

1606 CORP.

FORM 10-Q (Quarterly Report)

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Address	2425 E. CAMELBACK RD SUITE 150 PHOENIX, AZ, 85016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the Quarterly Period ended March 31, 2025

Commission File No. 000-53425

1606 Corp.

(Name of small business issuer in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

86-1497346

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

2425 E. Camelback Rd, Suite 150

Phoenix, AZ 85016

(Address of principal executive offices)

(602) 481-1544

(Issuer's telephone number)

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

Title of Each Class

Not applicable

Trading Symbol(s)

Not applicable

Name of each exchange on which registered

Not applicable

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

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

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

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☒

Emerging growth company

☐

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of May 12th, 2025, the Company had 139,620,930 outstanding shares of its common stock, par value \$0.0001.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 2, of Part I of this report include forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “proposed,” “intended,” or “continue” or the negative of these terms or other comparable terminology. You should read statements that contain these words carefully, because they discuss our expectations about our future operating results or our future financial condition or state other “forward-looking” information. There may be events in the future that we are not able to accurately predict or control. Before you invest in our securities, you should be aware that the occurrence of any of the events described in this Quarterly Report could substantially harm our business, results of operations and financial condition, and that upon the occurrence of any of these events, the trading price of our securities could decline and you could lose all or part of your investment. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, growth rates, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this Quarterly Report to conform these statements to actual results.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

1606 CORP. CONDENSED BALANCE SHEETS

	<u>Assets</u>	<u>March 31, 2025</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2024</u>
Current Assets			
Cash		\$ 285	\$ 2,078
Prepays & other current assets		-	8,062
Total Current Assets		285	10,140
Total Assets		<u>\$ 285</u>	<u>\$ 10,140</u>
	Liabilities and Stockholders' Equity		
Current Liabilities			
Accounts payable and accrued liabilities		\$ 528,118	\$ 499,231
Accrued interest		31,450	48,486
Note payable to related party		63,456	63,456
Convertible notes, net of discount		108,609	188,306
Derivative liability		93,656	40,603
Note payable to shareholder		1,528,550	1,365,550
Total Current Liabilities		2,353,839	2,205,632
Total Liabilities		2,353,839	2,205,632
Stockholders' Equity			
Undesignated Preferred Stock, par value \$0.0001; 39,999,900 authorized; no shares issued and outstanding		-	-
Class A Convertible Preferred Stock, par value \$0.0001 per share, 60,000,000 shares authorized; 58,911,559 and 59,560,127 shares issued and outstanding, respectively		5,891	5,956
Class B Super Voting Preferred Stock, par value \$0.0001 per share, 100 shares authorized; 90 and 0 shares issued and outstanding, respectively		-	-
Common stock, par value \$0.0001 per share, 5,000,000,000 shares authorized; 139,620,930 and 112,711,945 shares issued and outstanding, respectively		13,961	11,270
Additional Paid-in Capital		4,771,935	4,724,284
Accumulated Deficit		(7,145,341)	(6,937,002)
Total Stockholders' Equity		(2,353,554)	(2,195,492)
Total Liabilities and Stockholders' Equity		<u>\$ 285</u>	<u>\$ 10,140</u>

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

1606 CORP.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Revenue, net of discounts	\$ -	\$ 7,195
Cost of goods sold	-	7,313
Gross profit (loss)	-	(118)
Operating Expenses		
Selling, general and administrative	174,232	397,921
Total operating expenses	174,232	397,921
Operating loss	(174,232)	(398,039)
Other Income (Expenses)		
Interest expense	(62,054)	(179,989)
Gain on debt extinguishment	25,035	-
Initial derivative expense	(142,726)	-
Change in fair value of derivative liabilities	145,638	291,591
Total other income (expenses)	(34,107)	111,602
Loss from operations before income taxes	(208,339)	(286,437)
Provision for income taxes	-	-
Net Loss	<u>\$ (208,339)</u>	<u>\$ (286,437)</u>
Deemed dividend	-	-
Net Loss attributable to common stockholders	<u>\$ (208,339)</u>	<u>\$ (286,437)</u>
Net loss per share – basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average common shares – basic and diluted	<u>124,186,666</u>	<u>50,383,321</u>

