INTERNATIONAL STAR, INC.

8 The Green
Suite 16020
Dover, DE 19901

640-308-1490
info@ilstinc.com
www.ilstinc.com
SIC Code: 7389

Quarterly Report

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

Outstanding Shares

The number of shares outstanding of our Common Stock was:

4,192,513,667 as of June 30, 2026 *(Current Reporting Period Date or More Recent Date)*

3,819,465,367 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 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.

The name of the issuer is International Star, Inc.

Current State and Date of Incorporation or Registration: Nevada October 28, 1993
Standing in this jurisdiction: (e.g. active, default, inactive): Active

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: The Company is evaluating potential business combination transactions. As of the date of this report, the Company has not entered into any definitive agreement with respect to any such transaction, and there can be no assurance that any transaction will be completed.

Address of the issuer's principal executive office:

8 The Green, Suite 16020, Dover, DE 19901

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 May 25, 2021, a petition was filed against the Company in the District Court of Clark County, Nevada, entitled "In the Matter of International Star, Inc., a Nevada corporation" under case number A-21-835183- P by Alpharidge Capital, LLC along with an Application of Custodian, after several requests were made to prior management to reinstate the Company's Nevada charter, which had been revoked.

On June 3, 2021, the District Court of Clark County, Nevada entered an Order Granting the Application for Appointment of Alpharidge Capital, LLC (the "Order") as Custodian of the Company. Pursuant to the Order. Alpharidge Capital, LLC (the "Custodian") was granted the authority to take any actions on behalf of the Company that were reasonable, prudent or done pursuant to the OTC Markets Group Inc.'s Pink Basic Disclosure Guidelines (v3 February 2021), including, but not limited to, issuing shares of stock and issuing new classes of stock, as well as entering into contracts on behalf of the Company.

On December 9, 2021, the District Court of Clark County, Nevada entered an Order Granting Alpharidge Capital's motion to terminate custodianship

2) Security Information

Transfer Agent

Name: VStock Transfer, LLC
Phone: 212-828-8436
Email: info@vstocktransfer.com
Address: 18 Lafayette Place. Woodmere, NY 11598

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:	ILST	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	460371206	
Par or stated value:	0.001 par value	
Total shares authorized:	6,000,000,000	as of date: June 30, 2026
Total shares outstanding:	4,192,513,667	as of date: June 30, 2026
Total number of shareholders of record:	164	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:	Preferred Shares	
Par or stated value:	0.001 par value	
Total shares authorized:	10,000,000	as of date: June 30, 2026
Total shares outstanding:	**See Below**	as of date: June 30, 2026
Total number of shareholders of record:	**See Below**	as of date: June 30, 2026

Exact title and class of the security:	Special 2021 Series A Preferred Stock	
Par or stated value:	0.001 par value	
Total shares authorized:	50	as of date: June 30, 2026
Total shares outstanding:	50	as of date: June 30, 2026
Total number of shareholders of record:	1	as of date: June 30, 2026

Exact title and class of the security:	Series B Preferred Stock	
Par or stated value:	0.001 par value	
Total shares authorized:	168,000	as of date: June 30, 2026
Total shares outstanding:	72,477	as of date: June 30, 2026
Total number of shareholders of record:	3	as of date: June 30, 2026

The 10,000,000 authorized Preferred Shares include the Company's Special 2021 Series A Preferred Stock and Class B Preferred Shares, which are disclosed separately in this section.

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:

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

Dividend Rights. Subject to NRS Section 78.288, dividends may be declared by the Company's Board of Directors (the "Board") and paid by the Corporation out of the net earnings of the unreserved and unrestricted earned surplus of the Corporation, or out of the unreserved and unrestricted net earnings of the current fiscal year, or in treasury shares of the Corporation. The decision to pay dividends is made by our Board, in its discretion, and is dependent on our earnings, management's assessment of future capital needs, and other factors. We have not historically paid a dividend, and we do not expect to pay any cash dividends on our common stock in the foreseeable future.

Voting Rights. Each outstanding share of Common Stock is entitled to one (1) vote on each matter submitted to a vote at a shareholder meeting, provided the voted or represented shares are held in compliance with any payment plan, subscription, or stock purchase agreement. Preemption Rights. The rights, preferences and privileges of holders of our common stock are subject to the terms of any series of preferred stock that may be issued in the future. The Company's common stock does not have preemption rights.

Preemption Rights. The rights, preferences and privileges of holders of our common stock are subject to the terms of any series of preferred stock that may be issued in the future. The Company's common stock does not have preemption rights.

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

2021 Series A Preferred Stock Dividend Rights. The shares of 2021 Series A Preferred Stock are not entitled to any dividends in respect thereof. Voting Rights. The holder of the 2021 Series A Preferred Stock votes together with the holders of preferred stock (including on an as converted basis) and common stock as a single class. The 2021 Series A Preferred Stock stockholder is entitled to 60% of all votes (including, but not limited to, common stock, and 6 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.

Conversion Rights. Each share of the Company's Special 2021 Series A Preferred Stock can be converted into 200,000,000 shares of the Company's common stock. In the aggregate, all of these 50 shares can be converted into 10,000,000,000 shares of Common Stock.

Liquidation Rights. The shares of the Special 2021 Series A Preferred Stock are not entitled to participate in any proceeds available to the Corporation's shareholders upon the liquidation, dissolution or winding up of the Corporation. Redemption or Sinking Fund Provisions. None. Series B Preferred Stock Dividend Rights. The shares of Series B Preferred Stock are not entitled to any dividends in respect thereof.

