Xcelerate, Inc.

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

Quarterly Report

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

Outstanding Shares

The number of shares outstanding of our Common Stock was:

434,446,072 as of June 30, 2026, 434,446,072 as of December 31, 2025

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 Control[5] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

[5] "Change in Control" shall mean any events resulting in:

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

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

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

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

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

Prior Incorporation Information for the issuer and any predecessors during the past five years:
None.

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

None.

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

None.

Address of the issuer's principal executive office:

110 Renaissance Circle
Mauldin, SC 29662

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

_____

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

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

_____

2) Security Information

Transfer Agent

Name: Equiniti Trust, LLC
Phone: 800-937-5449
Email: Dominick.dalpizzol@equiniti.com
Address: PO Box 857584 Minneapolis, MN.
Is the Transfer Agent registered under the Exchange Act Yes: ☒ No: ☐

Publicly Quoted or Traded Securities:

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

Trading symbol:	XCRT	
Exact title and class of securities outstanding:	Common stock	
CUSIP:	98401T10 5	
Par or stated value:	$0.0001	
Total shares authorized:	1,000,000,000	as of date: June 30, 2026
Total shares outstanding:	434,446,072	as of date: June 30, 2026
Total number of shareholders of record:	973	as of date: June 30, 2026

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

None

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

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

Exact title and class of the security:	Series B Preferred Stock	
Par or stated value:	$0.0001	
Total shares authorized:	25,000,000	as of date: June 30, 2026
Total shares outstanding:	120,000	as of date: June 30, 2026
Total number of shareholders of record:	1	as of date: June 30, 2026

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

None

Security Description:

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

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

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

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

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

Describe any other material rights of common or preferred stockholders.

None

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.

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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:
No: ☒ Yes: ☐ (If yes, you must complete the table below)

Shares Outstanding Opening Balance: Date _____ Common: _____ Preferred: _____			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the 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.**
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: Ending Balance: Date _____ Common: _____ Preferred: _____									

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

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

None

Convertible Debt

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

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

Date of Note Issuance	Principal Amount at Issuance ($)	Outstanding Balance ($) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion[6]	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
7/1/2025	$100,000	$115,000	June 30, 2027	Can be converted to common stock at a conversion price of $0.008	-0-	14,375,000	Gary Eliston	Working capital
Total Outstanding Balance:				**Total Shares:**				

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

None

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.

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

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

We are a healthcare services company currently focused on the development of medical technology and virtual health services to help patients in developing countries meet their medical needs by extending the reach of physicians through the technology.

List any subsidiaries, parent company, or affiliated companies.

51% ownership of ASA Africa, LLC

Describe the issuers' principal products or services.

Development of medical technology and virtual health services to help patients in developing countries meet their medical needs by extending the reach of physicians through the technology

5) Issuer's Facilities

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

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

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

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

6) All Officers, Directors, and 5% Beneficial Owners of the Company

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

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

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

Individual Name (First, Last) or **Entity Name**	**Position/Company Affiliation** (ex: CEO, ≥ 5% beneficial owner)	**City and State** (Include Country if outside U.S.)	**Number of Shares Owned**	**Class of Shares Owned**	**Percentage of Class of**

(Include names of control person(s) if a corporate entity)			(List common, preferred, warrants and options separately)		Shares Owned (undiluted)
Michael F. O'Shea	CEO, 5% shareholder	Maudlin, SC	88,455,730	Common	20.4%
Michael F. O'Shea	CEO	Maudlin, SC	120,000	Preferred B	100%
Jason Householder	Director	Maudlin, SC	15,000,000	Common	3.5%
Jon Wilkin	Director	Maudlin, SC	-0-		
Clifford Thiessen	5% shareholder	Greenville, SC	55,500,000	Common	12.8%

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

7) Legal/Disciplinary History

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:

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

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

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

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

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

None

8) Third Party Service Providers

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

Securities Counsel

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

Accountant or Auditor

Name:	David Natan -outsourced accountant
Firm:	Natan & Associates, LLC
Address 1:	6720 NW 74th Court
Address 2:	Parkland, Florida 33067
Phone:	786-412-6085
Email:	dn474747@aol.com

Investor Relations

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

All other means of Investor Communication:

X (Twitter): _____

Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

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

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

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

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

The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

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

Name: David Natan
Title: Outsourced Accountant
Relationship to Issuer: None
Describe the qualifications of the person or persons who prepared the financial statements:[7]

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

Provide the following qualifying financial statements:

Audit letter, if audited;
Balance Sheet;

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

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.