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

1606 Corp.
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

*Three Months
Ended March 31,
2024*

	Class A Convertible Preferred Stock		Class B Super Voting Preferred Stock		Common stock		Additional Paid in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance as of December 31, 2023	56,282,599	\$ 5,628	-	\$ -	58,582,469	\$ 5,858	\$ 995,638	\$ (2,422,031)	\$ (1,414,907)
Share conversions	(114,772)	(11)	-	-	2,869,300	287	(276)	-	-
Common stock issued for cash	-	-	-	-	3,929,408	393	124,613	-	125,006
Common stock issued for services	-	-	-	-	500,000	50	29,950	-	30,000
Preferred stock issued for services	40,000	4	90	-	-	-	59,996	-	60,000
Settlement of derivative liability	-	-	-	-	-	-	(125,005)	-	(125,005)
Net loss	-	-	-	-	-	-	-	(286,437)	(286,437)
Balance as of March 31, 2024	<u>56,207,827</u>	<u>\$ 5,621</u>	<u>90</u>	<u>\$ -</u>	<u>65,881,177</u>	<u>\$ 6,588</u>	<u>\$ 1,084,916</u>	<u>\$ (2,708,468)</u>	<u>\$ (1,611,343)</u>

*Three Months
Ended March 31,
2025*

	Class A Convertible Preferred Stock		Class B Super Voting Preferred Stock		Common stock		Additional Paid in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance as of December 31, 2024	59,560,127	\$ 5,956	90	\$ -	112,711,945	\$ 11,270	\$ 4,724,284	\$ (6,937,002)	\$ (2,195,492)
Share conversions	(648,568)	(65)	-	-	16,214,200	1,621	(1,556)	-	-
Common stock issued for cash	-	-	-	-	10,694,785	1,070	49,207	-	50,277
Net loss	-	-	-	-	-	-	-	(208,339)	(208,339)
Balance as of March 31, 2025	<u>58,911,559</u>	<u>\$ 5,891</u>	<u>90</u>	<u>\$ -</u>	<u>139,620,930</u>	<u>\$ 13,961</u>	<u>\$ 4,771,935</u>	<u>\$ (7,145,341)</u>	<u>\$ (2,353,554)</u>

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

1606 CORP.
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash Flows from Operating Activities		
Net loss	\$ (208,339)	\$ (286,437)
Adjustments to reconcile net loss to net cash used in operating activities:		
Shares issued for services provided	-	90,000
Amortization of debt discount	58,695	115,619
Change in fair value of derivative liabilities	(145,638)	(291,591)
Gain on debt extinguishment	(25,035)	-
Initial derivative expense	142,726	-
Changes in operating assets and liabilities:		
Accounts receivable	-	755
Inventory	-	84
Prepays & other current assets	8,062	(27,717)
Accounts payable and accrued liabilities	28,887	107,861
Accrued interest	(17,036)	25,988
Net cash used in operating activities	(157,678)	(265,438)
Cash Flows from Investing Activities		
Net cash used in investing activities	-	-
Cash Flows from Financing Activities		
Increase in note payable to shareholder	163,000	70,000
Proceeds from convertible notes	76,000	170,000
Repayment of convertible notes	(133,392)	(132,638)
Proceeds from sale of common stock	50,277	125,006
Net cash provided by financing activities	155,885	232,368
Net increase (decrease) in cash	(1,793)	(33,070)
Cash, beginning of period	2,078	48,941
Cash, end of period	<u>\$ 285</u>	<u>\$ 15,871</u>
Supplemental disclosures of cash items		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -
Supplemental schedule of non-cash investing and financing activities		
Discount on convertible notes payable from derivative liability	<u>\$ 81,000</u>	<u>\$ 55,261</u>

