

## Submission Data File

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Filer CCC*	*****
Filer is Shell Company*	N
Filer is Smaller Reporting Company	Yes
Filer is Voluntary Filer*	N
Filer is Well Known Seasoned Issuer*	N
Confirming Copy	No
Notify via Website only	No
Return Copy	No
SROS*	NONE
Depositor CIK	
Period*	12-31-2024
ABS Asset Class Type	
ABS Sub Asset Class Type	
Sponsor CIK	
Emerging Growth Company	No
Elected not to use extended transition period	No
(End General Information)	

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Document Description 1	Form 10-K for Dec 2024
Document Name 2*	iioi_ex1060.htm
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Document Description 2	Securities Purchase Agreement dated October 3, 2024 with GHS Investments, LLC
Document Name 3*	iioi_ex3101.htm
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Document Name 6*	iioi_ex3202.htm
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Document Name 7*	itox-20241231.xsd
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Document Description 7	XBRL Schema File
Document Name 8*	itox-20241231_cal.xml
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Document Description 9	XBRL Definition File
Document Name 10*	itox-20241231_lab.xml
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

. ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number: 000-50773**

**IIOT-OXYS, INC.**

(Exact name of Registrant as specified in its charter)

<b>Nevada</b>	<b>81-3485426</b>
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
<b>705 Cambridge Street, Cambridge, Massachusetts</b>	<b>02141</b>
(Address of principal executive offices)	(Zip Code)

Issuer’s telephone number, including area code: **(401) 307-3092**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, Par Value \$0.001**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. (1) Yes  No  (2) Yes  No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	<input type="checkbox"/>		Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>		Smaller reporting company	<input checked="" type="checkbox"/>
			Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation

received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of the last business day of its most recently completed second fiscal quarter based upon the price at which the common equity was last sold was \$600,813.

As of April 30, 2025, there were 560,315,293 shares of the registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

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## Forward-Looking Statements

The statements contained in this report that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. Forward-looking statements include the information concerning possible or assumed future operations, business strategies, need for financing, competitive position, potential growth opportunities, ability to retain and recruit personnel, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believes," "intends," "may," "should," "anticipates," "expects," "could," "plans," or comparable terminology or by discussions of strategy or trends. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurances that these expectations will prove to be correct. Such statements by their nature involve risks and uncertainties that could significantly affect expected results, and actual future results could differ materially from those described in such forward-looking statements.

Factors that may cause differences between actual results and those contemplated by forward-looking statements are not limited to the following:

- geo-political events, government responses to such events and the related impact on the economy both nationally and internationally;
- general market and economic conditions;
- our ability to acquire new customers;
- our ability to maintain and grow our business with our current customers;
- our ability to meet the volume and service requirements of our customers;
- industry consolidation, including acquisitions by us or our competitors;
- capacity utilization and the efficiency of manufacturing operations;
- success in developing new products;
- timing of our new product introductions;
- new product introductions by competitors;
- the ability of competitors to more fully leverage low cost geographies for manufacturing or distribution;
- product pricing, including the impact of currency exchange rates;
- effectiveness of sales and marketing resources and strategies;
- adequate manufacturing capacity and supply of components and materials;
- strategic relationships with our suppliers;
- product quality and performance;
- protection of our products and brand by effective use of intellectual property laws;
- the financial strength of our competitors;
- the outcome of any future litigation or commercial dispute;
- barriers to entry imposed by competitors with significant market power in new markets;
- government actions throughout the world; and
- our ability to service debt, when due.

Although the forward-looking statements in this Annual Report on Form 10-K (the "**Annual Report**") are based on our beliefs, assumptions and expectations, taking into account all information currently available to us, we cannot guarantee future transactions, results, performance, achievements or outcomes. No assurance can be made by anyone that the expectations reflected in our forward-looking statements will be attained, or that deviations from them will not be material and adverse. We undertake no obligation, other than as maybe be required by law, to update this Annual Report or otherwise make public statements updating our forward-looking statements.

### *Introductory Comment*

Unless otherwise indicated, any reference to "the Company", "our company", "we", "us", or "our" refers to IIOT-OXYS, Inc., a Nevada corporation, and as applicable to its wholly owned subsidiaries, OXYS Corporation, a Nevada corporation, and HereLab, Inc., a Delaware corporation.

## PART I

### Item 1. Business.

#### *Historical Background*

We were incorporated in the State of New Jersey on October 1, 2003 under the name of Creative Beauty Supply of New Jersey Corporation, and subsequently changed our name to Gotham Capital Holdings, Inc. on May 18, 2015. We commenced operations in the beauty supply industry as of January 1, 2004. On November 30, 2007, our Board of Directors approved a plan to dispose of our wholesale and retail beauty supply business. From January 1, 2009 until July 28, 2017, we had no operations and were a shell company.

On March 16, 2017, our Board of Directors adopted resolutions, which were approved by shareholders holding a majority of our outstanding shares, to change our name to “IIOT-OXYS, Inc.”, to authorize a change of domicile from New Jersey to Nevada, to authorize a 2017 Stock Awards Plan, and to approve the Securities Exchange Agreement (the “OXYS SEA”) between the Company and OXYS Corporation (“OXYS”), a Nevada corporation incorporated on August 4, 2016.

Under the terms of the OXYS SEA we acquired 100% of the issued voting shares of OXYS in exchange for 34,687,244 shares of our Common Stock. We also cancelled 1,500,000 outstanding shares of our Common Stock and changed our management to Mr. DiBiase who also served in the management of OXYS. Also, one of our principal shareholders entered into a consulting agreement with OXYS to provide consulting services during the transition. The OXYS SEA was effective on July 28, 2017, and our name was changed to “IIOT-OXYS, Inc.” at that time. Effective October 26, 2017, our domicile was changed from New Jersey to Nevada.

At the present time, we have two wholly owned subsidiaries which are OXYS Corporation and HereLab, Inc. (an entity immaterial to our operations), through which our operations are conducted.

#### *General Overview*

IIOT-OXYS, Inc., a Nevada corporation (the “Company”), and OXYS, were originally established for the purposes of designing, building, testing, and selling Edge Computing systems for the Industrial Internet. **Both companies were, and presently are, early stage technology startups that are largely pre-revenue in their development phase.** The Company received its first revenues in the last quarter of 2017, has continued to realize revenues in 2024, and expects moderate revenue growth in 2025 due to limited ability to raise funds for sales and marketing efforts.

We develop hardware, software and algorithms that monitor, measure and predict conditions for energy, structural, agricultural and medical applications. We use domain-specific Artificial Intelligence to solve industrial and environmental challenges. Our engineered solutions focus on common sense approaches to machine learning, algorithm development and hardware and software products. We design a system of hardware and software, assemble, install, monitor data and apply our algorithms to help provide the customer insights.

We use off-the-shelf components, with reconfigurable hardware architecture that adapts to a wide range of customer needs and applications. We use open-source software tools, while still creating proprietary content for customers, thereby reducing software development time and cost. The software works with the hardware to collect data from the equipment or structure that is being monitored.

We focus on developing insights. We develop algorithms that help our customers create insights from vast data streams. The data collected is analyzed and reports are created for the customer. From these insights, the customer can act to improve their process, product or structure.

## **OUR SOLUTIONS ACHIEVE TWO OBJECTIVES**

### ADD VALUE

- We show clear path to improved asset reliability, machine uptime, machine utilization, energy consumption, and quality.
- We provide advanced algorithms and insights as a service.

### RISK MINIMIZATION

- We use simple measurements which are minimally invasive.
- We do not interfere with command and control of critical equipment.
- We do not interfere with machine control networks.

## **HOW WE DO IT**

Our location in Cambridge, Massachusetts, is ideal since market-leading Biotech, Medtech, and Pharma multinational firms have offices, manufacturing plants and/ or R&D centers in Cambridge or the Greater Boston area, which gives us easier access to potential sales which, in turn, lowers our cost of sales. Additionally, we continue to gain traction in the structural health monitoring and smart manufacturing industries. We, therefore, have a range of opportunities as we continue to expand our customer base.

Our goals are to augment visual bridge inspection with instrumentation and predictive algorithms for structural health monitoring and help Biotech, Pharma, and Medical Device companies realize the next wave of performance, productivity, and quality gains for their organizations, through our Smart Manufacturing/Industry 4.0 technology and Artificial Intelligence (AI) and Machine Learning algorithms.

We have a unique value proposition in a fast-growing worldwide multi-billion USD market and have positioned our business with strategic partners for accelerated growth. Given adequate funding for sales and marketing efforts, we believe that potential growth for 2024 and beyond is possible.

## **WHAT MARKETS WE SERVE**

### SMART MANUFACTURING – MEDICAL DEVICES, BIOTECH, AND PHARMACEUTICAL SUPPLY CHAIN

We help our customers maintain machine uptime and maximize operational efficiency. We also enable them to do energy monitoring, predictive maintenance that anticipates problems before they happen, and improve part and process quality. We are on the operations side, not the patient-facing side. In this market vertical, our customers must provide high-quality products that must also pass rigorous review by governing bodies such as the FDA. Here again, we focus on machine uptime, operational efficiency, and predictive maintenance to avoid unplanned downtime.

### SMART INFRASTRUCTURE

For bridges and other civil infrastructure, local, state and federal agencies have limited resources. We help our clients prioritize how to spend limited funds by addressing those fixes which need to be made first.

## **OUR UNIQUE VALUE PROPOSITION**

### EDGE COMPUTING AS A COMPLIMENT TO CLOUD COMPUTING

Within the Internet of Things (“**IoT**”) and Industrial Internet of Things (“**IIoT**”), most companies right now are adopting an approach which sends all sensor data to the cloud for processing. We specialize in edge computing, where the data processing is done locally right where the data is collected. We also have advanced cloud-based algorithms that implement various machine learning and artificial intelligence algorithms.

### ADVANCED ALGORITHMS

We have sought to differentiate from our competitors by developing advanced algorithms on our own and in collaboration with strategic partners. These algorithms are an essential part of the edge computing strategy that convert raw data into actionable knowledge right where the data is collected without having to send the data to the cloud first.

### RECONFIGURABLE HARDWARE AND SOFTWARE

Instead of focusing on creating tools, we use open-source tools to create proprietary content.

### ***Marketing***

Our marketing and sales efforts are divided into several distinct categories:

- 1) We work with partners to leverage their sales and marketing channels.
- 2) Direct business development and discussions with end use customers by company management; and
- 3) Trade shows and international technical, sales and marketing meetings.

### ***Competition***

We have two principal sources of competition. The first comes from large companies such as Siemens, PTC, IBM, GE, Amazon, Google, etc., who all have their efforts in IIoT. However, these large companies are cloud – computing centric and they are trying to move towards edge devices from their present position of being solely cloud computing based. We will be starting in edge computing from day one as opposed to force-fitting a cloud-based solution into the limited computational capability and storage space of an edge device. We believe our systems will be more computationally efficient compared to a cloud-based solution which requires more computational resources.

The second source of competition is from startups who are in the edge computing space. Examples are FogHorn Systems Inc., Tulip Interfaces, and MachineSense. There will be additional startups that will specifically target the edge computing space as investor awareness and the technical focus shifts from cloud computing to edge computing. Whereas other startups focus on the development of proprietary tools for edge computing, our solutions will use open-source tools but will still create proprietary algorithms and software content for clients and customers. We feel this methodology of creating proprietary solutions using open-source tools will allow us to rapidly address current and future customer needs.

### ***Government Regulation***

At present, we do not require any governmental approval of any of our products or services.

### ***Environmental Laws***

At present, we are not regulated by any environmental laws.

### ***Research and Development***

We work with our partners and universities to develop IP.

Other than expenses for legal, accounting, audit, tax preparation, intellectual property (IP), and other overhead expenses such rent, most of our funds are spent on technology development, product development, and research and development.

The efforts in research and development have already resulted in significant customer interest in various market verticals including industrial, automotive, aerospace, agricultural, infrastructure, and power generation.

### ***Customers***

Due to our status of a start-up, at the moment, we depend on a few major customers. This should change as we implement plans for future growth.

### ***Employees***

As of April 28, 2025, we have one full-time employee and one part-time employee, including the CEO (and Interim CTO) and COO (and Interim CFO).

At the present time, except for the funding received from Cambridge MedSpace LLC (which was exchanged into equity) and Vidhyadhar Mitta in the form of secured notes, there are no conflicts of interest between the Company and any of our officers and directors. This was determined as follows: i) none of their outside activities are soliciting business from our customers or business contacts; ii) they are not soliciting our investors to invest in other ventures; and iii) they are not soliciting our contract employees to leave us and join other efforts. At present, all our business services are provided by outside contractors.

### ***Legal Proceedings***

We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in aggregate, a material adverse effect on our business, financial condition or operating results. From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

### **Item 1A. Risk Factors.**

As a Smaller Reporting Company, we are not required to furnish information under this Item 1A.

### **Item 1B. Unresolved Staff Comments.**

Not applicable.

**Item 1C. Cybersecurity.**

For purposes of this section:

“*Cybersecurity incident*” means an unauthorized occurrence, or a series of related unauthorized occurrences, on or conducted through our information systems that jeopardizes the confidentiality, integrity, or availability of our information systems or any information residing therein.

“*Cybersecurity threat*” means any potential unauthorized occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein.

“*Information systems*” means electronic information resources, owned or used by us, including physical or virtual infrastructure controlled by such information resources, or components thereof, organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of our information to maintain or support our operations.

***Risk Management and Strategy***

Our website is monitored by a third party to check if our website is secure. We are prepared to inform all parties necessary if any breach of cyber-security were to happen. We have never had this problem and so we have never had to inform consultants, auditors, or other third parties.

We have never had a breach of cyber-security at any point in our past. The risk to us of cybersecurity threats is in data storage of customer questions and emails. A breach of customers’ data could negatively materially affect our public trust and could result in loss of customers and revenue.

***Governance***

Our board of directors has no specific processes for monitoring cybersecurity within the Company. There is no subcommittee specifically for monitoring cybersecurity in the company.

Our management monitors our websites and online accounts frequently to manage risks associated with cyber-security risks. Our management communicates with our board on matters of cybersecurity but, has not had to inform them of any breaches thus far.

**Item 2. Properties.**

We currently do not own any properties. We currently accrue \$250 per month for our principal office located in Cambridge, Massachusetts.

**Item 3. Legal Proceedings.**

We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in aggregate, a material adverse effect on our business, financial condition or operating results. From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

**Item 4. Mine Safety Disclosures.**

Not Applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### Market Information

Our common stock is quoted on the OTC Pink under the symbol "ITOX." The table below sets forth for the periods indicated the quarterly high and low bid prices as reported by OTC Markets. Limited trading volume has occurred during these periods. These quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions.

	<u>Quarter</u>	<u>High</u>	<u>Low</u>
<b>FISCAL YEAR ENDING DECEMBER 31, 2025</b>	First	\$ 0.0013	\$ 0.0006
	<u>Quarter</u>	<u>High</u>	<u>Low</u>
<b>FISCAL YEAR ENDED DECEMBER 31, 2024</b>	First	\$ 0.0012	\$ 0.0005
	Second	\$ 0.0015	\$ 0.0006
	Third	\$ 0.0015	\$ 0.0008
	Fourth	\$ 0.0013	\$ 0.0007
	<u>Quarter</u>	<u>High</u>	<u>Low</u>
<b>FISCAL YEAR ENDED DECEMBER 31, 2023</b>	First	\$ 0.0087	\$ 0.0013
	Second	\$ 0.0029	\$ 0.0011
	Third	\$ 0.0024	\$ 0.0009
	Fourth	\$ 0.0012	\$ 0.0006

Our common stock is considered to be penny stock under rules promulgated by the SEC. Under these rules, broker-dealers participating in transactions in these securities must first deliver a risk disclosure document which describes risks associated with these stocks, broker-dealers' duties, customers' rights and remedies, market and other information, and make suitability determinations approving the customers for these stock transactions based on financial situation, investment experience and objectives. Broker-dealers must also disclose these restrictions in writing, provide monthly account statements to customers, and obtain specific written consent of each customer. With these restrictions, the likely effect of designation as a penny stock is to decrease the willingness of broker-dealers to make a market for the stock, to decrease the liquidity of the stock and increase the transaction cost of sales and purchases of these stocks compared to other securities.

#### Holders

As of the close of business on April 28, 2025, we had approximately 133 holders of our common stock. The number of record holders was determined from the records of our transfer agent and does not include beneficial owners of common stock whose shares are held in the names of various security brokers, dealers, and registered clearing agencies. We have appointed Issuer Direct, 1981 East 4800 South, Suite 100, Salt Lake City, UT 84117, to act as transfer agent for the common stock.

## Dividends

We have never declared a cash dividend on our common stock and our Board of Directors does not anticipate that we will pay cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our board of directors and will depend upon our financial condition, operating results, capital requirements, restrictions contained in our agreements and other factors which our Board of Directors deems relevant.

We are obligated to pay dividends to certain holders of our preferred stock which we pay out of legally available funds from time to time or reach arrangements with our holders of preferred stock to convert limited quantities of preferred stock at favorable conversion prices in lieu of dividend payments.

## Securities Authorized for Issuance under Equity Compensation Plans

### EQUITY COMPENSATION PLAN INFORMATION

<u>Plan category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u>
	(a)	(b)	(c)
Equity compensation plans approved by security holders	\$ —	\$ —	—
Equity compensation plans not approved by security holders	8,622,212	0.0849	731,624 <sup>(1)</sup>
Total	<u>\$ 8,622,212</u>	<u>\$ 0.0849</u>	<u>731,624</u>

- (1) Of the 19,522,212 shares remaining for future issuance under equity compensation plans, 8,622,212 shares of Common Stock have been awarded but are unvested.

## 2017 Stock Incentive Plan

On March 16, 2017, our board of directors assumed the 2017 Stock Awards Plan adopted by the Company while domiciled in New Jersey. No awards were made under this plan. On December 14, 2017, the Board of Directors terminated this plan and adopted a new 2017 Stock Incentive Plan (the “**2017 Plan**”). The purposes of the 2017 Plan are (a) to enhance our ability to attract and retain the services of qualified employees, officers, directors, consultants, and other service providers upon whose judgment, initiative and efforts the successful conduct and development of our business largely depends, and (b) to provide additional incentives to such persons or entities to devote their utmost effort and skill to the advancement and betterment of our company, by providing them an opportunity to participate in the ownership of our Company and thereby have an interest in the success and increased value of our Company.

There are 4,500,000 shares of common stock authorized for non-qualified and incentive stock options, restricted stock units, restricted stock grants, and stock appreciation rights under the 2017 Plan, which are subject to adjustment in the event of stock splits, stock dividends, and other situations.

The 2017 Plan is administered by our board of directors; however, the board of directors may designate administration of the 2017 Plan to a committee consisting of at least two independent directors. Only employees of our Company or of an “Affiliated Company”, as defined in the 2017 Plan, (including members of the board of directors if they are employees of our Company or of an Affiliated Company) are eligible to receive incentive stock options under the Plan. Employees of our Company or of an Affiliated Company, members of the board of directors (whether or not employed by our company or an Affiliated Company), and “Service Providers”, as defined in the 2017 Plan, are eligible to receive non-qualified options, restricted stock units, and stock appreciation rights under the 2017 Plan. All awards are subject to Section 162(m) of the Internal Revenue Code.

No option awards may be exercisable more than ten years after the date it is granted. In the event of termination of employment for cause, the options terminate on the date of employment is terminated. In the event of termination of employment for disability or death, the optionee or administrator of optionee’s estate or transferee has six months following the date of termination to exercise options received at the time of disability or death. In the event of termination for any other reason other than for cause, disability or death, the optionee has 30 days to exercise his or her options.

The 2017 Plan will continue in effect until all the stock available for grant or issuance has been acquired through exercise of options or grants of shares, or until ten years after its adoption, whichever is earlier. Awards under the 2017 Plan may also be accelerated in the event of certain corporate transactions such as a merger or consolidation or the sale, transfer or other disposition of all or substantially all our assets.

As of December 31, 2024, there were 3,547,788 shares of Common Stock issued with, 952,212 remaining for awards under the 2017 Plan.

### ***2019 Stock Incentive Plan***

On March 11, 2019, the Board of Directors adopted the 2019 Stock Incentive Plan (the “**2019 Plan**”). The purposes of the 2019 Plan are (a) to enhance our ability to attract and retain the services of qualified employees, officers, directors, consultants, and other service providers upon whose judgment, initiative and efforts the successful conduct and development of our business largely depends, and (b) to provide additional incentives to such persons or entities to devote their utmost effort and skill to the advancement and betterment of our company, by providing them an opportunity to participate in the ownership of our Company and thereby have an interest in the success and increased value of our Company.

