

HINTO ENERGY, INC.

3 Bethesda Metro
Suite 700
Bethesda, MD 20814

301-280-5910

info@kinfolkgrp.com
SIC 6799

Quarterly Report

For the period ending June 30, 2026 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

43,040,000 as of June 30, 2026 *(Current Reporting Period Date or More Recent Date)*

43,040,000 as of December 31, 2025 *(Most Recent Completed Fiscal Year End)*

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)

⁴ "Change in Control" shall mean any events resulting in:

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

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.

On February 14, 1997 Hinto Energy, Inc. was incorporated in the State of Wyoming. There were no predecessor companies.

Current State and Date of Incorporation or Registration: Wyoming – February 14, 1997

Standing in this jurisdiction: (e.g. active, default, inactive): Active

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

At all relevant times, the Company has been a Wyoming corporation and currently in good standing with the State.

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

N/A

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

On June 8th, 2023 the Company executed a Share Exchange agreement with The Kinfolk Group, Inc. ("Kinfolk") in which the Company acquired all the outstanding shares of The Kinfolk Group, Inc. which the shareholders of The Kinfolk Group, Inc. exchanged for 20,040,000 newly issued restricted shares of the Company's common stock. The transaction resulted in The Kinfolk Group, Inc. becoming a wholly owned subsidiary of the Company. Kinfolk has a wholly-owned subsidiary, CGT Opportunity V LLC ("CGT"). The transaction is being treated as a reverse merger.

Address of the issuer's principal executive office:

3 Bethesda Metro
Suite 700
Bethesda, MD 20814

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:

On August 16th, 2017 the Hinto Energy, Inc. entered Colorado Bankruptcy Court under case number 1:2017bk17618. Benjamin Berry worked with the trustee David Wadsworth to complete all litigation. On August 12, 2022 the bankruptcy was closed.

2) Security Information

Transfer Agent

Name: Securities Transfer Corporation
Phone: 469-633-0101
Email: stc@stctransfer.com
Address: 2901 N. Dallas Parkway
Suite 380,
Plano, TX 75093

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:	<u>HENI</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>885793109</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>125,000,000</u>	<u>as of date: June 30, 2026</u>
Total shares outstanding:	<u>43,040,000</u>	<u>as of date: June 30, 2026</u>
Total number of shareholders of record:	<u>125</u>	<u>as of date: June 30, 2026</u>

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

N/A

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:	<u>2021 Series A Preferred</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>10</u>	<u>as of date: June 30, 2026</u>
Total shares outstanding:	<u>10</u>	<u>as of date: June 30, 2026</u>
Total number of shareholders of record:	<u>1</u>	<u>as of date: June 30, 2026</u>

Exact title and class of the security:	<u>Series A Preferred</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>1</u>	<u>as of date: June 30, 2026</u>
Total shares outstanding:	<u>1</u>	<u>as of date: June 30, 2026</u>
Total number of shareholders of record:	<u>1</u>	<u>as of date: June 30, 2026</u>

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

Exact title and class of the security:	<u>Series C Preferred</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>10,000,000</u>	<u>as of date: June 30, 2026</u>
Total shares outstanding:	<u>0</u>	<u>as of date: June 30, 2026</u>
Total number of shareholders of record:	<u>0</u>	<u>as of date: June 30, 2026</u>

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.

One for one voting rights on all common stock, entitled to dividends as determined by the board of directors. No Pre-emptive rights.

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

2021 Preferred A: 1 Preferred converts to 10,000,000 Common Shares. This preferred stock has super voting rights, and the stockholder is entitled to 60% of all votes (including, but not limited to, common stock, and preferred stock, including on an as converted basis) entitled to vote at each meeting of stockholders of the corporation (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the corporation for their actions or consideration.

Preferred B: 1 Preferred converts to 4.99% of the outstanding shares at the time of conversion.

Series C Preferred Shares shall convert into common shares at a conversion rate of 1 preferred to 100 common shares. Series C Preferred Shares shall vote together with the holders of preferred stock (including on an as converted basis), par value \$0.001, and common stock, par value \$0.001 per share, of the Corporation (the "Common Stock") as a single class. The Series C Preferred Shares stockholder is entitled to the number of votes on fully converted basis of all votes (including, but not limited to, common stock, and preferred stock (including on an as converted basis) entitled to vote at each meeting of stockholders of the Corporation (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Corporation for their action or consideration.