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

1606 Corp.
Notes to Condensed Financial Statements
March 31, 2025
(Unaudited)

NOTE 1 - DESCRIPTION OF BUSINESS

Corporate History

1606 Corp. (“1606” or the “Company”) was formed in February 2021 and was a division of Singlepoint Inc. (“Singlepoint”) until April 2021, when Singlepoint spun off 1606, whereby each holder of common stock and Class A preferred stock of Singlepoint received one share of unregistered and restricted common stock or Class A preferred stock of the Company for each such share owned of Singlepoint.

Business

The Company is an AI company specializing in building and merchandizing AI Chatbots for the CBD industry and AI Chatbots for public companies.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. As of March 31, 2025, the Company has yet to achieve significant profitable operations and is dependent on its ability to raise capital from stockholders or other sources to sustain operations and to ultimately achieve viable operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties. These factors raise substantial doubt about the Company’s ability to continue as a going concern for the period of twelve months from the issuance date of this report.

The Company’s ability to continue in existence is dependent on its ability to develop its business and to achieve profitable operations. Since the Company does not anticipate achieving profitable operations and/or adequate cash flows in the near term, management will continue to pursue additional equity financing through private placements of the Company’s common stock.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed financial statements and related notes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. The balance sheet at December 31, 2024, has been derived from the audited financial statements at that date. For further information, refer to the financial statements and footnotes thereto included in the Company’s annual financial statements for the year ended December 31, 2024, included in the Company’s Annual Report on Form 10-K filed with the SEC on March 31, 2025.

Use of Estimates

The preparation of the financial statements in conformity with U.S. 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. Accordingly, actual results may differ from those estimates. Significant estimates in the accompanying financial statements include valuation of notes receivable, valuation of inventory, valuation of derivative liabilities, valuation of stock-based costs, and valuation of deferred tax assets.

Reclassifications

The Company reclassified certain interest expenses of \$179,989 from operating expenses to other expenses for the three months ended March 31, 2024, to conform to the 2025 presentation. There was no net effect on the total expenses of such reclassification.

Cash

Cash consists of highly liquid investments with an original maturity of three months or less.

Accounts Receivable and Credit Policy

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Under the current expected credit loss method of ASC 326, estimated probable losses are charged to expense. The allowance is provided based upon a review of the individual accounts outstanding expected future write-offs, prior history of uncollectable accounts receivable and existing economic conditions. At March 31, 2025 and December 31, 2024, the allowance for credit losses balance is \$0.

Inventory

Inventories were valued at the lower of cost or net realizable value and consisted primarily of finished hemp products. At each balance sheet date, the Company evaluates inventories for excess quantities, obsolescence, or shelf-life expiration. This evaluation includes analysis of historical sales levels by product, projections of future demand and the risk of technological or competitive obsolescence for products. To the extent that management determines there is excess or obsolete inventory or quantities with a shelf life that is too near its expiration for the Company to reasonably expect that it can sell those products prior to their expiration, the Company adjusts the carrying value of this inventory to the lower of cost or net realizable value. In September 2024, the Company wrote off its remaining inventory since it will no longer be selling CBD products.

Derivative Liabilities

The Company has certain financial instruments that are derivatives or contain embedded derivatives. The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with ASC 810-10-05-4 and 815-40. This accounting treatment requires that the carrying amount of any derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either other income or expense. Upon conversion, exercise or repayment, the respective derivative liability is marked to fair value at the conversion, repayment or exercise date and then the related fair value amount is reclassified to other income or expense as part of gain or loss on extinguishment.

