file a Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission. ("SEC") The funds are subject to an interest rate of 12% per annum with interest only payments to be made monthly. The Line of Credit Promissory Note is convertible into shares of the Company's restricted common stock at \$0.05 per share. Both outstanding principal and accrued interest are convertible.

The Line of Credit further provided that if the Company or Digital Cavalier Technology Services, Inc. terminates the License Agreement, 2,500 of the Series A Preferred Shares held by Digital Cavalier Technology Services Inc shall be transferred to Mr. Yang. All funds remaining under the Line of Credit Note Payable will remain due in full.

On April 14, 2023, principal and interest amounting to \$804,688 was converted into 16,093,760 shares of restricted common stock.

On February 27, 2024, principal and interest amounting to \$66,741 were converted into 1,354,827 shares of common stock.

NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared by management in accordance with generally accepted accounting principles in the United States ("US GAAP"). The basis of these financial statements is comparable for all periods presented.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

Management is also responsible for disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606 – Revenue from Contracts with Customers (“ASC 606”) to depict the transfer of control to the company’s customers in an amount reflecting the consideration to which the company expects to be entitled. The Company determines revenue recognition through the following steps:

- i. Identification of the contract, or contracts, with a customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of the transaction price to the performance obligations in the contract
- v. Recognition of revenue, when, or as, the company satisfies the performance obligations.

The Company’s revenue is derived from a contract with its sole customer. The Company’s revenue is derived from its licensing arrangement that spans multiple years. The Company entered into its licensing arrangement in August 2023, at which time the Company granted a perpetual license and installed its Youneeq Artificial Intelligence Software (the “AI Software”).

The customer will sub-license the AI Software to end users. Upon entering the license arrangement, the customer agreed to issue 6,000,000 ordinary shares of its capital stock, and the Company shall receive a 1% royalty on all gross revenue received by the customer. Concurrently, the Company entered into a stock purchase agreement with a third-party to sell the 6,000,000 shares.

The Company determined the contractual attributes of the licensed AI Software are not distinct, are not separately identifiable, and there is a single performance obligation. The transaction price of the 6,000,000 shares is a fixed price and the royalty is a variable price. The Company classifies the underlying intellectual property as functional IP and revenue is recognized at a point in time. Royalties received in exchange for licenses of the intellectual property are recognized at the later of when (1) the subsequent sale or usage occurs or (2) the performance obligation to which some or all of the sales- or usage-based royalty has been allocated is satisfied (in whole or in part). Due to the multiple arrangement terms with the third party to purchase the 6,000,000 capital shares, the Company deemed collection of revenue uncertain at the time of entering into the license agreement. Owing to this uncertainty, revenue will be recognized upon sale of the capital shares to the third party. As of December 31, 2023, the Company has received 3,000,000 of its customer’s shares. In March 2024, the Company recognized revenue upon collection of \$117,712 from the sale of a portion of the customer’s shares to the third party.

Cash and Cash Equivalents

The Company’s cash and cash equivalents are maintained with recognized financial institutions are insured by the Federal Deposit Insurance (“FDIC”) up to \$250,000. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. In the normal course of business, the Company may carry balances with certain financial institutions that exceed federally insured limits. The Company has not experienced losses on balances in excess of such limits and management believes the Company is not exposed to significant risks in that regard.

Fair Value of Financial Instruments and Derivative Financial Instruments

The Company’s financial instruments include cash and cash equivalents, notes receivable, and notes payable. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments approximates fair value on December 31, 2024, and 2023. The Company did not engage in any transaction involving derivative instruments.

On August 31, 2023, the Company entered into an Exclusive Rights Agreement with RC365 Holdings PLC, granting RC365 Holdings PLC rights to sell, distribute and market the Company’s intellectual property in the United Kingdom. In consideration for these rights, RC365 Holdings agreed to issue up to a total of 6,000,000 shares of their publicly traded common stock to the Company. The first tranche of 3,000,000 shares was received prior to September 30, 2023, with the second tranche to be received in February 2024. The fair value of investments in marketable securities are determined by the most recently traded price of the security at the time of issuance. The

Company recorded the value of the shares as an Investment in Marketable Securities and a corresponding deferred income of \$952,647.

As of the date of the Auditors' Report, the Company has not received the second tranche of 3,000,000 shares from RC365.