Voting Rights. The holder(s) of the shares of Series B Preferred Stock have no voting rights.

Conversion Rights. The shares of Series B Preferred Stock are eligible for conversion ("Conversion") into common shares, par value $0.001 per share, of the Corporation (the "Common Stock"), subject to the following terms:

All unconverted shares of Series B Preferred Stock may be redeemed by the Company at any time for a cash payment equal to Ten Dollars ($10.00 USD) per share of Series B Preferred Stock. All Series B Preferred Stock that is so redeemed shall immediately be transferred by the Holder to the Company;

The shares of Series B Preferred Stock may not be converted by the Holders of said shares until the earlier of: (a) a Registration Statement covering the Common Stock shall have been declared effective by the SEC and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC or any other Governmental Authority, or (b) a period of at least one year has elapsed since the completion of an audit of the Company's financial statements by an auditing firm registered with the U.S. Public Company Accounting Oversight Board ("PCAOB");

The Conversion value of each share of Series B Preferred Stock shall be Ten Dollars ($10.00 USD), and the purchase price of the Common Stock into which such Preferred Stock is being converted shall be equal to the average of the daily volume-weighted average price ("VWAP") of the Common Stock during the five (5)-trading days immediately preceding the Conversion date, as reported by Bloomberg L.P. Liquidation Rights.

The shares of Series B Preferred Stock do not participate in any proceeds available to the Corporation's shareholders upon the liquidation, dissolution or winding up of the Corporation. Redemption or Sinking Fund Provisions.

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

None

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

None

3) Issuance History

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

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares,

or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

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

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

Shares Outstanding Opening Balance: Date 1/1/2023 Common: 1,936,364,391 Preferred: A:50 Preferred: B:72,477			*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.**
2/13/2023	New issuance	24,927	Series B Preferred	$0.001 par value	No	Daniel Rubin	For the purchase of Budding Equity, Inc.	Restricted	Rule 144
2/13/2023	New issuance	24,927	Series B Preferred	$0.001 par value	No	909663 Ontario Limited -Robert Klein has voting control	For the purchase of Budding Equity, Inc.	Restricted	Rule 144
2/13/2023	New issuance	2,623	Series B Preferred	$0.001 par value	No	Michael Lickver	For the purchase of Budding Equity, Inc.	Restricted	Rule 144
2/27/2023	New issuance	20,000	Series B Preferred	$0.001 par value	No	Daniel Rubin	Cash investment	Restricted	Rule 144
8/30/2024	New issuance	35,000,000	Common stock	$0.001 par value	No	Leonite Fund 1, LP (1)	Reg. A purchase for working capital	Unrestricted	Reg A
10/7/2024	New issuance	25,000,000	Common stock	$0.001 par value	No	Roran Capital, LLC Yitzhak Zelmanovitch	Reg. A purchase for working capital	Unrestricted	Reg A
10/8/2024	New issuance	25,000,000	Common stock	$0.001 par value	No	Leonite Fund 1, LP (1)	Reg. A purchase for working capital	Unrestricted	Reg A
11/6/2024	New issuance	25,000,000	Common stock	$0.001 par value	No	Leonite Fund 1, LP (1)	Reg. A purchase for working capital	Unrestricted	Reg A

12/6/2024	New issuance	30,000,000	Common stock	$0.001 par value	No	Leonite Fund 1, LP (1)	Reg. A purchase for working capital	Unrestricted	Reg A
12/20/2024	New issuance	177,000,000	Common stock	$0.001 par value	No	Leonite Fund 1, LP (1)	Reg. A purchase for working capital	Unrestricted	Reg A
7/2/2025	New issuance	175,500,000	Common stock	$0.001 par value	Yes	Leonite Fund 1, LP (1)	Conversion	Unrestricted	4(a)(1)
7/18/2025	New issuance	242,643,000	Common stock	$0.001 par value	Yes	Leonite Fund 1, LP (1)	Conversion	Unrestricted	4(a)(1)
9/22/2025	New issuance	213,700,000	Common stock	$0.001 par value	Yes	Leonite Fund 1, LP (1)	Conversion	Unrestricted	4(a)(1)
10/3/2025	New issuance	279,700,000	Common stock	$0.001 par value	Yes	Leonite Fund 1, LP (1)	Conversion	Unrestricted	4(a)(1)
12/9/2025	New issuance	307,657,976	Common stock	$0.001 par value	Yes	Leonite Fund 1, LP (1)	Conversion	Unrestricted	4(a)(1)
12/19/2025	New issuance	346,900,000	Common stock	$0.001 par value	Yes	Leonite Fund 1, LP (1)	Conversion	Unrestricted	4(a)(1)
1/14/26	New issuance	373,048,300	Common stock	$0.001 par value	Yes	Leonite Fund 1, LP (1)	Conversion	Unrestricted	4(a)(1)
Shares Outstanding on Date of This Report: Ending Balance: Date 06/30/26 Common: 4,192,513,667 Preferred: A: 50 Preferred: B: 72,477									

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:

(1) Avi Geller has voting control

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[6]	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
8/10/2022	$625,000 (1)	$3,155,949	(1)	$0.0001 per share	1,939,149,276	31,559,490,000	Leonite Fund I, LP (2)	Loan
Total Outstanding Balance:		$3,155,949		**Total Shares:**	1,939,149,276	31,559,490,000		