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

N/A

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.

N/A

3) Issuance History

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

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

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

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date <u>12/31/2024</u> Common: <u>43,040,000</u> Preferred: <u>11</u>			*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 <u>06/30/2026</u> Common: <u>43,040,000</u> Preferred: <u>11</u>									

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, 2025 pursuant to the tabular format above.

* Synergy Management Group, LLC controlled by Benjamin Berry worked with the federal bankruptcy trustee David Wadsworth to close the last piece of litigation in the bankruptcy case. In this transaction Synergy Management Group, LLC purchased for \$50,000, 28,090,005 shares of common stock through a 363 sale and 1,360,000 shares owned by Gary Herick, Arrowhead Consulting, LLC and Whitemoon Energy, LLC. The transactions were so ordered by the United States Bankruptcy Court for the District of Colorado.

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

B. Convertible Debt

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

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

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

Total Outstanding Balance:

Total Shares:

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

4) Issuer's Business, Products and Services

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

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

The Kinfolk Group (TKG) is a holding company that provides a diversified, proprietary data-driven investment management vehicle, specializing in U.S. real estate rentals, sales and development, and mortgage-backed securities. It focuses on the single-family residential market..

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

N/A

C. Describe the issuers' principal products or services.

The Kinfolk Group provides secured capital and real estate investment.

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

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.

The company maintains a leased office at 3 Bethesda Metro, Suite 700, Bethesda, MD 20814. The lease term is one year and renews annually.

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

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

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

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

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
ADVANCE GLOBAL TECHNOLOGIES, LLC (Joseph D. Cornwell)	> 5% Holder	Bethesda, MD	10	2021 Series A Preferred	100%
ADVANCE GLOBAL TECHNOLOGIES, LLC (Joseph D. Cornwell)	> 5% Holder	Bethesda, MD	1	Series B Preferred	100%
ADVANCE GLOBAL TECHNOLOGIES, LLC (Joseph D. Cornwell)	> 5% Holder	Bethesda, MD	1,000,000	Series C Preferred	100%
Toussaint D. Gaskins	President, COO and Director*	Bethesda, MD	9,519,000	Common	22%
Joseph D. Cornwell	CEO, Director*	Bethesda, MD	9,519,000	Common	22%

*On February 19, 2026, Joseph D Cornwell resigned as President of the Company and Toussaint D. Gaskins was appointed as President of the Company.

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);

N/A

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;

N/A

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;

N/A

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

N/A

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.

N/A

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.

N/A

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.

N/A

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: Jonathan D. Leinwand, P.A.
Address 1: 18305 Biscayne Blvd. Suite 200
Address 2: Aventura, FL 33160
Phone: (954) 903-7856
Email: jonathan@jdlpa.com

Accountant or Auditor

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

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: Trip Thomas
Firm: A-Frame Accounting & Advisory, Inc.
Nature of Services: Consultant / Preparer of Financial Statements
Address 1: 3419 Gray Ct Tampa, FL 33609
Address 2: _____
Phone: 813-928-6237
Email: Tripthomas@aframeaccounting.com

9) Disclosure & Financial Information

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

Name: Joseph Cornwell
Title: Chief Executive Officer ("CEO")
Relationship to Issuer: Chief Executive Officer ("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: Trip Thomas
Title: Consultant
Relationship to Issuer: Consultant

Describe the qualifications of the person or persons who prepared the financial statements:⁶ **Certified Public Accountant in the State of Florida, over 20 years of accounting experience including 13 years of preparing GAAP based financial statements for small reporting and OTC listed companies.**

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, Joseph Cornwell certify that:

1. I have reviewed this Disclosure Statement for HINTO ENERGY, INC

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

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.