XCELERATE, INC.
QUARTERLY REPORT
JUNE 30, 2026
(UNAUDITED)

XCELERATE, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2026 (Unaudited)	December 31, 2025 (Unaudited)
ASSETS		
Current assets		
Cash	$ 204,259	$ 363,064
Total current assets	204,259	363,064
Investment	15,000	-
Total Assets	$ 219,259	$ 363,064
LIABILITIES & STOCKHOLDERS' (DEFICIT)		
Current liabilities		
Accounts payable	$ 537,969	$ 544,969
Convertible notes payable	100,000	100,000
Notes payable related parties	1,694,027	1,761,027
Total current liabilities	2,331,996	2,405,996
Total liabilities	2,331,996	2,405,996
Shareholders' (Deficit)		
Series A Preferred stock, par value $0.0001, -0- shares authorized; -0- and -0- shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	-	-
Series B Preferred stock, par value $0.0001, 25,000,000 shares authorized; 120,000 and 120,000 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	12	12
Common stock, par value $0.0001, 1,000,000,000 shares authorized; 434,446,072 and 434,446,072 shares issued and outstanding as of June 30, 2026 and December 31, 2025	43,444	43,444
Additional paid in capital	9,620,691	9,620,691
Accumulated deficit	(11,766,020)	(11,718,064)
Total Xcelerate Inc. Stockholders Deficit	(2,101,873)	(2,053,917)
Non-controlling interests	(10,864)	10,986
Total Stockholders' Deficit	(2,112,737)	(2,042,932)
Total Liabilities and Stockholders' Deficit	$ 219,259	$ 363,064

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

XCELERATE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended June 30, 2026	Three months ended June 30, 2025
Revenue	$ -	$ -
Operating expenses:		
General and administrative expenses	54,175	20,436
Amortization of intangible assets	-	27,225
Total operating expenses	54,175	47,661
Loss from continuing operations	(54,175)	(47,661)
Non-controlling interest	(21,850)	-
(Loss) from continuing operations	(32,324)	(47,661)
(Loss) from discontinued operations	-	(114,219)
Net (loss)	$ (32,324)	$ (161,880)
Basic and diluted (loss) per common share from continuing operations	$ (0.00)	$ (0.00)
Basic and diluted (loss) per common share from discontinued operations	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	434,446,072	434,446,072

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

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

	Preferred Stock Series A		Preferred Stock Series B		Common Stock		Additional Paid-in	Accumulated	Non-controlling	Total Stockholders'
	Shares	Value	Shares	Value	Shares	Value	Capital	(Deficit)	interest	(Deficit)
Balance, December 31, 2024	-	$ -	120,000	$ 12	434,446,072	$ 43,444	$ 9,620,691	$ (10,884,258)	$ 10,986	$ (1,209,124)
Net loss								(154,440)		(154,440)
Balance, March 31, 2025	-	$ -	120,000	$ 12	434,446,072	$ 43,444	$ 9,620,691	$ (11,038,698)	$ 10,986	$ (1,363,564)
Net loss								(228,982)		(228,982)
Balance, June 30, 2025	-	$ -	120,000	$ 12	434,446,072	$ 43,444	$ 9,620,691	$ (11,267,680)	$ 10,986	$ (1,592,546)