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

(1) On August 10, 2022, the Company issued a Senior Secured Convertible Promissory Note to Leonite Fund I, LP, in the principal amount of up to $625,000. The Note was issued with an original issue discount of $75,000, for gross proceeds of up to $550,000, to be advanced in one or more tranches, with the original issue discount applied on a pro rata basis based on the percentage of the purchase price advanced. In total the Company received ten tranches of funding. The Note is secured by all of the assets of the Company. The Note/s bear interest at 12% per annum and each tranche matures and is payable 12 months following the advance date. The Note is convertible into common shares at the option of the holder. The Note was originally convertible at a fixed price of $0.005 per share. Conversions have been effected at $0.0001 per share in accordance with the terms of the Note, and the Company has reported the Note on that basis. Through the date of this report, 1,939,149,276 shares of common stock have been issued to Leonite upon conversion. At $0.0001 per share, the outstanding balance of $3,155,949 would be convertible into approximately 31,559,490,000 shares of common stock. The Company has 6,000,000,000 shares of common stock authorized, of which 4,592,513,667 were outstanding as of the date of this report, leaving 1,407,486,333 shares available for issuance. The Company therefore does not have a sufficient number of authorized shares to satisfy conversion of the Note in full, and would be required to increase its authorized share capital or otherwise satisfy the obligation. Any substantial further conversion would result in material dilution to existing holders of common stock. As of the date of this Report the Note is past due.

As of June 30, 2026 the Company owed $1,983,149 in principal to Leonite along with accrued interest of $1,172,800 for a total due of $3,155,949. The note does not require the lender to declare a default; however, the Company believes the note is in default due to the occurrence of events of default as defined in the agreement. Accordingly, the full outstanding balance may be immediately due and payable.

In addition to the stated interest rate on the outstanding loan balance, the lender has assessed penalty interest and fees as a result of non-payment and other events of default under the terms of

[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.

the agreement, which have increased the amounts owed under the facility. The Company has engaged in discussions with the lender from time to time regarding potential modifications or forbearance arrangements; however, no agreement has been finalized. As of the date of this report, the loan is accruing interest at a rate of 24% per annum, plus applicable monitoring and related fees.

(2) Avi Geller has voting control.

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")

International Star, Inc. is a holding company. It has two wholly-owned subsidiaries, each held directly by the Company: Budding Equity, Inc. ("BEi"), a Canadian corporation, and Budding Equity LLC ("BE LLC"), a Delaware limited liability company. The Company has historically licensed celebrity- and studio-owned intellectual property for use in the cannabis industry, earning royalty revenue from licensed cannabis strains and from branded cannabis-related hardware.

In October and November 2024, BEi assigned to BE LLC its shares in Da Grassy High, Inc. and its membership interest in Fryday LLC, together with its rights under the related joint venture and license agreements. Since that time the Company's licensing interests have been held by BE LLC. BEi holds no assets and conducts no operations.

The Company generated no revenue during the three and six months ended June 30, 2026, compared to $10,694 and $63,493 for the corresponding periods in 2025. During the quarter ended June 30, 2026, the Company's two principal celebrity licensors terminated their license agreements. The Company's licensing activity has been substantially reduced.

The Company holds investments in film productions and, in connection with those investments, retains marketing license rights with respect to cannabis products appearing in those films. The Company has not generated revenue from these rights to date and can give no assurance that it will do so.

The Company intends to remain in the intellectual property royalty and licensing business and is evaluating new licensing arrangements and potential business combinations. As of the date of this report the Company has not entered into any definitive agreement with respect to any such opportunity, and there can be no assurance that it will do so or that any such arrangement will generate revenue.

The Company's activities during the Reporting Period consisted of maintaining its corporate existence and public reporting, servicing its outstanding indebtedness, administering its film investments, and prosecuting and defending the litigation described in Note 8. The Company's ability to continue as a going concern is subject to substantial doubt. See Note 2.

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

The Company has two subsidiaries, each wholly owned and held directly by the Company: Budding Equity, Inc., a Canadian corporation, and Budding Equity LLC, a Delaware limited liability company. Budding Equity, Inc. holds no assets and conducts no operations; it was maintained to administer Canadian payroll for its former chief executive officer, whose employment terminated in May 2025.

C. Describe the issuers' principal products or services.

The Company's principal service is the licensing of intellectual property for use in the cannabis industry, conducted through Budding Equity LLC. The Company is not currently generating revenue from this activity. See the Company's response to subsection 4(A) above.

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.

None

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** (Include names of control person(s) if a corporate entity)	**Position/Company Affiliation** (ex: CEO, ≥ 5% beneficial owner)	**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)
Nochum Greenberg	Chairman and Director	Ft. Lauderdale, Florida	0	N/A	--
Avi Minkowitz	Director	Toronto, Ontario (Canada)	2,500,000	Common	Less than 1%
ILST Holdco LLC (1)	Owner of more than 5%	Brooklyn, New York	50	Series A Preferred	100%
Daniel Rubin	Owner of more than 5%	Toronto, Ontario (Canada)	44,927	Series B Preferred	62%
Robert Klein (2)Chief Executive Officer; Owner of more than 5%	Toronto, Ontario (Canada)	24,927	Series B Preferred	34%	

(1) As of the period end date of this report, ILST Holdco LLC owns Fifty (50) shares of the Company's Special 2021 Series A Preferred Stock, which represents 100% of the issued and outstanding shares of such class of stock. The Fifty (50) shares of Special 2021 Series A Preferred Stock collectively have 60% voting rights and each share can be converted into 200,000,000 shares of the Company's common stock.

