



Panacea Life Sciences Holdings, Inc.

5910 South University Blvd, C18-193
Greenwood Village, CO 80121
www.panacealife.com

Quarterly Report

For the period ending June 30, 2025 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

21,223,788 as of June 30, 2025

20,759,288 as of December 31, 2024

Shell Status

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

Yes: No:

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

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

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

Panacea Life Sciences Holdings, Inc.

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

Prior Incorporation Information for the issuer and any predecessors during the past five years:
June 2021

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

None

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

None

Address of the issuer's principal executive office:

5910 South University Blvd, C18-193
Greenwood Village CO 80121

Address of the issuer's principal place of business:
X Check if principal executive office and principal place of business are the same address:

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

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

2) Security Information

Transfer Agent

Equity Stock Transfer LLC
Nora Marckwordt | Director of Operations
237 W 37th St. Suite 602
New York, NY 10018
Main: 212.575.5757
Direct: 917.746.4595

Publicly Quoted or Traded Securities:

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

Trading symbol: PLSH
Exact title and class of securities outstanding: Panacea Life Sciences Holdings Inc (1-PLSH)
CUSIP: 69810P109
Par or stated value: .01
Total shares authorized: 650,000,000 as of June 30, 2025
Total shares outstanding: 21,223,788 as of June 30, 2025
Total number of shareholders of record: 198 as of date: June 30, 2025

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

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

Exact title and class of the security: N7
Par or stated value: .0001
Total shares authorized: 84,548 as of date: June 30, 2025
Total shares outstanding: 33,073 as of date: June 30, 2025
Total number of shareholders of record: 10 as of date: June 30, 2025

Exact title and class of the security: B-1
Par or stated value: .0001
Total shares authorized: 32,000,000 as of date: June 30, 2025
Total shares outstanding: 1,500,000 as of date: June 30, 2025
Total number of shareholders of record: 1 as of date: June 30, 2025

Exact title and class of the security: B-2
Par or stated value: .0001
Total shares authorized: 6,000,000 as of date: June 30, 2025
Total shares outstanding: 6,000,000 as of date: June 30, 2025
Total number of shareholders of record: 1 as of date: June 30, 2025

Exact title and class of the security: C
Par or stated value: .0001
Total shares authorized: 1,000,000 as of date: June 30, 2025
Total shares outstanding: 1,000,000 as of date: June 30, 2025
Total number of shareholders of record: 1 as of date: June 30, 2025

Exact title and class of the security: C-1
Par or stated value: .0001
Total shares authorized: 10,000 as of date: June 30, 2025
Total shares outstanding: 10,000 as of date: June 30, 2025
Total number of shareholders of record: 1 as of date: June 30, 2025

Exact title and class of the security: C-2
Par or stated value: .0001
Total shares authorized: 100 as of date: June 30, 2025
Total shares outstanding: 100 as of date: June 30, 2025
Total number of shareholders of record: 1 as of date: June 30, 2025

Exact title and class of the security:	<u>D</u>	
Par or stated value:	<u>.0001</u>	
Total shares authorized:	<u>10,000</u>	as of date: June 30, 2025
Total shares outstanding:	<u>10,000</u>	as of date: June 30, 2025
Total number of shareholders of record:	<u>1</u>	as of date: June 30, 2025

Security Description:

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

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

None.

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

- 1) 6,696 shares of Parent Common Stock may be issued upon conversion of Series B-1 Preferred
- 2) 26,786 shares of Parent Common Stock may be issued upon conversion of Series B-2 Preferred,
- 3) 1,000,000 shares of Series C Convertible Preferred Stock, par value \$0.0001 per share (the "Parent C Stock") J&N Real Estate Company, LLC, a Colorado limited liability company ("J&N") (stated value of \$6,046,000) convertible into shares of Parent Common Stock at current price;
- 4) 10,000 shares of Series C-1 Convertible Preferred Stock, par value \$0.0001 per share (stated value of \$2,812,500) (the "Parent C-1 Stock") to J&N convertible into shares of Parent Common Stock at the current price;
- 5) 100 shares of Series C-2 Convertible Preferred Stock (the "Parent C-2 Stock") which are convertible 205M shares of Parent Common Stock and are entitled to vote on an as-converted basis.
- 6) 10,000 shares of Series D Convertible Preferred Stock, par value \$0.0001 per share (stated value of \$4,300,000) (the "Parent D Stock") to J&N a convertible into shares of Parent Common Stock at current price.
- 7) The exchange of N7 assets for PLSH preferred stock 77,784 shares which are convertible 7,778,400 shares of Parent Common Stock is intended to constitute a reorganization within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), or such other tax-free reorganization or restructuring provisions as may be available under the Code. These shares are subject to a leak out agreement. Restrictions on Sales; Volume Limitations. The Stockholder's right to effect open market sales of his, her or its leak-out Shares shall be limited to an aggregate amount not to exceed the Total Monthly Volume per month, or the Total Weekly Volume per week. For purposes of this Agreement, "Total Weekly Volume" and "Total Monthly Volume" shall mean one percent (1%) of the total number of shares of the Company's Common Stock that are actually traded (bought and sold) prior to the Stockholder's open market sales, as calculated by adding the daily volume of the Common Stock for the day(s) of that week or month prior to the open market sale. Leak-out Share amounts that may be sold are not cumulative. If the Stockholder waives his, her or its, as the case may be, rights at any time during the Leak-out Period, pursuant to this Section (b) ("Waivable Period"), the calculated Leak-out Share amounts that may be sold for those Waivable Periods shall not accrue and not add to Leak-out Share amounts that may be sold in future period or periods.