The 2019 Plan is administered by our board of directors; however, the board of directors may designate administration of the 2019 Plan to a committee consisting of at least two independent directors. Awards may be made under the Plan for up to 5,000,000 shares of common stock of the Company. Only employees of our Company or of an “Affiliated Company”, as defined in the 2019 Plan, (including members of the board of directors if they are employees of our Company or of an Affiliated Company) are eligible to receive incentive stock options under the 2019 Plan. Employees of our Company or of an Affiliated Company, members of the board of directors (whether or not employed by our company or an Affiliated Company), and “Service Providers”, as defined in the 2019 Plan, are eligible to receive non-qualified options, restricted stock units, and stock appreciation rights under the 2019 Plan. All awards are subject to Section 162(m) of the Internal Revenue Code.

No option awards may be exercisable more than ten years after the date it is granted. In the event of termination of employment for cause, the options terminate on the date of employment is terminated. In the event of termination of employment for disability or death, the optionee or administrator of optionee’s estate or transferee has six months following the date of termination to exercise options received at the time of disability or death. In the event of termination for any other reason other than for cause, disability or death, the optionee has 30 days to exercise his or her options.

The 2019 Plan will continue in effect until all the stock available for grant or issuance has been acquired through exercise of options or grants of shares, or until ten years after its adoption, whichever is earlier. Awards under the 2019 Plan may also be accelerated in the event of certain corporate transactions such as a merger or consolidation or the sale, transfer or other disposition of all or substantially all our assets.

As of December 31, 2024, there were 3,530,000 shares of shares Common Stock awarded with 1,470,000 shares remaining for awards under the 2019 Plan.

### ***2022 Stock Incentive Plan***

On March 18, 2022, the Board of Directors adopted the 2022 Stock Incentive Plan (the “**2022 Plan**”). The purposes of the 2022 Plan are (a) to enhance our ability to attract and retain the services of qualified employees, officers, directors, consultants, and other service providers upon whose judgment, initiative and efforts the successful conduct and development of our business largely depends, and (b) to provide additional incentives to such persons or entities to devote their utmost effort and skill to the advancement and betterment of our company, by providing them an opportunity to participate in the ownership of our Company and thereby have an interest in the success and increased value of our Company.

The 2022 Plan is administered by our board of directors; however, the board of directors may designate administration of the 2022 Plan to a committee consisting of at least two independent directors. Awards may be made under the Plan for up to 20,000,000 shares of common stock of the Company. Only employees of our Company or of an “Affiliated Company”, as defined in the 2022 Plan, (including members of the board of directors if they are employees of our Company or of an Affiliated Company) are eligible to receive incentive stock options under the 2022 Plan. Employees of our Company or of an Affiliated Company, members of the board of directors (whether or not employed by our company or an Affiliated Company), and “Service Providers”, as defined in the 2022 Plan, are eligible to receive non-qualified options, restricted stock units, and stock appreciation rights under the 2022 Plan. All awards are subject to Section 162(m) of the Internal Revenue Code.

No option awards may be exercisable more than ten years after the date it is granted. In the event of termination of employment for cause, the options terminate on the date of employment is terminated. In the event of termination of employment for disability or death, the optionee or administrator of optionee’s estate or transferee has six months following the date of termination to exercise options received at the time of disability or death. In the event of termination for any other reason other than for cause, disability or death, the optionee has 30 days to exercise his or her options.

The 2022 Plan will continue in effect until all the stock available for grant or issuance has been acquired through exercise of options or grants of shares, or until ten years after its adoption, whichever is earlier. Awards under the 2022 Plan may also be accelerated in the event of certain corporate transactions such as a merger or consolidation or the sale, transfer or other disposition of all or substantially all our assets.

As of December 31, 2024, there were 8,100,000 shares of Common Stock awarded (including 11,200,000 shares awarded but unvested) with 6,200,000 shares remaining for awards under the 2022 Plan.

### ***Stock Options***

We currently have no outstanding stock options.

### ***Recent Sales of Unregistered Securities***

During the year ended December 31, 2024, there were no unreported unregistered sales of equity securities.

**Item 6.**           **[Reserved]**

## **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

*This Management’s Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Historical results may not indicate future performance. Our forward-looking statements reflect our current views about future events; are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. We undertake no obligation to publicly update or revise any forward-looking statements, including any changes that might result from any facts, events, or circumstances after the date hereof that may bear upon forward-looking statements. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.*

### ***Basis of Presentation***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of the Company. The financial statements and accompanying notes are the representations of the Company’s management, who is responsible for their integrity and objectivity. In the opinion of the Company’s management, the financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation.

The financial information presented below and the following Management Discussion and Analysis of the Company for the periods ended December 31, 2024 and 2023 gives effect to our acquisition of OXYS Corporation (“OXYS”) on July 28, 2017 and HereLab, Inc. In accordance with the accounting reporting requirements for the recapitalization related to the “reverse merger” of OXYS, the consolidated financial statements for OXYS have been adjusted to reflect the change in the shares outstanding and the par value of the common stock of OXYS. Additionally, all intercompany transactions between the Company and its subsidiaries have been eliminated.

### ***Forward-Looking Statements***

Statements in this management’s discussion and analysis of financial condition and results of operations contain certain forward-looking statements. To the extent that such statements are not recitations of historical fact, such statements constitute forward-looking statements which, by definition involve risks and uncertainties. Where in any forward-looking statements, if we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

Factors that may cause differences between actual results and those contemplated by forward-looking statements are not limited to the following:

- geo-political events, government responses to such events and the related impact on the economy both nationally and internationally;
- general market and economic conditions;
- our ability to maintain and grow our business with our current customers;
- our ability to meet the volume and service requirements of our customers;
- industry consolidation, including acquisitions by us or our competitors;
- capacity utilization and the efficiency of manufacturing operations;
- success in developing new products;
- timing of our new product introductions;
- new product introductions by competitors;
- the ability of competitors to more fully leverage low-cost geographies for manufacturing or distribution;
- product pricing, including the impact of currency exchange rates;
- effectiveness of sales and marketing resources and strategies;
- adequate manufacturing capacity and supply of components and materials;
- strategic relationships with our suppliers;
- product quality and performance;
- protection of our products and brand by effective use of intellectual property laws;
- the financial strength of our competitors;
- the outcome of any future litigation or commercial dispute;
- barriers to entry imposed by competitors with significant market power in new markets;
- government actions throughout the world; and
- our ability to service secured debt when due.

You should not rely on forward-looking statements in this document. This management discussion contains forward looking statements that involve risks and uncertainties. We use words such as “anticipates,” “believes,” “plans,” “expects,” “future,” “intends,” and similar expressions to identify these forward-looking statements. Prospective investors should not place undue reliance on these statements, which apply only as of the date of this document. Our actual results could differ materially from those anticipated in these forward-looking statements.

### ***Critical Accounting Policies***

The following discussions are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. These financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States.

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingencies. We continually evaluate the accounting policies and estimates used to prepare financial statements. We base our estimates on historical experiences and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management.

### ***Historical Background***

We were incorporated in the State of New Jersey on October 1, 2003 under the name of Creative Beauty Supply of New Jersey Corporation and subsequently changed our name to Gotham Capital Holdings, Inc. on May 18, 2015. We commenced operations in the beauty supply industry as of January 1, 2004. On November 30, 2007, our Board of Directors approved a plan to dispose of our wholesale and retail beauty supply business. From January 1, 2009 until July 28, 2017, we had no operations and were a shell company.

On March 16, 2017, our Board of Directors adopted resolutions, which were approved by shareholders holding a majority of our outstanding shares, to change our name to “IIOT-OXYS, Inc.”, to authorize a change of domicile from New Jersey to Nevada, to authorize a 2017 Stock Awards Plan, and to approve the Securities Exchange Agreement (the “OXYS SEA”) between the Company and OXYS Corporation (“OXYS”), a Nevada corporation incorporated on August 4, 2016.

Under the terms of the OXYS SEA we acquired 100% of the issued voting shares of OXYS in exchange for 34,687,244 shares of our Common Stock. We also cancelled 1,500,000 outstanding shares of our Common Stock and changed our management to Mr. DiBiase who also served in the management of OXYS. Also, one of our principal shareholders entered into a consulting agreement with OXYS to provide consulting services during the transition. The OXYS SEA was effective on July 28, 2017, and our name was changed to “IIOT-OXYS, Inc.” at that time. Effective October 26, 2017, our domicile was changed from New Jersey to Nevada.

At the present time, we have two wholly owned subsidiaries which are OXYS Corporation and HereLab, Inc. (an entity immaterial to our operations), through which our operations are conducted.

## ***General Overview***

IHOT-OXYS, Inc., a Nevada corporation (the “**Company**”), and OXYS, were originally established for the purposes of designing, building, testing, and selling Edge Computing systems for the Industrial Internet. **Both companies were, and presently are, early-stage technology startups that are largely pre-revenue in their development phase.** HereLab is also an early-stage technology development company. We received our first revenues in the last quarter of 2017, continued to realize revenues until 2020 when the pandemic hit, and we realized nominal revenues through 2021 to the present.

We develop hardware, software and algorithms that monitor, measure and predict conditions for energy, structural, agricultural and medical applications. We use domain-specific Artificial Intelligence to solve industrial and environmental challenges. Our engineered solutions focus on common sense approaches to machine learning, algorithm development and hardware and software products.

We use off the shelf components, with reconfigurable hardware architecture that adapts to a wide range of customer needs and applications. We use open-source software tools, while still creating proprietary content for customers, thereby reducing software development time and cost. The software works with the hardware to collect data from the equipment or structure that is being monitored.

We focus on developing insights. We develop algorithms that help our customers create insights from vast data streams. The data collected is analyzed and reports are created for the customer. From these insights, the customer can act to improve their process, product or structure.

## ***Results of Operations for the Year Ended December 31, 2024 compared to the year ended December 31, 2023***

For the year ended December 31, 2024, we earned revenues of \$2,500 and recorded related cost of sales of \$2,125. Our operating expenses were \$428,274, which included payroll costs of \$200,000, amortization of intangible assets of \$49,636, legal and professional fees of \$147,991, and general and administrative expenses of \$30,647. We recorded net other expense of \$251,836 consisting of loss of \$111,523 due to change in fair market value of derivative liability, gain on a derivative of \$16,353 on Series C Convertible Preferred Stock, Forgiveness of EIDL loan of \$34,228, and interest expense of \$190,894. We also recorded \$84,920 as preferred stock dividend on convertible preferred stock for the year ended December 31, 2024. As a result, we incurred a net loss of \$764,655 for the year ended December 31 30, 2024.

For the year ended December 31, 2023, we earned revenues of \$114,666 and incurred related cost of sales of \$76,645. Our operating expenses were \$731,420 which included professional fees of \$172,704, payroll costs of \$244,083, amortization of intangible assets of \$49,500, bad debts of \$214,103 and other general and administrative expenses of \$51,029. We recorded net other expenses of \$374,530 consisting of a loss of \$185,973 due to debt extinguishment on notes payable due to change in conversion price, interest income on note receivable of \$25,969, offset by interest expense of \$210,426 and loss on change in fair market value of derivative liability of \$4,100. We also recorded \$68,531 as preferred stock dividend on convertible preferred stock for the year ended December 31, 2023. As a result, we incurred a net loss of \$1,136,460 for the year ended December 31, 2023.

During the current and prior year, we did not record an income tax benefit due to the uncertainty associated with the Company’s ability to utilize the deferred tax assets.

Revenues earned in 2024 were substantially less than for the same period in 2023. We expect revenue to moderate in 2025, as our ability to raise funding to fuel sales & marketing efforts has been limited. Potential future revenue growth is possible, pending adequate funding for sales and marketing efforts.

We continue to face significant headwinds, and we have not been able to raise material funds for ongoing operations through our existing financing agreements due to market conditions. Our CEO and COO have not received any compensation since mid-April 2023 (their salaries have accrued), and the lack of funds has severely limited sales and marketing efforts. Our management recently secured funding from our lead investor to pay ongoing expenses and the leadership team is considering its options for both the short and long term. Given the current challenges in raising adequate funds, management is continuing to pursue options including vetting suitable companies to merge with or acquire us. We believe we've created real value from our business development in these industries, which have potential for success, due to the strength of their size and growth. The global smart manufacturing (also known as Industry 4.0) was \$233.3 billion in 2024 and will reach \$479 billion by 2029 (CAGR 15.5%),<sup>1</sup> and the worldwide SHM industry is \$2.5 billion in 2024 and will reach \$4.1 billion by 2029 (CAGR of 10.4%).<sup>2</sup> Given the valuable real-world data we have collected, our Artificial Intelligence ("AI") Machine Learning algorithms we have developed, compelling use cases and marketing collateral developed from our data and algorithms, combined with our experienced leadership, savvy technological talent, and prudent operational execution, we believe our assets have potential continued annual revenue growth, that will be attractive to prospective partners interested in an acquisition or merger.

### ***Liquidity and Capital Resources for the Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023***

As of December 31, 2024, we reported a cash balance of \$23,593 as a result of an increase of \$22,949 from the \$644 cash balance at December 31, 2023. This increase in cash was primarily as a result of net cash used in operating activities of \$46,391 and net cash provided by financing activities of \$69,340.

#### **Operating Activities**

Net cash flows used in operating activities for the year ended December 31, 2024 was \$46,391, primarily attributed to the net loss of \$764,655, amortization of intangible assets of \$49,636, loss on change in the fair market value of derivative liabilities of \$111,523, and net increase in operating assets and liabilities of \$557,106. The Company recorded changes in operating assets and liabilities primarily attributable to a decrease in accounts receivable of \$5,460, decrease in prepaid expenses and other current assets of \$167, increase in accounts payable of \$118,276, increase in accrued liabilities of \$159,776, increase in derivative liabilities of \$111,612, increase in shares payable to related parties of \$3,413, and increase in salaries payable to related parties of \$158,402.

Net cash flows used in operating activities for the year ended December 31, 2023 was \$146,564, primarily attributed to the net loss of \$1,136,460, stock compensation expense of \$4,665, bad debts of \$214,103, amortization of debt discount on notes payable and preferred stock of \$12,400, amortization of intangible assets of \$49,500, loss on change in the fair market value of derivatives of \$4,100, and loss on extinguishment of notes payable of \$186,294. The Company recorded changes in operating assets and liabilities of \$518,835 primarily attributable to decrease in accounts receivable of \$4,663 due to collections from customers, decrease in prepaid expenses and other current assets of \$5,467, increase in accounts payable of \$86,145 due to negotiating longer payment terms, increase in accrued liabilities of \$248,368 due to non-payment of additional interest accrued on notes payable, increase in derivative liabilities due to the change in the fair value of derivative liabilities of \$65,779, decrease in unearned interest of \$5,151, increase in shares payable to related parties of \$601, and increase in salaries payable to related parties of \$117,063.

#### **Investing Activities**

Net cash used in investing activities for the years ended December 31, 2024 and 2023 was \$0.

<sup>1</sup> <https://www.marketsandmarkets.com/Market-Reports/smart-manufacturing-market-105448439.html>

<sup>2</sup> <https://www.marketsandmarkets.com/Market-Reports/structural-health-monitoring-market-101431220.html>

## **Financing Activities**

Net cash provided by financing activities for the year ended December 31, 2024 was \$69,340 due to cash received of \$75,600 from equity financing of convertible preferred stock, net of cash payment of \$6,260 in commissions and legal fees paid in connection with the capital raise.

Net cash provided by financing activities for the year ended December 31, 2023 was \$113,872 primarily due to sale of our common stock of \$51,872 net of costs incurred in capital raise, and sale of Series B convertible preferred stock of \$62,000.

As a result of the above activities, the Company recorded an increase in cash of \$22,949 for the year ended December 31, 2024, and a decrease in cash of \$32,692 for the same comparable period ended December 31, 2023, respectively.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company has suffered continuing operating losses, has a working capital deficit of \$2,477,428, used cash flows in operating activities of \$46,391, and has an accumulated deficit of \$11,208,252 as of December 31, 2024. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

## ***Recently Issued Accounting Standards***

Other accounting standards that have been issued or proposed by FASB and do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying financial statements.

## ***Off-Balance Sheet Arrangements***

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our consolidated financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity capital expenditures or capital resources.

## **Item 7A. Quantitative And Qualitative Disclosures About Market Risk.**

As a Smaller Reporting Company, we are not required to furnish information under this Item 7A.

## **Item 8. Financial Statements.**

The financial statements and supplementary data required by this item are included following the signature page of this Annual Report.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.**

None.

## **Item 9A. Controls and Procedures.**

### ***Disclosure Controls and Procedures***

We have established disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and, as such, is accumulated and communicated to our Chief Executive Officer and Interim Chief Financial Officer, Clifford Emmons and Karen McNemar, respectively, who serve as our principal executive officer and principal financial and accounting officer, respectively, as appropriate, to allow timely decisions regarding required disclosure. Mr. Emmons and Ms. McNemar, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act, as of December 31, 2024. Based on their evaluation, Mr. Emmons and Ms. McNemar concluded that, due to a material weakness in our internal control over financial reporting as described below, our disclosure controls and procedures were not effective as of December 31, 2024. In light of the material weakness in internal control over financial reporting, we completed substantive procedures, including validating the completeness and accuracy of the underlying data used for accounting prior to filing this Annual Report.

These additional procedures have allowed us to conclude that, notwithstanding the material weakness in our internal control over financial reporting, the consolidated financial statements included in this report fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America.

### ***Management’s Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024 based upon *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”).

During its evaluation, management noted certain matters involving internal control and its operation that we consider to be significant deficiencies or material weaknesses under standards of the Public Company Accounting Oversight Board (“**PCAOB**”). A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

We noted deficiencies involving lack of segregation of duties, lack of governance/oversight, and lack of internal control documentation that we believe to be material weaknesses.

Because of this material weaknesses, management concluded that we did not maintain effective internal control over financial reporting as of December 31, 2024, based on criteria described in *Internal Control – Integrated Framework* (2013) issued by COSO.

### Remediation of the Material Weakness

We are evaluating the material weaknesses and developing a plan of remediation to strengthen our overall internal control over financial reporting. The remediation plan will include the creation and adoption of a formal policy manual specifically dealing with financial controls.

Due to a material weakness as disclosed in the 2023 Annual Report on Form 10-K, we committed to the same remediation plan, as disclosed above; however, due to lack of resources, we were unable to execute the contemplated remediation plan. If we are unable to increase our workforce, we may never be able to implement the remediation plan proposed above.

We are committed to maintaining a strong internal control environment and we believe that these remediation efforts will represent significant improvements in our controls. We have started to implement these steps, as disclosed above; however, some of these steps will take time to be fully integrated and confirmed to be effective and sustainable. Additional controls may also be required over time. Until the remediation steps set forth above are fully implemented and tested, the material weakness described above will continue to exist.

### ***Changes in Internal Control over Financial Reporting***

There has been no change in our internal control over financial reporting, as defined in Rules 13a-15(f) of the Exchange Act, during our most recent fiscal quarter ended December 31, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Item 9B. Other Information.**

During the quarter ended December 31, 2024, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable to the Company.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance.

#### *Current Management*

The following table sets forth information concerning our directors and executive officers:

<u>Name</u>	<u>Position</u>	<u>Age</u>
<i>Executive Officers:</i>		
Clifford L. Emmons	Chief Executive Officer, President, and Interim Chief Technical Officer	63
Karen McNemar	Chief Operating Officer and Interim Chief Financial Officer	56
<i>Directors:</i>		
Clifford L. Emmons	Director	63
Vidhyadhar Mitta	Director	54

Directors are elected to serve until the next annual meeting of stockholders and until their successors are elected and qualified. Directors are elected by a plurality of the votes cast at the annual meeting of stockholders and hold office until the expiration of the term for which he or she was elected and until a successor has been elected and qualified.

A majority of the authorized number of directors constitutes a quorum of the Board of Directors for the transaction of business. The directors must be present at the meeting to constitute a quorum. However, any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors individually or collectively consent in writing to the action.

#### *Business Experience of Executive Officers and Directors*

The principal occupation and business experience during the past five years for our executive officers and directors is as follows:

**Clifford L. Emmons:** Mr. Emmons has served as our Chief Executive Officer, President, and director since June 4, 2018 and as our Interim Chief Technology Officer since June 2, 2022. From 1995 to 2017, Mr. Emmons worked for Medtronic, a global leader in medical technology, services, and solutions, where he served in various capacities including several Vice President and Director positions. Mr. Emmons is also the founder of AHI, LLC, a consultancy firm. Mr. Emmons received an Executive Certificate in Strategy & Innovation from MIT, a Masters of Science in Management Engineering from the University of Bridgeport, a Bachelor of Science in Electrical Engineering from the University of New Haven, and a Bachelor of Science in Mechanical Engineering from the University of Connecticut.

**Karen McNemar:** Ms. McNemar has served as our Chief Operating Officer since September 20, 2018 and as our Interim Chief Financial Officer since June 2, 2022. From 1998 until August 2017, Ms. McNemar served in many capacities for Medtronic which included as a Senior Director of R&D Operations. Ms. McNemar is a collaborative strategic global business leader with extensive experience in New Product Development and Operations, building strong and effective diverse teams across organizations at all levels. Ms. McNemar is also a trusted advisor, recognized for successful process and program management, with a focus on leading complex initiatives and analyzing data and processes to identify solutions to increase organizational productivity and performance. Ms. McNemar received her Bachelor of Science in Industrial Engineering and Operations Research.