The Manager of ILST Holdco is Avi Minkowitz, with a residential address in Toronto, Ontario (Canada). Mr. Minkowitz also serves as a director of the company.

(2) Mr. Klein holds these shares indirectly through 909663 Ontario Ltd., an Ontario corporation of which he is the principal and over which he has voting control. Mr. Klein does not own any securities of the Company directly. His residential address is in Toronto, Ontario (Canada).

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

7) Legal/Disciplinary History

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

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

   No

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

   No

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

   No

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

   No

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

   No

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

   No

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

See section Note 8 of the Notes

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:	Zvi Raskin, Attorney At Law
Address 1:	1 Hillcrest Center Drive, Suite 232
Address 2:	Spring Valley, NY 10977
Phone:	845.765.0006
Email:	zr@raskinlegal.com

Accountant or Auditor

Name:	David Natan-outsourced CFO consultant
Firm:	Natan & Associates, LLC
Address 1:	6720 NW 74th Court
Address 2:	Parkland, FL. 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):	X
Discord:	_____
LinkedIn	X
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

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

Name: Nochum Greenberg
Title: Chairman and Director
Relationship to Issuer: Chairman and Director

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: David Natan
Title: Outsourced CFO consultant
Relationship to Issuer: Outside Accountant

Describe the qualifications of the person or persons who prepared the financial statements:[7]
David Natan has over 40 years of accounting experience, having served as CFO for five listed public 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

[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.

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.

INTERNATIONAL STAR, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash	$ 566	$ 7,295
Accounts receivable	-	74,509
Other assets	44,560	34,560
Total current assets	45,126	116,365
Investments	-	325,000
Total assets	$ 45,126	$ 441,365
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,046,358	$ 926,358
Accrued interest	1,172,800	857,651
Government loan	44,280	44,280
Total current liabilities	2,263,439	1,828,290
Notes payable, net of discount	1,980,594	1,913,889
	4,244,033	3,742,179
Stockholders' Deficit		
Preferred Series A $0.001 par value, 10,000,000 shares authorized, 50 and 50 issued and outstanding, June 30, 2026 and December 31, 2025, respectively	-	-
Preferred Series B $0.001 par value, 168,000 shares authorized, 72,477 and 72,477 shares issued and outstanding, June 30, 2026 and December 31, 2025, respectively	72	72
Common stock, $0.001 par value; 6,000,000,000 shares authorized, 4,192,513,667 and 3,819,465,367 shares issued and outstanding June 30, 2026 and December 31, 2025, respectively	4,192,513	3,819,465
Additional paid in capital	5,916,324	5,879,019
Accumulated deficit	(14,307,817)	(12,999,371)
Total Stockholders' (Deficit)	(4,198,907)	(3,300,814)
Total Liabilities and Stockholders' Deficit	$ 45,126	$ 441,365

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

INTERNATIONAL STAR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenue	$ -	$ 10,694	$ -	$ 63,493
Operating Expenses:				
Administrative expenses	80,285	84,444	156,729	303,091
Royalty expense	-	18,139	-	72,200
Bad debt expense	74,509	-	74,509	-
Impairment of inventory	-	67,434	-	67,434
Total operating expenses	154,794	170,017	231,239	442,725
(Loss) from operations	(154,794)	(159,322)	(231,239)	(379,232)
Other (expense) income				
Loss on extinguishment of debt	-	-	(373,048)	-
Loss on investment	(325,000)	-	(325,000)	-
Interest (expense)	(201,938)	(975,078)	(379,159)	(1,063,290)
Total other expense	(526,938)	(975,078)	(1,077,207)	(1,063,290)
Income (loss) before provision for income taxes	(681,732)	(1,134,401)	(1,308,446)	(1,442,522)
Provision for income taxes	-	-	-	-
Net (Loss)	$ (681,732)	$ (1,134,401)	$ (1,308,446)	$ (1,442,522)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	4,192,513,667	2,253,364,391	4,165,720,143	2,253,364,391

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

INTERNATIONAL STAR, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(UNAUDITED)

	Series A Preferred		Series B Preferred		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Value	Shares	Value	Shares	Value	Capital	Deficit	Deficit
Balance, December 31, 2024	50	$ -	72,477	$ 72	2,253,364,391	$2,253,364	$ 5,474,712	$ (9,234,481)	$ (1,506,333)
Net loss								(308,121)	(308,121)
Balance, March 31, 2025	50	$ -	72,477	$ 72	2,253,364,391	$2,253,364	$ 5,474,712	$ (9,542,602)	$ (1,814,453)
Net loss								(1,134,401)	(1,134,401)
Balance, June 30, 2025	50	$ -	72,477	$ 72	2,253,364,391	$2,253,364	$ 5,474,712	$ (10,677,003)	$ (2,948,854)