Concurrently, the Company entered into a Share Purchase Agreement with a third party, FNB Enterprises, Ltd. FNB Enterprises agreed to purchase the 3,000,000 shares of RC365 Holdings PLC for a purchase price of £0.10 per share. On September 29, 2023, the Company delivered the shares to FNB and recognized Other Accounts Receivable in the amount of \$650,700 and a loss on investment of \$301,947. At year end due to the fact the Company had not received funds in payment it recognized a bad debt expense of \$650,700. On March 11, 2024, a payment of \$67,760 was received. On March 26, 2024, a further payment of \$50,000 was received, for a total of \$117,760 which amount was recorded as revenue.

Impairment of Long-Lived Assets

The carrying value of long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss to be recorded is calculated by the excess of the asset's carrying value over its fair value. Fair value is generally determined using a discounted cash flow analysis. During the years ended December 31, 2024 and 2023, the Company did not recognize an impairment of its long-lived assets.

Advertising Costs

Advertising and promotion costs are expensed as incurred. The Company did not incur advertising and promotion expenses during the years ended December 31, 2024, and 2023.

Income Taxes

In accordance with FASB ASC Topic 740, Income Taxes ("ASC 740"), the Company recognizes deferred tax assets and liabilities for the expected future tax consequences or events that have been included in our financial statements and/or tax returns. Deferred tax assets and liabilities are based upon the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and for loss and credit carryforwards using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions when management determines that it is more likely than not that a loss will be incurred related to these matters and the amount of the loss is reasonably determinable. No tax liability was recorded as of December 31, 2024, and 2023.

Earnings Per Share

Earnings per share is calculated in accordance with FASB ASC 260-10, "Earnings per Share". Basic earnings per common share ("EPS") are computed by dividing income (loss) available to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average shares outstanding, assuming all potentially dilutive common shares were issued, unless doing so is anti-dilutive.

	2024	2023
Beginning Balance Issued and Outstanding Common Shares	55,109,106	13,293,566
Weighted Average Common Shares Issued	42,217,211	31,672,137
Basic Weighted Average Common Shares	97,326,317	44,965,703
Stock Options	4,400,000	-
Conversion of Series A Preferred Shares	329,500	329,500
Fully Diluted Weighted Average Shares	102,055,817	45,295,203
Net Income (Loss)	(\$9,112,184)	(\$2,951,486)
Basic Income (Loss) Per Share	(\$0.09)	(\$0.07)
Fully Diluted Income (Loss) Per Share	(\$0.09)	(\$0.07)

Dividends

The Company did not adopt any policy regarding payment of dividends. No dividends were paid during the years ended December 31, 2024, and 2023.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the guidance of FASB ASC Topic 718, Compensation-Stock Compensation ("ASC 718"), which requires all share-based payments be recognized in the financial statements based on their fair values. In accordance with ASC 718, the Company has elected to use the Black-Scholes option pricing model to determine the fair value of options granted and recognizes the compensation cost of share-based awards on a straight-line basis over the vesting period of the award.

In June 2018, the FASB issued ASU 2018-07, Compensation – Stock Compensation. (Topic 718). This update was intended to reduce cost and complexity and to improve financial reporting for share-based payments issues to non-employees (for example, service providers, external legal counsel, suppliers, etc.). The ASU expanded the scope of ASC 718, Compensation -Stock Compensation, which previously only included share-based payments issued to employees, to include share-based payments issues to non-employees for goods and services. Consequently, the accounting for share-based payment to non-employees and employees will be substantially aligned. This standard became effective for the financial statements issued by public companies for the annual and interim periods beginning after December 15, 2018.

NOTE 3 - RECENTLY ISSUED ACCOUNTING STANDARDS

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") and are adopted by us as of the specified effective date. We believe that the impact of recently adopted and recently issued accounting pronouncements will not have a material impact on our balance sheets, results of operations and cash flows.

In August 2023, the FASB issued Accounting Standards Update ("ASU") 2023-04, "Liabilities (Topic 405) – Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121", to amend and add various SEC paragraphs in the Accounting Standards Codification to reflect the issuance of SEC Staff Bulletin No. 121.