08/14/2026

/s/ Joseph Cornwell [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Toussaint D. Gaskins certify that:

1. I have reviewed this Disclosure Statement for HINTO ENERGY, 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.

08/14/2026

/s/ Toussaint D. Gaskins [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

HINTO ENERGY, INC.
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
INDEX TO FINANCIAL STATEMENTS

Financial Statements

Balance Sheets (Unaudited) at June 30, 2026 and December 31, 2025	F-1
Statements of Operations (Unaudited) for the three and six months ended June 30, 2026 and 2025	F-2
Statements of Stockholders' Deficit (Unaudited) for the three and six months ended June 30, 2026 and 2025	F-3
Statements of Cash Flows (Unaudited) for the six months ended June 30, 2026 and 2025	F-4
Notes to Unaudited Financial Statements	F-5

HINTO ENERGY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
UNAUDITED

	June 30,	December 31,
	2026	2025
ASSETS		
Current assets		
Cash	\$ 98,363	\$ 1,045
Deposits and prepaid expenses	104,752	97,602
Total current assets	203,115	98,647
Right of use asset	-	27,092
Total assets	\$ 203,115	\$ 125,739
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 2,127	\$ 4,126
Accrued expenses - related party	5,266	5,266
Lease liability - current	58,400	14,867
Total current liabilities	65,793	24,259
SAFE notes	408,000	258,000
Lease liability	-	15,068
Total liabilities	473,793	297,327
Commitments and contingencies (Note 10)		
Stockholder's deficit		
Preferred stock, \$0.001 par value, 10,000,011 shares authorized;		
Series A Preferred stock: 10 shares authorized; 10 shares issued and outstanding	-	-
Series B Preferred stock: 1 shares authorized; 1 shares issued and outstanding	-	-
Series C Preferred stock: 10,000,000 shares authorized; 0 shares issued and outstanding	-	-
Common stock, \$0.001 par value; 50,000,000 shares authorized 43,040,000 issued and outstanding	43,040	43,042
Additional paid in capital	100,961	100,959
Accumulated deficit	(414,679)	(315,589)
Total stockholders' deficit	(270,678)	(171,588)
Total liabilities and stockholders' deficit	\$ 203,115	\$ 125,739

HINTO ENERGY, INC. AND SUBSIDIARY
STATEMENTS OF OPERATIONS
UNAUDITED

	For the three months ended June 30,		For the six months ended June 30,	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Revenues				
Sales	\$ -	\$ -	\$ -	\$ -
Operating expenses				
General and administrative	<u>27,545</u>	<u>19,804</u>	<u>42,822</u>	<u>31,817</u>
Total operating expenses	<u>27,545</u>	<u>19,804</u>	<u>42,822</u>	<u>31,817</u>
Net operating loss	(27,545)	(19,804)	(42,822)	(31,817)
Other income				
Loss on lease cancellation	<u>(56,268)</u>	<u>-</u>	<u>(56,268)</u>	<u>-</u>
Total other income	<u>(56,268)</u>	<u>-</u>	<u>(56,268)</u>	<u>-</u>
Net loss before income tax expense	(83,813)	(19,804)	(99,090)	(31,817)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	\$ <u>(83,813)</u>	\$ <u>(19,804)</u>	\$ <u>(99,090)</u>	\$ <u>(31,817)</u>
Basic and diluted loss per share	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
Weighted average number of shares outstanding, basic and diluted	<u>43,040,000</u>	<u>43,040,000</u>	<u>43,040,000</u>	<u>43,040,000</u>

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

HINTO ENERGY, INC. AND SUBSIDIARY
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
UNAUDITED

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-In</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>Deficit</u>	
Balance, December 31, 2025	11	\$ -	43,040,000	\$ 43,040	\$ 100,961	\$ (315,589)	\$ (171,588)
Net loss	-	-	-	-	-	(15,277)	(15,277)
Balance, March 31, 2026	11	-	43,040,000	43,040	100,961	(330,866)	(186,865)
Net loss	-	-	-	-	-	(83,813)	(83,813)
Balance, June 30, 2026	<u>11</u>	<u>\$ -</u>	<u>43,040,000</u>	<u>\$ 43,040</u>	<u>\$ 100,961</u>	<u>\$ (414,679)</u>	<u>\$ (270,678)</u>
Balance, December 31, 2024	11	\$ -	43,042,000	\$ 43,042	\$ 100,959	\$ (222,826)	\$ (78,825)
Net loss	-	-	-	-	-	(12,013)	(12,013)
Balance, March 31, 2025	11	-	43,042,000	43,042	100,959	(234,839)	(90,838)
Net loss	-	-	-	-	-	(19,804)	(19,804)
Balance, June 30, 2025	<u>11</u>	<u>\$ -</u>	<u>43,042,000</u>	<u>\$ 43,042</u>	<u>\$ 100,959</u>	<u>\$ (254,643)</u>	<u>\$ (110,642)</u>