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

None.

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

None.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

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

Shares Outstanding Opening Balance:									
Date 3/31/25		Common: 21,223,788							
		Preferred: 12,378,705							
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
25-Mar-24	Preferred Shares Issued	2,857	Preferred N7	\$1.00	No	Thomas Young	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	874	Preferred N7	\$1.00	No	David L Traylor	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	874	Preferred N7	\$1.00	No	Peter Arner	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	437	Preferred N7	\$1.00	No	Pat Christensen	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	2,000	Preferred N7	\$1.00	No	Richard J. Detrio	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	5,000	Preferred N7	\$1.00	No	Golden Trust LLC	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	7,867	Preferred N7	\$1.00	No	Strategic Investment Consortium, Inc.	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	9,042	Preferred N7	\$1.00	No	Themistocles Psomiadis	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	6,844	Preferred N7	\$1.00	No	Alan T. Hawkins	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	2,185	Preferred N7	\$1.00	No	Magic Lotus LLC	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Issued	750	Preferred N7	\$1.00	No	Jesus M. Quintero	APA N7	Restricted	Exempt
25-Mar-24	Preferred Shares Cancelled	-812	Preferred N7	\$1.00	No	David L Traylor	Cancelled	Restricted	Exempt
28-May-24	New Issuance	22,000	Common	\$0.20	No	Harvey Kesner	Shares in exchange for services	Restricted	Exempt
28-May-24	New Issuance	200,000	Common	\$0.20	No	Nathan Berman	Compensation in lieu of salary	Restricted	Exempt
28-May-24	New Issuance	700,000	Common	\$0.20	No	Nick J Cavarra	Compensation in lieu of salary	Restricted	Exempt
28-May-24	New Issuance	300,000	Common	\$0.20	No	Larry Wert	Compensation in lieu of salary	Restricted	Exempt
28-May-24	New Issuance	800,000	Common	\$0.20	No	Leslie Buttorff	Compensation in lieu of salary	Restricted	Exempt
28-May-24	New Issuance	109,446	Common	\$0.20	No	Dale Zwick	Compensation in lieu of services	Restricted	Exempt
28-May-24	New Issuance	50,000	Common	\$0.20	No	Christine Distler	Compensation in lieu of salary	Restricted	Exempt
28-May-24	New Issuance	109,430	Common	\$0.20	No	John Payne	Shares in exchange for Cash	Restricted	Exempt
28-May-24	New Issuance	109,430	Common	\$0.20	No	Justin Fischer	Shares in exchange for Cash	Restricted	Exempt
28-May-24	New Issuance	109,430	Common	\$0.20	No	Brandon Fischer	Shares in exchange for Cash	Restricted	Exempt
28-May-24	New Issuance	25,000	Common	\$0.20	No	David Williams	Shares in exchange for services	Restricted	Exempt
23-Jul-24	Conversion	285,700	Common	\$0.20	No	Susan Barnes	Conversion Pref to Common	Restricted	Exempt
23-Jul-24	Conversion	212,300	Common	\$0.20	No	James Price	Conversion Pref to Common	Restricted	Exempt
23-Jul-24	Conversion	81,200	Common	\$0.20	No	David Traylor	Conversion Pref to Common	Restricted	Exempt
Shares Outstanding on Date of This Report:									
		Ending Balance: 21,223,788							
Date 6/30/2025		Common: 21,223,788							
		Preferred: 11,827,400							

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

Example: A company with a fiscal year end of December 31, 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022, through December 31, 2023, pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

Control person (s)

Golden Trust LLC-Wayne Smeal

Strategic Investment Consortium, Inc.-Catherine Garrido

Magic Lotus, LLC-Pratik Modi

B. Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. Ensure that these descriptions are updated on the Company’s Profile on www.OTCMarkets.com.

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

We are a Nevada corporation organized in 2008. Exactus, Inc. was our former name. We have pursued opportunities in hemp-based businesses, which we refer to as “cannabinoids or CBD”. On December 31, 2021, Panacea Life Sciences, Inc. “Panacea” entered into an Exchange Agreement with Exactus and as a result became a seed-to-sale Cannabinoid company. The former Panacea stockholders assumed majority control and all operations are now operated through Panacea. Leslie Buttorff, became our Chief Executive Officer and a director upon the closing of the share exchange, also became our principal stockholder through common stock and Convertible Preferred Stock issued to her and entity she controls.

Panacea Life Sciences Holdings, Inc. (OTC: PLSH) is a holding company organized as a plant-based natural health ingredient and product company, specializing in the development, manufacturing, research, and distribution of

products within the \$134B and rapidly growing natural health and wellness market segment for both humans and animals.

Established in 2017, the company's first subsidiary, Panacea Life Sciences, Inc. (PLS), is dedicated to the distribution and research of premium-quality cannabinoids, mushrooms, kratom, and other natural, plant-based ingredients and products. PLS is committed to delivering high-quality solutions in the field of natural health and well-being. Panacea also offers the purest natural remedies within its branded product lines for every aspect of life: PANA Health™, PANA Beauty®, PANA Sport™, PANA Pet®, PANA Pure® and PANA Life™. If you would like more information, please visit www.panacealife.com.

Panacea Distro, the second subsidiary of Panacea Life Sciences Holdings, Inc., was sold in April 2025.