	Series A Preferred		Series B Preferred		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Value	Shares	Value	Shares	Value	Capital	Deficit	Deficit
Balance, December 31, 2025	50	$ -	72,477	$ 72	3,819,465,367	$3,819,465	$ 5,879,019	$ (12,999,371)	$ (3,300,814)
Conversion of Convertible Note					373,048,300	373,048	37,305		410,353
Net loss								(626,713)	(626,713.46)
Balance, March 31, 2026	50	$ -	72,477	$ 72	4,192,513,667	$4,192,513	$ 5,916,324	$ (13,626,084)	$ (3,517,174)
Net loss								(681,732)	(681,732)
Balance, June 30, 2026	50	$ -	72,477	$ 72	4,192,513,667	$4,192,513	$ 5,916,324	$ (14,307,817)	$ (4,198,907)

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

INTERNATIONAL STAR, 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	$ (1,308,446)	$ (1,442,522)
Financing charges related to loan principal	64,010	398,831
Loss on extinguishment of debt	373,048	-
Loss on investment	325,000	-
Changes in assets and liabilities:		
Accounts receivable	-	64,627
Bad debt expense	74,509	-
Inventory	-	67,434
Other assets	(10,000)	-
Accounts payable	435,149	824,752
Net cash used in operating activities	(46,729)	(86,877)
Cash Flows From Investing Activities:		
Net cash used in investing activities	-	-
Cash Flows From Financing Activities:		
Proceeds from loans	40,000	15,000
Net cash provided by financing activities	40,000	15,000
Net (Decrease) In Cash	(6,729)	(71,877)
Cash At The Beginning Of The Period	7,295	81,755
Cash At The End Of The Period	$ 566	$ 9,878

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

NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

International Star, Inc. was incorporated in Nevada on October 28, 1993 (referred to herein as "the Company"). Historically, the Company's business operations were primarily focused on exploration of mining claims and mining properties. In June 2022, a controlling stake in International Star was acquired by ILST Holdco LLC, a limited liability company organized under the laws of the State of Delaware. Under its new management, the Company's strategic objective is to acquire, merge with and build revenue and cash flow producing companies in order to create successful and financially robust enterprises which would consistently create and build stakeholders' value.

On August 24, 2022, the Company entered into a transaction to acquire Budding Equity, Inc. ("BEi") a Canadian company that partnered with movie studios and celebrities to monetize their intellectual property in the global cannabis industry. On or about February 14, 2023, the Company completed its acquisition of BEi. As a result, ILST became the sole owner of all of BEi's outstanding shares, making BEi the Company's wholly-owned subsidiary. In October and November 2024, BEi assigned to Budding Equity LLC ("BE LLC"), a Delaware limited liability company wholly owned directly by the Company, its shares in Da Grassy High, Inc. and its membership interest in Fryday LLC, together with its rights under the related joint venture and license agreements. Because the assignments were between entities under common control, they had no effect on the Company's consolidated financial statements. BEi holds no assets and conducts no operations. During the quarter ended June 30, 2026, the Company's two principal celebrity licensors terminated their license agreements, and the Company generated no royalty revenue during the three and six months ended June 30, 2026. The Company holds investments in film productions and retains marketing license rights with respect to cannabis products appearing in those films.

The Company has a fiscal year end of December 31 and is listed on the OTC Pink Markets under the trading symbol ILST. Prior to the Company's acquisition by ILST Holdco LLC, the Company had abandoned its business and failed to take steps to dissolve, liquidate and distribute its assets. It had also failed to meet the required reporting requirements with the Nevada Secretary of State, hold an annual meeting of stockholders and pay its annual franchise tax from 2015 to 2021 which resulted in its Nevada charter being revoked. The Company also failed to provide adequate current public information as defined in Rule 144, promulgated under the Securities Act of 1933, and was thus subject to revocation by the Securities and Exchange Commission pursuant to Section 12(k) of the Exchange Act. On May 25, 2021, a shareholder filed a petition for custodianship, with the District Court, Clark County, Nevada and was appointed as the custodian of the Company on June 3, 2021. The Company's Nevada charter was reinstated on June 4, 2021, and all required reports were filed with the State of Nevada shortly thereafter.

The Company remains active as of the date of this report and provides adequate current public information to meet the requirements under the Securities Act of 1933.

The Company incurred operating losses in previous years, resulting in an accumulated deficit of $6,419,202 on December 31, 2012. By November 8, 2013, the Company filed Form 15-12G with the SEC to terminate its reporting obligations under the 1934 Act. After their December 31, 2015 quarterly reports of December 31, 2015, the Company stopped all forms of making public reports of its operation and financial results.

On April 22, 2021, Alpharidge Capital, LLC, a shareholder of the Company, served a demand to the Company, at its last address of record, to comply with the Nevada Secretary of State statues N.R.S. 78.710 and N.R.S. 78.150. On May 25, 2021, a petition was filed against the Company in the District Court of Clark County, Nevada, entitled "In the Matter of International Star, Inc., a Nevada corporation" under case number A-21-835183-P by Alpharidge Capital, LLC, along with an Application for Appointment of Custodian, after several attempts to have prior management reinstate the Company's Nevada charter, which had been revoked.

On June 03, 2021, the District Court of Clark County, Nevada entered an Order Granting Application for Appointment of

Alpharidge Capital, LLC (the "Order"), as Custodian of the Company. Pursuant to the Order, Alpharidge Capital,

LLC (the “Custodian”) had the authority to take reasonable and prudent actions on behalf of the Company including, but not limited to, issuing shares of stock, and issuing new classes of stock, as well as entering in contracts on behalf of the Company. In addition, the Custodian, pursuant to the Order, was required to meet the requirements under the Nevada charter.