In July 2023, the FASB issued ASU 2023-03, “Presentation of Financial Statement (Topic 205), Income Statement - Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation - Stock Compensation (Topic 718)”, to amend various SEC paragraphs in the Accounting Standards Codification to reflect the issuance of SEC Staff Accounting Bulletin No. 120, among other things. The Company adopted this conforming guidance upon issuance and the adoption had no material impact on our financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”), which introduces an impairment model based on expected, rather than incurred, losses. Additionally, it requires expanded disclosures regarding (a) credit risk inherent in a portfolio and how management monitors the portfolio’s credit quality; (b) management’s estimate of expected credit losses; and (c) changes in estimates of expected credit losses that have taken place during the period. In November 2018, the FASB issued ASU 2018-19, “Codification Improvements to Topic 326, Financial Instruments – Credit Losses.” This ASU clarifies receivables from operating leases are accounted for using the lease guidance and not as financial instruments. In April 2019, the FASB issued ASU 2019-04, “Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments.” This ASU clarifies various scoping and other issues arising from ASU 2016-13. In March 2020, the FASB issued ASU 2020-03, “Codification Improvements to Financial Instruments.” This ASU improves the Codification and amends the interaction of Topic 842 and Topic 326. ASU 2016-13 and related amendments are effective for fiscal years beginning after December 15, 2022, with early adoption permitted. On an ongoing basis, the Company will contemplate forward-looking economic conditions in recording lifetime expected credit losses for the Company’s financial assets measured at cost.

Any new accounting standards, not disclosed above, that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption.

NOTE 4 - GOING CONCERN

The financial statements are prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had an accumulated deficit of \$43,029,391 at December 31, 2024, and recognized net losses of \$9,112,184 and \$2,951,486 for the years ended December 31, 2024, and 2023, respectively.

The Company is required to make monthly payments under the License Agreement with Digital Cavalier Technology Services Inc. in the amount of \$40,000. Digital Cavalier Technology Services Inc. has allowed the Company to make payments less than \$40,000 per month during the year ended December 31, 2024, and the Company is in arrears on the payments.

The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is seeking sources of additional financing to ensure continuation of the Company’s operations and to fully execute the next phase of the Company’s growth initiatives. For the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. Any capital raised will be through either private placement or convertible debt and will result in the issuance of common shares from the Company’s authorized capital. The Company believes it can satisfy the minimum cash requirements for the one year from the date the financials were issued with either equity financing, convertible debt or, if necessary, loans from shareholders.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements. The Company has experienced recurring losses that raise substantial doubt about its ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

NOTE 5 –OTHER RECEIVABLE

RC365 Holdings PLC

On August 31, 2023, the Company entered into an Exclusive Rights Agreement (“Rights Agreement”) with RC365 Holdings PLC (“RC365 Holdings”) granting them the right to sell, distribute and market the intellectual property of the Company in the United Kingdom, subject to terms and conditions of the Rights Agreement. RC365 Holdings shall have the right of first refusal to purchase any additional territories, at a price and terms no less favorable than any offer received by the Company from a third party in connection with any such other territory. Any such purchase of additional territories shall be subject to mutual written agreement between the parties, except as expressly permitted in the Rights Agreement. RC365 Holding’s rights and obligations under the Rights Agreement are not sub-licensable.

The Company shall receive 1% of all gross revenue (excluding VAT and any other taxes applicable in any part of the Territory) generated and received by the Grantee from the use of the Platform, by the Grantee and any Customers. The term of the Rights Agreement is 10 years, with automatic renewals, assuming compliance with the terms of the Agreement, of subsequent 5-year terms.

As consideration of the granting of the rights, RSC365 Holdings issued a total of 3,000,000 common shares to the Company, with a second tranche of 3,000,000 shares to be delivered on or before October 15, 2024.

RC365 Holdings shares are traded on the London Stock Market Exchange Main Market under the symbol “RCGH.L” and as such the closing market price converted to US Dollars has been used to value the shares at \$952,647 on the date of issuance.

During the year ended December 31, 2023, the Company recognized a loss on marketable securities investment of \$301,947.

Concurrently with the execution of the Rights Agreement, the Company entered into a Share Purchase Agreement with FNB Enterprises Ltd. to sell up to 6,000,000 shares of the common stock of RC 365 Holdings held by the Company for a price of £0.20 per share. FNB Enterprises Ltd. has a right to purchase RC365 Holdings common shares in increments, provided that the number of shares purchased shall not exceed 3% of the total issued and outstanding common shares of RC365 Holdings. Consequently, on September 30, 2023, the Company recognized its shares in RC365 Holdings as a receivable owed to the Company by FNB Enterprises.

The Company has not been issued or received the second tranche of 3,000,000 shares of RC365 Holdings on December 31, 2023. The License Agreement was subsequently amended to defer delivery of the remaining 3,000,000 shares to February 28, 2024. On March 8, 2024, the License Agreement with RC365 Holdings was amended to defer any further compensation under the License Agreement to no later than October 15, 2024. As of the Auditors’ Report, the Company has not received these shares.

Share Purchase Agreement – FNB Enterprises, Ltd.