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

HINTO ENERGY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	For the six months ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (99,090)	\$ (31,817)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on lease cancellation	56,268	-
Amortization of right of use asset	6,505	5,887
Changes in working capital requirements:		
Deposits and prepaid expenses	(7,150)	2,946
Accounts payable	(2,000)	-
Operating lease liability	(7,215)	(5,997)
Net cash from operating activities	(52,682)	(28,981)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from SAFE notes	150,000	96,000
Net cash provided by financing activities	150,000	96,000
NET INCREASE IN CASH	97,318	67,019
CASH, BEGINNING OF PERIOD	1,045	15,193
CASH, END OF PERIOD	<u>\$ 98,363</u>	<u>\$ 82,212</u>
Supplemental disclosure of cash flow information		
Cash paid for interest expense	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

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

HINTO ENERGY, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. Nature of operations

On February 14, 1997 Hinto Energy, Inc. was incorporated in the State of Wyoming. There were no predecessor companies. Hinto Energy Inc. was an oil and gas exploration and development company. The Company was involved in the exploration, acquisition, and development of Oil and Gas properties, primarily in Rocky Mountain Basins. The Company is a holding company providing senior secured lending and real estate investments with a focus on commercial real estate (CRE) and structured finance solutions. On June 8, 2023, the Company entered into a share exchange with The Kinfolk Group, Inc. (“Kinfolk”). The Company acquired all the outstanding shares of Kinfolk, which the shareholders of Kinfolk exchanged for 20,040,000 newly issued restricted shares of the Company’s common stock. The transaction resulted in Kinfolk becoming a wholly owned subsidiary of The Company. Kinfolk is incorporated under the laws of State of Delaware as on October 13, 2021 (“Inception”). The Company is a diversified, proprietary data-driven investment management vehicle, specializing in U.S. real estate rentals, sales and development, and mortgage-backed securities. It focuses on the single-family residential market.

On February 19, 2026, the board of directors approved a name change to Catali, Inc. As of June 30, 2026, the Company is awaiting approval from FINRA.

2. Summary of significant accounting policies

Basis of presentation

This summary of significant accounting policies is presented to assist in the understanding of the financial statements. These policies conform to GAAP and have been consistently applied. The Company has selected December 31 as its financial year end.

Consolidation

The consolidated financial statements include the accounts of Hinto Energy, Inc and its wholly owned subsidiaries The Kinfolk Group Inc (“Kinfolk”) and CGT Opportunity V LLC (“CGT”). All significant intercompany accounts and transactions have been eliminated.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

We maintain cash balances in a non-interest-bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents. As of June 30, 2026 and December 31, 2025, our cash balances were \$98,363 and \$1,045, respectively.

Fair value measurements

ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820"), provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts or priced with models using highly observable inputs.

Level 3 – Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value of financial transmission rights.

Our financial instruments consist of our prepaid expenses, prepaid lease, accrued expenses- related party, loan from director and lease liabilities. The carrying amounts of our prepaid expenses, prepaid lease, accrued expenses- related party, loan from director and lease liabilities approximates their fair values because of the short-term maturities of these instruments.

Leases

We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") as assets, operating lease non-current liabilities, and operating lease current liabilities in our balance sheet. Finance leases are property and equipment, other current liabilities, and other non-current liabilities in the balance sheet.

ROU assets represent the right to use an asset for the lease term and lease liability represent the obligation to make lease payment arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over lease term. As most of the leases do not provide an implicit rate. We generally use the incremental borrowing rate on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The operating ROU asset also includes any lease payments made and exclude lease incentives. Lease expense for lease payment is recognized on a straight-line basis over lease term.

Effective December 1, 2022, our subsidiary, CGT, entered into related party Land Lease Agreement with Joseph Cornwell, one of our directors and principal shareholders, for 40 acres of land in Oklahoma. The lease has a term of 5 years from December 1, 2022 to November 30, 2027. The lease does not provide an implicit rate. Therefore, we have adopted an effective discount rate of 9.5% as we believe that is the rate of interest, we would need to pay to borrow funds at this time.

During the six months ended June 30, 2026, the Company terminated the 40-acre lease for regulated cannabis cultivation to focus on evaluating real estate and energy opportunities. As June 30, 2026, the Company has a balance due on the lease in the amount of \$58,400, which is recorded in current liabilities on the balance sheet.