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

Panacea Life Sciences, Inc. and Panacea Distro, Inc. are subsidiaries of PLSH. Panacea Distro was sold in April 2025.

C. Describe the issuers' principal products or services.

Panacea offers pure natural remedies within product lines for every aspect of life: PANA Life®, PANA Beauty®, PANA Sport™, PANA Pet® and PANA Health™. Currently Panacea sells over 40 different product SKUs of CBD and CBG products. Our products are formulated with delivery methods for health benefits including an intellectual property portfolio enabling development of topical creams, sublinguals, oral soft gel capsules, patches, and sprays. As of October 2024, PLS became an online company only. PLS has a contract manufacturing agreement with Covert Nutra to keep supplying the CBD products.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

PLSH no longer leases any facilities. It operates virtually based on its e-commerce business model.

The assets consist of extraction equipment, SAP ERP system, other misc. production equipment and inventory. Inventories are stated at lower of cost or net realizable value. Inventories of purchased materials are valued using a moving average method and managed on a first in first out basis (FIFO). Inventories of internally manufactured materials are valued using a standard costing method and are also managed on a FIFO basis.

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

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

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Leslie Buttorff</u>	<u>CEO</u>	<u>Belleair Shore, FL</u>	<u>2,159,899</u>	<u>Common</u>	<u>10.40</u>	_____
<u>Larry Wert</u>	<u>Board Member</u>	<u>Chicago, IL</u>	<u>907,868</u>	<u>Common</u>	<u>4.37</u>	_____
<u>J&N Real Estate</u>	<u>Related Party</u>	<u>Greenwood Village CO</u>	<u>7,297,627</u>	<u>Common</u>	<u>35.15</u>	<u>Leslie Buttorff</u>
<u>Leslie Buttorff</u>	<u>CEO</u>	<u>Belleair Shore, FL</u>	<u>1,020,100</u>	<u>Preferred</u>	<u>100</u>	_____
<u>Nick Cavarra</u>	<u>Shareholder</u>	<u>Littleton CO</u>	<u>1,496,957</u>	<u>Common</u>	<u>7.05</u>	

The following table sets forth information as of June 30, 2025, regarding the number of shares of our common stock beneficially owned by each director, each named executive officer and by all directors and executive officers as a group. Unless otherwise noted, each shareholder's address is 5910 S. University Blvd, Suite C18-193, Greenwood Village, CO 80121, and each shareholder has sole voting power and investment power with respect to securities shown in the table below.

- (1) Applicable percentages are based on 21,223,788 of common stock outstanding as of the June 30, 2025.
- (2) Ms. Buttorff is our Chief Executive Officer, Chief Financial Officer and director.
- (3) Mr. Wert is a director.
- (4) J & N Real Estate Company, LLC Ms. Buttorff is the owner. Address is 5910 South University Suite C18-193, Greenwood Village, CO 80121.

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

7) Legal/Disciplinary History

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

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

No

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

No

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

No

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

No

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

No

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

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding, and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed. Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile. Securities Counsel (must include Counsel preparing Attorney Letters).

Name:

Accountant or Auditor

Name: None—in March 2023 BF Borgers was dismissed

Firm: _____

Address 1: _____

Address 2: _____

Phone: _____

Email: _____

Investor Relations

Name: None
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

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

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that aided or services to the issuer during the reporting period.

Name: _____
Firm: Anthony, Linder & Cacomanolis, PLLC
1700 Palm Beach Lakes Blvd., Suite 820
West Palm Beach, FL 33401
Main Office: (561) 433-6221
Fax: (561) 514-0832
Nature of Services: Legal

9) Disclosure & Financial Information

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

Name: Leslie Buttorff
Title: CEO
Relationship to Issuer: Its CEO

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

IFRS
 U.S. GAAP

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

Name: Leslie Buttorff
Title: CEO
Relationship to Issuer: Its CEO

Describe the qualifications of the person or persons who prepared the financial statements: **35 years of experience and MS in Finance.**

Provide the following qualifying financial statements:

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

Financial Statement Requirements:

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

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Leslie Buttorff certify that:

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

August 4, 2025

/s/ Leslie Buttorff, CEO

Principal Financial Officer:

I, Leslie Buttorff certify that:

1. I have reviewed this Disclosure Statement for PLSH;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, considering the

circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 4, 2025

/s/ Leslie Buttorff, CEO

Panacea Life Sciences Holdings, Inc.

Nevada

*(State or other jurisdiction of
incorporation or organization)*

27-1085858

*(I.R.S. Employer
Identification No.)*

5910 S University Blvd, C18-193, Greenwood Village, CO 80121

(Address of principal executive offices, Zip Code)