**Vidhyadhar Mitta:** Mr. Mitta has served as a director of the Company since the closing of the reverse acquisition on July 28, 2017. Mr. Mitta has also served as a director of OXYS since its inception on August 4, 2016. Since 2000, he has been the founder and President of Synergic Solutions Inc., a software development company that designs custom software for a variety of industries including radio-medicine and associate allied health fields. In his position as President, Mr. Mitta has responsibility for all aspects of Synergic Solutions including technical program guidance, employee supervision, business development, and profit and loss responsibility. Mr. Mitta received a BS in Information Science & Technology from BMS College of Engineering in 1995.

#### ***Legal Proceedings***

During the past ten years there have been no events under any bankruptcy act, no criminal proceedings and no judgments, injunctions, orders or decrees material to the evaluation of the ability and integrity of any of our directors or executive officers, and none of these persons has been involved in any judicial or administrative proceedings resulting from involvement in mail or wire fraud or fraud in connection with any business entity, any judicial or administrative proceedings based on violations of federal or state securities, commodities, banking or insurance laws or regulations, or any disciplinary sanctions or orders imposed by a stock, commodities or derivatives exchange or other self-regulatory organization.

#### ***Family Relationships***

There are no family relationships between any of our directors and executive officers.

#### ***Director Independence***

We are not currently subject to listing requirements of any national securities exchange or inter-dealer quotation system which has requirements that a majority of the board of directors be “independent” and, as a result, we are not at this time required to have our Board of Directors comprised of a majority of “independent directors.”

We currently have not established any committees of the Board of Directors. Our Board of Directors may designate from among its members an executive committee and one or more other committees in the future. We do not have a nominating committee or a nominating committee charter. Further, we do not have a policy with regard to the consideration of any director candidates recommended by security holders. To date, other than as described above, no security holders have made any such recommendations. The entire Board of Directors performs all functions that would otherwise be performed by committees. Given the present size of our board it is not practical for us to have committees. If we are able to grow our business and increase our operations, we intend to expand the size of our board and allocate responsibilities accordingly.

#### ***Delinquent Section 16(a) Reports***

Under U.S. securities laws, directors, certain officers and persons holding more than 10% of our common stock must report their initial ownership of our common stock and any changes in their ownership to the SEC. The SEC has designated specific due dates for these reports and we must identify in this Annual Report those people who did not file these reports when due. Based solely on our review of copies of the reports filed with the SEC, we believe that all reporting requirements for fiscal year 2024 were complied with by each person who at any time during the 2024 fiscal year was a director or an executive officer or held more than 10% of our common stock.

## Code of Ethics

On March 9, 2018, the Board of Directors adopted a Code of Ethics (the “Code”). The purpose of the Code of Ethics is to deter wrongdoing and to promote:

- honest and ethical conduct;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files with, or submits to, the SEC and in other public communications made by the Company;
- avoidance and ethical handling of actual or apparent conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- confidentiality of corporate information;
- protection and proper use of corporate assets and opportunities;
- compliance with applicable governmental laws, rules, and regulations;
- prompt internal reporting of any violations of this Code to an appropriate person; and
- accountability for adherence to the Code.

The Code of Ethics applies to all directors, officers, and employees of the Company and its subsidiaries, including, but not limited to, the Company’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Ethics is available at [www.oxyscorp.com](http://www.oxyscorp.com) and is included as an exhibit to this Annual Report. The Company will provide any person, without charge and upon request through our website, a copy of the Code of Ethics.

## Item 11. Executive Compensation.

The following table sets forth information concerning the annual compensation awarded to, earned by, or paid to the following named executive officers for all services rendered in all capacities to our company and its subsidiaries for the years ended December 31, 2024 and 2023.

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Stock Awards (\$)	Total (\$)
Clifford Emmons	2024	100,000 <sup>(1)</sup>	1,706 <sup>(2)</sup>	101,706
	2023	100,000 <sup>(3)</sup>	2,221 <sup>(4)</sup>	102,221
Karen McNemar	2024	100,000 <sup>(5)</sup>	1,706 <sup>(6)</sup>	101,706
	2023	100,000 <sup>(7)</sup>	2,221 <sup>(8)</sup>	102,221

(1) As of December 31, 2024, Mr. Emmons was owed \$289,646 in accrued and unpaid consulting fees and \$12,000 in reimbursable expenses.

(2) As of December 31, 2024, Mr. Emmons earned 2,257,534 shares of common stock valued at \$1,706.

(3) As of December 31, 2023, Mr. Emmons was owed \$199,053 in accrued and unpaid consulting fees and \$10,630 in reimbursable expenses.

(4) As of December 31, 2023, Mr. Emmons earned 1,500,000 shares of common stock valued at \$2,221.

(5) As of December 31, 2024, Ms. McNemar was owed \$262,935 in accrued and unpaid consulting fees and \$1,600 in reimbursable expenses.

(6) As of December 31, 2024, Ms. McNemar earned 2,257,534 shares of common stock valued at \$1,706.

(7) As of December 31, 2023, Ms. McNemar was owed \$181,526 in accrued and unpaid consulting fees and \$1,600 in reimbursable expenses.

(8) As of December 31, 2023, Ms. McNemar earned 1,500,000 shares of common stock valued at \$2,221.

### Emmons Employment Contract

On June 2, 2022, the Board of Directors (with Mr. Emmons abstaining) approved the Employment Contract dated effective April 1, 2022 with Mr. Emmons (the “**Emmons Contract**”). The term of the Emmons Contract is from the effective date until the Emmons Contract is terminated pursuant to its terms. The services to be provided by Mr. Emmons pursuant to the Emmons Contract are customary for the positions in which he is serving.

Pursuant to the Emmons Contract, Mr. Emmons shall receive an annual salary of \$100,000 which accrues unless converted into shares of Common Stock of the Company at a conversion rate specified in the Emmons Contract. If the Company reaches \$1,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$150,000, commencing the following month. If the Company reaches \$5,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$200,000 commencing the following month.

As of the effective date, the Company will award to Mr. Emmons an aggregate of 7,000,000 shares of the Company’s Common Stock which will vest as follows (the “**Emmons Contract Shares**”):

1. 1,500,000 shares on the first-year anniversary of the effective date;
2. 2,500,000 shares on the second-year anniversary of the effective date; and
3. 3,000,000 shares on the third-year anniversary of the effective date.

The Emmons Contract Shares are awarded under the 2022 Plan. Vesting of the Emmons Contract Shares is subject to acceleration of vesting upon the occurrence of certain events such as a Change of Control (as defined in the Emmons Contract) or the listing of the Company’s Common Stock on a senior exchange.

### McNemar Employment Contract

On June 2, 2022, the Board of Directors of Company approved the Employment Contract dated effective April 1, 2022 with Ms. McNemar (the “**McNemar Contract**”). The term of the McNemar Contract is from the effective date until the McNemar Contract is terminated pursuant to its terms. The services to be provided by Ms. McNemar pursuant to the McNemar Contract are those customary for the positions in which she is serving.

Pursuant to the McNemar Contract, Ms. McNemar shall receive an annual salary of \$100,000 which accrues unless converted into shares of Common Stock of the Company at a conversion rate specified in the McNemar Contract. If the Company reaches \$1,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$150,000, commencing the following month. If the Company reaches \$5,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$200,000, commencing the following month.

As of the effective date, the Company will award to Ms. McNemar an aggregate of 7,000,000 shares of the Company’s Common Stock which will vest as follows (the “**McNemar Contract Shares**”):

1. 1,500,000 shares on the first-year anniversary of the effective date;
2. 2,500,000 shares on the second-year anniversary of the effective date; and
3. 3,000,000 shares on the third-year anniversary of the effective date.

The McNemar Contract Shares are awarded under the 2022 Plan. Vesting of the McNemar Contract Shares is subject to acceleration of vesting upon the occurrence of certain events such as a Change of Control (as defined in the McNemar Contract) or the listing of the Company’s Common Stock on a senior exchange.

### ***Equity Awards***

The following table provides information on stock and option awards held by the named executive officers as of December 31, 2024:

<b>Stock Awards</b>			
<b>Name</b>	<b>Grant Date</b>	<b>Number of Shares or Units of Stock that Have Not Vested (#)</b>	<b>Market Value of Shares of Units of Stock that Have Not Vested (\$)</b>
<b>Clifford L. Emmons</b>	6/2/22	3,000,000 <sup>(1)</sup>	2,400
<b>Karen McNemar</b>	6/2/22	3,000,000 <sup>(1)</sup>	2,400

(1) 1,500,000 shares on the first-year anniversary of the grant date; 2,500,000 shares on the second-year anniversary of the grant date; and 3,000,000 shares on the third-year anniversary of the grant date

### ***Compensation of Directors***

Besides Mr. Emmons' compensation (whose compensation is disclosed above), no compensation was awarded to, earned by, or paid to any remaining directors for services rendered in all capacities to our Company and its subsidiaries for the year ended December 31, 2024.

### ***Insider Trading Policy***

Due to limited resources and the small number of our management, we do not have an insider trading policy.

### ***Policies and Practices Related to the Timing of Grants of Certain Equity Awards***

It is management's duty to approve ordinary course annual equity grants during a scheduled meeting held each year. At this meeting, management is to approve each named executive officer's annual equity award, if any. At this time, we do not currently anticipate granting stock options to any of our named executive officers. We do not schedule our equity grants in anticipation of the release of material, non-public information, nor do we time the release of material nonpublic information based on equity grant dates.

**Item 12. Security Ownership of Certain Beneficial Owners and Management.**

The following table and footnotes thereto set forth information regarding the number of shares of common stock beneficially owned by (i) each director and named executive officer of our company, (ii) each person known by us to be the beneficial owner of 5% or more of its issued and outstanding shares of common stock, and (iii) named executive officers, executive officers, and directors of the Company as a group as of April 28, 2025. In calculating any percentage in the following table of common stock beneficially owned by one or more persons named therein, the following table assumes 560,315,293 shares of common stock outstanding. Unless otherwise further indicated in the following table, the footnotes thereto and/or elsewhere in this Annual Report, the persons and entities named in the following table have sole voting and sole investment power with respect to the shares set forth opposite the shareholder's name, subject to community property laws, where applicable. Unless otherwise indicated in the following table and/or the footnotes thereto, the address of our named executive officers and directors in the following tables is: 705 Cambridge Street, Cambridge, MA 02141.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership<sup>(1)</sup></b>	<b>Percent of Class<sup>(1)</sup></b>
<b>Named Executive Officers and Directors</b>		
Clifford Emmons	326,986,667 <sup>(2)</sup>	37.11%
Karen McNemar	356,015,667 <sup>(3)</sup>	39.10%
Vidhyadhar Mitta	249,974,938 <sup>(4)</sup>	30.86%
Executive Officers, Named Executive Officers, and Directors as a Group (3 Persons)	932,977,272	63.00%

- (1) Under Rule 13d-3 of the Exchange Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the number of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in the above table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on the April 28, 2025.
- (2) Includes 319,926,667 shares of Common Stock issuable upon the conversion of \$287,934 in accrued and unpaid consulting fees as of March 31, 2025. Also includes 780,000 shares issuable upon the conversion of shares of Series A Preferred Stock owned by Mr. Emmons.
- (3) Includes 349,606,667 shares of Common Stock issuable upon the conversion of \$314,646 in accrued and unpaid consulting fees as of March 31, 2025. Also includes 604,500 shares issuable upon the conversion of shares of Series A Preferred Stock owned by Ms. McNemar.
- (4) Includes 1,562,500 shares issuable upon the exercise of warrants. Also includes 247,038,095 shares issuable upon the conversion of a note issued to Mr. Mitta. Lastly, includes 1,200,000 shares issuable upon the conversion of shares of Series A Preferred Stock owned by Mr. Mitta.

The following table sets forth information known to us regarding the beneficial ownership of our Series A Supervoting Preferred Stock as of April 28, 2025.

<b>Title of Class</b>	<b>Name and address of beneficial owner</b>	<b>Amount and nature of beneficial ownership</b>	<b>Percent of Class</b>
Series A Supervoting Preferred Stock	Vidhyadhar Mitta	12,000	46.43%
	Clifford L. Emmons	7,800	30.18%
	Karen McNemar	6,045	23.39%

The following table sets forth information known to us regarding the beneficial ownership of our Series B Convertible Preferred Stock as of April 28, 2025.

<b>Title of Class</b>	<b>Name and address of beneficial owner <sup>(1)</sup></b>	<b>Amount and nature of beneficial ownership</b>	<b>Percent of Class</b>
Series B Convertible Preferred Stock	GHS Investments, LLC	582	100%

The following table sets forth information known to us regarding the beneficial ownership of our Series C Convertible Preferred Stock as of April 28, 2025.

<b>Title of Class</b>	<b>Name and address of beneficial owner <sup>(1)</sup></b>	<b>Amount and nature of beneficial ownership</b>	<b>Percent of Class</b>
Series C Convertible Preferred Stock	Cambridge MedSpace LLC	57	100%

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

***Certain Relationships and Related Transactions***

For transactions with our executive officers, please see the disclosure under “**Item 11. Executive Compensation.**” above.

Cambridge MedSpace Note

On January 22, 2019, we entered into a Securities Purchase Agreement with Cambridge MedSpace, LLC, a Massachusetts limited liability company for the purchase of a 5% Secured Convertible Note in the principal amount of \$55,000. The note was convertible, in whole or in part, into shares of our Common Stock, at any time at a rate of \$0.65 per share with fractions rounded up to the nearest whole share, unless paid in cash at our election. The note bears interest at a rate of 5% per annum and interest payments will be made on an annual basis. The original maturity date of the note was January 22, 2020. The note is governed by the SPA and is secured by all our assets (but is not a senior secured note) pursuant to the Security Agreement. In addition to the issuance of the note, we issued Cambridge MedSpace warrants to purchase one share of our Common Stock for 50% of the number of shares of Common Stock issuable upon conversion of the note. Each warrant was originally immediately exercisable at \$0.75 per share and expires on January 22, 2024. The lender is owned by shareholders of the Company, or their affiliates, including Clifford L. Emmons, our Chief Executive Officer, Interim Chief Financial Officer, and director.

On June 12, 2020, the Company entered into Amendment No. 1 to the note with Cambridge MedSpace pursuant to which the note was amended to extend the maturity date to March 1, 2021.

On April 6, 2022, the Company entered into Amendment No. 2 to the note with Cambridge MedSpace pursuant to which the maturity date as extended to March 1, 2024.

### Debt Exchange Agreement

On February 5, 2024 we entered into the Debt Exchange Agreement with Cambridge MedSpace LLC, an entity of which the Company's CEO, Clifford L. Emmons shares ownership. Under the agreement, we agreed to issue to the Lender 57 shares of Series C Preferred Stock in exchange for the forgiveness of \$55,000 of principal and \$13,825 of accrued and unpaid interest.

### Mitta Note

On August 2, 2019, we entered into a Securities Purchase Agreement with Vidhyadhar Mitta, a director of the Company, for the purchase of a 12% Secured Convertible Note in the principal amount of up to \$125,000. The note was originally convertible, in whole or in part, into shares of our Common Stock, at any time at a rate of \$0.08 per share with fractions rounded up to the nearest whole share, unless paid in cash at our election. The note bears interest at a rate of 12% per annum and interest payments were originally to be made on a quarterly basis. The note originally matured August 2, 2021. On August 2, 2019, the first closing of the note occurred pursuant to which we received \$75,000. On September 6, 2019, the second closing occurred pursuant to which the Company received \$25,000. On October 16, 2019, the third closing occurred pursuant to which the Company received \$25,000.

The note is governed by the SPA and is secured by all the assets of the Company (but is not a senior secured note) pursuant to the Security Agreement. In addition to the issuance of the note, we issued to the Mr. Mitta warrants to purchase one share our Common Stock for 50% of the number of shares of Common Stock issuable upon conversion of the funds received. Each warrant was originally immediately exercisable at \$0.12 per share and expires on August 2, 2024.

On August 2, 2021, the Company entered into Amendment No. 1 to the note with Vidhyadhar Mitta pursuant to which the note was amended to extend the maturity date to August 2, 2022.

Effective August 2, 2022, the Company entered into Amendment No. 2 to the note with Vidhyadhar Mitta pursuant to which the note was amended to extend the maturity date to August 2, 2024.

Effective August 2, 2024, the Company entered into Amendment No. 3 to the note with Vidhyadhar Mitta pursuant to which the note was amended to extend the maturity date to August 2, 2025.

Due to adjustments to the conversion price of the note, the conversion price is currently \$0.0008.

### ***Director Independence***

We are not currently subject to listing requirements of any national securities exchange or inter-dealer quotation system which has requirements that a majority of the board of directors be "independent" and, as a result, we are not at this time required to have our Board of Directors comprised of a majority of "independent directors." Although we have not adopted the independence standards any national securities exchange to determine the independence of directors, the NYSE MKT LLC provides that a person will be considered an independent director if he or she is not an officer of the company and is, in the view of our board of directors, free of any relationship that would interfere with the exercise of independent judgment. Under this standard, our board of directors has determined that Mr. Mitta would meet this standard, and therefore, would be considered to be independent.

**Item 14. Principal Accountant Fees and Services.**

***Fees Paid***

Audit Fees

The aggregate fees billed for professional services rendered by our principal accountants for the audit of our annual financial statements, review of financial statements included in the quarterly reports and other fees that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the year ended December 31, 2024 were \$49,000 and \$50,543 for the period ended December 31, 2023.

Audit-Related Fees

There were no fees billed for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of the financial statements, other than those reported above, for the years ended December 31, 2024 and 2023.

Tax Fees

The aggregate fees billed for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning in the years ended December 31, 2024 were \$0 and \$0 in 2023.

All Other Fees

There were no other fees billed for products or services provided by the principal accountants, other than those previously reported above, for the years ended December 31, 2024 and 2023.