When a convertible note that contains a bi-furcated derivative is converted, it is not considered to be a convertible note for accounting purposes. Therefore, the Company will recognize a gain or loss on the conversion as a debt extinguishment gain or loss based on the difference between the fair value of the shares issued and the carrying value of the debt converted.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation - Stock Compensation," which requires all stock-based awards granted to employees, directors and non-employees to be measured at grant date fair value of the equity instrument issued and recognized as expense. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period of the award, which is generally equivalent to the vesting period. The fair value of each stock option granted is estimated using the Black-Scholes option pricing model. The measurement date for the non-forfeitable awards to non-employees that vest immediately is the date the award is granted.

Revenue Recognition

The Company, which has adopted ASC 606 "Revenue from Contracts with Customers", historically derived its revenues primarily from the sale of hemp products at a point in time. Revenues are recognized when control of these products is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products, the Company's performance obligations have been met and collection is probable. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue. Any shipping and handling fees charged to customers are reported within revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. The Company does not have any significant financing components as payment is received at or shortly after the point of sale.

BOT Revenue

In addition to hemp product sales, the Company plans to generate revenue from its BOT services. BOT and related revenue is recognized over time as services are rendered to customers in accordance with the contractual terms. Revenue is measured based on the transaction price specified in the contract, net of discounts and other adjustments. The Company assesses the progress toward completion using an input or output method, as appropriate, to determine the amount of revenue recognized during the reporting period. The Company ensures that all performance obligations are met before recognizing revenue, and collection is deemed probable before recording sales.

Disaggregation of Revenue and Revenue Concentration

All revenue during the three months ended March 31, 2024, is derived from consulting services to one potential BOT customer. The Company ensures that all performance obligations are met before recognizing revenue, and collection is deemed probable before recording sales.

Cost of Goods Sold and Selling, General and Administrative Expenses

Costs associated with the production and procurement of product are included in cost of goods sold, including shipping and handling costs such as inbound freight costs, purchasing, and receiving costs, inspection costs and other product procurement related charges. All other expenses are included in selling, general and administrative expenses, as the predominant expenses associated therewith are general and administrative in nature.

Net Loss Per Common Share

Basic loss per share data is computed using the weighted-average number of shares of common stock outstanding during the period. Diluted loss per share data is computed using the weighted-average number of common and dilutive common-equivalent shares outstanding during the period. Dilutive common-equivalent shares consist of shares that would be issued upon the exercise of stock options and other common stock equivalents, computed using the treasury stock method, and are excluded from the calculation of weighted average dilutive common shares, to the extent they are issued and outstanding, because their effect would be anti-dilutive. The number of potentially dilutive shares excluded from the calculation of diluted earnings per share for the three months ended March 31, 2025, and 2024 was 1,472,788,975 and 1,405,195,675, respectively, related to the Company's Class A convertible preferred stock. These shares were excluded from the diluted per share calculation because the effect of including these potential shares was antidilutive.

At March 31, 2025 and 2024, 139,620,930 and 65,881,177 shares of the Company's common stock were outstanding, respectively. These share amounts are utilized for the calculation of basic and diluted earnings per share for periods then ended.

Selling and Marketing

Selling and marketing costs are expensed as incurred and are reported under selling, general and administrative in the accompanying statements of operations.

Fair Value Measurement

ASC Topic 820, "Fair Value Measurement", requires that certain financial instruments be recognized at their fair values at our balance sheet dates. However, other financial instruments, such as debt obligations, are not required to be recognized at their fair values, but GAAP provides an option to elect fair value accounting for these instruments. GAAP requires the disclosure of the fair values of all financial instruments, regardless of whether they are recognized at their fair values or carrying amounts in our balance sheets. For financial instruments recognized at fair value, GAAP requires the disclosure of their fair values by type of instrument, along with other information, including changes in the fair values of certain financial instruments recognized in income or other comprehensive income. For financial instruments not recognized at fair value, the disclosure of their fair values is provided below under "Financial Instruments."

Nonfinancial assets, such as property, plant and equipment, and nonfinancial liabilities are recognized at their carrying amounts in the Company's balance sheets. GAAP does not permit nonfinancial assets and liabilities to be remeasured at their fair values. However, GAAP requires the remeasurement of such assets and liabilities to their fair values upon the occurrence of certain events, such as the impairment of property, plant and equipment. In addition, if such an event occurs, GAAP requires the disclosure of the fair value of the asset or liability along with other information, including the gain or loss recognized in income in the period the remeasurement occurred.