PART I. FINANCIAL INFORMATION

Panacea Life Sciences Holdings, Inc. and Subsidiaries		
Unaudited Condensed Consolidated Balance Sheets		
	June 30, 2025	December 31, 2024
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 242,535	1,466,855
Accounts receivable, net	-	233,217
Inventory	3,199,021	3,661,135
Marketable securities	-	2,533
TOTAL CURRENT ASSETS	3,441,556	5,363,740
Operating lease right-of-use asset, net	-	323,145
Property and equipment, net	3,384,566	3,682,497
Goodwill	-	1,848,052
TOTAL ASSETS	\$ 6,826,122	11,217,435
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 5,419,304	4,677,012
Note payable-current, related party	11,097,091	12,663,076
First Bank note payable	234,033	214,939
Convertible note payable, net	-	(1,562,268)
TOTAL CURRENT LIABILITIES:	16,750,428	15,992,759
Operating lease liability, long-term portion	-	417,067
Other long-term liabilities, related party	-	3,059,473
TOTAL LIABILITIES	16,750,428	19,469,299
STOCKHOLDERS' EQUITY		
Series B-1 Preferred: \$0.0001 Par Value, 32,000,000 shares designated; 1,500,000 and 1,500,000 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	150	150
Series B-2 Preferred: \$0.0001 Par Value, 6,000,000 shares designated; 6,000,000 and 6,000,000 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	600	600
Series C Preferred: \$0.0001 Par Value, 1,000,000 shares designated; 1,000,000 and 1,000,000 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	100	100
Series C-1 Preferred: \$0.0001 Par Value, 10,000 shares designated and 10,000 and 10,000 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	1	1
Series C-2 Preferred: \$0.0001 Par Value, 100 and 0 shares designated and 100 and 0 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	1	1
Series D Preferred: \$0.0001 Par Value, 10,000 shares designated and 10,000 and 10,000 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	1	1
Series N7 Preferred: \$0.0001 Par Value, 3,853,000 shares designated and 3,307,300 and 3,853,000 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	331	384
Common Stock: \$0.0001 Par Value, 650,000,000 shares authorized; 20,759,288 and 20,759,288 shares issued and outstanding on June 30, 2025 and December 31, 2024 respectively.	2,077	2,077
Additional paid in capital	23,995,330	26,250,918
Accumulated deficit	(33,922,898)	(34,506,098)
TOTAL STOCKHOLDERS' EQUITY	(9,924,306)	(8,251,864)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 6,826,122	11,217,435

Panacea Life Sciences Holdings, Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
REVENUE	\$ 215,129	\$ 1,174,175	\$ 811,012	\$ 2,227,827
COST OF SALES	31,334	453,049	349,064	\$ 840,536
GROSS PROFIT	183,795	721,126	461,948	1,387,291
OPERATING EXPENSES				
Production related operating expenses	768,033	1,479,572	1,494,142	2,954,047
General and administrative expenses	132,796	245,868	177,660	494,906
TOTAL OPERATING EXPENSES	900,829	1,725,440	1,671,802	3,448,953
GAIN/LOSS FROM OPERATIONS	(717,034)	(1,004,314)	(1,209,854)	(2,061,662)
OTHER INCOME (EXPENSES)				
Interest expense	(461,498)	(459,983)	(935,393)	(1,365,065)
Unrealized gain (loss) on marketable securities, net	-	-	-	5,053
Realized gain (loss) on sale of securities	-	-	-	(376)
Goodwill Impairment Loss	(1,848,052)	-	(1,848,052)	-
Rental Income	-	2,380	-	36,269
Gain on extinguishment of debt	4,000,000	-	4,963,390	-
TOTAL OTHER INCOME (EXPENSE)	1,690,450	(457,603)	2,179,945	(1,324,119)
INCOME (LOSS) BEFORE INCOME TAXES	973,416	(1,461,917)	970,091	(3,385,781)
TAXES	-	-	-	-
NET INCOME (LOSS)	\$ 973,416	\$ (1,461,917)	\$ 970,091	\$ (2,907,991)
Per-share data				
Basic gain/loss per share	\$ 0.05	\$ (0.09)	\$ 0.05	\$ (0.18)
Diluted gain/loss per share	0.03	\$ (0.09)	0.03	\$ (0.18)
Weighted average number of common shares				
outstanding-Basic	20,136,915	16,492,589	20,136,915	16,492,589
Diluted	31,964,315	16,492,589	31,964,315	16,492,589

PANACEA LIFE SCIENCES HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholder's Equity
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2024	12,383,350	\$ 1,238	20,759,288	\$ 2,076	\$ 26,250,918	\$ (34,506,098)	\$ (8,251,866)
Other	-	-	-	-	(2,255,588)	-	(2,255,588)
Conversion of N7 preferred	(4,645)	5	464,500	46	-	-	51
Clawback of of N7 preferred	(551,305)	(55)	-	-	-	-	(55)
Net Gain/Loss	-	-	-	-	-	970,091	970,091
Balance as of June 30, 2025	11,827,400	\$ 1,188	21,223,788	\$ 2,122	\$ 23,995,330	\$ (33,536,007)	\$ (9,537,367)
Balance as of March 31, 2025	12,378,705	\$ 1,243	21,223,788	\$ 2,122	\$ 23,995,330	\$ (34,509,423)	\$ (10,510,728)
Other	-	-	-	-	-	-	-
Clawback of of N7 preferred	(551,305)	(55)	-	-	-	-	(55)
Net Gain/Loss	-	-	-	-	-	973,416	973,416
Balance as of June 30, 2025	11,827,400	\$ 1,188	21,223,788	\$ 2,122	\$ 23,995,330	\$ (33,536,007)	\$ (9,537,367)
Balance as of December 31, 2023	12,838,350	\$ 1,238	17,645,352	\$ 1,765	\$ 25,628,442	\$ (33,922,898)	\$ (8,291,454)
Shares issued in settlement of convertible note	-	-	3,113,936	311	114,689	-	115,000
Net Loss	-	-	-	-	-	(2,908,001)	(2,908,001)
Balance as of June 30, 2024	12,838,350	\$ 1,238	20,759,288	\$ 2,076	\$ 25,743,131	\$ (36,830,899)	\$ (11,084,455)
Balance as of March 31, 2024	12,838,350	\$ 1,238	17,645,352	\$ 1,765	\$ 25,743,375	\$ (35,368,922)	\$ (9,622,528)
Shares issued in settlement of convertible note	-	-	3,113,936	311	114,689	-	115,000
Net Loss	-	-	-	-	-	(1,461,927)	(1,461,927)
Balance as of June 30, 2024	12,838,350	\$ 1,238	20,759,288	\$ 2,076	\$ 25,858,064	\$ (36,830,849)	\$ (11,084,455)