	Preferred Stock Series A		Preferred Stock Series B		Common Stock		Additional Paid-in	Accumulated	Non-controlling	Total Stockholders'
	Shares	Value	Shares	Value	Shares	Value	Capital	(Deficit)	interest	(Deficit)
Balance, December 31, 2025	-	$ -	120,000	$ 12	434,446,072	$ 43,444	$ 9,620,691	$ (11,718,064)	$ 10,986	$ (2,042,932)
Net loss								(15,631)		(15,631)
Balance, March 31, 2026	-	$ -	120,000	$ 12	434,446,072	$ 43,444	$ 9,620,691	$ (11,733,695)	$ 10,986	$ (2,058,563)
Non controlling interest									(21,850)	(21,850)
								(32,324)		(32,324)
Balance, June 30, 2026	-	$ -	120,000	$ 12	$434,446,072	$ 43,444	$ 9,620,691	$ (11,766,020)	$ (10,864)	$ (2,112,737)

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

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

	Six months ended June 30, 2026	Six months ended June 30, 2025
Cash Flows From Operating Activities:		
Net loss	$ (69,806)	$ (383,422)
Amortization expense		78,294
Changes is assets and liabilities		
Accounts payable	(7,000)	38,000
Net cash (used in) operating activities from continuing operations	(76,806)	(267,128)
Net cash provided by (used in) operating activities from discontinued operations	-	304,954
Net cash provided by (used in) operating activities	(76,806)	37,826
Cash Flows From Investing Activities		
Investment	(15,000)	
Net cash (used in) investing activities	(15,000)	-
Cash Flows From Financing Activities:		
Proceeds related party loans		
Payments on related party notes	(67,000)	34,917
Net cash provided by financing activities from continuing operations	(67,000)	34,917
Net cash provided by financing activities from discontinued operations	-	(121,208)
Net cash (used in) financing activities	(67,000)	(86,291)
Net (Decrease) In Cash	(158,806)	(48,465)
Cash At The Beginning Of The Period	363,064	123,548
Cash At The End Of The Period	$ 204,259	$ 75,083

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

XCELERATE, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2026 AND 2025

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

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

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

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

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

On July 24, 2023, the Company completed an acquisition of a majority interest in two related private companies, ESN Group, Inc. ("ESN") and California Skin Research, Inc., ("CSRI"), (collectively the "ESN Group") and their portfolio of health care and skin care products.

The aggregate cost of these acquisitions was $456,312. The Company funded the acquisition through a $400,000 interest-free loan from an unaffiliated person, as well interest-free loans from the Company's CEO. The Company issued 3,000,000 shares of its common stock in consideration for the $400,000 loan.

On October 9, 2025 the Company sold its interest in 50.1% interest in the ESN Group for $250,000. As a result, the ESN Group became a discontinued operation

The Company's year-end is December 31.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the Financial Accounting Standards Board ("FASB") "FASB Accounting Standard Codification™" (the "Codification") which is the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of consolidated financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States. The operations of the Company's former 50.1% owned subsidiary, the ESN Group, have been presented as discontinued operations for all periods presented. See Note 4, for further information. Unless otherwise noted, amounts and disclosures throughout these Notes to Consolidated Financial Statements relate solely to continuing operations and exclude all discontinued operations. All material intercompany accounts and transactions have been eliminated in consolidation.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 51% subsidiary AFA. The Company recognizes the noncontrolling interests related to this less-than-wholly-owned subsidiaries, as equity in the consolidated financial statements separate from the parent entity's equity. The net loss attributable to the noncontrolling interest is included in net loss in the consolidated statements of operations.

Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the twelve months following the date of these consolidated financial statements. As of June 30, 2026, the Company had an accumulated deficit of $11,766,020 and negative working capital of $2,127,737.

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

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The most significant estimates relate to the calculation of stock-based compensation, accounting for the ASA transaction, accounting for the acquisition of the ESN, income taxes and contingencies. The Company bases its estimates on historical experience, known or expected trends, and various other assumptions that are believed to be reasonable given the quality of information available as of the date of these financial statements. The results of these assumptions provide the basis for making estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates and could materially impact the Company's consolidated financial statements. There have been no material changes to the Company's accounting estimates since the issuance of the Company's financial statements for the fiscal year ended December 31, 2025.

Cash and cash equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. On June 30, 2026 and December 31, 2025, the Company's cash equivalents totaled $ $204,259 and $363,064 respectively.