***Audit Committee***

We do not have an Audit Committee; therefore, the Board of Directors has considered whether the non-audit services provided by our auditors are compatible with maintaining the independence of our auditors and concluded that the independence of our auditors is not compromised by the provision of such services. Our Board of Directors pre-approves all auditing services and permitted non-audit services, including the fees and terms of those services, to be performed for us by our independent auditor prior to engagement.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

***Financial Statements***

The following financial statements are filed with this Annual Report:

[Report of Independent Registered Public Accounting Firm for the years ended December 31, 2024 and 2023](#)

[Audited Consolidated Balance Sheets at December 31, 2024 and 2023](#)

[Audited Consolidated Statements of Operations for the years ended December 31, 2024 and 2023](#)

[Audited Consolidated Statements of Changes in Stockholders' Equity \(Deficit\) for the years ended December 31, 2024 and 2023](#)

[Audited Consolidated Statements of Cash Flows for the years ended December 31, 2024 and 2023](#)

[Notes to Audited Consolidated Financial Statements](#)

***Exhibits***

The following exhibits are included with this Annual Report:

**Incorporated by Reference**

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Here-with
		Form	File No.	Exhibit	Filing Date	
2.1 & 10.1	<a href="#"><u>Securities Exchange Agreement dated March 16, 2017, by and among Gotham Capital Holdings, Inc., OXYS Corp. and the Shareholders of OXYS Corp.</u></a>	8-K	000-50773	2.1	8/3/17	
2.2 & 10.2	<a href="#"><u>Agreement and Plan of Merger dated July 10, 2017</u></a>	8-K	000-50773	2.1	11/1/17	
3.1	<a href="#"><u>Nevada Articles of Incorporation for IIOT-OXYS, Inc.</u></a>	8-K	000-50773	3.1	11/1/17	
3.2	<a href="#"><u>Bylaws for IIOT-OXYS, Inc.</u></a>	8-K	000-50773	3.2	11/1/17	
3.3	<a href="#"><u>Nevada Articles of Merger dated July 14, 2017</u></a>	8-K	000-50773	3.3	11/1/17	
3.4	<a href="#"><u>New Jersey Certificate of Merger dated October 26, 2017</u></a>	8-K	000-50773	3.4	11/1/17	
3.5	<a href="#"><u>Articles of Exchange</u></a>	8-K	000-50773	2.1	1/12/18	
3.6	<a href="#"><u>Certificate of Amendment to Articles of Incorporation filed with the Nevada Secretary of State effective January 18, 2021</u></a>	8-K	000-50773	3.1	1/19/21	
3.7	<a href="#"><u>Certificate of Designation for Series B Convertible Preferred Stock</u></a>	8-K	000-50773	3.1	11/24/20	
3.8	<a href="#"><u>Certificate of Designation filed with the Nevada Secretary of State on July 2, 2020</u></a>	8-K	000-50773	3.1	11/13/20	
3.9	<a href="#"><u>Certificate of Designation filed with the Nevada Secretary of State on November 9, 2020</u></a>	8-K	000-50773	3.2	11/13/20	
3.10	<a href="#"><u>Certificate of Designation filed with the Nevada Secretary of State on January 18, 2024</u></a>	8-K	000-50773	3.1	1/24/24	
3.11	<a href="#"><u>Amendment No. 1 to the Certificate of Designation filed with the Nevada Secretary of State on February 12, 2024</u></a>	8-K	000-50773	3.1	2/16/24	

4.1 & 10.3*	<a href="#">2017 Stock Incentive Plan</a>	8-K	000-50773	4.1	12/19/17
4.2 & 10.4*	<a href="#">2019 Stock Incentive Plan</a>	8-K	000-50773	4.1	3/12/19
10.5	<a href="#">Form of 12% Senior Secured Convertible Note</a>	8-K	000-50773	99.1	2/13/18
10.6	<a href="#">Amendment No. 1 to the 12% Senior Secured Convertible Promissory Note Issued to Sergey Gogin on January 22, 2018</a>	8-K	000-50773	99.3	3/12/19
10.7	<a href="#">Amendment dated January 28, 2021 to Senior Secured Convertible Promissory Note with Sergey Gogin</a>	10-Q	000-50773	10.1	5/17/21
10.8	<a href="#">Amendment dated December 14, 2021 to Senior Secured Convertible Promissory Note with Sergey Gogin</a>	10-K	000-50773	10.10	4/14/22
10.9	<a href="#">Amendment dated March 14, 2022 to Senior Secured Convertible Promissory Note with Sergey Gogin</a>	10-Q	000-50773	10.1	5/16/22
10.10	<a href="#">Amendment No. 5 to 12% Senior Secured Convertible Promissory Note dated effective March 1, 2023 with Sergey Gogin</a>	10-Q	000-50773	10.1	11/13/23
10.11	<a href="#">Form of Securities Purchase Agreement</a>	8-K	000-50773	99.2	2/13/18
10.12	<a href="#">Form of Security and Pledge Agreement</a>	8-K	000-50773	99.3	2/13/18
10.13	<a href="#">Form of Warrant</a>	8-K	000-50773	99.4	2/13/18
10.14	<a href="#">Amendment No. 1 to the Warrant Agreement Issued to Sergey Gogin on January 22, 2018</a>	8-K	000-50773	99.4	3/12/19
10.15	<a href="#">Form of 12% Senior Secured Convertible Note</a>	8-K	000-50773	99.5	3/12/19
10.16	<a href="#">Amendment No. 1 to Senior Secured Convertible Promissory Note with Catalytic Capital LLC</a>	10-Q	000-50773	10.2	11/16/20
10.17	<a href="#">Amendment dated January 28, 2021 to Senior Secured Convertible Promissory Note with Catalytic Capital, LLC</a>	10-Q	000-50773	10.2	5/17/21
10.18	<a href="#">Amendment No. 1 to Senior Secured Convertible Promissory Note with YVSGRAMORAH LLC</a>	10-Q	000-50773	10.3	11/16/20
10.19	<a href="#">Amendment dated January 28, 2021 to Senior Secured Convertible Promissory Note with YVSGRAMORAH LLC</a>	10-Q	000-50773	10.3	5/17/21
10.20	<a href="#">Amendment dated December 14, 2021 to Senior Secured Convertible Promissory Note with YVSGRAMORAH LLC</a>	10-K	000-50773	10.20	4/14/22
10.21	<a href="#">Amendment dated March 14, 2022 to Senior Secured Convertible Promissory Note with YVSGRAMORAH LLC</a>	10-Q	000-50773	10.2	5/16/22
10.22	<a href="#">Amendment No. 5 to 12% Senior Secured Convertible Promissory Note dated effective March 1, 2023 with YVSGRAMORAH LLC</a>	10-Q	000-50773	10.2	11/13/23
10.23	<a href="#">Form of Securities Purchase Agreement</a>	8-K	000-50773	99.6	3/12/19
10.24	<a href="#">Form of Security and Pledge Agreement</a>	8-K	000-50773	99.7	3/12/19
10.25	<a href="#">Form of Warrant</a>	8-K	000-50773	99.8	3/12/19
10.26	<a href="#">Securities Purchase Agreement with Cambridge MedSpace, LLC dated January 22, 2019</a>	8-K	000-50773	99.1	1/23/19
10.27	<a href="#">5% Convertible Secured Note with Cambridge MedSpace, LLC dated January 22, 2019</a>	8-K	000-50773	99.2	1/23/19
10.28	<a href="#">Security Agreement with Cambridge MedSpace, LLC dated January 22, 2019</a>	8-K	000-50773	99.3	1/23/19
10.29	<a href="#">Warrant Agreement with Cambridge MedSpace, LLC dated January 22, 2019</a>	8-K	000-50773	99.4	1/23/19
10.30	<a href="#">Securities Purchase Agreement with Vidhyadhar Mitta dated August 2, 2019</a>	8-K	000-50773	99.1	8/8/19
10.31	<a href="#">12% Convertible Secured Note with Vidhyadhar Mitta dated August 2, 2019</a>	8-K	000-50773	99.2	8/8/19
10.32	<a href="#">Amendment No. 1 to the 12% Secured Convertible Promissory Note dated effective August 2, 2021 with Vidhyadhar Mitta</a>	10-Q	000-50773	10.1	11/15/21
10.33	<a href="#">Amendment No. 2 to the 12% Secured Convertible Promissory Note dated effective August 2, 2022 with Vidhyadhar Mitta</a>	10-K	000-50773	10.35	4/13/23

10.34	<a href="#">Amendment No. 2 to the 12% Secured Convertible Promissory Note dated effective August 2, 2022 with Vidhyadhar Mitta</a>	10-Q	000-50773	10.1	5/22/23
10.35	<a href="#">Security Agreement with Vidhyadhar Mitta dated August 2, 2019</a>	8-K	000-50773	99.3	8/8/19
10.36	<a href="#">Warrant Agreement with Vidhyadhar Mitta dated August 2, 2019</a>	8-K	000-50773	99.4	8/8/19
10.37	<a href="#">Warrant Agreement with Vidhyadhar Mitta dated September 6, 2019</a>	10-K	000-50773	10.31	6/23/20
10.38	<a href="#">Warrant Agreement with Vidhyadhar Mitta dated October 16, 2019</a>	10-K	000-50773	10.32	6/23/20
10.39	<a href="#">Equity Financing Agreement dated November 1, 2021 with GHS Investments, LLC</a>	S-1	333-261484	10.35	12/3/21
10.40	<a href="#">Registration Rights Agreement dated November 1, 2021 with GHS Investments, LLC</a>	S-1	333-261484	10.36	12/3/21
10.41	<a href="#">\$75,000 Convertible Promissory Note dated July 29, 2020 issued to GHS Investments LLC</a>	8-K	000-50773	99.4	8/3/20
10.42	<a href="#">Extension No. 1 to Convertible Promissory Note dated April 29, 2021 (\$75,000) with GHS Investments LLC</a>	10-Q	000-50773	10.2	8/13/21
10.43	<a href="#">Amendment No. 2 dated November 4, 2021 to \$75,000 Convertible Promissory Note issued to GHS Investments LLC</a>	S-1	333-261484	10.42	12/3/21
10.44	<a href="#">Amendment No. 3 dated April 29, 2022 to \$75,000 Convertible Promissory Note issued to GHS Investments LLC</a>	S-1	333-266351	10.48	7/27/22
10.45	<a href="#">Extension No. 4 to the Convertible Promissory Note issued July 29, 2020 with GHS Investments LLC</a>	10-Q	000-50773	10.1	8/18/23
10.46	<a href="#">Collaboration Agreement effective March 18, 2020 with Aingura IIoT, S.L.</a>	10-Q	000-50773	10.1	8/19/20
10.47	<a href="#">Finder's Fee Agreement dated August 17, 2023 with J.H. Darbie &amp; Co., Inc.</a>	10-Q	000-50773	10.3	11/13/23
10.48*	<a href="#">Debt Forgiveness Agreement with Clifford L. Emmons effective as of December 31, 2019</a>	10-Q	000-50773	10.3	9/14/20
10.49*	<a href="#">Debt Forgiveness Agreement with Karen McNemar effective as of December 31, 2019</a>	10-Q	000-50773	10.4	9/14/20
10.50	<a href="#">Securities Purchase Agreement dated November 16, 2020 with GHS Investments, LLC</a>	S-1	333-252887	10.52	2/9/21
10.51	<a href="#">Securities Purchase Agreement dated August 24, 2023 with GHS Investments, LLC</a>	10-Q	000-50773	10.4	11/13/23
10.52*	<a href="#">Exchange Agreement Dated November 9, 2020 with Clifford L. Emmons</a>	S-1	333-252887	10.55	2/9/21
10.53*	<a href="#">Exchange Agreement Dated November 9, 2020 with Vidhyadhar Mitta</a>	S-1	333-252887	10.56	2/9/21
10.54*	<a href="#">Exchange Agreement Dated November 9, 2020 with Karen McNemar</a>	S-1	333-252887	10.57	2/9/21
10.55	<a href="#">Common Stock Purchase Agreement dated February 24, 2021 with GHS Investments, LLC</a>	10-Q	000-50773	10.4	5/17/21
10.56*	<a href="#">Employment Contract dated Effective April 1, 2022 with Clifford L. Emmons</a>	S-1	333-266351	10.63	7/27/22
10.57*	<a href="#">Employment Contract dated Effective April 1, 2022 with Karen McNemar</a>	S-1	333-266351	10.64	7/27/22
10.58	<a href="#">Debt Exchange Agreement dated February 5, 2024 with Cambridge MedSpace LLC</a>	10-K	000-50773	10.58	7/3/24
10.59	<a href="#">Amendment No. 3 to the 12% Secured Convertible Promissory Note dated effective August 2, 2024 with Vidhyadhar Mitta</a>	10-Q	000-50773	10.1	1/10/25
10.60	<a href="#">Securities Purchase Agreement dated October 3, 2024 with GHS Investments, LLC</a>				
14.1	<a href="#">Code of Ethics</a>	10-K	000-50773	14.1	4/17/18

X

16.1	<a href="#">Letter from Haynie &amp; Company Dated December 1, 2023 Regarding Change in Certifying Accountant</a>	8-K	000-50773	16.1	12/1/23	
21.1	<a href="#">List of Subsidiaries</a>	10-K	000-50773	21.1	4/17/18	
31.1	<a href="#">Rule 13a-14(a) Certification by Principal Executive Officer</a>					X
31.2	<a href="#">Rule 13a-14(a) Certification by Principal Financial and Accounting Officer</a>					X
32.1	<a href="#">Section 1350 Certification of Principal Executive Officer</a>					X
32.2	<a href="#">Section 1350 Certification of Principal Financial and Accounting Officer</a>					X
101.INS	Inline XBRL Instance Document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (formatted in iXBRL, and included in exhibit 101)					X

\*Management contract or compensatory plan or arrangement.

**Item 16. Form 10-K Summary.**

None.

SIGNATURE PAGE FOLLOWS

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### HOT-OXYS, INC.

Date: April 30, 2025

By: /s/ Clifford L. Emmons  
Clifford L. Emmons, Chief Executive Officer  
(Principal Executive Officer)

Date: April 30, 2025

By: /s/ Karen McNemar  
Karen McNemar, Interim Chief Financial Officer  
(Principal Financial and Accounting Officer)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<u>NAME</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Clifford L. Emmons</u> Clifford L. Emmons	Director and Chief Executive Officer (Principal Executive Officer)	April 30, 2025
<u>/s/ Karen McNemar</u> Karen McNemar	Interim Chief Financial Officer (Principal Financial and Accounting Officer)	April 30, 2025
<u>/s/ Vidhyadhar Mitta</u> Vidhyadhar Mitta	Director	April 30, 2025

## INDEX TO FINANCIAL STATEMENTS

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of IIOT-OXYS, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of IIOT-OXYS, Inc. (“the Company”) as of December 31, 2024, and 2023, and the related consolidated statements of operations, stockholders’ equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and 2023 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

### Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has an accumulated deficit, continuing operating losses, and a working capital deficit. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### Complex Equity Transactions

As discussed in Note 5 and Note 8, the Company has outstanding Series B and Series C Convertible Preferred Stock that is required to be analyzed pursuant to ASC 815, Derivatives and Hedging. Management uses an option pricing model to evaluate the fair value of its derivative liabilities, which requires management to make assumptions related to fair value measurements. Calculations and accounting for these features require management’s judgments related to initial and subsequent recognition of the debt and related features, use of a valuation model, and value of the inputs used in the selected valuation model.

How We Addressed the Matter

Our audit procedures related to the evaluation of the Company's accounting for these instruments included the following, among others:

- o We obtained an understanding of management's process and methodology.
- o We independently evaluated the inputs utilized by management in order to determine the relevance and reliability of data used.
- o We evaluated the underlying contracts and agreements and recalculated the fair value of derivative liabilities and related disclosures.

*Fruci & Associates II, PLLC*

Fruci & Associates II, PLLC – PCAOB ID #05525  
We have served as the Company's auditor since 2024.

Spokane, Washington  
April 30, 2025

**IHOT-OXYS, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 23,593	\$ 644
Accounts receivable, net	–	5,460
Prepaid expenses and other current assets	2,139	2,306
Total Current Assets	<u>25,732</u>	<u>8,410</u>
Intangible assets, net	149,449	199,085
Total Assets	<u>\$ 175,181</u>	<u>\$ 207,495</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current Liabilities		
Accounts payable	\$ 322,473	\$ 219,551
Accrued liabilities	693,914	534,138
Deferred revenue	31,425	31,425
Notes payable - current	138,942	435,000
Shares payable to related parties	18,638	15,225
Salaries payable to related parties	538,981	380,579
Derivative liabilities	758,787	535,653
Total Current Liabilities	<u>2,503,160</u>	<u>2,151,571</u>
Notes payable	255,000	58,988
Due to stockholders	1,000	1,000
Total Liabilities	<u>2,759,160</u>	<u>2,211,559</u>
Commitments and Contingencies (Note 4)		
Series B Convertible Preferred Stock, 600 shares designated, \$0.001 Par Value, \$1,200 stated value; 583 shares and 516 shares issued and outstanding at December 31, 2024 and 2023, respectively. Liquidation preference of \$694,800 and \$619,200 at December 31, 2024 and 2023, respectively	694,800	619,200
Series C Convertible Preferred Stock, 5,000 shares designated, \$0.001 Par Value, \$1,200 stated value; 57 shares and 0 shares issued and outstanding at December 31, 2024 and 2023, respectively. Liquidation preference of \$68,400 and \$0 at December 31, 2024 and 2023, respectively	68,400	–
Stockholders' Equity (Deficit)		
Preferred Stock, \$0.001 par value, 10,000,000 Shares authorized		
Series A Preferred Stock, 25,845 shares issued and outstanding at December 31, 2024 and 2023, respectively	26	26
Common Stock \$0.001 Par Value, 3,000,000,000 shares authorized; 555,015,293 shares and 470,015,293 shares issued and outstanding at December 31, 2024 and 2023, respectively	555,016	470,016
Additional paid in capital	7,306,031	7,350,291
Accumulated deficit	(11,208,252)	(10,443,597)
Total Stockholders' Equity (Deficit)	<u>(3,347,179)</u>	<u>(2,623,264)</u>
Total Liabilities and Stockholders' Equity	<u>\$ 175,181</u>	<u>\$ 207,495</u>

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

**IHOT-OXYS, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**

	<b>For The Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Revenues	\$ 2,500	\$ 114,666
Cost of Sales	2,125	76,645
Gross Profit	<u>375</u>	<u>38,021</u>
Operating Expenses		
Amortization of intangible assets	49,636	49,500
Bad debt	–	214,103
General and administrative	378,638	467,817
Total Operating Expenses	<u>428,274</u>	<u>731,420</u>
Other Income (Expense)		
Loss on change in FMV of derivative liability	(111,523)	(4,100)
Loss on derivatives	–	(185,973)
Interest income	–	25,969
Interest expense	(174,541)	(210,426)
Other income	34,228	–
Total Other Income (Expense)	<u>(251,836)</u>	<u>(374,530)</u>
Net Loss Before Income Taxes	(679,735)	(1,067,929)
Provision for Income Tax	–	–
Net Loss	\$ (679,735)	\$ (1,067,929)
Convertible Preferred Stock Dividend	(84,920)	(68,531)
Net Loss Attributable to Common Stockholders	<u>\$ (764,655)</u>	<u>\$ (1,136,460)</u>
Net Profit (Loss) Per Share Attributable to Common Stockholders - Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted Average Shares Outstanding Attributable to Common Stockholders - Basic and Diluted	<u>545,780,320</u>	<u>406,685,267</u>

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

**IHOT-OXYS, Inc. and Subsidiaries**  
**Consolidated Statements of Stockholders' Equity (Deficit)**

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity (Deficit)</u>
	<u>Series A</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance - December 31, 2022	25,845	\$ 26	352,174,583	\$ 352,175	\$ 7,141,877	\$ (9,307,137)	\$ (1,813,059)
Common stock issued for financing commitments	-	-	31,603,364	31,604	22,592	-	54,196
Sales commissions paid on capital raise	-	-	-	-	(2,324)	-	(2,324)
Common stock issued for services	-	-	3,450,000	3,450	1,215	-	4,665
Common stock issued for settlement of accrued interest on note payable	-	-	20,000,000	20,000	(2,000)	-	18,000
Common stock issued for conversion of convertible note payable	-	-	62,787,345	62,787	2,637	-	65,424
Loss on extinguishment of notes payable	-	-	-	-	186,294	-	186,294
Net loss	-	-	-	-	-	(1,136,460)	(1,136,460)
Balance - December 31, 2023	<u>25,845</u>	<u>26</u>	<u>470,015,293</u>	<u>470,016</u>	<u>7,350,291</u>	<u>(10,443,597)</u>	<u>(2,623,264)</u>
Common stock issued for conversion of convertible note payable	-	-	85,000,000	85,000	(38,000)	-	47,000
Sales commissions paid on capital raise	-	-	-	-	(6,260)	-	(6,260)
Net loss	-	-	-	-	-	(764,655)	(764,655)
Balance - December 31, 2024	<u>25,845</u>	<u>\$ 26</u>	<u>555,015,293</u>	<u>\$ 555,016</u>	<u>\$ 7,306,031</u>	<u>\$ (11,208,252)</u>	<u>\$ (3,347,179)</u>

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

**IHOT-OXYS, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**

	<b>For the Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (764,655)	\$ (1,136,460)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock compensation expense for services	–	4,665
Bad debts	–	214,103
Amortization of debt discount on notes payable and preferred stock	–	12,400
Amortization of intangible assets	49,636	49,500
Loss on change in FMV of derivatives	111,523	–
Loss on extinguishment of notes payable	–	186,294
Changes in Operating Assets and Liabilities		
Decrease in accounts receivable	5,460	4,663
Decrease in prepaid expenses and other current assets	167	5,467
Increase in accounts payable	118,276	86,145
Increase in accrued liabilities	159,776	248,368
Increase in derivative liability	111,612	65,779
Decrease in unearned interest	–	(5,151)
Increase in shares payable to related parties	3,413	601
Increase in salaries payable to related parties	158,402	117,063
Net Cash Used in Operating Activities	<u>(46,391)</u>	<u>(146,564)</u>
<b>Cash Flows from Investing Activities</b>		
Cash paid for note receivable	–	–
Net Cash used in Investing Activities	<u>–</u>	<u>–</u>
<b>Cash Flows from Financing Activities</b>		
Cash received from sale of common stock, net	–	51,872
Cash received from sale of Series B Preferred Stock	75,600	62,000
Cash payments of offering costs	(6,260)	–
Net Cash Provided By Financing Activities	<u>69,340</u>	<u>113,872</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,949	(32,692)
Cash and Cash Equivalents - Beginning of Period	<u>644</u>	<u>33,336</u>
Cash and Cash Equivalents - End of Period	<u>\$ 23,593</u>	<u>\$ 644</u>
<b>Supplement Disclosures of Cash Flow Information</b>		
Interest paid	\$ –	\$ –
Income taxes paid	\$ –	\$ –
<b>Supplemental Disclosures of Non-Cash Investing and Financing Activities</b>		
Conversion of convertible notes payable and derivative liabilities	\$ 115,825	\$ 4,665
Deferred financing cost on notes payable	<u>–</u>	<u>75,700</u>

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

**IOT-OXYS, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024 and 2023**

**NOTE 1 – NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN**

Unless otherwise indicated, any reference to “the Company”, “we”, “us”, or “its” refers to IOT-OXYS, Inc., a Nevada corporation, and as applicable to its wholly-owned subsidiaries, OXYS Corporation, a Nevada corporation, and HereLab, Inc., a Delaware corporation.

IOT-OXYS, Inc., incorporated in Nevada on July 6, 2017, (the “**Company**”) was established for the purpose of designing, building, testing, and selling Edge Computing Systems for the Industrial Internet. The Company is currently devoting substantially all its efforts in identifying, developing and marketing engineered products, software and services for applications in the Industrial Internet which involves collecting and processing data collected from a wide variety of industrial systems and machines.