The accompanying notes are an integral part of these financial statements

Panacea Life Sciences Holdings, Inc. and Subsidiaries
Statements of Cash Flows

	For the six months June 30,	
	2025	2024
Cash flows from operating activities		
Net income (loss)	\$ 970,091	\$ (2,908,001)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	655,684	767,086
Realized gain on sale of securities	-	376
Unrealized (gain)/loss on marketable securities	-	5,053
Changes in operating assets and liabilities		
Accounts receivable	(29,875)	(193,459)
Inventory	(308,197)	(17,932)
Prepaid expense and other assets	-	57,903
Accounts payable and accrued expenses	254,368	1,175,220
Operating lease liability, net	335,568	220,045
Goodwill impairment	(1,848,052)	-
Net cash used in operating activities	29,587	(893,709)
Cash flows from investing activities		
Proceeds from sale of assets	350,000	(5,000)
Net Cash provided by (used in) investing activities	350,000	(5,000)
Cash flows from financing activities		
Payment of debt related to sold assets	(61,189)	(17,864)
Payments of principal on notes payable-related party	(340,000)	1,004,705
Write off of principal on notes payable - related party	-	-
Proceeds from Notes payable - related party	-	-
Cash provided by financing activities	(401,189)	986,841
Net increase (decrease) in Cash and Cash Equivalents	(21,602)	88,132
Cash and Cash Equivalents, Beginning of Period	264,137	100,922
Cash and Cash Equivalents, End of Period	\$ 242,535	\$ 189,054
Noncash investing and financing activity		
Conversion of note payable to stock	-	(115,000)
Debt retired , related party	\$ 4,000,000	\$ -

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

PANACEA LIFE SCIENCES HOLDINGS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - NATURE OF ORGANIZATION

Organization and Business Description

We are a Nevada corporation organized in 2008. Exactus, Inc. was our former name. We have pursued opportunities in hemp-based businesses, which we refer to as “cannabinoids or CBD”. On December 31, 2021 Panacea Life Sciences, Inc. “Panacea” entered into an Exchange Agreement with Exactus and as a result became a seed-to-sale Cannabinoid company. The former Panacea stockholders have assumed majority control of us and all our operations are now operated through Panacea which because of the share exchange became our wholly owned subsidiary. Leslie Buttorff, became our Chief Executive Officer and a director upon the closing of the share exchange, also became our principal stockholder through common stock and Convertible Preferred Stock issued to her and entity she controls.

Panacea Life Sciences Holdings, Inc. (OTC: PLSH) is a holding company organized as a plant-based natural health ingredient and product company, specializing in the development, manufacturing, research, and distribution of products within the \$134B and rapidly growing natural health and wellness market segment for both humans and animals.

Established in 2017, the company’s first subsidiary, Panacea Life Sciences, Inc. (PLS), is dedicated to the distribution and research of premium-quality cannabinoids, mushrooms, kratom, and other natural, plant-based ingredients and products. PLS is committed to delivering high-quality solutions in the field of natural health and well-being. Panacea also offers the purest natural remedies within its branded product lines for every aspect of life: PANA Health™, PANA Beauty®, PANA Sport™, PANA Pet®, PANA Pure® and PANA Life™. If you would like more information, please visit www.panacealife.com.

Panacea Distro, Inc. a subsidiary of Panacea Life Sciences Holdings, Inc. (“Panacea” or the “Company”), was sold HARP Syndicate. LLC, a kava smoke shop and Kratom retailer in the Tampa area, for cash consideration less outstanding accounts payables that would be due in May 2025. The transaction was completed on April 28, 2025, and includes the entire business of Panacea Distro. The Company plans to use the proceed for debt reduction and general corporate purposes.

On May 5, 2025 Panacea Life Memorandum of Conveyance Obligations and First Right of Refusal was recorded in the real property records of Delta County, Colorado, on September 8, 2021, under Reception Number 732514, by and between PANACEA LIFE SCIENCES, INC., a Colorado corporation (“Panacea”), and 22ND CENTURY GROUP, INC., a Nevada corporation (“22nd Century”), memorializing certain provisions of that Promissory Note Exchange Agreement dated June 30, 2021 (the “Exchange Agreement”). Panacea has agreed to terminate the Right of First Refusal set forth in Section 16 of the Exchange Agreement and to release the Memorandum of record.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and principles of consolidation

The Company’s consolidated financial statements include the financial statements of Panacea Life Sciences, Inc. and Panacea Distro, Inc.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and the rules and regulations of the United States Securities and Exchange Commission (the “SEC”) for interim financial information, which includes consolidated unaudited interim financial statements and present the consolidated unaudited interim financial statements of the Company and its wholly-owned subsidiaries as of June 30, 2025. Accordingly, they do not include all the information and notes required by accounting principles generally accepted in the United States of America. All intercompany transactions and balances have been eliminated. In the opinion of management, all adjustments necessary to present fairly our financial position, results of operations, stockholders’ equity and cash flows as of June 30, 2025, and 2024, and for the periods

then ended, have been made. Those adjustments consist of normal and recurring adjustments. Operating results for the six months ending June 30, 2025, and 2024 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending December 31, 2025. Certain information and note disclosures normally included in our annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted.