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; or

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company did not have any Level 1 or Level 2 assets and liabilities at March 31, 2025, or 2024. The Derivative liabilities are Level 3 fair value measurements.

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The following is a summary of activity of Level 3 liabilities for the period ended March 31, 2025:

Balance - December 31, 2024	\$ 40,603
Additions	223,726
Settlements	(25,035)
Change in fair value	(145,638)
Balance – March 31, 2025	<u>\$ 93,656</u>

During 2025 and 2024, the Company issued note payable agreements which contain conversion provisions meeting the definition of a derivative liability which therefore require bifurcation. Further, pursuant to the Company’s contract ordering policy, equity linked instruments subsequently issued resulted in derivative liabilities.

During the three months ended March 31, 2025, there was an initial derivative fair value for a new convertible note of \$223,726 which was allocated \$81,000 to debt discount and \$142,726 to initial derivative expense.

Settlements of derivative liabilities are the result of conversions or repayments of the underlying note payable agreements. The fair value of the bifurcated derivative related to the amounts converted or repaid are included in the (gain) loss on debt extinguishment in the accompanying statement of operations.

At March 31, 2025, and for period then ended, the Company estimated the fair value of the conversion feature derivatives embedded in the notes payable and warrants based on assumptions used in the Cox-Ross-Rubinstein binomial pricing model using the following inputs: the price of the Company’s common stock ranging from \$0.00561 to \$0.0078; risk-free interest rates ranging from 4.23% to 4.35%; expected volatility of the Company’s common stock ranging from 180% to 182% based on the volatility of comparable publicly traded entities; and exercise prices ranging from \$0.0025 to \$0.004; terms of three to twelve months; and an expected probability of occurrence of note default of 10%.

At December 31, 2024, and for period then ended, the Company estimated the fair value of the conversion feature derivatives embedded in the notes payable and warrants based on assumptions used in the Cox-Ross-Rubinstein binomial pricing model using the following inputs: the price of the Company’s common stock ranging from \$0.0084 to \$0.0632; risk-free interest rates ranging from 4.20% to 5.16%; expected volatility of the Company’s common stock ranging from 110% to 183% based on the volatility of the Company and comparable publicly traded entities; and exercise prices ranging from \$0.0051 to \$0.0371; terms of three to twelve months; and an expected probability of occurrence of note default of 10%.

Segment reporting

The Company operates as a single operating segment technology-based company that is developing a chatbot using AI technology to be placed on CBD retailers’ and brands’ websites. Per ASC 280 – “*Segment Reporting*”, the Company’s chief operating decision maker has been identified as the Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers, and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under “Segment Reporting” due to their similarities in economic characteristics such as nature of services; and procurement processes. Since the Company operates in one segment, all financial information required by “Segment Reporting” can be found in the accompanying consolidated balance sheets and statements of operations and notes to consolidated financial statements.

The table below provides information about the Company’s revenue, significant segment expenses and other segment expenses.

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Revenue, net of discounts	\$ -	\$ 7,195
Cost of goods sold	-	7,313
Gross profit (loss)	-	(118)
Less segment expenses:		
Selling, general and administrative	174,232	397,921
Operating loss	(174,232)	(398,039)
Plus:		
Interest expense	(62,054)	(179,989)
Gain on debt extinguishment	25,035	-
Initial derivative expense	(142,726)	-
Change in fair value of derivative liabilities	145,638	291,591
Segment Net loss	<u>\$ (208,339)</u>	<u>\$ (286,437)</u>

Income Taxes

The Company accounts for income taxes in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes." Under this guidance, the Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. Deferred tax assets are evaluated for realizability and reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company will adopt ASU 2023-09 in its fourth quarter of 2026. ASU 2023-09 allows for adoption using either a prospective or retrospective transition method.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40), which requires entities to provide more detailed disaggregation of expenses in the income statement, focusing on the nature of the expenses rather than their function. The new disclosures will require entities to separately present expenses for significant line items, including but not limited to, depreciation, amortization, and employee compensation. Entities will also be required to provide a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, disclose the total amount of selling expenses and, in annual reporting periods, provide a definition of what constitutes selling expenses. This pronouncement is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company does not expect the adoption of this new guidance to have a material impact on the financial statements.