On June 11, 2021, pursuant to a Securities Purchase Agreement (SPA) the Custodian granted to Community Economic Development Capital, LLC. (“CED Capital”), 50 Series A preferred shares (convertible at 1 into 200,000,000 common shares, and having voting rights of 60% of all votes) in exchange for $35,000 which the Company used to fund the reinstatement of the Company with the State of Nevada, which included the settlement of the Stock Transfer Agent’s balance. CED Capital also undertook to make all reasonable efforts to provide adequate current public information to meet the requirements under the Securities Act of 1933.

On June 15, 2021, the Company filed a Certificate of Revival with the Secretary State of the State of Nevada, which reinstated the Company’s charter and appointed a new Resident Agent in Nevada.

On June 16, 2021, the Custodian appointed Ambrose O Egbuonu, who is associated with Alpharidge Capital, LLC., as the Company’s president, CEO, secretary, treasurer, and director.

On December 9, 2021, the District Court of Clark County, Nevada entered an Order Granting Alpharidge Capital’s motion to terminate custodianship.

On April 15, 2022, Mr. Ambrose Egbuonu resigned from the position of director of the Company.

On July 20, 2021, the preferred shares were transferred to Caren D. Currier for $75,000 paid in cash. Subsequently, Caren D Currier was elected as President, CEO, secretary, treasurer, and director of the Company. The holder of the 50 Series A preferred shares has control of the Company through 60% voting rights over all classes of stock and the 50 Series A preferred shares are convertible into 10,000,000,000 (50 Series A preferred shares multiplied by 200,000,000) shares of the Company’s common stock. Subsequently, on or about June 10, 2022, ILST Holdco LLC, through a private transaction, acquired the 50 Series A preferred shares from Caren Currier.

The shares of Special 2021 Series A Preferred Stock are convertible into 10,000,000,000 shares of the Company’s Common Stock, with each such share having one vote.

Following the election of Caren D. Currier as President, CEO, secretary and treasurer of the Company, Mr. Ambrose Egbuonu resigned from the position of President, CEO, secretary, and treasurer of the Company.

On February 14, 2023, the Company completed its acquisition (the “Acquisition”) of Budding Equity Inc. (“BEi”), and the Company is now the sole owner of all of BEi’s outstanding shares, making BEi the Company’s wholly-owned subsidiary. As of February 14, 2023, upon the completion of the Acquisition, the Company believes that it has ceased to be a “shell company.” At the time of the Acquisition, BEi conducted a cannabis royalty business with licensing agreements in place, which generated royalty revenues from the sale of celebrity cannabis strains in multiple states and from licensed and branded cannabis-related hardware. The Company generated no royalty revenue during the three and six months ended June 30, 2026.

NOTE 2 – BASIS OF PRESENTATION AND GOING CONCERN

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Budding Equity, Inc. and Budding Equity LLC. All intercompany transactions have been eliminated.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of June 30, 2026, the Company had an accumulated deficit of $14,307,817 and $46,729 in cash used in operating activities. The Company cannot be certain that it will be successful even if it obtains outside funding. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated 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

For purposes of the statement of cash flows, cash equivalents include demand deposits, money market funds, and all highly liquid debt instructions with original maturities of three months or less.

Financial Instruments

The FASB issued ASC 820-10, Fair Value Measurements and Disclosures, for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements.

ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Concentrations and Credit Risks

Accounts Receivable. Accounts receivable are stated at the amount management expects to collect. Management evaluates collectibility based on the age of the balance, the status of the underlying relationship, and the time, effort and cost that would be required to pursue collection. During the quarter ended June 30, 2026, the Company recorded a full write-off of its accounts receivable balance of $74,509. The receivable arose from the Company's former royalty and licensing operations. Management concluded that recovery would require substantial time,

effort and legal expense, and that the timing of any collection effort cannot presently be determined. Accordingly, collection is not considered reasonably assured and no amount has been recorded as an asset as of June 30, 2026.

The write-off is an accounting determination only. The Company has not released, waived, settled, compromised or otherwise relinquished any claim, right or remedy in respect of the amounts owed, and it retains all such claims, rights and remedies in full. The Company has not decided whether or when to pursue collection, and it may elect to do so at any time. Any amounts subsequently recovered will be recognized in the period received. The Company's financial instruments that are exposed to concentrations and credit risk primarily consist of its cash, sales, and accounts receivable. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. At times, its cash and cash equivalents with a particular financial institution may exceed any applicable government insurance limits. The Company's management plans to assess the financial strength and creditworthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

Foreign Currency Translation

The accounts of the Company are accounted for in accordance with the Statement of Financial Accounting Statements No. 52 ("SFAS 52"), "Foreign Currency Translation". The financial statements of the Company are translated into US dollars as follows: assets and liabilities at year-end exchange rates; income, expenses, and cash flows at average exchange rates; and shareholders' equity at historical exchange rates.

Monetary assets and liabilities, and the related revenue, expense, gain and loss accounts, of the Company are re-measured at year-end exchange rates. Non-monetary assets and liabilities, and the related revenue, expense, gain, and loss accounts are re- measured at historical rates. Adjustments which result from the re-measurement of the assets and liabilities of the Company are included in net income.

Share-Based Compensation

ASC 718, Compensation – Stock Compensation, prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized in the period of grant.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, Equity – Based Payments to Non-Employees. Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

As of June 30, 2026 and December 31, 2025, respectively, there was $-0- and $-0- of recognized expense related to non-vested stock-based compensation arrangements granted. There have been no options granted during the quarter ended June 30, 2026.