Going concern

These unaudited condensed consolidated financial statements are presented on the basis that the Company will continue as a going concern. Panacea has combined with Panacea Life Sciences Holdings, Inc. so the below items reflect the consolidated company. The going concern concept contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Since our inception in later 2017, we have generated losses from operations. As of June 30, 2025, our accumulated deficit was \$33.92 million, and we had \$0.243 million in cash and liquid stock. These factors raise doubt about the Company's ability to continue as a going concern for a period of 12 months from the issuance date of this report. Management cannot provide assurance that the Company will ultimately achieve or maintain profitable operations or become cash flow positive or raise additional debt and/or equity capital. In addition, due to insufficient revenue, we will need to obtain further funding through public or private equity offerings, debt financing, collaboration arrangements or other sources to maintain active business operations. We currently do not have sufficient cash flow to pay our ongoing financial obligations on a consistent basis. The issuance of any additional shares of Common Stock, preferred stock or convertible securities could be substantially dilutive to our shareholders. In addition, adequate additional funding may not be available to us on acceptable terms, or at all. These unaudited condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The Unaudited Condensed Consolidated Financial Statements have been prepared in conformity with US GAAP and required management of the Company to make estimates and assumptions in preparation of these statements. Actual results may differ significantly from those estimates. Significant estimates made by management include but are not limited to the useful life of property and equipment, incremental borrowing rate used in the calculation of right of use asset and lease liability, reserves for inventory, allowance for doubtful accounts, revenue allocations, valuation allowance on deferred tax assets, assumptions used in assessing impairment of long-term assets, assumptions used in the calculation of net realizable value of inventory and fair value of non-cash equity transactions.

Cash and Cash Equivalents

For purposes of balance sheet presentation and reporting of cash flows, the Company considers all unrestricted demand deposits, money market funds and highly liquid debt instruments with an original maturity of less than 90 days to be cash and cash equivalents. There were no cash equivalents. The Company places its cash and cash equivalents with high-quality financial institutions. At times, balances in the Company's cash accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") limit.

Accounts Receivable

Accounts receivable are generally unsecured. However, most all sales are paid by credit card or wires before the product is shipped to the customer.

Inventory

Inventories are stated at lower of cost or net realizable value. Inventories of purchased materials are valued using a moving average method and managed on a first in first out basis (FIFO). Inventories of internally manufactured materials are valued using a standard costing method and are also managed on a FIFO basis. Production related costs that are capitalized as inventory as part of the standard cost valuation include the direct materials consumed, direct labor used, indirect labor used, and manufacturing overhead. Overhead is calculated based on specific manufacturing

process and allocated on an order-by-order basis. Production variances that occur between standard cost valuation and actual costs are expensed as incurred in the income statement as part of cost of goods sold.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method on the various asset classes over their estimated useful lives, which range from three to ten years when placed in service. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition.

Intangible Assets and Goodwill

Goodwill is comprised of the purchase price of business combinations more than the fair market value assigned at acquisition to the tangible and intangible assets acquired. Goodwill is not amortized. The Company tests goodwill for impairment on an annual basis. The Company performed its most recent goodwill impairment using a discounted cash flow analysis and found that the fair value exceeded the carrying value. It has \$1.022 million of goodwill from the acquisition of the assets of Phoenix Life Sciences, Inc. in October 2017 and \$0.826 million from the N7 acquisition.

During the annual impairment testing conducted in accordance with accounting standard, e.g., ASC 350 it was determined that the carrying value of goodwill associated with both entities exceeded its fair value. This decline in fair value was primarily driven by the sales of the production assets and the sale of Panacea Distro.

As a result, an impairment charge of \$1,848,052 was recognized in the financial statements for the quarter ending June 30, 2025.

Leases

The Company no longer has any leases for its operations.

Convertible Notes Payable

The Company currently does not hold any convertible notes.

Revenue Recognition

The Company accounts for revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*.

The Company accounts for a contract when it has been approved and committed to, each party's rights regarding the goods or services to be transferred have been identified, the payment terms have been identified, the contract has commercial substance, and collectability is probable. Revenue is generally recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities. However, the Company's sales are primarily through retail stores, purchase orders or ecommerce; thus, currently contract liabilities are negligible. The Company does not have any multiple-element arrangements.

Revenue related to the sale of products is recognized once goods have been sold to the customer and the performance obligation has been completed. In both contracted purchase and retail sales, we offer consumer products through our online stores. Revenue is recognized when control of the goods is transferred to the customer. This generally occurs upon our delivery to a third-party carrier or, to the customer directly.

Segment Information

The Company follows the provisions of ASC 280-10 *Segment Reporting*. This standard requires that companies disclose operating segments based on the manner in which management disaggregates the Company in making internal operating decisions. Segment identification and selection is consistent with the management structure used by the

Company’s chief operating decision maker to evaluate performance and make decisions regarding resource allocation, as well as the materiality of financial results consistent with that structure. Based on the Company’s management structure and method of internal reporting, the Company has one operating segment.

Earnings per Share

The Company computes basic and diluted earnings per share amounts in accordance with ASC Topic 260, “Earnings per Share”. Basic earnings per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share reflects the potential dilution that could occur if preferred stock converted to common stock and warrants are exercised. Preferred stock and warrants are excluded from the diluted earnings per share calculation if their effect is anti-dilutive.