On August 30, 2023, FNB Enterprises, Ltd (“FNB Enterprises”), an unrelated third party, entered into a Share Purchase Agreement with the Company to purchase up to 6,000,000 shares of the common stock RC365 Holdings held by the Company for a price of £0.20 per share. FNB Enterprises has a right to purchase the RC365 Holdings common shares in increments, provided that the number of shares purchased does not exceed 3% of the total issued and outstanding common shares of RC365 Holdings. Purchases are to be made at the discretion of FNB Enterprises. FNB Enterprises is not a related party of the Company or RC365 Holdings.

The Share Purchase Agreement did not originally provide for any adjustment to the purchase price. However, the Company and FNB Enterprises agreed to renegotiate the purchase price in the case of fluctuations in the market price of the RC365 shares. The Share Purchase Agreement did not have a set termination date, other than the sale of all

6,000,000 shares. The Share Purchase Agreement was subsequently amended to set delivery of the remaining 3,000,000 shares to February 28, 2024. On March 8, 2024, the License Agreement with RC365 Holdings was amended to defer any further compensation under the License Agreement to no later than October 15, 2024. As of the date of this report, the Company had not received these shares.

On November 16, 2023, FNB Enterprises and the Company entered into an Amendment to the Share Purchase Agreement. The Amendment provides for the following:

1. The purchase price of the shares was reduced to £0.10 pence per share.
2. 3,000,000 shares are to be purchased and paid for by February 13, 2024, for a total purchase consideration of \$348,000.
3. The next tranche of shares is to be purchased on or before February 28, 2024; and
4. The remaining tranches are to be purchased by April 30, 2024.
5. The initial purchase of 3,000,000 shares for 10 pence per share shall be purchased on or before February 13, 2024, or the Share Purchase Agreement shall expire without notice.
6. For the balance of 3,000,000 shares, the first tranche thereof must be purchased on or before February 13, 2024, or the Share Purchase Agreement shall expire without notice.
7. Any remaining balance of the shares shall be purchased in full on or before April 30, 2024, or the Share Purchase Agreement expires without notice, or further remedy.

On September 30, 2023, the purchase of the 3,000,000 shares of RC 365 Holdings was initiated. As a result, the Company on September 30, 2023, transferred 3,000,000 shares to FNB Enterprises on September 30, 2023. Even though the Share Purchase Agreement provided for payment against delivery of shares, the Company was induced to transfer the shares without payment on the promise of facilitation of early payment, which did not occur. Payment for the shares was originally delayed, as the parties commenced renegotiation of the purchase price.

The purchase price was subsequently renegotiated and, in an Amendment, dated November 16, 2023, due to market conditions to £0.10 per share for approximately \$348,000 or \$0.11 per share. The Company on December 31, 2023, recognized a receivable of \$348,000 as part of the sale of the 3,000,000 shares and a loss of \$301,947 on the sale of the shares.

Concurrently, the Company entered into a Share Purchase Agreement with a third party, FNB Enterprises, Ltd. FNB Enterprises agreed to purchase the 3,000,000 shares of RC365 Holdings PLC for a purchase price of £0.10 per share. Concurrently, the Company delivered the shares to FNB and recognized an amount of \$650,700 as other accounts receivable and a loss on investment of \$301,947. At year end due to the fact the Company had not received funds for payment it recognized a bad debt expense of \$302,700, leaving a other accounts receivable balance of \$348,000. On March 11, 2024, a payment of \$67,760 was received. On March 26, 2024, a further payment of \$49,952 was received, for a total amount of \$117,708 received against the outstanding amount. As of the date of this report, the remaining outstanding balance of \$230,288 has not been received.

NOTE 6 – DIGITAL CAVALIER LICENSE AGREEMENT

On February 9, 2022, the Company entered into a License Agreement with Digital Cavalier Technology Services Inc. (DCTS), allowing the Company to license, market and sell DCTS's software as a service (SaaS) AI Personalization engine and services for e-commerce, content marketing, digital publishing, and other related industries where relevant customer experience is applicable.

In consideration of the license, the Company agreed to pay a total of \$1,000,000 in monthly installments of \$40,000 for 25 months and agreed to issue shares of a class of preferred stock to be created to the DCTS. In addition, the

Company has agreed to pay a monthly license fee of 5% of monthly gross revenues arising from the sale or marketing of the product.

In addition, the License Agreement required the issuance of 3,000 shares of Series A Preferred Stock valued set with a \$600,000. As a result of the issuance Digital Cavalier became the majority shareholder of the Company.

The Agreement has a term of 25 months and automatically renews for 24-month periods if the License Agreement is in good standing.