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“**GAAP**”) and include the accounts of the Company. The financial statements and accompanying notes are the representations of the Company’s management, who is responsible for their integrity and objectivity. In the opinion of the Company’s management, the financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. Certain prior year balances are reclassified to conform with current year balances for presentation purposes, resulting in no change in assets, liabilities and stockholders’ equity.

**Principles of Consolidation**

The consolidated financial statements for the years ended December 31, 2024 and 2023, respectively, include the accounts of Company, and its wholly-owned subsidiaries OXYS Corporation and HereLab, Inc. HereLab, Inc. currently is a non-operating entity and has no significant transactions. All significant intercompany balances and transactions have been eliminated.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the valuation of accounts payable, accrued liabilities and payable to related parties. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company’s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

**Going Concern**

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has suffered continuing operating losses, has a working capital deficit of \$2,477,428, net loss incurred for the year ended December 31, 2024 of \$764,655, and has an accumulated deficit of \$11,208,252 as of December 31, 2024. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern. If the Company is unable to obtain adequate capital, it could be forced to cease operations. The accompanying consolidated financial statements do not include any adjustments to reflect the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management believes that the Company will be able to achieve a satisfactory level of liquidity to meet the Company’s obligations for the next twelve months by generating cash through additional borrowings and/or sale of equity securities, as needed. However, there can be no assurance that the Company will be able to generate sufficient liquidity to maintain its operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following summary of the significant accounting policies of the Company is presented to assist in the understanding of the Company's financial statements. These accounting policies conform to the generally accepted accounting principles (the "GAAP") in all material respects and have been consistently applied in preparing the accompanying consolidated financial statements.

### **Cash and Cash Equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. The Company reported a cash balance of \$23,593 and \$644 as of December 31, 2024 and 2023, respectively.

### **Accounts Receivable and Allowance for Doubtful Accounts**

Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts. The Company determines the allowance for doubtful accounts by identifying potential troubled accounts and by using historical experience and future expectations applied to an aging of accounts and follows the guidelines and processes of measuring both current and expected future credit losses. Trade accounts receivable are written off when deemed uncollectible. Recoveries of trade accounts receivable previously written off are recorded as income when received. The Company adopted and implemented Accounting Standards Codification ("ASC") Topic 326 *Financial Instruments – Credit Losses* during 2023 which has no impact on the financial statements as of December 31, 2024. There was no allowance for doubtful accounts as of December 31, 2024 and 2023, respectively.

### **Long-Lived Assets**

The Company regularly reviews the carrying value and estimated lives of its long-lived assets to determine whether indicators of impairment may exist that warrant adjustments to the carrying value or estimated useful lives. The determinants used for this evaluation include management's estimate of the asset's ability to generate positive income from operations and positive cash flow in future periods as well as the strategic significance of the assets to the Company's business objectives.

Definite-lived intangible assets are amortized on a straight-line basis over the estimated periods benefited and are reviewed when appropriate for possible impairment.

### **Basic and Diluted Earnings (Loss) Per Common Share**

The Company computes earnings (loss) per share in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC"), ASC 260, "*Earnings per Share*". ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible note and preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

## **Revenue Recognition**

The Company recognizes revenue when the products are delivered to the customer or services are performed in accordance with the contractual terms of the contract with its customer. The Company recognizes revenue in accordance with ASC Topic No. 606, *Revenue from Contracts with Customers* which was adopted on January 1, 2018.

The Company recognizes revenue based on the following criteria of ASC 606:

- Identification of a contract or contracts with a customer.
- Identification of the performance obligations in the contract.
- Determination of contract price.
- Allocation of transaction price to the performance obligation.
- Recognition of revenue when, or as, performance obligation is satisfied.

The Company used a practical expedient available under ASC 606-10-65-1(f)4 that permits it to consider the aggregate effect of all contract modifications that occurred before the beginning of the earliest period presented when identifying satisfied and unsatisfied performance obligations, transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations.

The Company has elected to treat shipping and handling activities as the cost of sales. Additionally, the Company has elected to record revenue net of sales and other similar taxes.

## **Concentration of Credit Risk**

Financial instruments that potentially expose the Company to concentrations of risk consist primarily of cash and cash equivalents which are generally not collateralized. The Company's policy is to place its cash and cash equivalents with high quality financial institutions, in order to limit the amount of credit exposure. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000. At December 31, 2024 and 2023, the Company had no amounts in excess of the FDIC insurance limit.

## **Fair Value of Financial Instruments and Fair Value Measurements**

ASC 820, "*Fair Value Measurements and Disclosures*", requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities. The Company recorded derivative liabilities as Level 3 to measure the fair value of the change in derivative liabilities.

The Company's consolidated financial instruments consist principally of cash, accounts receivable, prepaid expenses, accounts payable, accrued liabilities, notes payable and related parties payable. The Company believes that the recorded values of all the financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

### **Income Taxes**

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, "*Income Taxes*". The asset and liability method provide that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

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

### **Convertible Debt and Convertible Preferred Stock**

When the Company issues convertible debt or convertible preferred stock, it first evaluates the balance sheet classification of the convertible instrument in its entirety to determine whether the instrument should be classified as a liability under ASC 480, *Distinguishing Liabilities from Equity*, and second whether the conversion feature should be accounted for separately from the host instrument. A conversion feature of a convertible debt instrument or certain convertible preferred stock would be separated from the convertible instrument and classified as a derivative liability if the conversion feature, were it a standalone instrument, meets the definition of an "embedded derivative" in ASC 815, *Derivatives and Hedging*. Generally, characteristics that require derivative treatment include, among others, when the conversion feature is not indexed to the Company's equity, as defined in ASC 815-40, or when it must be settled either in cash or by issuing stock that is readily convertible to cash. When a conversion feature meets the definition of an embedded derivative, it would be separated from the host instrument and classified as a derivative liability carried on the consolidated balance sheet at fair value, with any changes in its fair value recognized currently in the consolidated statements of operations.

Effective January 1, 2022, the Company early adopted ASU 2020-06, "*Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*" using the modified retrospective method of adoption. ASU 2020-06 simplifies the accounting for convertible instruments by removing certain separation models in Subtopic 470-20, *Debt—Debt with Conversion and Other Options*, for convertible instruments. Under ASU 2020-06, the embedded conversion features are no longer separated from the host contract for convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, *Derivatives and Hedging*, or that do not result in substantial premiums accounted for as paid-in capital. Consequently, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost as long as no other features require bifurcation and recognition as derivatives. By removing those separation models, the interest rate of convertible debt instruments typically will be closer to the coupon interest rate when applying the guidance in Topic 835, *Interest*. The Company accounts for its Convertible Notes as single liabilities measured at amortized cost. As a result, the adoption of the guidance had a material impact on the consolidated financial statements and accompanying notes, resulting in adjustments of \$371,125, \$313,976 and \$57,149 to the opening balance of additional paid-in capital, retained earnings, and long-term debt, respectively, as of January 1, 2022. The Company has updated its debt note (Note 5) with additional and modified disclosures as required by the standard upon adoption.

## Segment Information

The Company's Chief Executive Officer ("CEO") is our chief operating decision maker ("CODM") and evaluates performance and makes operating decisions about allocating resources based on financial data presented on a consolidated basis. Because our CODM evaluates financial performance on a consolidated basis, the Company has determined that it operates as a single reportable segment composed of the financial results of IIOT-OXY, Inc. (see Note 9).

## Recent Accounting Pronouncements

In December 2023, the FASB issued *ASU No. 2023-09, Income Taxes (Topic 720): Improvements to Income Tax Disclosures ("ASU 2023-09")*, which prescribes standard categories for the components of the effective tax rate reconciliation and requires disclosure of additional information for reconciling items meeting certain quantitative thresholds, requires disclosure of disaggregated income taxes paid, and modifies certain other income tax-related disclosures. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 and allows for adoption on a prospective basis, with a retrospective option. The Company adopted the ASU 2023-09 as of January 1, 2024 and it did not have an impact of the adoption of ASU 2023-09 on its consolidated financial statements.

In November 2023, the FASB issued *ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07")*, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The disclosures requirements included in ASU 2023-07 are required for all public entities, including those with a single reportable segment. ASU 2023-07 is effective for annual periods beginning after December 15, 2024, on a retrospective basis, and early adoption is permitted. The Company adopted the ASU 2023-07 and it did not have an impact on its consolidated financial statements.

## **NOTE 3 – INTANGIBLE ASSETS**

The Company's intangible assets comprise of intellectual property revolving around their field tests, sensor integrations, and board designs. Intangible assets, net of amortization amounted to \$149,449 and \$199,085 at December 31, 2024 and December 31, 2023, respectively.

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Intangible Assets	\$ 495,000	\$ 495,000
Accumulated amortization	(345,551)	(295,915)
Intangible Assets, net	<u>\$ 149,449</u>	<u>\$ 199,085</u>

The Company determined that none of its intangible assets were impaired as of December 31, 2024 and 2023, respectively. Amortizable intangible assets are amortized using the straight-line method over their estimated useful lives of ten years. The amortization expense of finite-lived intangibles was \$49,636 and \$49,500 for the years ended December 31, 2024 and 2023, respectively.

The following table summarizes the Company's estimated future amortization expense of intangible assets with finite lives as of December 31, 2024:

	<b>Amortization Expense</b>
2025	\$ 49,500
2026	49,500
2027	49,500
Thereafter	949
Total	<u>\$ 149,449</u>

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

In prior years, the Company entered into consulting agreements with one director, three executive officers, and one engineer of the Company, which included commitments to issue shares of the Company's common stock from the Company's 2017 Stock Incentive Plan and 2019 Stock Incentive Plans. The authorized shares pursuant to the 2017 Stock Incentive Plan were 4,500,000 shares, and per 2019 Stock Incentive Plan were 5,000,000 shares. All the consulting agreements have been terminated, and shares have been issued in conjunction with the related separation agreements. According to the terms of the agreements, 3,547,788 shares were vested and issued per the Company's 2017 Stock Incentive Plan as of December 31, 2024 and 2023, and 3,530,000 shares were vested and issued per the Company's 2019 Stock Incentive Plan as of December 31, 2024 and 2023, respectively.

In the event that the agreement is terminated by either party pursuant to the terms of the agreement, all unvested shares which have been earned shall vest on a pro-rata basis as of the effective date of the termination of the agreement and all unearned, unvested shares shall be terminated. The value of the shares was assigned at fair market value on the effective date of the agreement and the pro-rata number of shares earned was calculated and amortized at the end of each reporting period.

On March 18, 2022, the Company adopted 2022 Stock Incentive Plan and reserved 20,000,000 shares of common stock for incentivizing its management team. Pursuant to the terms of the 2022 Plan, 8,100,000 shares of common stock were vested, and 3,100,000 shares were issued as of December 31, 2024 and 2023, respectively.

##### **Employment Agreement – CEO**

On June 2, 2022, the Board approved an Employment Agreement with the CEO dated effective April 1, 2022 whereby, the CEO will receive an annual salary of \$100,000 which accrues unless converted into shares of common stock of the Company at a stipulated conversion rate. If the Company reaches \$1,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$150,000 commencing the following month. If the Company reaches \$5,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$200,000 commencing the following month. The Company awarded the CEO an aggregate of 7,000,000 shares of the Company's common stock under the 2022 Stock Incentive Plan, which will vest (i) 1,500,000 shares on April 1, 2023, (ii) 2,500,000 shares on April 1, 2024, and (iii) 3,000,000 shares on April 1, 2025. The shares are valued at 90% of the average market price of the shares of 30 trading days at the end of each quarter. The Company has recorded \$279,352 and \$199,053 in salaries payable to the CEO as of December 31, 2024 and 2023, respectively.

##### **Employment Agreement – COO/Interim CFO**

On June 2, 2022, the Board approved an Employment Agreement with the COO/Interim CFO dated effective April 1, 2022, whereby, the officer will receive an annual salary of \$100,000 which accrues unless converted into shares of common stock of the Company at a stipulated conversion rate. If the Company reaches \$1,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$150,000 commencing the following month. If the Company reaches \$5,000,000 in cumulative sales over a 12-month period, the annual salary will increase to \$200,000 commencing the following month. The Company awarded the COO/Interim CFO an aggregate of 7,000,000 shares of the Company common stock under the 2022 Stock Incentive Plan, which will vest (i) 1,500,000 shares on April 1, 2023, (ii) 2,500,000 shares on April 1, 2024, and (iii) 3,000,000 shares on April 1, 2025. The shares are valued at 90% of the average market price of the shares of 30 trading days at the end of each quarter. The Company recorded \$263,041 and \$181,526 in salaries payable to the COO/Interim CFO as of December 31, 2024 and 2023, respectively.

## NOTE 5 – CONVERTIBLE NOTES PAYABLE

The following table summarizes the outstanding balance of convertible notes payable, interest and conversion rates as of December 31, 2024 and 2023, respectively.

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<b>A.</b> Convertible note payable to an investor with interest at 12% per annum, convertible at any time into shares of common stock at the lowest VWAP or \$0.001 per share. The balance of principal and accrued and unpaid interest is payable on maturity on March 1, 2026. The note is secured by substantially all the assets of the Company.	\$ 205,000	\$ 205,000
<b>B.</b> Convertible note payable to an investor with interest at 5% per annum, convertible at any time into shares of common stock at \$0.00084 per share. Interest is payable annually with the balance of principal and interest due on maturity on March 1, 2024. The note is secured by substantially all the assets of the Company.	–	55,000
<b>D.</b> Convertible note payable to an investor with interest at 12% per annum, convertible at any time into shares of common stock at the lowest VWAP or \$0.001 per share. The balance of principal and accrued and unpaid interest is payable on maturity on March 1, 2026. The note is secured by substantially all the assets of the Company.	50,000	50,000
<b>E.</b> Convertible note payable to a related party with interest at 12% per annum, convertible at any time into shares of common stock at \$0.00084 per share. Interest is payable quarterly with the balance of principal and interest due on maturity on August 2, 2025. The note is secured by substantially all the assets of the Company.	125,000	125,000
<b>G.</b> Convertible note payable to an investor with interest at 10% per annum, convertible at any time into shares of common stock at \$0.0006 per share. Note was issued as payment for future fees to be incurred under the related Equity Financing Agreement. Principal and interest due on maturity on April 29, 2025. The note is secured by substantially all the assets of the Company.	13,942	58,988
	<u>393,942</u>	<u>493,988</u>
Less current portion	<u>(138,942)</u>	<u>(435,000)</u>
Long term portion	<u>\$ 255,000</u>	<u>\$ 58,988</u>

**A. January 18, 2018 Convertible Note (“Note A”)**

On March 14, 2022, the noteholder of Note A agreed to extend the maturity date of March 1, 2022 of the Senior Secured Convertible Promissory Note to March 1, 2023, in exchange for the reduction of the conversion price to \$0.008 per share, and all prior Events of Default (as defined in the Note A) including penalties were waived, and all future Events of Default (as defined in the Note A) pertaining to the future payment of interest were waived through maturity. On July 21, 2023, the noteholder of Note A agreed to extend the maturity date to March 1, 2024 and then Note A was automatically extended for a one-year term to March 1, 2026 unless written notice of objection was provided by the noteholder. The Note A is convertible into shares of common stock at the lowest closing VWAP of the share price or \$0.001 per share during the look back period of 10 days prior to the conversion date, provided:

- Upon request of the noteholder of Note A, the Company shall issue twenty thousand dollars (\$20,000) worth of common shares (the “1<sup>st</sup> Incentive Shares”) and the price per 1<sup>st</sup> Incentive Share shall be the Volume-Weighted Average Price (VWAP) per common share of the Company (subject to adjustments) for the previous ten trading days.
- The Company shall use its best efforts to file a registration statement registering the resales of the 1<sup>st</sup> Incentive Shares within 45 calendar days from the date hereof. The Company shall use its best efforts to have the registration statement declared “effective” within sixty (60) calendar days from its filing. The Company shall use its best efforts to have a registration statement registering the resales of the 1<sup>st</sup> Incentive Shares remain effective until such time that the noteholder of Note A no longer holds any such 1<sup>st</sup> Incentive Shares.
- Upon full conversion of the Note A and Note D, the Company shall issue to the holder of Note A fifty thousand dollars (\$50,000) worth of common shares (the “2<sup>nd</sup> Incentive Shares”) and the price per 2<sup>nd</sup> Incentive Share shall be the VWAP per common share of the Company (subject to adjustments) for the previous ten (10) Trading Days.
- The Company shall use its best efforts to file a registration statement registering the resales of the 2<sup>nd</sup> Incentive Shares within forty-five (45) calendar days from the date of issuance. The Company shall use its best efforts to have the registration statement declared “effective” within sixty (60) calendar days from its filing. The Company shall use its best efforts to have a registration statement registering the resales of the 2<sup>nd</sup> Incentive Shares remain effective until such time that the noteholder of Note A no longer holds any such 2<sup>nd</sup> Incentive Shares.

The Company recorded interest expense of \$24,667 and \$24,600 for the years ended December 31, 2024 and 2023, respectively. Accrued interest payable on Note A was \$209,135 and \$184,468 as of December 31, 2024 and December 31, 2023, respectively. The principal balance payable on Note A amounted to \$205,000 at December 31, 2024 and 2023, respectively.

**B. January 2019 Convertible Note (“Note B”)**

Effective March 1, 2021, the noteholder of Note B agreed to extend the maturity date of the Senior Secured Convertible Promissory Note to March 1, 2024, and all prior Events of Default (as defined in the Note B) including penalties were waived, and all other terms of Note B remain the same.

On February 5, 2024, the Company and the noteholder of Convertible Promissory Note B entered into a Debt Exchange Agreement to convert \$55,000 principal balance of Note B and \$13,825 of accrued and unpaid interest as of the maturity date of Note B on March 1, 2024. In exchange for the cancellation of all indebtedness of the Company owed to noteholder B as evidenced by the Convertible Note, and for no additional consideration, the Company agreed to issue to noteholder B, 57 shares of the Company’s Series C convertible preferred stock, at the stated value of \$1,200 per share (See Note 8). The Series C Convertible Preferred Stock is classified as temporary equity, as it is convertible upon issuance at an amount equal to the lowest traded price for the Company’s common stock for the fifteen trading days immediately preceding the date of conversion.

Based on the requirements of ASC 815, *Derivatives and Hedging*, the conversion feature represents an embedded derivative that is required to be bifurcated and accounted for as a separate derivative liability. The derivative liability is originally recorded at its estimated fair value and is required to be revalued at each conversion event and reporting period. Changes in the derivative liability fair value are reported in operating results each reporting period.

The Company recorded interest expense of \$693 and \$2,750 for the years ended December 31, 2024 and 2023, respectively. This note and accrued interest was due to a related party. Accrued interest payable on Note B totaled \$0 and \$13,592 as of December 31, 2024 and 2023, respectively. The principal balance payable on Note B amounted to \$0 and \$55,000 at December 31, 2024 and 2023, respectively.

**D. March 2019 Convertible Note (“Note D”)**

On March 14, 2022, the noteholder of Note D agreed to extend the maturity date of March 1, 2022 of the Senior Secured Convertible Promissory Note to March 1, 2023, in exchange for the reduction of the conversion price to \$0.008 per share, and all prior Events of Default (as defined in the Note D) including penalties were waived, and all future Events of Default (as defined in the Note D) pertaining to the future payment of interest were waived through maturity. On July 21, 2023, the noteholder of Note D agreed to extend the maturity date to March 1, 2024 and then Note D was automatically extended for a one-year term to March 1, 2026 unless written notice of objection was provided by the noteholder. The Note D is convertible into shares of common stock at the lowest VWAP of \$0.001 per share during the look back period (see “Note A” above).

The Company recorded interest expense of \$6,016 and \$6,000 for the year ended December 31, 2024 and 2023, respectively. Accrued interest payable on Note D totaled \$32,714 and \$26,697 at December 31, 2024 and 2023, respectively. The principal balance payable on Note D amounted to \$50,000 at December 31, 2024 and 2023, respectively.

**E. August 2019 Convertible Note (“Note E”)**

On August 5, 2024, the noteholder of Note E agreed to extend the maturity date of the Senior Secured Convertible Promissory Note to August 2, 2025 for no additional consideration. All other terms and conditions of the Note E remained the same.

The Company recorded interest expense of \$15,941 and \$15,000 on Note E for the year ended December 31, 2024 and 2023, respectively. Accrued interest payable on Note E was \$78,731 and \$63,690 at December 31, 2024 and 2023, respectively. This note is payable to a related party. The principal balance payable on Note E amounted to \$125,000 as of December 31, 2024 and 2023, respectively.

**G. July 2020 Equity Financing Arrangement (“Note G”)**

On April 29, 2022, the noteholder of Note G agreed to extend the maturity date of the Secured Convertible Promissory Note to April 29, 2023. On May 1, 2023, the noteholder of Note G agreed to extend the maturity date of the Secured Convertible Promissory Note to April 29, 2025. All other terms and conditions of the Note G remained the same.