The following financial instruments were not included in the diluted loss per share calculation for the six months ended June 30, 2024, because their effect was anti-dilutive:

	June 30, 2025
Restricted stock	503,221
Options to purchase common stock	0
Warrants to purchase common stock	0
Series B-1 Convertible Preferred	1,500,000
Series B-2 Convertible Preferred	6,000,000
Series C Convertible Preferred	64,098,000
Series C-1 Convertible Preferred	29,817,418
Series D Convertible Preferred	45,587,519
Series N7 Convertible Preferred	3,307,300
Series C-2 Convertible Preferred	205,000,000
Total	355,813,458

Options and warrants to convert to common stock have all expired.

Income Taxes

Income taxes are accounted for under the asset and liability method prescribed by FASB ASC Topic 740. These standards require a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more likely than not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. Deferred income taxes are recorded for temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities. Deferred tax assets and liabilities reflect the tax rates expected to be in effect for the years in which the differences are expected to reverse. A valuation allowance is provided if it is more likely than not that some or all the deferred tax asset will not be realized.

Recently Issued Accounting Standards

In August 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-06, 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 Contract’s in an Entity’s Own Equity. The ASU simplifies accounting for convertible instruments by removing major separation models required under current GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU simplifies the diluted net income per share calculation in certain areas. The ASU is effective for annual and interim periods beginning after December 31, 2021, and early adoption is permitted for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company does not expect the adoption of ASU 2020-6 to have any material impact on its consolidated financial statements.

In May 2021, the Financial Accounting Standards Board (“FASB”) issued ASU 2021-04 “Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation— Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815- 40) Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options” which clarifies and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. An entity should measure the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange as follows: i) for a modification or an exchange that is a part of or directly related to a modification or an exchange of an existing debt instrument or line-of-credit or revolving-debt arrangements (hereinafter, referred to as a “debt” or “debt instrument”), as the difference between the fair value of the modified or exchanged written call option and the fair value of that written call option immediately before it is modified or exchanged; ii) for all other modifications or exchanges, as the excess, if any, of the fair value of the modified or exchanged written call option over the fair value of that written call option immediately before it is modified or exchanged. The amendments in this Update are effective for all entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. An entity should apply the amendments prospectively to modifications or exchanges occurring on or after the effective date of the amendments. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

NOTE 3 – PROPERTY, EQUIPMENT, NET OF ACCUMULATED DEPRECIATION

Property and equipment, net including any major improvements, are recorded at historical cost. The cost of repairs and maintenance is charged against operations as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, generally as follows:

	<u>Estimated Life</u>
Computers and technological assets	3 – 5 Years
Furniture and fixtures	3 – 5 Years
Machinery and equipment	5 – 10 Years
Leasehold improvement	10 Years

Property and equipment, net consists of the following:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Computers and technological assets	\$ 0	\$ 3,539,591
Furniture and fixtures	0	0
Machinery and equipment	1,885,291	4,854,009
Land	0	92,222
Leasehold improvements	<u>1,508,915</u>	<u>1,508,915</u>
Total	3,384,566	9,994,737
Less accumulated depreciation	<u>(1,994,931)</u>	<u>(6,425,310)</u>
Total property and equipment, net	<u>\$ 1,389,635</u>	<u>\$ 3,569,427</u>

The computer assets related to the investment in the SAP software system was written off as of June 20, 2025. The land was sold to XXII for \$100,000. Depreciation expenses for the six-month period ended June 30, 2025 was \$655,684.

NOTE 4 - INVENTORY

Inventory consists of the following components:

	June 30, 2025	December 31, 2024
Raw Materials	\$ 639,595	\$ 647,197
Semi-Finished	1,770,696	1,770,696
Finished Goods	779,090	1,239,681
Packaging	0	3,561
Total	\$ 3,199,021	\$ 3,661,135

Inventories are stated at lower of cost or net realizable value using the standard costing method for its work in process and finished goods. For its raw materials, trading goods, and packaging supplies, the Company utilizes the moving average method for costing purposes and FIFO. At this time there are no inventory reserves required.

Inventory acquired in the N7 transaction was reviewed for expiration dates and viability. The Panacea Distro inventory was written off due to expiration dates, products no longer viable to resell and mislabeled items. Expired goods from PLS were also written off.

NOTE 5 –OPERATING LEASE RIGHT-OF-USE ASSETS AND OPERATING LEASE LIABILITIES – RELATED PARTY

The Company no longer has any leases with the sale of Panacea Distro. PLS strictly operates as an on-line business and fulfillment services are now outsourced,

NOTE 6 – NOTES PAYABLE

Notes payable – related party and other liabilities.

As part of the Exchange Agreement certain loan balances (“J&N Loans”) from J&N Real Estate LLC, an affiliate of the Company’s CEO, (“J&N”) and historical interest owed of \$1,932,358 were combined into a new promissory note with the principal amount of \$4.062 million. The J&N Note bears annual interest at 12% and was secured by a pledge of certain XXII common stock owned by Panacea.

On June 30, 2021, the Company issued its CEO, Ms. Buttorff, a 10% promissory note in the amount of \$1,685,685 (the “Buttorff Note”). This demand note replaced a prior working capital note that the Company had issued on January 1, 2021. On July 1, 2021, the Company issued Ms. Buttorff a 10%, \$1 million line of credit note at 10% annual rate which Ms. Buttorff has since increased and has extended (see Note 6 – Notes Payable – Buttorff Note). The Company’s line of credit from Ms. Buttorff increased to \$8,000,000 on July 1, 2022. The terms include an annual interest rate of 10% and a maturity date in 2025. In the second quarter 2025, a loan payoff totaling \$350,000 was made.