Income taxes

The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. We record a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Uncertain tax positions

We evaluate tax positions in a two-step process. We first determine whether it is more likely than not that a tax position will be sustained upon examination, based on the technical merits of the position. If a tax position meets the more-likely-than-not recognition threshold, it is then measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. We classify gross interest and penalties and unrecognized tax benefits that are not expected to result in payment or receipt of cash within one year as long-term liabilities in the financial statements.

Revenue recognition

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

Step 1: Identify the contract(s) with customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to performance obligations

Step 5: Recognize revenue when the entity satisfies a performance obligation

During the three months ended June 30, 2026, we did not recognize any revenue.

Advertising Costs

We expense advertising costs when advertisements occur. No advertising costs were incurred during the three months ended June 30, 2026 and 2025.

Stock-based compensation

The cost of equity instruments issued to employees and non-employees in return for goods and services is measured by the grant date fair value of the equity instruments issued in accordance with ASC 718, Compensation – Stock Compensation. The related expense is recognized as services are rendered or vesting periods elapse.

Net loss per share calculation

Basic earnings (loss) per common share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average shares outstanding, assuming all dilutive potential common shares were issued. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive.

Recently accounting pronouncements

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and do not believe any of these pronouncements will have a material impact on our financial statements.

3. Going concern

The accompanying financial statements have been prepared on a going concern basis. For the three months ended June 30, 2026, the Company had a net loss of \$99,090, had working capital of \$74,388, accumulated deficit of \$414,679 and stockholders' deficit of \$270,678. These matters raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the date of this filing. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due, to fund possible future acquisitions, and to generate profitable operations in the future. Management plans to provide for the Company's capital requirements by continuing to issue additional equity and debt securities. The outcome of these matters cannot be predicted at this time and there are no assurances that, if achieved, the Company will have sufficient funds to execute its business plan or generate positive operating results. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

4. Deposits and prepaid expenses

As of June 30, 2026 and December 31, 2025, the balance of deposits and prepaid expenses was \$104,752 and \$97,602, respectively. During the year ended December 31, 2025, the Company paid \$90,000 for an earnest money deposit on a contracted property for development. On February 26, 2026, the Company paid \$9,000 for an earnest money deposit on a land agreement.

5. Operating lease right of use asset and lease liability – related party

Effective December 1, 2022, our subsidiary, CGT, entered into related party Land Lease Agreement with Joseph Cornwell, one of our directors and principal shareholders, for 40 acres of land in Oklahoma. The lease has a term of 5 years from December 1, 2022 to November 30, 2027. We intend to grow cannabis on this property.

The monthly rent payable under the lease is as follows:

- Year 1 \$1,100 per month
- Year 2 \$1,200 per month
- Year 3 \$1,300 per month
- Year 4 \$1,400 per month
- Year 5 \$1,500 per month

Effective December 1, we made an initial payment of \$13,200 in respect of this lease representing the rental due for the first year of the lease.

Operating lease right of use (ROU) assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date.

The lease does not provide an implicit interest rate. Therefore, we have adopted an effective discount rate of 9.5% as we believe that is the rate of interest, we would need to pay to borrow funds at this time.

During the six months ended June 30, 2026, the Company terminated the 40-acre lease for regulated cannabis cultivation to focus on evaluating real estate and energy opportunities. As June 30, 2026, the Company has a balance due on the lease in the amount of \$58,400, which is recorded in current liabilities on the balance sheet. As a result of the lease cancellation, the Company recorded a loss on lease cancellation in the amount of \$56,268.

Right-of-use asset is summarized below:

	June 30, 2026	December 31, 2025
Office lease	\$ -	\$ 60,385
Less accumulated amortization	-	(33,293)
Right of use assets, net	<u>\$ -</u>	<u>\$ 27,092</u>

Operating lease liability is summarized below:

	June 30, 2026	December 31, 2025
Office lease	\$ 58,400	\$ 29,934
Less: current portion	(58,400)	(14,866)
Long term portion	<u>\$ -</u>	<u>\$ 15,068</u>

6. Accrued expenses – related parties

As of June 30, 2026 and December 31, 2025, the balance of accrued expenses was \$5,266. These accruals relate to fees payable to our two directors in respect of their successful efforts to raise funds for us (SAFE investments) and to complete loans to qualified borrowers in the cannabis sector (notes receivable).