During the year ended December 31, 2024, the noteholder of Note G converted principal amount of \$45,045 and accrued interest of \$1,955 in exchange for 85,000,000 shares of common stock of the Company.

The Company recorded interest expense on Note G \$1,123 and \$9,748 for the years ended December 31, 2024 and 2023, respectively. Accrued interest payable on Note G was \$1,123 and \$0 as of December 31, 2024 and 2023, respectively. The principal balance payable of Note G amounted to \$13,942 and \$58,988 at December 31, 2024 and 2023, respectively.

**NOTE 6 – EARNINGS (LOSS) PER SHARE**

The following table sets forth the computation of basic and diluted net loss per share of common stock for the years ended December 31, 2024 and 2023, respectively:

	For the Year Ended December 31,	
	2024	2023
Net loss attributable to common stockholders (basic)	\$ (764,655)	\$ (1,136,460)
Shares used to compute net loss per common share, basic and diluted	545,780,320	406,685,267
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.00)	\$ (0.00)

Basic net loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted-average number of common shares and common share equivalents outstanding for the period. Common stock equivalents are only included when their effect is dilutive. The Company's potentially dilutive securities which include stock options, convertible debt, convertible preferred stock and common stock warrants have been excluded from the computation of diluted net loss per share as they would be anti-dilutive. For all periods presented, there is no difference in the number of shares used to compute basic and diluted shares outstanding due to the Company's net loss position.

The following outstanding common stock equivalents have been excluded from diluted net loss per common share for the years ended December 31, 2024 and 2023, respectively, because their inclusion would be anti-dilutive:

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
Warrants to purchase common stock	–	2,868,397
Potentially issuable shares related to convertible notes payable and convertible preferred stock	764,494,742	837,994,510
Potentially issuable vested shares to directors and officers	8,300,000	–
Potentially issuable unvested shares to directors and officers	6,000,000	–
<b>Total anti-dilutive common stock equivalents</b>	<b>778,794,742</b>	<b>840,862,907</b>

#### **NOTE 7 – RELATED PARTIES**

At December 31, 2024 and 2023, respectively, the amount due to two stockholders was \$1,000 relating to depositing funds for opening bank accounts for the Company. The Company leases its current office facility from these stockholders on a month-to-month basis at a monthly rent of \$250 starting January 1, 2020. Rent expense totaled \$3,000 for each of the years ended December 31, 2024 and 2023, respectively. The Company has recorded \$3,000 and \$250 as rent payable to the stockholder in accounts payable as of December 31, 2024 and 2023, respectively. In addition, the Company has recorded a payable to a director of \$12,000, and a payable to its officer of \$1,600 for reimbursable expenses as of December 31, 2024 and 2023, respectively.

The Company executed a convertible promissory note payable with an officer and director (see Note B) and indebted in the principal amount of \$55,000 (See Note 5) as of December 31, 2023. On February 5, 2024, the Company and the noteholder of Convertible Promissory Note B entered into a Debt Exchange Agreement to convert \$55,000 principal balance of Note B and \$13,825 of accrued and unpaid interest as of the maturity date of Note B on March 1, 2024. In exchange for the cancellation of all indebtedness of the Company owed to noteholder B as evidenced by the Convertible Note, and for no additional consideration, the Company agreed to issue to the noteholder B, 57 shares of the Company's Series C convertible preferred stock, at the stated value of \$1,200 per share (See Note 8).

The Company executed three convertible promissory notes payable to a director (see Note E) for the principal amount of \$125,000 and recorded accrued interest payable of \$78,731 and \$63,690 as of December 31, 2024 and 2023, respectively.

#### **NOTE 8 – STOCKHOLDERS' EQUITY**

The Company has an authorized capital of 3,000,000,000 shares, \$0.001 par value common stock, and 10,000,000 shares of \$0.001 par value preferred stock at December 31, 2024. The Company has 555,015,293 shares and 470,015,293 shares of common stock and Series A Preferred Stock 25,845 shares issued and outstanding as of December 31, 2024 and 2023, respectively.

## Common Stock

Holders of shares of common stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of common stock do not have cumulative voting rights. Holders of common stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available, therefore. In the event of liquidation, dissolution, or winding up of the Company, the holders of common stock are entitled to share pro rata in all assets remaining after payment in full of all liabilities. All of the outstanding shares of common stock are fully paid and non-assessable. Holders of common stock have no preemptive rights to purchase the Company's common stock. There are no conversion or redemption rights or sinking fund provisions with respect to the common stock.

On February 24, 2021, the Company entered into a Common Stock Purchase Agreement with an investor pursuant to which the investor agreed to purchase up to \$5,000,000 of the Company's registered common stock at \$0.015 per share. Pursuant to the Agreement, purchases may be made by the Company during the Commitment Period (as defined in the Agreement) through the submission of a purchase notice to the investor no sooner than ten business days after the preceding closing. No purchase notice can be made in an amount less than \$10,000 or greater than \$500,000 or greater than two times the average of the daily trading dollar volume for the Company's common stock during the ten business days preceding the purchase date. Each purchase notice is limited to the investor beneficially owning no more than 4.99% of the total outstanding common stock of the Company at any given time. There are certain conditions precedent to each purchase including, among others, an effective registration statement in place and the VWAP of the closing price of the Company's common stock greater than \$0.0175 for the Company's common stock during the five business days prior to closing.

From January 1, 2024 to December 31, 2024, the noteholder of Note G converted the principal balance of \$45,045 and accrued interest of \$1,955 into 85,000,000 shares of common stock. The shares issued were valued at the fair value of common stock on the date of issuance.

## Stock Incentive Plans

On December 14, 2017, the Board of Directors of the Company approved the 2017 Stock Incentive Plan (the "**2017 Plan**"). Awards may be made under the 2017 Plan for up to 4,500,000 shares of common stock of the Company. All of the Company's employees, officers and directors, as well as consultants and advisors to the Company are eligible to be granted awards under the 2017 Plan. No awards can be granted under the 2017 Plan after the expiration of 10 years from the plan approval, but awards previously granted may extend beyond that date. Awards may consist of both incentive and non-statutory options, restricted stock units, stock appreciation rights, and restricted stock awards.

On March 11, 2019, the Board of Directors of the Company approved the 2019 Stock Incentive Plan (the "**2019 Plan**"). Awards may be made under the 2019 Plan for up to 5,000,000 shares of common stock of the Company. All of the Company's employees, officers and directors, as well as consultants and advisors to the Company are eligible to be granted awards under the 2019 Plan. No awards can be granted under the 2019 Plan after the expiration of 10 years from the plan approval, but awards previously granted may extend beyond that date. Awards may consist of both incentive and non-statutory options, restricted stock units, stock appreciation rights, and restricted stock awards.

On March 18, 2022, the Board of Directors approved and adopted the 2022 Stock Incentive Plan (the "**2022 Plan**"). Awards may be made under the 2022 Plan for up to 20,000,000 shares of common stock of the Company, subject to adjustment as to the number and kind of shares awarded. Only employees and directors of the Company or an Affiliated company are eligible to receive Incentive Options under the 2022 Plan. The Company awarded 7,000,000 shares of the Company's common stock to an officer and 7,000,000 shares of common stock to a director of the Company (see Note 4) vesting 1,500,000 shares vesting on the first anniversary on the date of issuance, 2,500,000 shares vesting on the second anniversary of the date of issuance, and 3,000,000 shares on the third anniversary of the date of issuance. In addition, on October 3, 2022, the Company awarded 300,000 shares of common stock to an advisor vesting 100,000 shares on the first anniversary date of issuance, 100,000 shares vesting on the second anniversary, and the remaining 100,000 vesting the third anniversary of the date of issuance. The common shares vested pursuant to the 2022 Plan amounted to 8,300,000 shares at December 31, 2024, and 3,100,000 shares at December 31, 2023, and the 6,000,000 shares remain unvested as of December 31, 2024. For the years ended December 31, 2024 and 2023, the Company recorded \$3,413 and \$601 as stock compensation expense for 4,515,068 shares and 3,000,000 shares, respectively. 6,000,000 shares payable to an officer and a director that remain unvested as of December 31, 2024. Total shares payable to an officer, consultant and a director totaled 7,083,562 shares and 2,368,493 shares on December 31, 2024 and 2023, respectively.

Shares earned and issued related to the consulting agreements are issued under the 2017 Stock Incentive Plan, the 2019 Stock Incentive Plan, and the 2022 Stock Incentive Plan (see Note 4).

Vesting of the shares is subject to acceleration of vesting upon the occurrence of certain events such as a Change of Control (as defined in the agreement) or the listing of the Company's common stock on a senior exchange.

A summary of the status of the Company's non-vested shares at December 31, 2024 and 2023 and changes during the years ended, is presented below:

<b>2022 Stock Incentive Plan</b>	<b>Shares of Common Stock</b>	<b>Weighted Average Exercise Price</b>
Authorized shares per the 2022 Plan – 20,000,000 shares		
Balance at December 31, 2022	–	\$ –
Awarded	14,300,000	0.006146
Vested	–	–
Forfeited	–	–
Balance at December 31, 2023	14,300,000	\$ 0.006146
Awarded	–	–
Vested	(8,300,000)	–
Forfeited	–	–
Balance at December 31, 2024 – (Unvested)	6,000,000	\$ 0.006146
Balance at December 31, 2024 – (Vested)	8,300,000	–
Total Options outstanding – December 31, 2024	14,300,000	\$ 0.006146

### **Preferred Stock**

#### **Series A Supervoting Convertible Preferred Stock**

On July 2, 2020, the Board of Directors of the Company authorized the issuance of 15,600 shares of preferred stock, \$0.001 par value per share, designated as Series A Supervoting Convertible Preferred Stock.

Dividends: Initially, there will be no dividends due or payable on the Series A Supervoting Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Company's Articles of Incorporation.

Liquidation and Redemption Rights: Upon the occurrence of a Liquidation Event (as defined below), the holders of Series A Supervoting Preferred Stock are entitled to receive net assets on a pro-rata basis. Each holder of Series A Supervoting Preferred Stock is entitled to receive ratably any dividends declared by the Board, if any, out of funds legally available for the payment of dividends. Liquidation Event means (i) the liquidation, dissolution or winding-up, whether voluntary or involuntary, of the Company, (ii) the purchase or redemption by the Company of the shares of any class of stock or the merger or consolidation of the Company with or into any other corporation or corporations, or (iii) the sale, license or lease of all or substantially all, or any material part of, the Company's assets.

Conversion: Each holder of Series A Supervoting Preferred Stock may voluntarily convert its shares into shares of common stock of the Company at a rate of 1:100 (as may be adjusted for any combinations or splits with respect to such shares).

Rank: All shares of the Series A Supervoting Preferred Stock shall rank senior to the Company's (A) common stock, par value \$0.001 per share, and any other class or series of capital stock of the Company hereafter created.

Voting Rights:

A. If at least one share of Series A Super Voting Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Super Voting Preferred Stock at any given time, regardless of their number, shall have voting rights equal to 20 times the sum of: i) the total number of shares of Common stock which are issued and outstanding at the time of voting, plus ii) the total number of shares of all Series of Preferred stocks which are issued and outstanding at the time of voting.

B. Each individual share of Series A Super Voting Preferred Stock shall have the voting rights equal to:

[twenty times the sum of: {all shares of Common stock issued and outstanding at the time of voting + all shares of Series A and any newly designated Preferred stock issued and outstanding at the time of voting}]

Divided by:

[the number of shares of Series A Super Voting Preferred Stock issued and outstanding at the time of voting]

With respect to all matters upon which stockholders are entitled to vote or to which stockholders are entitled to give consent, the holders of the outstanding shares of Series A Super Voting Preferred Stock shall vote together with the holders of Common Stock without regard to class, except as to those matters on which separate class voting is required by applicable law or the Articles of Incorporation or Bylaws.

The Company had 25,845 shares of Series A Preferred Stock issued and outstanding at December 31, 2024 and 2023, respectively.

**Series B Convertible Preferred Stock Equity Financing**

On November 16, 2020, the Board of Directors of the Company had authorized issuance of up to 600 shares of preferred stock, \$0.001 par value per share, designated as Series B Convertible Preferred Stock. Each share of Preferred Stock shall have a par value of \$0.001 per share and a stated value of \$1,200, subject to the increase set forth in the Certificate of Designation.

Dividends: Each share of Series B Convertible Preferred Stock shall be entitled to receive, and the Company shall pay, cumulative dividends of 12% per annum, payable quarterly, beginning on the Original Issuance Date and ending on the date that such share of Series B Convertible Preferred Share has been converted or redeemed (the "Dividend End Date"). Dividends may be paid in cash or in shares of Series B Convertible Preferred Stock. From and after the initial Closing Date, in addition to the payment of dividends pursuant to Section 2(a), each Holder shall be entitled to receive, and the Company shall pay, dividends on shares of Series B Convertible Preferred Stock equal to (on an as-if-converted-to-Common-Stock basis) and in the same form as dividends actually paid on shares of the common stock when, as and if such dividends are paid on shares of the common stock. The Company shall pay no dividends on shares of the common stock unless it simultaneously complies with the previous sentence.

Voting Rights: The Series B Convertible Preferred Stock will vote together with the common stock on an as converted basis subject to the Beneficial Ownership Limitations (not in excess of 4.99% conversion limitation). However, as long as any shares of Series B Convertible Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Series B Convertible Preferred Stock directly and/or indirectly (a) alter or change adversely the powers, preferences or rights given to the Series b Convertible Preferred Stock or alter or amend this Certificate of Designation, (b) authorize or create any class of stock ranking as to redemption or distribution of assets upon a Liquidation (as defined in Section 5) senior to, or otherwise pari passu with, the Series b Convertible Preferred Stock or, authorize or create any class of stock ranking as to dividends senior to, or otherwise pari passu with, the Series b Convertible Preferred Stock, (c) amend its Articles of Incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (d) increase the number of authorized shares of Series B Convertible Preferred Stock, or (e) enter into any agreement with respect to any of the foregoing.

**Liquidation:** Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a “Liquidation”), the Holders shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the Stated Value, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages then due and owing thereon under this Certificate of Designation, for each share of Series B Convertible Preferred Stock before any distribution or payment shall be made to the holders of any Junior Securities, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the Holders shall be ratably distributed among the Holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

**Conversion:** Each share of Series B Convertible Preferred Stock shall be convertible, at any time and from time to time from and after the Original Issue Date at the option of the Holder thereof, into that number of shares of common stock (subject to the limitations) determined by dividing the Stated Value of such share of Series B Convertible Preferred Stock by the Conversion Price. The Conversion Price for the Series B Convertible Preferred Stock shall be the amount equal to the lowest traded price for the Company’s common stock for the fifteen (15) Trading Days immediately preceding the date of such conversion. All such foregoing determinations will be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the common stock during such a measuring period. Following an event of default, the Conversion price shall equal the lower of : (a) the then applicable Conversion Price; or (b) a price per share equaling 80% of the lowest traded price for the Company’s common stock during the ten (10) trading days preceding the relevant Conversion.

**Redemption:** The Series B Convertible Preferred Stock may be redeemed by payment of the stated value thereof, with the following premiums based on the time of the redemption.

- 115% of the stated value if the redemption takes place within 90 days of issuance
- 120% of the stated value if the redemption takes place after 90 days and within 120 days of issuance
- 125% of the stated value if the redemption takes place after 120 days and within 180 days of issuance; and
- each share of Preferred Stock is redeemed one year from the day of issuance

#### **November 19, 2020**

On November 19, 2020, pursuant to the terms of a Securities Purchase Agreement dated November 16, 2020 (the “SPA”), the Company entered into a new preferred equity financing agreement with GHS Investments, LLC (“GHS”) in the amount of up to \$600,000. The SPA provides GHS’s purchase, from time to time, of up to 600 shares of the newly designated Series B Convertible Preferred Stock. The initial closing under the SPA consisted of 45 shares of Series B Convertible Preferred Stock, stated value \$1,200 per share, issued to GHS for an initial purchase price of \$45,000, or \$1,000 per share. At the Company’s option, and subject to the terms of the SPA and the Certificate of Designation for the Series B Convertible Preferred Stock (the “COD”), additional closings in the amount of 40 shares of Series B Convertible Preferred Stock for a total purchase price of \$40,000 may take place at a rate of up to once every 30 days. In connection with the initial closing in the amount of 45 shares of Series B Convertible Preferred Stock, the Company issued an additional 25 shares of Series B Convertible Preferred Stock to GHS as a commitment fee.

No additional closing may take place after the two-year anniversary of the SPA, or once the entire \$600,000 amount has been funded. If the average daily dollar trading volume for the Company’s common stock for the 30 trading days preceding a particular additional closing is at least \$50,000 per day, the Company may, at its option, increase the amount of that additional closing to 75 shares of Series B Convertible Preferred Stock (\$75,000).

The Series B Convertible Preferred Stock is classified as temporary equity, as it is convertible upon issuance at an amount equal to the lowest traded price for the Company’s common stock for the fifteen trading days immediately preceding the date of conversion.

Based on the requirements of ASC 815, *Derivatives and Hedging*, the conversion feature represents an embedded derivative that is required to be bifurcated and accounted for as a separate derivative liability. The derivative liability is originally recorded at its estimated fair value and is required to be revalued at each conversion event and reporting period. Changes in the derivative liability fair value are reported in operating results each reporting period.

On November 19, 2020, GHS purchased a total of 70 shares of Series B Convertible Preferred Stock for gross proceeds of \$45,000. The Company paid \$900 in selling commissions to complete this financing.

On November 19, 2020 (the date of receipt of cash proceeds of \$45,000 issuance), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$103,267, \$58,267 as day one loss on the derivative, \$39,000 as interest expense, and \$39,000 as Series B Convertible Preferred Stock mezzanine liability, and \$45,000 as amortization.

The Company recalculated the value of the derivative liability associated with this convertible preferred stock recording a loss in connection with the change in fair market value of the derivative liability of \$14,783 and \$211 for the years ended December 31, 2024 and 2023, respectively. The Company recorded \$10,108 and \$10,080 as preferred stock dividend expense for the years ended December 31, 2024 and 2023, respectively. Derivative liability payable for this transaction totaled \$87,450 and \$72,667 at December 31, 2024 and 2023, and Series B Convertible Preferred Stock mezzanine liability was \$84,000 at December 31, 2024 and 2023, respectively.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0141, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.00065 to \$0.0184, an expected dividend yield of 0%, expected volatility ranging from 160.41% to 440.99%, risk-free interest rates ranging from 0.07% to 5.46%, and an expected term ranging from 0.13 years to 1.50 years.

#### **December 16, 2020**

On December 16, 2020, pursuant to the terms of the SPA, GHS purchased an additional 85 shares of Series B Convertible Preferred Stock for gross proceeds of \$85,000. The Company paid \$1,700 in selling commissions to complete this financing.

On December 16, 2020 (the date of receipt of cash proceeds of \$85,000 issuance), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$106,241, \$21,241 as day one loss on the derivative, \$17,000 as interest expense, and \$17,000 as Series B Convertible Preferred Stock mezzanine liability, and \$85,000 as amortization.

The Company recalculated the value of the derivative liability associated with this convertible preferred stock and recorded a loss in connection with the change in fair market value of the derivative liability of \$17,950 and \$256 for the years ended December 31, 2024 and 2023, respectively. The Company recorded preferred stock dividend expense of \$12,274 and \$12,240 for the years ended December 31, 2024 and 2023, respectively. The Company recorded \$49,497 and \$37,223 as preferred stock dividend payable as of December 31, 2024 and 2023, respectively. Derivative liability payable for this transaction totaled \$106,189 and \$88,238 at December 31, 2024 and December 31, 2023, and Series B Convertible Preferred Stock mezzanine liability was \$102,000 at December 31, 2024 and 2023, respectively.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0141, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.00065 to \$0.0184, an expected dividend yield of 0%, expected volatility ranging from 160.41% to 437.59%, risk-free interest rates ranging from 0.07% to 5.46%, and an expected term ranging from 0.21 years to 1.50 years.

### **December 20, 2021**

On December 20, 2021, pursuant to the terms of the SPA, GHS purchased an additional 51 shares of Series B Convertible Preferred Stock for gross proceeds of \$51,000. The Company paid \$1,000 in selling commissions to complete this financing. For the year ended December 31, 2021, the Company inadvertently reported this sale of 51 shares as Series A Preferred stock (See Series A Supervoting Preferred Stock). The accompanying financial statements reflect the correct purchase of Series B Convertible Preferred Stock rather than Series A Convertible Preferred Stock. The overall effect of this correction was not significant to the December 31, 2021 financial statements.