	June 30, 2025	December 31, 2024
J&N Note	\$ 4,062,713	\$ 4,062,713
CEO Notes	6,520,987	7,334,904
Total related party notes	\$ 10,583,700	\$ 11,397,617

Other long-term liabilities, related party

The Company has recorded a related party liability (“Fixed Asset Loan”) in the amounts of \$3,059,474 as of June 30, 2025, and December 31, 2024, respectively, relating to SAP software and support fees which were paid by an affiliate company of the CEO. The maturity date has not yet been determined.

In 2020, the Company recorded an additional related party liability in the amount of \$513,390 in respect to certain building improvements, due to J&N Real Estate Company (a company owned by the CEO) (“J&N Building Loan”). This balance bears no interest, and this debt will be extinguished.

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Other long-term liabilities, related party		
Fixed Asset Loan	\$ 0	\$ 3,059,474
J&N Building Loan	513,390	513,390
Total	\$ 513,390	\$ 3,572,864

NOTE 7 - STOCKHOLDERS' EQUITY

Common stock

The Company's authorized common stock consists of 650,000,000 shares with a par value of \$0.0001 per share.

Common stock options

Stock Option Plan

On June 30, 2021, the Company's stockholders approved the 2021 Equity Incentive Plan (the "2021 Plan"). The options were discontinued with the termination of employees from Panacea Life.

As of June 30, 2025, the outstanding warrants had no intrinsic value.

Restricted Stock

A summary of the restricted stock activity is presented below:

	Restricted Stock Common Stock
Balance at December 31, 2024	503,221
Balance at June 30, 2025	503,221

As of June 30, 2025, there were no unamortized or unvested stock-based compensation costs related to restricted share arrangements.

Preferred Stock

The Company's authorized preferred stock consists of 50,000,000 shares with a par value of \$0.0001.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Legal Matters

In the ordinary course of business, the Company enters into agreements with third parties that include indemnification provisions which, in its judgment, are normal and customary for companies in the Company's industry sector. These agreements are typically with business partners, and suppliers. Pursuant to these agreements, the Company generally agrees to indemnify, hold harmless, and reimburse indemnified parties for losses suffered or incurred by the indemnified parties with respect to the Company's products, use of such products, or other actions taken or omitted by us. The maximum potential number of future payments the Company could be required to make under these indemnification provisions is unlimited. The Company has not incurred material costs to defend lawsuits or settle

claims related to these indemnification provisions. As a result, the estimated fair value of liabilities relating to these provisions is minimal. Accordingly, the Company has no liabilities recorded for these provisions as of June 30, 2025.

Concentrations

The Company has no contingencies, material commitments, purchase obligations, or sales obligations.

NOTE 9 - RELATED PARTY TRANSACTIONS

Notes Payable and Accrued Interest – Related Parties

For information on related party loans to the Company and other related party transactions, see Note 6, Notes Payable.

The accrued interest and interest expenses recorded for related party loans are shown below.

	June 30, 2025	December 31, 2024
Accrued Interest		
Related party loan-J&N	\$ 2,487,299	\$ 2,107,694
Related party loan-CEO loan	824,897	702,949
Related party loan – Line of credit	2,045,578	4,686,828

	Six months ended June 30, 2025
Interest Expense	
Related party loan-J&N	\$ 192,635
Related party loan-CEO loan	61,733
Related party loan – Line of Credit	194,390

NOTE 11– TAXES

The Company has incurred aggregate net operating losses of approximately \$33,922,898 for income tax purposes as of June 30, 2025. The net operating losses carry forward for United States income taxes, which may be available to reduce future years’ taxable income. Management believes that the realization of the benefits from these losses is likely if future business combinations can be executed.

The Company filed for an extension for Federal income tax purposes for tax year 2024.

NOTE 11– SUBSEQUENT EVENTS

The Company has entered a Memorandum of Understanding (MOU) with Viride Fund. The MOU covers the asset purchase agreement that is proposed between the two companies. Viride management would replace the current PLSH management and Board after a transitional period. The asset purchase agreement would include *The Broker House* (“TBH”) <https://thebrokernouse.net>, a fast-growing, compliant cannabinoid distribution platform, along with the strategic licensing of the highly recognized lifestyle hemp and cannabis brand *Lucky Chief* <http://www.luckychief.com>. The acquisition will mark a repositioning of PLSH as a vertically integrated distribution-first hemp company positioned to capture significant market share in the evolving cannabinoid and natural health sectors. Through this transaction, PLSH will absorb TBH’s robust multi-state wholesale and retail infrastructure, bolstering the distribution of its in-house PANA-branded CBD and pet wellness products. Additionally, the acquisition will expand the Company’s brand portfolio by integrating Lucky Chief’s line of hemp-derived psychoactive SKUs, including THCa vapes, pre-rolls, and infused edibles, all of which have experienced rapid retail adoption. With this acquisition, PLSH strategically pivots into a scalable distribution and licensing model to serve the national and global

hemp-derived cannabinoid market—an industry experiencing renewed momentum amid regulatory reform and increased consumer demand.

PLSH is also in discussions with Benivita Corp. (a telemed company). No formal agreements have been signed at this date.