7. Simple agreement for future equity (SAFE)

As of June 30, 2026 and December 31, 2025, the balance of SAFE agreements, net of fees, was \$408,000 and \$258,000, respectively.

In May June and September 2024, we entered into SAFE agreements with four investors pursuant to which we received funding of \$87,000 in exchange for agreement to issue the investors shares of preferred stock upon occurrence of a subsequent equity financing. In May, June and September 2025, we entered into SAFE agreements with two investors pursuant to which we received funding of \$171,000 in exchange for agreement to issue the investors shares of preferred stock upon occurrence of a subsequent equity financing. In January, April and June 2026, we entered into SAFE agreements with two investors pursuant to which we received aggregate funding of \$150,000 in exchange for agreement to issue the investors shares of preferred stock upon occurrence of a subsequent equity financing.

The SAFE agreements were convertible into shares of preferred stock in the event of a future equity issuance at a conversion rate equivalent to 50% of the pricing of the future triggering equity financing. The SAFE agreements had no interest rate or maturity date, and the SAFE investors had no voting right prior to conversion. Accordingly, we have accounted for these SAFE investments as long-term liabilities.

8. Commitments & Contingencies

Legal Proceedings

We were not subject to any legal proceedings during the three or six months ended June 30, 2026 and, to the best of our knowledge, no legal proceedings are pending or threatened.

Contractual Obligations

Consulting Agreements

We entered into management consulting agreements dated September 19, 2022, effective as of May 17, 2021, with our two directors to provide consulting services. The term for these two agreements is 2 years. In the event they were to complete successful financing transactions for us, they were each to receive a commission equivalent to five percent (5%) of the gross proceeds from each such financing transaction.

Lease Agreement

As further discussed in Note 6 Operating Lease Right of Us Asset and Lease Liability – Related Party above:

Effective December 1, 2022, our subsidiary, CGT, entered into related party Land Lease Agreement with Joseph Cornwell, one of our directors and principal shareholders, for 40 acres of land in Oklahoma. The lease has a term of 5 years from December 1, 2022 to November 30, 2027.

During the six months ended June 30, 2026, the Company terminated the 40-acre lease for regulated cannabis cultivation to focus on evaluating real estate and energy opportunities. As June 30, 2026, the Company has a balance due on the lease in the amount of \$58,400, which is recorded in current liabilities on the balance sheet.

9. Equity

Preferred Stock

The Company has 10,000,011 Shares of Preferred Stock authorized, and 11 issued and outstanding with a par value of \$0.001.

2021 Special Series A — 10 shares authorized, 10 issued and outstanding.

The Series A Preferred has the following designations:

- Each share of preferred stock is convertible into 10,000,000 shares of common stock.
- The holders are not entitled to receive dividends
- This preferred stock has super voting rights, and the stockholder is entitled to 60% of all votes (including, but not limited to, common stock, and preferred stock, including on an as converted basis) entitled to vote at each meeting of stockholders of the corporation (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the corporation for their actions or consideration.

Series B — 1 share authorized, 1 issued and outstanding

The Series B Preferred has the following designations:

- Each share of preferred stock is convertible into 4.99% of the outstanding shares at time of conversion.

Series C — 10,000,000 share authorized, 0 issued and outstanding

The Series C Preferred has the following designations:

- Each share of preferred stock is convertible into common shares at a conversion rate of 1 preferred to 100 common shares.
- Series C Preferred Shares are entitled vote together with the holders of preferred stock (including on an as converted basis), par value \$0.001, and common stock, par value \$0.001 per share, of the Corporation (the “Common Stock”) as a single class. The Series C Preferred Shares stockholder is entitled to the number of votes on fully converted basis of all votes (including, but not limited to, common stock, and preferred stock (including on an as converted basis) entitled to vote at each meeting of stockholders of the Corporation (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Corporation for their action or consideration.

Common Stock

On February 19, 2026, the board of directors approved a 1 for 100 reverse stock split. As of June 30, 2026, the Company is awaiting approval of the stock split.

11. Subsequent events

Management has evaluated subsequent events through August 14, 2026, the date the unaudited consolidated financial statements were available to be issued. Management is not aware of any significant events that occurred after the balance sheet date that would have a material effect on the unaudited consolidated financial statements thereby requiring adjustment or disclosure.