The Company initially recorded an intangible asset of \$2,560,000 and a corresponding liability of \$1,960,000 for the License.

In February 2023, the License was extended for a further 24 months, contingent upon the Company filing an effective Form S-1 Registration Statement registering the shares held by Digital Cavalier Services, and providing that the license shall be cancelable in the event of the failure of the Company to commercialize the Digital Cavalier Services technology.

On December 31, 2024, the Company owed a total of \$1,635,553. The Company has not been able to make the monthly payments of \$40,000 due to a lack of funds.

NOTE 7 – CONVERTIBLE NOTE PAYABLE, RELATED PARTY

On May 7, 2022, the Company entered into a Convertible Line of Credit Promissory Note (the “LOC”). The LOC had a borrowing limit of \$575,000 of which the Company drew down \$411,000. The LOC bears an annual interest rate of 12% and matures on May 1, 2026. The LOC can be converted into common shares of the Company at a conversion price with a 25% discount to the closing price of the Volume Weighted Average Price (“VWAP”) for the ten consecutive trading days prior to conversion. The LOC contains a merger clause whereby if the Company does not complete the full merger into American Hemp Ventures, Inc. (“AMHV”), the Company shall issue 2,500 Preferred Class A Shares to the lender. The Company completed the merger into AMHV prior. The LOC embedded conversion feature requires bifurcation and is accounted for separately as a derivative liability because the LOC does not contain an explicit share limit upon conversion. Upon issuance, the Company recorded a debt discount in the amount of \$411,000 and interest expense in the amount of \$519,966 in relation to the derivative liability and merger clause, and a derivative liability in the amount of \$543,548. Of the debt discount, \$387,418 was recorded at additional paid-in capital in relation to the merger clause which was valued using the relative fair value of the underlying Series A Preferred Shares. The derivative liability was valued using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.27, conversion price of \$0.20, expected life of 4 years, expected volatility of 258.10%, and risk-free interest rate of 3.00%.

During the year ended December 31, 2023, the Company recorded a gain on the change in fair value of the derivative liability in the amount of \$144,452 and recorded \$399,096 as additional paid-in capital upon its extinguishment on December 12, 2022. As of December 31, 2022, the derivative liability was zero due to its extinguishment.

On December 12, 2022, the Company entered into an amendment to increase the borrowing limit to \$825,000, change the conversion rate to \$0.05, and issued a license agreement clause whereby if the Company cancels its software license agreement acquired on February 9, 2022, the Company shall issue 2,500 Preferred Class A Shares to the lender. The current principal balance at that time of modification was \$486,688. For accounting purposes, the modification of the original terms were treated as an extinguishment of debt, which resulting in a loss on extinguishment and additional paid-in capital in the amount of \$464,106 which was recorded on the statement of operations and an increase to additional-paid in capital.

On April 15, 2023, the lender converted \$806,688 of principal and interest into 16,093,760 shares of common stock in accordance with the terms of the LOC. Upon conversion, the Company recorded \$294,259 upon the amortization of debt discount.

In May 2023, the Company borrowed \$40,000, in the aggregate, under two loans from the lender with the same terms as the modified LOC terms. The Company issued 5,333,333, in the aggregate, shares of common stock as a fee to the lender. The Company recorded a debt discount of \$40,000 in relation to the conversion features and the license agreement clauses. For the issuance of common stock, the Company recorded interest expense of \$1,333,235 and an increase to additional paid-in capital. The Company recorded amortization of debt discount in the amount of \$3,269 for the year ended December 31, 2023 in relation to these loans.

On February 27, 2024 the lender converted principal and interest amounting to \$66,741 into 1,354,827 shares of common stock.

On January 22, 2024, Mr. Thomas Yang, a shareholder, and the holder of the Line of Credit Promissory Note, advanced the Company further funds in the amount of \$100,000 under a loan agreement separate from the Line of Credit Promissory Note. The advance bears interest at 1% per month. The funds were due on February 13, 2024, together with interest in the amount of \$1,150. On March 1, 2024, an Extension was agreed to extend payment to March 31, 2024. On February 20, 2024, the Company paid \$1,050 of the interest due.

NOTE 8 – NOTES PAYABLE – PAYCHECK PROTECTION PROGRAM LOAN

On April 24, 2020, the Company obtained a small business loan under the Paycheck Protection Program (the “Loan”) of the Cares Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) in amount the amount of \$199,920.

The Loan carries an interest rate of 1% per annum. Interest and Principal payments are deferred for a period of 6 months. Should the Loan not be forgiven, payment of principal and interest would be due in 2 years, unless the lender and the Company agree to extend the term to 5 years.