The Company recalculated the value of the derivative liability associated with this convertible preferred stock and recorded a loss in connection with the change in fair market value of the derivative liability of \$10,770 and \$154 for the years ended December 31, 2024 and 2023, respectively. In addition, the Company recorded \$9,200 in interest expense to record the fair value of derivative liability. The Company recorded preferred stock dividend expense of \$7,364 and \$7,344 for the years ended December 31, 2024 and 2023, respectively. The Company recorded \$22,273 and \$14,909 as preferred stock dividend payable as of December 31, 2024 and 2023, respectively. Derivative liability payable for this transaction totaled \$63,713 and \$52,943 at December 31, 2024 and 2023, and Series B Convertible Preferred Stock mezzanine liability was \$61,200 at December 31, 2024 and 2023, respectively.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.005 the closing stock price of the Company's common stock on the date of valuation ranging from \$0.00065 to \$0.0070, an expected dividend yield of 0%, expected volatility ranging from 174.58% to 221.64%, risk-free interest rates ranging from 0.91% to 5.46%, and an expected term of 1.50 years.

### **February 7, 2022**

On February 7, 2022, pursuant to the terms of the SPA, GHS purchased an additional 51 shares of Series B Convertible Preferred Stock for gross proceeds of \$51,000. The Company paid \$1,000 in selling commissions to complete this financing.

On February 7, 2022 (the date of receipt of cash proceeds of \$51,000 issuance), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$65,025, \$14,025 as day one loss on the derivative, \$10,200 as interest expense, and \$10,200 as Series B Convertible Preferred Stock mezzanine liability, and \$51,000 as amortization. The Company recalculated the value of the derivative liability associated with the convertible note and recorded a loss in connection with the change in fair market value of the derivative liability of \$10,770 and \$154 for the years ended December 31, 2024 and 2023, respectively. In addition, the Company recorded \$7,364 and \$7,344 as preferred stock dividend expense for the years ended December 31, 2024 and 2023, and preferred stock dividend payable to GHS on this derivative totaled \$21,287 and \$13,923 as of December 31, 2024 and 2023, respectively. Derivative liability payable for this transaction totaled \$63,713 and \$52,943 at December 31, 2024 and 2023, and Series B Convertible Preferred Stock mezzanine liability was \$61,200 at December 31, 2024 and 2023, respectively.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0096, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.00065 to \$0.0172, an expected dividend yield of 0%, expected volatility ranging from 160.35% to 201.38%, risk-free interest rates ranging from 1.09% to 5.46%, and an expected term of 1.35 to 1.5 years.

### **March 24, 2022**

On March 24, 2022, pursuant to the terms of the SPA, GHS purchased an additional 136 shares of Series B Convertible Preferred Stock for gross proceeds of \$136,000. The Company paid \$2,720 in selling commissions to complete this financing.

On March 24, 2022 (the date of receipt of cash proceeds of \$136,000 issuance), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$328,422, \$192,422 as day one loss on the derivative, \$27,200 as interest expense, and \$27,200 as Series B Convertible Preferred Stock mezzanine liability, and \$136,000 as amortization. The Company recalculated the value of the derivative liability associated with the convertible note and recorded a loss in connection with the change in fair market value of the derivative liability of \$28,720 and \$410 for the years ended December 31, 2024 and 2023, respectively. In addition, the Company recorded preferred stock dividend expense of \$19,638 and \$19,584 for the years ended December 31, 2024 and 2023, respectively. Preferred stock dividend payable to GHS for this derivative totaled \$54,352 and \$34,715 at December 31, 2024 and 2023. Derivative liability payable for this transaction totaled \$169,902 and \$141,182 at December 31, 2024 and 2023, and Series B Convertible Preferred Stock mezzanine liability was \$163,200 at December 31, 2024 and 2023, respectively.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0096, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.00065 to \$0.00183, an expected dividend yield of 0%, expected volatility ranging from 160.35% to 202.70%, risk-free interest rates ranging from 1.55% to 5.46%, and an expected term of 1.48 to 1.5 years.

### **November 17, 2022**

On November 17, 2022, pursuant to the terms of the SPA, GHS purchased an additional 61 shares of Series B Convertible Preferred Stock for gross proceeds of \$61,000. The Company paid \$1,220 in selling commissions to complete this financing.

On November 17, 2022 (the date of receipt of cash proceeds of \$61,000 issuance), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$54,072, \$6,928 as day one gain on the derivative, \$12,200 as interest expense, \$12,200 as Series B Convertible Preferred Stock mezzanine liability, and \$61,000 as amortization. The Company recalculated the value of the derivative liability associated with the convertible note and recorded a loss in connection with the change in fair market value of the derivative liability of \$12,882 and \$184 for the years ended December 31, 2024 and 2023, respectively. In addition, the Company recorded preferred stock dividend expense of \$8,807 and \$8,784 for the years ended December 31, 2024 and 2023, respectively. Preferred stock dividend payable to GHS for this derivative totaled \$18,651 and \$9,843 at December 31, 2024 and 2023. Derivative liability payable for this transaction totaled \$76,206 and \$63,324 at December 31, 2024 and 2023, and Series B Convertible Preferred Stock mezzanine liability was \$73,200 at December 31, 2024 and 2023, respectively.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0020, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.0006 to \$0.0022, an expected dividend yield of 0%, expected volatility ranging from 174.58% to 201.59%, risk-free interest rates ranging from 4.68% to 5.46%, and an expected term of 1.5 years.

### **August 24, 2023**

On August 24, 2023, pursuant to the terms of the SPA, GHS purchased 62 shares of Series B Convertible Preferred Stock for gross proceeds of \$62,000. The Company paid \$1,240 in selling commissions to complete this financing.

On August 24, 2023 (the date of receipt of cash proceeds of \$62,000 issuance), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$61,679, \$321 as day one gain on the derivative, \$12,400 as interest expense, and \$12,400 as Series B Convertible Preferred Stock mezzanine liability, and \$62,000 as amortization.

The Company recalculated the value of the derivative liability associated with the convertible note and recorded a loss in connection with the change in fair market value of the derivative liability of \$13,100 and \$2,732 for the years ended December 31, 2024 and 2023, respectively. In addition, the Company recorded preferred stock dividend expense of \$8,952 and \$3,155 for the years ended December 31, 2024 and 2023, respectively. Preferred stock dividend payable to GHS for this derivative totaled \$12,108 and \$3,155, at December 31, 2024 and 2023, respectively. Derivative liability payable for this transaction totaled \$77,511 and \$64,411 at December 31, 2024 and 2023, and Series B Convertible Preferred Stock mezzanine liability was \$74,400 at December 31, 2024 and 2023, respectively.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0014, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.00065 to \$0.0015, an expected dividend yield of 0%, expected volatility ranging from 189.98% to 202.70%, risk-free interest rates ranging from 4.79% to 5.46%, and an expected term of 1.5 years.

### **April 16, 2024**

On April 16, 2024, pursuant to the terms of the SPA, GHS purchased 20 shares of Series B Convertible Preferred Stock for gross proceeds of \$17,600. The Company paid \$2,400 in selling commissions to complete this financing.

On April 16, 2024 (the date of receipt of cash proceeds of \$17,600), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$20,324, \$321 as day one loss on the derivative, \$4,000 as interest expense, and \$24,000 as Series B Convertible Preferred Stock mezzanine liability, and \$20,000 as amortization.

The Company recalculated the value of the derivative liability associated with the convertible note at and recorded a loss in connection with the change in fair market value of the derivative liability of \$1,965 for the year ended December 31, 2024. In addition, the Company recorded preferred stock dividend expense of \$2,044 for the year ended December 31, 2024. Preferred stock dividend payable to GHS for this derivative totaled \$2,044 at December 31, 2024. Derivative liability payable for this transaction totaled \$22,289 at December 31, 2024, and Series B Convertible Preferred Stock mezzanine liability was \$24,000 at December 31, 2024.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0009, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.0007 to \$0.0014, an expected dividend yield of 0%, expected volatility ranging from 186.23% to 205.33%, risk-free interest rates ranging from 4.05% to 5.18%, and an expected term of 1 year.

### **October 3, 2024**

On October 3, 2024, pursuant to the terms of the SPA, GHS purchased 43 shares of Series B Convertible Preferred Stock and committed an additional 4 shares for services/fees for gross consideration of \$43,000. The Company paid \$3,860 in selling commissions and legal fees to complete this financing.

On October 3, 2024 (the date of receipt of cash proceeds of \$39,140), the Company valued the fair value of the derivative and recorded an initial derivative liability of \$43,000, \$11,480 as day one loss on the derivative, \$8,600 as interest expense, and \$51,600 as Series B Convertible Preferred Stock mezzanine liability, and \$39,140 as amortization.

The Company recalculated the value of the derivative liability associated with the convertible note at and recorded a gain in connection with the change in fair market value of the derivative liability of \$2,700 for the year ended December 31, 2024. In addition, the Company recorded preferred stock dividend expense of \$1,510 for the year ended December 31, 2024. Preferred stock dividend payable to GHS for this derivative totaled \$1,510 at December 31, 2024. Derivative liability payable for this transaction totaled \$47,921 at December 31, 2024, and Series B Convertible Preferred Stock mezzanine liability was \$51,600 at December 31, 2024.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.0006 to \$0.0009, the closing stock price of the Company's common stock on the date of valuation ranging from \$0.0008 to \$0.0012, an expected dividend yield of 0%, expected volatility ranging from 182.85% to 201.59%, risk-free interest rates ranging from 4.05% to 4.16%, and an expected term of 1 year.

### **Series C Convertible Preferred Stock**

On January 8, 2024, the Board of Directors of the Company had authorized issuance of up to 5,000 shares of preferred stock, \$0.001 par value per share, designated as Series C Convertible Preferred Stock. Each share of Preferred Stock shall have a par value of \$0.001 per share and a stated value of \$1,200, subject to the increase set forth in the Certificate of Designation.

Dividends: Each share of Series C Convertible Preferred Stock shall be entitled to receive, and the Company shall pay, cumulative dividends of 12% per annum, payable quarterly, beginning on the Original Issuance Date and ending on the date that such share of Series C Convertible Preferred Share has been converted or redeemed (the "Dividend End Date"). Dividends may be paid in cash or in shares of Series C Convertible Preferred Stock. From and after the issuance date, in addition to the payment of dividends pursuant to Section 3 (a), each Holder shall be entitled to receive, and the Company shall pay, dividends on shares of Series C Convertible Preferred Stock equal to (on an as-if-converted-to-Common-Stock basis) and in the same form as dividends actually paid on shares of the common stock when, as and if such dividends are paid on shares of the common stock. The Company shall pay no dividends on shares of the common stock unless it simultaneously complies with the previous sentence.

Voting Rights: The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders of Series C Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

Liquidation: Upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary (a "Liquidation"), the Holders shall be paid, in preference and prior to any payment made to the holders of the Junior Securities and any other stock ranking in liquidation junior to the Series C Preferred Stock, an amount per share equal to the Stated Value (such amount is referred to herein as the "Liquidation Preference"). If upon a Liquidation Event, the assets to be distributed among the Holders shall be insufficient to permit payment in full to the Holders of the Liquidation Preference, then the entire assets of the Company shall be distributed ratably among such holders in proportion to the full respective Liquidation Preference to which they are entitled.

**Conversion:** The Holder shall have the right, at any time to convert such shares into Common Stock into that number of shares of common stock (subject to the Beneficial Ownership Limitation (as defined below)) determined by dividing the Stated Value of such share of Series C Preferred Stock by the Optional Conversion Rate (as defined below) (each, and “Optional Conversion”) at a conversion rate of the volume-weighted average price (“VWAP”) for the Company’s common stock for the ten (10) Trading Days immediately preceding the date of such conversion (the “Optional Conversion Rate”). “Trading Days” shall mean a day on which the means the principal markets or exchange on which the common stock is listed or quoted for trading on the date in question is open for business. “Beneficial Ownership Limitation” shall mean 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon conversion of Series C Preferred Stock held by the applicable Holder.

No fractional shares of Common Stock shall be issued upon conversion of shares of Series C Preferred Stock. If more than one share of Series C Preferred Stock shall be surrendered, or deemed surrendered, pursuant to subsection (c) above, for conversion at any one time by the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of such Series C Preferred Stock so surrendered. Any fractional share which would otherwise be issuable upon conversion of any shares of Series C Preferred Stock (after aggregating all shares of Series C Preferred Stock held by each holder) shall be rounded to the nearest whole number (with one-half being rounded upward).

The Company shall reserve, free from preemptive rights, out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of Series C Preferred Stock sufficient shares to provide for the conversion of all outstanding shares of Series C Preferred Stock. All shares of Common Stock which may be issued in connection with the conversion provisions set forth herein will, upon issuance by the Company, be validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof, and free from all taxes, liens or charges with respect thereto.

All shares of Series C Preferred Stock which have been converted shall no longer be deemed to be outstanding and all rights with respect to such shares including the rights to receive dividends and to vote, shall immediately cease and terminate on the Optional Conversion Date, except only the right of the Holder thereof to receive shares of Common Stock in exchange thereof.

The Series C Convertible Preferred Stock is classified as temporary equity, as it is convertible upon issuance at an amount equal to the lowest traded price for the Company’s common stock for the fifteen trading days immediately preceding the date of conversion.

Based on the requirements of ASC 815, *Derivatives and Hedging*, the conversion feature represents an embedded derivative that is required to be bifurcated and accounted for as a separate derivative liability. The derivative liability is originally recorded at its estimated fair value and is required to be revalued at each conversion event and reporting period. Changes in the derivative liability fair value are reported in operating results each reporting period.

### **March 1, 2024**

On March 1, 2024, the convertible promissory noteholder Note B and the Company mutually agreed to convert the principal balance of \$55,000 and accrued interest of \$13,825 into a total of 57 shares of Series C Convertible Preferred Stock. The Company valued the fair value of the derivative and recorded an initial derivative liability of \$40,668, \$425 as contra interest expense, \$40,668 (as day one loss) as amortization expense, and \$68,825 as Series C Convertible Preferred Stock mezzanine liability.

On March 31, 2024, the Company recalculated the value of the derivative liability associated with this convertible preferred stock and recorded a loss in connection with the change in fair market value of the derivative liability of \$3,226 for the year ended December 31, 2024. The Company recorded \$6,859 as preferred stock dividend expense for the year ended December 31, 2024. The Company recorded \$6,859 as preferred stock dividend payable as of December 31, 2024. Derivative liability payable for this transaction totaled \$43,894 at December 31, 2024 and Series C Convertible Preferred Stock mezzanine liability was \$68,400 at December 31, 2024.

The Company valued the conversion feature using the Black-Scholes option pricing model with the following assumptions: conversion exercise prices ranging from \$0.00073 to \$0.00138, the closing stock price of the Company’s common stock on the date of valuation ranging from \$0.0007 to \$0.0014, an expected dividend yield of 0%, expected volatility ranging from 196.52% to 202.70%, risk-free interest rates ranging from 4.05% to 5.09%, and an expected term of 1 year.

The following table represents the change in the fair value of the derivative liabilities for the years ended December 31, 2024 and 2023, respectively.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Balance at December 31, 2022	\$ –	\$ –	\$ 469,873
Change in the fair value of derivative liability	–	–	65,781
Balance at December 31, 2023	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 535,653</u>
Balance at December 31, 2023	\$ –	\$ –	\$ 535,653
Additions to derivative liability	–	–	111,611
Change in the fair value of derivative liability	–	–	111,523
Balance at December 31, 2024	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 758,787</u>

As a result of issuance of derivative instruments, the Company recorded a derivative liability of \$758,787 and \$535,653 as of December 31, 2024 and 2023, Series B Convertible Preferred Stock liability of \$694,800 and \$619,200 as of December 31, 2024 and 2023, and Series C Convertible Preferred Stock Liability of \$68,400 and \$0, as of December 31, 2024 and 2023, respectively.

### Warrants

A summary of the status of the Company's warrants as of December 31, 2024 and 2023, and changes during the years then ended, is presented below:

	<u>Shares Under Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life</u>
Outstanding at December 31, 2022	2,868,397	\$ 0.00084	1.4 Years
Issued	–	–	
Expired/Forfeited	–	–	
Outstanding at December 31, 2023	<u>2,868,397</u>	<u>\$ 0.00084</u>	0.4 Years
Outstanding at December 31, 2023	2,868,397	0.00084	0.4 Years
Issued	–	–	
Expired/Forfeited	(2,868,397)	–	
Outstanding at December 31, 2024	<u>–</u>	<u>\$ –</u>	–

## NOTE 9 – INCOME TAXES

Income tax expense for the years ended December 31, 2024 and 2023 is summarized as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Deferred:		
Federal	\$ (160,577)	\$ (238,657)
State	(37,086)	(55,118)
Change in valuation allowance	197,663	293,775
Income tax expense (benefit)	<u>\$ –</u>	<u>\$ –</u>

The following is a reconciliation of the provision for income taxes at the U.S. federal income tax rate to the income taxes reflected in the Statement of Operations:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Tax at statutory tax rate	21.00%	21.00%
State taxes	4.85%	4.85%
Other permanent items	0.44%	(0.02%)
Valuation allowance	(26.29%)	(25.83%)
Income tax expense	<u>–</u>	<u>–</u>

The tax effects of temporary differences that gave rise to significant portions of deferred tax assets and liabilities at December 31, 2024 and 2023 are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Deferred tax assets:		
Net operating loss carry forward	\$ 2,897,800	\$ 2,700,136
Total gross deferred tax assets	2,897,800	2,700,136
Less: valuation allowance	(2,897,800)	(2,700,136)
Net deferred tax assets	<u>\$ –</u>	<u>\$ –</u>

Deferred income taxes are provided for the tax effects of transactions reported in the financial statements and consist of deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled.

At December 31, 2024 and 2023, the Company had accumulated net operating losses of approximately \$11,208,000 and \$10,444,000, respectively, for U.S. federal and Massachusetts income tax purposes available to offset future taxable incomes. The net operating losses generated in tax years prior to December 31, 2017, can carry forward for 20 years, whereas the net operating losses generated after December 31, 2017 can carry forward indefinitely. Management determined that it was unlikely that the Company's deferred tax assets would be realized and have provided for a full valuation allowance associated with the net deferred tax assets.

In the ordinary course of business, the Company's income tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessment by these taxing authorities. Accordingly, the Company believes that it is more likely than not that it will realize the benefits of tax positions it has taken in its tax returns or for the amount of any tax benefit that exceeds the cumulative probability threshold in accordance with FASB ASC 740. Differences between the estimated and actual amounts determined upon ultimate resolution, individually or in the aggregate, are not expected to have a material adverse effect on the Company's financial position. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for unrecognized tax benefits. The Company is delinquent in filing its Federal and State income tax returns for the years ended December 31, 2021, 2022, 2023 and 2024. As of December 31, 2024, tax years 2024, 2023, 2022, and 2021 remain open for examination by the Internal Revenue Service and the Massachusetts Division of Revenue. The Company has received no notice of audit from the Internal Revenue Service or the Massachusetts Division of Revenue for any of the open tax years.

#### **NOTE 10 – SUBSEQUENT EVENT**

On March 21, 2025, the Company entered into a Securities Purchase Agreement (the "SPA") with GHS Investments ("GHS") where under, the Company desired to issue and sell 60 Convertible Preferred Stock, \$0.001 par value, \$1,200 stated value, to GHS for a gross cash consideration of \$60,000. The Company paid \$9,200 in legal fees and commissions and received net proceeds of \$50,800.

On April 10, 2025, under the SPA dated March 21, 2025 with GHS Investments ("GHS"), where under, the Company desired to issue and sell 45 Convertible Preferred Stock, \$0.001 par value, \$1,200 stated value, to GHS for a gross cash consideration of \$45,000. The Company paid \$900 in commissions and received net proceeds of \$44,100.

On March 5, 2025 and March 6, 2025, the Company issued a total of 5,300,000 shares of its common stock to its director, an officer and three business advisors, in settlement of compensation payable to them as of December 31, 2024.

**SECURITIES PURCHASE AGREEMENT**

This Securities Purchase Agreement (this “Agreement”) is dated as of October 3, 2024, between IIOT-OXYS, Inc., a Nevada corporation (the “Company”), and the purchaser identified on the signature page hereto (including its successors and assigns, the “Purchaser”).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Rule 506 promulgated thereunder, the Company desires to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser agrees as follows:

**ARTICLE I.  
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Certificate of Designation (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

“Acquiring Person” shall have the meaning ascribed to such term in Section 4.5.

“Action” shall have the meaning ascribed to such term in Section 3.1(j). “Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Designation” means the Certificate of Designation to be filed prior to the Closing by the Company with the Secretary of State of the State of Nevada, in the form of Exhibit A attached hereto.

“Closing Date” means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto in connection with the Closing, and, to the extent applicable, all conditions precedent to (i) the Purchaser’s obligations to pay the Subscription Amount as to the Closing and (ii) the Company’s obligations to deliver the Securities as to the Closing, in each case, have been satisfied or waived.

“Closing” means the closing of the purchase and sale of the Securities pursuant to Section 2.1(a), which shall occur on the Closing Date. The Closing will be for the purchase of forty three (43) Preferred Shares at the aggregate purchase price of \$43,000.

“Commission” means the United States Securities and Exchange Commission. “Common Stock” means the common stock of the Company, par value \$0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Commitment Shares” shall mean four (4) shares of Preferred Stock which shares shall be issued at the Closing.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

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“Company Counsel” means Business Legal Advisors, LLC.