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements 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. The

effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs.

A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. Deferred tax assets or liabilities were offset by a 100% valuation allowance, therefore there has been no recognized benefit as of June 30, 2026 and December 31, 2025 respectively. Further it is unlikely with the change of control that the Company will have the ability to realize any future tax benefits that may exist.

Commitments and Contingencies

The Company follows ASC 450-20, Loss Contingencies, to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Earnings Per Share

Net income (loss) per share is calculated in accordance with ASC 260, Earnings Per Share. The weighted- average number of common shares outstanding during each period is used to compute basic earnings or loss per share. Diluted earnings or loss per share is computed using the weighted average number of shares and diluted potential common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised.

Basic net income (loss) per common share is based on the weighted average number of shares of common stock outstanding on June 30, 2026 and December 31, 2025. Due to net operating loss, there is no presentation of dilutive earnings per share, as it would be anti-dilutive.

Accounting Pronouncements

There are no recently issued accounting pronouncements that will have a material impact on the Company.

NOTE 4 – INVESTMENTS

During the three months ending June 30, 2023, the Company invested $200,000 in a film project. An additional $85,000 was invested in another film project in the months ending September 30, 2023. An additional $5,000 was invested during the quarter ended June 30, 2024 and $35,000 during the quarter ended September 30, 2024. During the period ended June 30, 2026, the Company wrote down in full its $325,000 investment.

NOTE 5 – BUSINESS ACQUISITION, PROMISSORY NOTE ACQUISITION

On February 14, 2023, the “Company” completed its acquisition (the “Acquisition”) of Budding Equity Inc. (“BEi”), and the Company is now the sole owner of all of BEi’s outstanding shares, making BEi the Company’s wholly-owned subsidiary. As of February 14, 2023, upon the completion of the Acquisition, the Company believes that it has ceased to be a “shell company.” At the time of the Acquisition, BEi conducted a cannabis royalty business with licensing agreements in place, which generated royalty revenues from the sale of celebrity cannabis strains in multiple states and from licensed and branded cannabis-related hardware. The Company generated no royalty revenue during the three and six months ended June 30, 2026.

The Company had previously acquired 7.5% of the common stock of BEi. Under the terms of the Acquisition the Company acquired the remaining 92.5% of the common stock of BEi by issuing a Promissory Note in the amount of $1,094,000 with a zero percent interest rate (0%). On the date of acquisition, the Company also assumed $47,666 in net liabilities, resulting in total purchase consideration and goodwill of $1,144,996. As of June 30, 2023, the Company fully impaired the goodwill of $1,144,996 resulting in an impairment charge of the same amount on its

Consolidated Statements of Operations.

Subsequent to the Acquisition, the Company paid down the $1,094,000 Promissory Note by issuing 58,200 Preferred B shares valued at $582,000 -see Note 7 Equity, and by paying $158,857 in cash during the three months ended June 30, 2023. During the three months ended June 30, 2023 the Company made additional payments of $176,571 against the Promissory Note.

During the three months ended September 30, 2023 the Company made an additional payment of $120,000 against the Promissory Note reducing the outstanding balance due to $56,571. On September 22, 2023 the Company entered into a Modification Agreement ("Modification") with the Sellers of BEi to reduce the balance due on the Promissory Note of $56,571 to $-0-, and for the sellers to return 5,723 shares of Preferred B shares they had received valued at $57,230. These modification arose as a result of the Company receiving less assets than originally forecast. The total value of the modification to the Company amounted to $113,801 and reducing the impairment of goodwill to $1,031,195.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

On August 10, 2022, the Company issued a Senior Secured Convertible Promissory Note to Leonite Fund I, LP, in the principal amount of up to $625,000. The Note was issued with an original issue discount of $75,000, for gross proceeds of up to $550,000, to be advanced in one or more tranches, with the original issue discount applied on a pro rata basis based on the percentage of the purchase price advanced. In total the Company received ten tranches of funding. The Note is secured by all of the assets of the Company. The Note/s bear interest at 12% per annum and each tranche matures and is payable 12 months following the advance date. The Note is convertible into common shares at the option of the holder at a fixed price of $0.005 per share. As of the date of this Report the Note was past due.

As of June 30, 2026 the Company owed $1,983,149 in principal to Leonite along with accrued interest of $1,172,800 for a total due of $3,155,949. The note does not require the lender to declare a default; however, the Company believes the note is in default due to the occurrence of events of default as defined in the agreement. Accordingly, the full outstanding balance may be immediately due and payable.

In addition to the stated interest rate on the outstanding loan balance, the lender has assessed penalty interest and fees as a result of non-payment and other events of default under the terms of the agreement, which have increased the amounts owed under the facility. The Company has engaged in discussions with the lender from time to time regarding potential modifications or forbearance arrangements; however, no agreement has been finalized. As of the date of this report, the loan is accruing interest at a rate of 24% per annum, plus applicable monitoring and related fees.

As additional consideration under the terms of this Senior Secured Convertible Promissory Note, the Company issued warrants to Leonite which are exercisable for 62,500,000 Common Shares of the Company. These warrants are exercisable for 60 Months, contain full-ratchet anti-dilution protection provisions, and have an exercise price of $0.005. Using Black Scholes methodology, these warrants were valued at $312,500 and immediately expensed as a financing cost during the year ended December 31, 2022.