Provided that the Company has used at least 60% of the loan proceeds for payroll expenses over an 8-week period, the Loan will be converted to a “grant” and under Section 1106 (i) of the CARES Act, the amount forgiven will be excluded from gross revenues for tax purposes. The Company is preparing the application for forgiveness.

NOTE 9 - RELATED PARTY TRANSACTIONS

Digital Cavalier License

On February 9, 2022, the Company entered into a License Agreement with Digital Cavalier Technology Services Inc. (DCTS) that allows for the Company to license, market and sell the technology of DCTS. Digital Cavalier Technology Services Inc. licenses its AI Personalization engine software as a service (SaaS) products and services, for e-commerce, content marketing, digital publishing, and other industries where relevant customer experience is necessary.

As part of the Agreement, the Company has agreed to pay a total of \$1,960,000 at a rate of \$40,000 per month for 25 months and agreed to issue shares of a class of preferred stock to be created to DCTS. In addition, the Company has agreed to pay a monthly license fee of 5% of the monthly gross revenues.

The Agreement has a term of 25 months and automatically renews for 24-month periods provided the License Agreement is in good standing. In February 2023, the License was extended for a further 24 months, contingent upon the Company filing an effective Form S-1 Registration Statement registering the shares held by DCTS, and providing that the license shall be cancelable in the event of the failure of the Company to commercialize the DCTS technology.

During the year ended December 31, 2022, the Company made \$155,000 in monthly payments under the License Agreement and was issued 3,000 shares of Series A Preferred Stock initially valued at \$600,000. At December 31, 2024, the Company owes a total of \$1,636,700. The Company has not been able to make the monthly payments of \$40,000, owing to a lack of funds.

Line of Credit

On May 7, 2022, the Company entered into a Convertible Line of Credit Promissory Note (the “LOC”). The LOC had a borrowing limit of \$575,000 of which the Company drew down \$411,000. The LOC bears an annual interest rate of 12% and matures on May 1, 2026. The LOC can be converted into common shares of the Company at a conversion price with a 25% discount to the closing price of the Volume Weighted Average Price (“VWAP”) for the ten consecutive trading days prior to conversion. The LOC contains a merger clause whereby if the Company does not complete the full merger into American Hemp Ventures, Inc. (“AMHV”), the Company shall issue 2,500 Preferred Class A Shares to the lender. The Company completed the merger into AMHV prior. The LOC embedded conversion feature requires bifurcation and is accounted for separately as a derivative liability because the LOC does not contain an explicit share limit upon conversion. Upon issuance, the Company recorded a debt discount in the amount of \$411,000 and interest expense in the amount of \$519,966 in relation to the derivative liability and merger clause, and a derivative liability in the amount of \$543,548. Of the debt discount, \$387,418 was recorded at additional paid-in capital in relation to the merger clause which was valued using the relative fair value of the underlying Series A Preferred Shares. The derivative liability was valued using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.27, conversion price of \$0.20, expected life of 4 years, expected volatility of 258.10%, and risk-free interest rate of 3.00%. During the year ended December 31, 2023, the Company recorded a gain on the change in fair value of the derivative liability in the amount of \$144,452 and recorded \$399,096 as additional paid-in capital upon its extinguishment on December 12, 2022. As of December 31, 2022, the derivative liability was zero due to its extinguishment.

On December 12, 2022, the Company entered into an amendment to increase the borrowing limit to \$825,000, change the conversion rate to \$0.05, and issued a license agreement clause whereby if the Company cancels its software license agreement acquired on February 9, 2022, the Company shall issue 2,500 Preferred Class A Shares to the lender. The current principal balance at that time of modification was \$486,688. For accounting purposes, the modification of the original terms were treated as an extinguishment of debt, which resulted in a loss on extinguishment and additional paid-in capital in the amount of \$464,106 which was recorded on the statement of operations and an increase to additional-paid in capital.

On April 15, 2023, the lender converted \$806,688 of principal and interest into 16,093,760 shares of common stock in accordance with the terms of the LOC. Upon conversion, the Company recorded \$294,259 upon the amortization of debt discount.

In May 2023, the Company borrowed \$40,000, in the aggregate, under two loans from the lender with the same terms as the modified LOC terms. The Company issued 5,333,333, in the aggregate, shares of common stock as a fee to the lender. The Company recorded a debt discount of \$40,000 in relation to the conversion features and the license agreement clauses. For the issuance of common stock, the Company recorded interest expense of \$1,333,235 and an increase to additional paid-in capital. The Company recorded amortization of debt discount in the amount of \$9,745 and \$3,269 for the years ended December 31, 2024 and 2023, respectively, in relation to these loans.