Credit risk

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

Business Combinations

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

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

Goodwill and Intangible Assets

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

Goodwill is not amortized but is subject to annual impairment testing unless circumstances dictate more frequent assessments. The Company performs an annual impairment assessment for goodwill during the fourth quarter of each year and more frequently whenever events or changes in circumstances indicate that the fair value of the assets may be less than the carrying amount. Goodwill impairment testing compares the fair value of the reporting unit to its carrying amount. The fair value of the reporting unit is determined by considering both the income approach and market approaches. The fair values calculated under the income approach and market approaches are weighted based on circumstances surrounding the reporting unit. Under the income approach, the Company determines fair value based on estimated future cash flows of the reporting unit, which are discounted to the present value using discount factors that consider the timing and risk of cash flows. For the discount rate, the Company relies on the capital asset pricing model approach, which includes an assessment of the risk-free interest rate, the rate of return from publicly traded stocks, the Company's risk relative to the overall market, the Company's size and industry and other Company specific risks. Other significant assumptions used in the income approach include the terminal value, growth rates, future capital expenditures and changes in future working capital requirements. The market approaches use key multiples from guideline businesses that are comparable and are traded on a public market. If the fair value of the reporting unit is greater than its carrying amount, there is no impairment. If the reporting unit's carrying amount exceeds its fair value, then an impairment loss is recognized in an amount equal to the excess. On December 31, 2025, the Company determined that all of its intangible assets and goodwill was fully impaired and recorded a charge of $428,970 on its Statement of Operations.

Income taxes

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

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

Net Loss per Share

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

Recently adopted accounting standards

There are no recently adopted accounting standards that impact the Company's financial statements.

NOTE 3 – BUSINESS ACQUISITIONS

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

The Company allocated the fair value of the total consideration paid of $572,247 as follows: $429,185 was allocated to goodwill and $143,062 was allocated to intangible assets, comprised primarily of customer relationships with a life of three years. The value of goodwill represented the Company's ability to generate profitable operations going forward. See Note 4 -Discontinued Operations.

NOTE 4 – DISCONTINUED OPERATIONS

On October 9, 2025, the Company sold its 50.1% interest in the ESN Group to a third party for $250,000. As result the ESN Group became a discontinued operation.

For the six months ended June 30, 2026 and June 30, 2025, the Company recorded losses from discontinued operations of $-0- and $114,219, respectively.

NOTE 5 – NOTES PAYABLE RELATED PARTIES, CONVERTIBLE NOTES

Notes Payable Related Parties

A significant portion of the funding for the Company's operations has been provided by its CEO and other affiliated shareholders in the form of interest-free demand loans. As of June 30, 2026 and December 31, 2025, the balance of notes payable was $1,694,027 and $1,761,027 respectively. The composition of the notes payable balance as of June 30, 2026, was $1,233,000 due to two shareholders and $461,027 due to the Company's CEO.

Convertible Notes

On July 1, 2025, an accredited investor provided the Company an unsecured $100,000 convertible note. The note bears interest at the rate of 15% per annum and matures on June 30, 2027. The note is convertible to common stock at any time at a conversion price of $0.008. As of June 30, 2026 and December 31, 2025 the balance of convertible notes was $100,000 and $100,000, respectively.

NOTE 6 – EQUITY

Common Stock

The Company has authorized 1,000,0000,000 shares of $0.0001 par value, common stock. As of June 30, 2026 and December 31, 2025, there were 434,446,072 and 434,446,072 shares of common stock issued and outstanding, respectively.

There were no shares of common stock issued during the year ended December 31, 2025.

Preferred Stock

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

As of June 30, 2026 and December 31, 2025, there were 120,000 Preferred B shares outstanding.

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Michael O'Shea certify that:

1. I have reviewed this Disclosure Statement for Xcelerate Inc;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

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

August _, 2026

/s/ Michael O'Shea CEO

Principal Financial Officer:

I, Michael O'Shea certify that:

1. I have reviewed this Disclosure Statement for Xcelerate Inc;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

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

August 6, 2026

/s/ Michael O'Shea CEO