“Conversion Shares” means the Common Stock issuable upon conversion of the Preferred Stock.

“Disclosure Schedules” shall have the meaning ascribed to such term in Section 3.1.

“Dividend” means twelve percent (12%) per annum of the stated value of any purchased Preferred Share, paid quarterly by the Company, and at the Company’s discretion, in cash or in Preferred Stock.

“Equity Conditions” means (i) the Company shall cure any Events of Default under existing agreements within ten calendar days from the execution of this Agreement.

“Evaluation Date” shall have the meaning ascribed to such term in Section 3.1(r).

“Event of Default” means any of the following events: (i) the suspension, cessation from trading or delisting of the Company's Common Stock on the Principal Market for a period of two (2) consecutive trading days or more; (ii) the failure by the Company to timely comply with the reporting requirements of the Exchange Act (including applicable extension periods) within forty-five (45) calendar days from the execution of this Agreement; (iii) the failure for any reason by the Company to issue Dividends or Conversion Shares to the Purchaser within the required time periods; (iv) the Company breaches any representation, warranty, covenant or other term of condition contained in the definitive agreements between the parties; (v) the Company files for Bankruptcy or receivership or any money judgment writ, liquidation or a similar process is entered by or filed against the Company for more than \$50,000 and remains unvacated, unbonded or unstayed for a period of twenty (20) calendar days; (vi) any cessation of operations by the Company or failure by the Company to maintain any assets, intellectual, personal or real property or other assets which are necessary to conduct its business (vii) the Company shall lose the "bid" price for its Common stock on the Principal Market; or (viii) if at any time the Common Stock is no longer DWAC eligible.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended.

“GAAP” means generally accepted accounting principles in the U.S.

“Intellectual Property Rights” shall have the meaning ascribed to such term in Section 3.1(o).

“Liens” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Material Adverse Effect” shall have the meaning assigned to such term in Section 3.1(b).

“Material Permits” shall have the meaning ascribed to such term in Section 3.1(m).

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Preferred Stock” means, forty seven (47) shares of the Company’s Series B Preferred Stock issued hereunder having the rights, preferences and privileges set forth in the Certificate of Designation, in the form of Exhibit A hereto.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.7.

“Registration Statement” means any Registration Statement under which the shares of the Company’s common stock are registered.

“Required Approvals” shall have the meaning ascribed to such term in Section 3.1(e).

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any

similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Reports” shall have the meaning ascribed to such term in Section 3.1(g).

“Securities” means the Preferred Stock, the Conversion Shares and any common or Preferred Stock issuable hereunder.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

“Stated Value” means \$1,200 per share of Series B Preferred Stock.

“Subscription Amount” shall mean the aggregate amount to be paid for the Preferred Stock purchased hereunder as specified on the signature page under the heading “Subscription Amount,” in United States dollars and in immediately available funds.

“Subsidiary” means any subsidiary of the Company as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTCQB or the OTC Markets (or any successors to any of the foregoing).

“Transaction Documents” means this Agreement, the Certificate of Designation, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

“Transfer Agent” means Issuer Direct, the current transfer agent of the Company, with a mailing address of 1981 East 4800 South, Suite 100, Salt Lake City, UT 84117, and any successor transfer agent of the Company.

## **ARTICLE II. PURCHASE AND SALE**

2.1 (a) Closing. Upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchaser agrees to purchase, forty three (43) shares of Preferred Stock at price of \$1,000 per share of Preferred Stock (the “Purchased Shares”). The Purchaser shall deliver to the Company, via wire transfer immediately available funds equal to the Purchaser’s Subscription Amount as set forth on the signature page hereto executed by the Purchaser, and the Company shall deliver to the Purchaser such number of shares of the Preferred Stock purchased, as determined pursuant to Section 2.2(a) and the Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the Closing Date (or as otherwise indicated below), the Company shall deliver or cause to be delivered to the Purchaser the following:

- (i) This Agreement duly executed by the Company;
- (ii) Certificates evidencing forty seven (47) shares of Preferred Stock, representing the Purchased Shares and the Commitment Shares; and
- (iii) An irrevocable letter of instruction to the Company's Transfer Agent, instructing the Transfer Agent to maintain for the benefit of the Purchaser, 125,333,333 shares of its common stock and at all times thereafter two times (2x) the number of common shares needed to by the Purchaser to convert all shares of Preferred Stock held by the Purchaser.

(b) On or prior to the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company, as applicable, the following:

- (i) This Agreement duly executed by the Purchaser; and
- (ii) the Purchaser's Subscription Amount by wire transfer to the account specified in writing by the Company together with the subscription form attached as an Exhibit below.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

- (i) the accuracy in all material respects on the applicable Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);
- (ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the applicable Closing Date shall have been performed; and
- (iii) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

- (i) the accuracy in all material respects when made and on the applicable Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);
- (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the applicable Closing Date shall have been performed;
- (iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;
- (iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(v) from the date hereof to the applicable Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market and, at any time prior to the applicable Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of the Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

2.4 Post-Closing Covenants. The Company shall reserve two times (2x) the number of common shares needed to by the Purchaser to convert all shares of Preferred Stock held by the Purchaser.

### **ARTICLE III. REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to the Purchaser as of the date hereof, the date of the initial Closing pursuant to Section 2.1(a):

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company has filed all quarterly and annual reports required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act") (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). The Company has delivered to Purchaser true and complete copies of the SEC Documents, except for such exhibits and incorporated documents, and except as such Documents are available EDGAR filings on the SEC's sec.gov website. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for such statements as have been amended or updated in subsequent filings prior the date hereof). As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the financial statements of the Company included in the SEC Documents, the Company has no liabilities, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to June 30, 2024, and (ii) obligations under contracts and commitments incurred in the ordinary course of business and not required under generally accepted accounting principles to be reflected in such financial statements, which, individually or in the aggregate, are not material to the financial condition or operating results of the Company. The Company is subject to the reporting requirements of the 1934 Act. For the avoidance of doubt, filing of the documents required in this Section 3(g) via the SEC's Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") shall satisfy all delivery requirements of this Section 3(g).

The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.4 of this Agreement, (ii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities, and (iii) such filings as are required to be made under applicable state and federal securities laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Preferred Stock is duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Conversion Shares, when issued in accordance with the terms of the Preferred Stock, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The Company shall reserve from its duly authorized capital stock a number of shares of Common Stock issuable pursuant to the Preferred Stock.

(g) Capitalization. The capitalization of the Company is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. Except as set forth on Schedule 3.1(g), the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act ("SEC Reports"). No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 3.1(g) and except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. The issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(h) Intentionally omitted.

(i) Intentionally omitted.

(j) Litigation. Except as disclosed in Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Labor Relations. Except as disclosed in Schedule 3.1(k), no labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived) except as disclosed in Schedule 3.1(l), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority, except as set forth on Schedule 3.1(l) or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, other than tax payments related to payroll that are late, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(n) Title to Assets. Except as disclosed in Schedule 3.1(n), the Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(o) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights as described in the SEC Reports as necessary or required for use in connection with their respective businesses and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). Except as disclosed on Schedule 3.1(o), none of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) [Reserved].

(q) Transactions with Affiliates and Employees. Except as set forth in the SEC Reports, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of \$50,000 other than for: (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company. Except as set forth on Schedule 3.1(q), all employee salaries and contractor fees have been paid to date and no such amounts are outstanding or past due.

(r) Sarbanes-Oxley; Internal Accounting Controls. Except as may be disclosed in the SEC Reports, the Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of each Closing Date. Except as disclosed in the SEC Reports, the Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(s) Certain Fees. The Company has or shall engage a suitable Investment Banker in conjunction with the transaction contemplated herein. No brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents, other than as set forth on Schedule 3.1(s). The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(t) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(u) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(v) Registration Rights. Except for Sergey Gogin, a holder of senior secured debt of the Company, and the Purchaser, no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(w) Listing and Maintenance Requirements. The Company has not in the twelve (12) months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(x) [RESERVED]

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided the Purchaser or its agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchaser regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that the Purchaser does not make and has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(aa) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim. Immediately after closing of this transaction, the Company covenants to pay to the Past Due Taxes.

(bb) No General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchaser.

(cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(dd) Accountants. The Company's accounting firm is set forth on Schedule 3.1(dd) of the Disclosure Schedules. To the knowledge and belief of the Company, such accounting firm: (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the year ended December 31, 2024.

(ee) Acknowledgment Regarding Purchaser's Purchase of Securities. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Securities. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(ff) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Company that: (i) the Purchaser has not been asked by the Company to agree, nor has the Purchaser agreed, to desist from purchasing or selling, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by the Purchaser, specifically including, without limitation, "derivative" transactions, before or after a closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities (iii) Omit and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) the Purchaser may engage in hedging activities at various times during the period that the Securities are outstanding, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(gg) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

(hh) Reserved.

(ii) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(jj) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(kk) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(ll) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the “BHCA”) and to regulation by the Board of Governors of the Federal Reserve System (the “Federal Reserve”). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(mm) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the “Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the initial and any additional Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. The Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. The Purchaser understands that the Securities are “restricted securities” and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting the Purchaser’s right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws).

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is and on each date on which it converts any shares of Preferred Stock, either: (i) an “accredited investor” as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a “qualified institutional buyer” as defined in Rule 144A(a) under the Securities Act.

(d) Experience of the Purchaser. The Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. The Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. The Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend or affect the Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

**ARTICLE IV.  
OTHER AGREEMENTS OF THE PARTIES**

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of the Purchaser under this Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that the Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are registered under a registration statement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder.

(c) Certificates evidencing the Conversion Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Conversion Shares pursuant to Rule 144, (iii) if such Conversion Shares are eligible for sale under Rule 144 without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). If all or any shares of Preferred Stock are converted at a time when there is an effective registration statement to cover the resale of the Conversion Shares, or if such Conversion Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144, or if the Conversion Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Conversion Shares and without volume or manner-of-sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Conversion Shares shall be issued free of all legends. The Company agrees that following the Effective Date or at such time as such legend is no longer required under this Section 4.1(c), it will, no later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Conversion Shares, issued with a restrictive legend (such date, the “Legend Removal Date”), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Conversion Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser’s prime broker with the Depository Trust Company System as directed by such Purchaser. As used herein, “Standard Settlement Period” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary Trading Market with respect to the Common Stock as in effect on the date of delivery of a certificate representing Conversion Shares, issued with a restrictive legend.

(d) In addition to such Purchaser’s other available remedies, (i) the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, for each \$1,000 of the value of the Conversion shares for which the Preferred Stock is being converted, \$10 per Trading Day for each Trading Day after the Legend Removal Date (increasing to \$20 per Trading Day after the fifth Trading Day) until such certificate is delivered without a legend. Nothing herein shall limit such Purchaser’s right to pursue actual damages for the Company’s failure to deliver certificates representing any Securities as required by the Transaction Documents, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, and (ii) if after the Legend Removal Date such Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that such Purchaser anticipated receiving from the Company without any restrictive legend, then, the Company shall pay to such Purchaser, in cash, an amount equal to the excess of such Purchaser’s total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the “Buy-In Price”) over the product of the highest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Purchaser to the Company of the applicable Preferred Stock and ending on the date of such delivery and payment under this Section 4.1(d).

(e) In the event a Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares, (i) it shall pay all fees and expenses associated with or required by the legend removal and/or transfer including but not limited to legal fees, Transfer Agent fees and overnight delivery charges and taxes, if any, imposed by any applicable government upon the issuance of Common Stock; and (ii) the Company may not refuse to deliver unlegended shares based on any claim that such Purchaser or anyone associated or affiliated with such Purchaser has not complied with Purchaser’s obligations under the Transaction Documents, or for any other reason, unless, an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such unlegended shares shall have been sought and obtained by the Company and the Company has posted a surety bond for the benefit of such Purchaser in the amount of the greater of (i) 150% of the amount of the aggregate purchase price of the Conversion Shares which is subject to the injunction or temporary restraining order, or (ii) the VWAP of the Common Stock on the Trading Day before the issue date of the injunction multiplied by the number of unlegended shares to be subject to the injunction, which bond shall remain in effect until the completion of the litigation of the dispute and the proceeds of which shall be payable to such Purchaser to the extent Purchaser obtains judgment in Purchaser’s favor.

4.2 Acknowledgment of Dilution of Voting Power. The Company acknowledges that the issuance of the Securities will result in dilution of the voting power of the outstanding shares of Common Stock, which dilution will be substantial.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall file a Current Report on Form 8-K disclosing the material terms of the transactions contemplated hereby, including the Transaction Documents as exhibits thereto, with the Commission within the time required by the Exchange Act. From and after the issuance of such report, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to the Purchaser by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such report, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and the Purchaser or any of its Affiliates on the other hand, shall terminate. The Company and the Purchaser shall consult with each other in issuing any press release or public disclosure with respect to the transactions contemplated by the Transaction Documents, and neither the Company nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, except: (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b).

4.5 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that the Purchaser is an “Acquiring Person” under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that the Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchaser.

4.6 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide the Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto the Purchaser shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.7 Indemnification of Purchaser. Subject to the provisions of this Section 4.7, the Company will indemnify and hold the Purchaser and their respective directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a “Purchaser Party”) harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys’ fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party’s representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or such defense once started is subsequently delayed owing to lack of timely payment by the Company of legal fees and expenses or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company’s prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party’s breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.8 Certain Transactions and Confidentiality. The Purchaser, covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will (i) execute any Short Sales, of any of the Company’s securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4 or (ii) from the date hereof until the earlier of the 12 month anniversary of the date hereof and the date that the Preferred Stock is no longer outstanding, execute any Short Sales of the Common Stock (a “Prohibited Short Sale”). The Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to Section 4.4, the Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents and the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) the Purchaser does not make any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to Section 4.4, (ii) except for a Prohibited Short Sale, the Purchaser shall not be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to Section 4.4 and (iii) the Purchaser shall have no duty of confidentiality to the Company or its Subsidiaries after the issuance of the public disclosure as described in Section 4.4.

4.9 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of the Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchaser under applicable securities or “Blue Sky” laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

4.10 Redemption.

The Company shall have the right to redeem the Securities, in accordance with the terms of the Certificate of Designation.

4.11 Dividends The Company shall pay a dividend of twelve percent (12%) per annum on any purchased Preferred Shares, for as long as the relevant Preferred Shares have not been redeemed or converted. Dividends shall be paid quarterly, and at the Company’s discretion, in cash or Preferred Stock calculated at the purchase price.

4.12 Registration Rights The Purchased Shares shall carry registration rights as described in the Certificate of Designation.

4.13 Event of Default Following any Event of Default, all outstanding Purchased Shares shall come immediately due for redemption and the redemption amount shall accrue interest at the lesser of (a) 18% per annum or (b) the maximum legal rate. Redemption following an Event of Default shall occur at an amount equaling the product of one hundred and thirty five percent (135%), multiplied by the sum of the Stated Value, all accrued but unpaid dividends and all other amounts due pursuant to the Certificate of Designation for all Purchased Shares.

4.14 Conversion Procedures. The form of Notice of Conversion included in the Preferred Stock sets forth the totality of the procedures required of the Purchaser in order to convert the Preferred Stock. No additional legal opinion, other information or instructions shall be required of the Purchaser to convert their Preferred Stock. Without limiting the preceding sentences, no ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required in order to convert the Preferred Stock. The Company shall honor conversion of the Preferred Stock and shall deliver Conversion Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.14 DTC Program. For so long as the Preferred Stock is outstanding, the Company will employ as the Transfer Agent for the Common Stock a participant in the DTC Automated Securities Transfer Program and cause the Common Stock to be transferable pursuant to such program.

4.15 Most Favored Nations. From the date hereof until the date when the Purchaser no longer holds any Securities, upon any issuance by the Company or any of its subsidiaries of Common Stock, Common Stock Equivalents for cash consideration, indebtedness or a combination of units hereof (a “Subsequent Financing”), Purchaser may elect, in its sole discretion, to exchange (in lieu of conversion), if applicable, all or some of the Securities then held for any securities or units issued in a Subsequent Financing on a \$1.00 for \$1.00 basis. The Company shall provide the Purchaser with notice of any such Subsequent Financing in the manner set forth below. Additionally, if in such Subsequent Financing there are any contractual provisions or side letters that provide terms more favorable to the investors than the terms provided for hereunder, then the Company shall specifically notify the Purchaser of such additional or more favorable terms and such terms, at Purchaser’s option, shall become a part of the transaction documents with the Purchaser. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing stock sale price, price per share, and warrant coverage.

**ARTICLE V.  
MISCELLANEOUS**

5.1 Termination. This Agreement may be terminated by the Purchaser, as to the Purchaser’s obligations hereunder, if the Closing has not been consummated within five (5) Business Days of the date hereof; provided, however, that such termination will not affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. At the Closing, the Company has agreed to reimburse the Purchaser \$3,000 for its legal fees in connection with the transaction contemplated by the Transaction Documents, which such amount may be withheld from the Purchaser's Subscription Amount deliverable at Closing. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchaser.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2<sup>nd</sup>) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the holders of at least 75% in interest of the Securities then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.7 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state or federal courts sitting in the Borough of Manhattan, New York, New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the Borough of Manhattan, New York, New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.7, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Survival. The representations and warranties contained herein shall survive each Closing and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page was an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.19 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.20 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

*(Signature Pages Follow)*

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**IIOT-OXYS, INC.**

Address for Notice:  
705 Cambridge St.  
Cambridge, MA 02141

By: /s/ Clifford L. Emmons

Name: Clifford L. Emmons

Title: Chief Executive Officer

With an electronic copy to (which shall not constitute notice):

Attn: Brian Higley, Esq.

Email: brian@businesslegaladvisor.com

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser:

*Signature of Authorized Signatory of Purchaser:* \_\_\_\_\_

Name of Authorized Signatory:

Title of Authorized Signatory:

Address for Notice to Purchaser:

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Facsimile Number:

Subscription Amount: \$43,000

Subscription Date:

Shares of Series B Preferred Stock: 43 Preferred Shares + 4 Commitment Shares

**Exhibit A**

Certificate of Designation

[list of Disclosure Schedules: content to be provided by Company]:

*(please read each section for specific content, topic below listed for convenience only)*

Schedule 3.1(a) - subsidiaries

Schedule 3.1(g) - capitalization

Schedule 3.1(j) - litigation

Schedule 3.1(k) - labor disputes

Schedule 3.1(l) - compliance

Schedule 3.1(n) - title to assets

Schedule 3.1(o) -intellectual property

Schedule 3.1(p) - insurance

Schedule 3.1(s) – certain fees

Schedule 3.1(aa) - tax status

Schedule 3.1(dd) - accountants

**FORM OF CLOSING NOTICE**

TO: GHS Investments, LLC

DATE: October 3, 2024

We refer to the Securities Purchase Agreement, dated October 3, 2024 (the “Agreement”), entered into by and between IIOT-OXYS, Inc., and you. Capitalized terms defined in the Agreement shall, unless otherwise defined herein, have the same meaning when used herein.

We hereby:

- 1) Give you notice that we require you to purchase 43 shares of Series B Preferred Stock; and
- 2) The purchase price per share, pursuant to the terms of the Agreement, is \$1,000; and
- 3) Certify that, as of the date hereof, the conditions set forth in Section 2.3 of the Agreement, as related to the obligations of the Company, are satisfied.

Closing will occur in accordance with the terms and conditions of Section 2 of the Agreement.

**IIOT-OXYS, INC.**

By: /s/ Clifford L. Emmons  
Name: Clifford L. Emmons  
Title: Chief Executive Officer

Schedule 3.1(a)

As of the date hereof, IIOT-OXYS, Inc., a Nevada corporation, has the following material wholly owned subsidiaries:

1. OXYS Corporation, a Nevada corporation

Schedule 3.1(g)

As of the date hereof, IOT-OXYS, Inc., a Nevada corporation, has the following capitalization:

Common Stock

- Issued & Outstanding: 555,015,293
- Authorized: 3,000,000,000

Preferred stock

- Issued & Outstanding: 26,438
- Authorized: 10,000,000



Fruci & Associates II, PLLC

## Certifications

I, Clifford L. Emmons, certify that:

1. I have reviewed this Form 10-K for the twelve months ended December 31, 2024, of IIOT-OXYS, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

/s/ Clifford L. Emmons

Clifford L. Emmons,  
Chief Executive Officer  
(Principal Executive Officer)

## Certifications

I, Karen McNemar, certify that:

1. I have reviewed this Form 10-K for the twelve months ended December 31, 2024, of IIOT-OXYS, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

/s/ Karen McNemar

Karen McNemar,  
Interim Chief Financial Officer  
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of IIOT-OXYS, Inc. (the "Company") on Form 10-K for the twelve months ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned principal executive officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

/s/ Clifford L. Emmons

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Clifford L. Emmons,  
Chief Executive Officer  
(Principal Executive Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of IIOT-OXYS, Inc. (the "Company") on Form 10-K for the twelve months ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned principal financial officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

*/s/ Karen McNemar*

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Karen McNemar,  
Interim Chief Financial Officer  
(Principal Financial and Accounting Officer)