Related Parties Transactions

General Services Agreements

On March 1, 2024, the Company entered into a General Services Agreement with its Chief Executive Officer, Murray Galbraith. The General Services Agreement has a term of 3 years, expiring on February 27, 2027. Commencing March 1, 2024, Mr. Galbraith is to receive monthly gross compensation of \$7,500 and is eligible at the determination of the Board of Directors to receive stock options under the Company’s 2024 Equity Incentive Plan. A compensation review is to be performed by the Board of Directors in October 2024 and thereafter annually, a month after the financial year ends. Mr. Galbraith will receive a one-time bonus of \$50,000 upon the successful uplisting of the Company’s publicly traded common stock from the OTC Pink Sheets to the OTC QB and the completion of a public offering of not less than \$10 Million.

On March 1, 2024, the Company entered into General Service Agreements with Calderan Ventures, Ltd. (“Calderan Ventures”), an entity owned by a director of the Company, James Romano. The General Service Agreement has a

term of 3 years, expiring on February 27, 2027. Starting March 1, 2024, Calderan Ventures is to receive a monthly gross fee of \$7,500 and is eligible at the determination of the Board of Directors to receive stock options under the Company's 2024 Equity Incentive Plan. A compensation review is to be performed by the Board of Directors in October 2024 and thereafter annually, a month after the year end. Calderan Ventures will receive a one-time bonus of \$50,000 upon the successful uplisting of the Company's publicly traded common stock from the OTC Pink Sheets to the OTC QB and the completion of a public offering of not less than \$10 Million.

Compensation

During the fiscal year ended December 31, 2023, a former officer and director received compensation for services in the amount of \$71,525.

Equity Incentive Plan

On March 1, 2024, the Company's Board of Directors approved the 2024 Equity Incentive Plan ("2024 Equity Incentive Plan" or the "Plan"). The 2024 Equity Incentive Plan reserves a maximum of 10,000,000 shares of the Company's common stock to be issued under the Plan. The 2024 Equity Incentive Plan provides for the grant of options to officers, directors, employees, and consultants. The Board of Directors is authorized to set the terms of options to be granted as to the number of shares, vesting terms, and expiration dates. The exercise price of options granted under the Plan shall be equal to the fair market value of the common stock on the grant date.

On March 1, 2024, the Company granted stock options for 2,000,000 shares each to Mr. Galbraith and Calderan Ventures (of which Mr. James Romano, a director of the Company, is an officer). The options were fully vested upon issuance, have an exercise price of \$0.20 per share and expire on February 28, 2029.

On March 1, 2024, the Company granted stock options for 400,000 shares to a consultant. The options are fully vested upon issuance, have an exercise price of \$0.20 per share and expire on February 28, 2027.

NOTE 10 – CONTINGENT LIABILITIES

In the ordinary course of its business, the Company may be involved in various legal proceedings involving a variety of matters, the outcome of which are inherently unpredictable and subject to significant uncertainties. The Company is not aware of any pending legal proceedings that could have a material adverse effect on the Company's business, financial position, results of operations, or cash flows. The Company expenses legal fees in the periods in which they are incurred.

Litigation

During March 2024, a former officer and director of the Company claimed \$40,235 from the Company in unpaid fees for services rendered, and on April 6, 2024, instituted a claim against the Company and a shareholder and creditor, Mr. Thomas Yang, for the payment of this amount and accrued interest. On May 15, 2024, the Company paid the former officer and director of the Company \$ 43,746 in full and final settlement of all claims against the Company.

NOTE 11 - STOCKHOLDERS' DEFICIT

Preferred Shares

During 2022, the Company created a class of Series A Preferred Shares with a par value of \$0.001 per share. The Series A Preferred Shares are convertible into shares of the Company's common stock at a rate of 1 Series A Preferred Shares into 10,000 shares of Common Stock. One share of Series A Preferred stock has voting rights equal to 10,000 shares of Common stock.

On December 31, 2024, the Company had 1,155 shares of Series A Preferred Shares issued and outstanding.

During the year ended December 31, 2022, the Company issued 3,000 shares of the Series A Preferred Stock to Digital Cavalier Technology Services pursuant to the License Agreement. The shares were valued at \$600,000 per the License Agreement.

During the year ended December 31, 2022, the Company issued 440 shares of the Series A Preferred Shares to former officers and directors in connection with the assumption by them of the Company's discontinued hemp operations. The Series A Preferred shares were valued at \$3,646,443.