NOTE 7 - EQUITY

Common stock

The Company has 6,000,000,000 shares of $0.001 par value common stock authorized. As of June 30, 2026 and December 31 2025 there were 4,192,513,667 and 3,819,465,367 shares of common stock issued and outstanding.

On July 16, 2024 the Company filed a Form 1-A Regulation A Offering statement offering to sell up to 2,000,000,000 units "Unit offering" at a price of $0.001 per unit. Each Unit is comprised of one share and one warrant. The Offering

became effective August 15, 2024. During the six months ended December 31, 2024, the Company sold 317,000,000 and raised $317,000 in proceeds. Leonite to date has purchased 292,000,000 out of the 317,000,000 Units sold.

Preferred Stock

The Company has 10,000,000 shares of $0.001 par value preferred stock authorized.

Series A Preferred Stock

As of June 30, 2026 and December 31, 2025 there were 50 Series A preferred shares outstanding with each share convertible at 1 into 200,000,000 common shares and having voting rights of 60% of all votes. These shares are held by ILST Holdco LLC.

Series B Preferred Stock

As of June 30, 2026, a total of 168,000 shares of Series B Preferred Stock, par value $0.001, were designated and there were 72,477 shares of Series B Preferred Stock outstanding. 52,477 Series B stock is held by the Sellers of BEi (see Note 5) and 20,000 Series B shares are held by Daniel Rubin

Voting Rights. Except as otherwise required by law, the holder of the shares of Series B Preferred Stock shall have no voting rights.

Conversion to Common Shares. The shares of Series B Preferred Stock are eligible for conversion ("Conversion") into common shares, par value $0.001 per share, of the Corporation (the "Common Stock"), subject to the following terms:

(i) The unconverted shares of Series B Preferred Stock may be redeemed by the Company at any time, in whole or in part, upon election by the Company, for a cash payment equal to Ten Dollars ($10.00 USD) per share of Series B Preferred Stock. All Series B Preferred Stock that is so redeemed shall immediately be transferred by the Holder to the Company;

(ii) The shares of Series B Preferred Stock may not be converted by the Holders of said shares until the earlier of: (a) a Registration Statement covering the Common Stock shall have been declared effective by the SEC and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC or any other Governmental Authority, or (b) a period of at least one year has elapsed since the completion of an audit of the Company's financial statements by an auditing firm registered with the U.S. Public Company Accounting Oversight Board ("PCAOB");

(iii) The Conversion value of each share of Series B Preferred Stock shall be Ten Dollars ($10.00 USD), and the purchase price of the Common Stock into which such Preferred Stock is being converted shall be equal to the average of the daily volume-weighted average price ("VWAP") of the Common Stock during the five (5)-trading days immediately preceding the Conversion date, as reported by Bloomberg L.P.

Dividends, Liquidation. The shares of Series B Preferred Stock shall not be entitled to any dividends in respect thereof and shall not participate in any proceeds available to the Corporation's shareholders upon the liquidation, dissolution or winding up of the Corporation.

No Impairment. The Corporation shall not intentionally take any action which would impair the rights and privileges of the Series B Preferred Stock set forth herein or the rights of the holder thereof. The Corporation will not, by amendment of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions herein and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of the Series B Preferred Stock against

impairment.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Risks and Uncertainties

The Company's operations are subject to significant risks and uncertainties including financial, operational, and regulatory risks, including the potential risk of business failure.

Legal and other matters

In the normal course of business, the Company may become a party to litigation matters involving claims against the Company.

On or around May 21, 2025, the company terminated employment and engagement with the CEO of Budding Equity Inc. The CEO of ILST assumed his duties on an interim basis.

On July 22, 2025, the Company and BEi commenced an action against Mr. Rubin in the Superior Court of the State of Delaware, New Castle County, captioned International Star Inc. and Budding Equity, Inc. v. Dan Rubin, C.A. No. N25C-07-200 PAW. The complaint asserts claims for breach of contract and breach of fiduciary duty arising from a Consulting Agreement dated November 19, 2024 between the Company and Mr. Rubin and a Confirmation of Terms and Conditions of Employment dated November 20, 2024 between BEi and Mr. Rubin, and alleges an amount in controversy in excess of $200,000. A motion concerning jurisdiction was argued on July 8, 2026 and remains pending before the Court.

On or about September 9, 2025, Mr. Rubin filed a statement of claim against the Company, BEi, Robert Klein, Avi Minkowitz and Nochum Greenberg in the Ontario Superior Court of Justice, Court File No. CV-25-00751247-0000, asserting claims arising from the termination of his employment, together with claims of defamation and interference with business relations. The Company and the other defendants dispute the claims and intend to defend the action.

As of June 30, 2026, the Company has not recorded an accrual with respect to the Ontario action because a loss is not considered both probable and reasonably estimable. No amount has been recorded with respect to any potential recovery in the Delaware action.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent to June 30, 2026 Leonite converted $40,000 of its principal balance into 400,000,000 shares of the Company's common stock at an average conversion price of $0.0001 per share.

The Company also received an additional $20,000 in loan proceeds.

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, Robert Klein certify that:

1. I have reviewed this Disclosure Statement for International Star 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 24, 2026

/s/ Robert Klein

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

Principal Financial Officer:

I, Robert Klein certify that:

1. I have reviewed this Disclosure Statement for International Star 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 24, 2026

/s/ Robert Klein

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