During the year ended December 31, 2023, Digital Cavalier, a majority shareholder, converted a total of 2,000 shares of Series A Preferred stock into 20,000,000 shares of the Company's restricted common stock.

During the year ended December 31, 2023, Mark Spoone, a former director of the Company, converted 285 shares of Series A Preferred stock into 2,850,000 shares to the Company's restricted common stock.

Common Stock

On December 31, 2024, the Company had 105,113,933 shares of common stock issued and outstanding.

During the year ended December 31, 2023, Digital Cavalier, the majority shareholder, converted 2,000 shares of Series A Preferred stock into 20,000,000 shares of the Company's restricted common stock.

During the year ended December 31, 2023, a former director of the Company, converted 285 shares of Series A Preferred stock into 2,850,000 shares to the Company's restricted common stock.

During the year ended December 31, 2023, the Company issued 371,780 shares of its restricted common stock to a consultant for services valued at the closing market at \$0.45 per share and recorded stock compensation expense of \$167,301.

During the year ended December 31, 2023, the Company issued 16,093,760 shares of its restricted common stock at \$0.05 per share in connection with the conversion of the related party convertible promissory note payable.

During the year ended December 31, 2023, the Company issued 2,500,000 shares of its restricted common stock at \$0.10 per share for cash of \$250,000.

On February 15, 2024, the Company issued a total of 36,150,000 shares of its restricted common stock in connection with a series of consulting agreements that were entered into for services to be provided to the Company in connection with uplisting its publicly traded common stock and arranging a public financing. The shares were valued at \$0.10 per share and the company recognized stock compensation expense in the amount of \$3,615,000. The consulting agreements terminate at the option of the consultants.

On February 27, 2024, the Company issued 1,354,827 shares of its restricted common stock at \$0.05 per share in connection with the conversion of the related party convertible promissory note payable.

On March 15, 2024, the Company entered into Stock Subscription Agreements with two unrelated third parties for the sale of 1,000,000 shares of its restricted common stock in the amount of \$150,000 cash.

On March 14, 2024, the Company entered into a consulting agreement with a shareholder of the Company. The Consulting Agreement may be terminated at any time by either party. The Consulting Agreement provides for compensation of 6,000,000 shares of the Company's registered common stock at \$0.35 per share. The Company recognized \$2,100,000 in stock compensation expense.

On March 15, 2024, the Company entered into a consulting agreement with an existing consultant for business services. The consulting agreement provides for compensation of 4,000,000 shares of common stock in addition to 3,000,000 shares issued to him on February 15, 2024. The 4,000,000 shares were valued at a price of \$0.35 per share and the Company recorded Stock Compensation expense in the amount of \$1,400,000. The agreement terminates at the option of the consultant.

On July 2, 2024, the Company entered into a Stock Subscription Agreement, with an unrelated third party for the sale of 1,500,000 shares of its restricted common stock in the amount of \$150,000 cash.

NOTE 12 - LIQUIDITY

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. As of December 31, 2024, the Company had a cash balance of \$5,304. At December 31, 2024, the Company had a working capital deficiency in the amount of \$2,282,318.

The Company's current assets at December 31, 2024, increased by \$4,193 from December 31, 2023, primarily owing to the support of lenders and shareholders.

The Company's current liabilities on December 31, 2024, increased by \$402,094 from December 31, 2023, primarily due to increases in accounts payable and accrued liabilities and advances from a related party, offset by payments made on the License Royalty liability.

As of the date of this report, the Company's existing cash resources and existing borrowing availability are not sufficient to support planned operations for the next 12 months and the Company will need to obtain additional funding from investors and lenders to continue operations. Management believes that the Company will be able to secure additional funding sufficient to continue operating activities for at least one year past the issuance date of the financial statements.

	2024	2023
Net Change in Cash		
Net Cash Used in Operating Activities	(\$445,807)	(\$424,236)
Net Cash Received from Financing Activities	\$450,000	\$378,500
Change in Cash	\$4,193	(\$45,736)
Cash at end of Period	<u>\$5,304</u>	<u>\$1,111</u>

NOTE 13 - SUBSEQUENT EVENTS

In accordance with ASC 855-10, the Company has analyzed its operations through the date upon which these financial statements were available to be issued, April 25, 2025; and has determined that there were no significant subsequent events or transactions that would require recognition or disclosure in the financial statements for the year ended December 31, 2024, other than as follows.

Effective May 1, 2025, the Company approved a resolution to consolidate its Common Shares in the ratio of one new share for every ten old shares held. The consolidation of the Company's Common Shares shall become effective on May 15, 2025.