NOTE 3 – RELATED PARTY TRANSACTIONS

Related Party Transactions

In June 2021, the Company entered into an Asset Purchase Agreement with Singlepoint to purchase certain assets in exchange for the issuance of a promissory note (the "Note") for \$63,456 which is reflected as note payable to related party on the balance sheet. 1606 Corp. was originally a division of Singlepoint until April 2021, when Singlepoint spun off 1606 Corp. through a stock distribution to its shareholders. The Note bears interest at 5%, has a three-year term, and is due in monthly installments of \$1,902 beginning August 1, 2021. The Company has not made any payments on the Note and is currently in default. Accrued interest on the Note totaled \$10,309 and \$9,527 at March 31, 2025 and December 31, 2024, respectively.

During the three months ended March 31, 2025, the Company borrowed \$188,000 in a series of cash payments from the Company's former CEO and shareholder in exchange for the issuance of a promissory note and repaid \$25,000 to him. The promissory note is not secured by Company assets, does not bear interest and is due in full on December 31, 2025. The promissory note totals \$1,528,550 at March 31, 2025.

NOTE 4 – DEBT

Promissory Notes Payable - Related Party

During the three months ended March 31, 2025, the Company borrowed \$188,000 in a series of cash payments from the Company's former CEO and shareholder in exchange for the issuance of a promissory note and repaid \$25,000 to him. The promissory note is not secured by Company assets, does not bear interest and is due in full on December 31, 2025. The promissory note totals \$1,528,550 at March 31, 2025.

In June 2021, the Company entered into an Asset Purchase Agreement with Singlepoint to purchase certain assets in exchange for the issuance of a promissory note (the "Note") for \$63,456, which is reflected as a note payable to a related party in accompanying balance sheet. The Note bears interest at 5%, has a three-year term, and is due in monthly installments of \$1,902 beginning August 1, 2021. The Company has not made any payments on the Note and is currently in default. Accrued interest on the Note totaled \$10,309 and \$9,527 at March 31, 2025 and December 31, 2024, respectively.

Convertible Notes Payable and Derivatives

At March 31, 2025, the Company had four notes payable outstanding, which, upon an event of default, contain a conversion feature meeting the definition of a derivative liability.

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The Notes have maturity dates ranging from May 30, 2025 to December 15, 2025 and carry interest rates ranging from 8% to 13%. The notes with one of the lenders have cross default provisions only between the notes of that lender. No cross default occurred in 2025 or 2024.

For one of the Notes which is convertible after 180 days from issuance or upon an event of default, the conversion rate shall be 70% of the Market Price with the Market Price being defined as the lowest trading price of the Company's common stock over the 10 preceding trading days. For the other notes, which are convertible only after an Event of Default, the conversion rate shall be 70% of the market price with the market price being defined as the lowest trading price of the Company's common stock over the 10 preceding trading days.

During the three months ended March 31, 2025, the Company made principal payments of \$133,392 on convertible notes payable, resulting in a gain on debt extinguishment from settlement of derivative liabilities totaling \$25,035.

During the three months ended March 31, 2025, the Company amortized \$58,695 of debt discount resulting in an unamortized debt discount of \$117,964 as of March 31, 2025. Accrued interest as of March 31, 2025 was \$31,450.

Convertible notes value as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Convertible notes	\$ 226,573	\$ 274,914
Unamortized discounts	(117,964)	(86,608)
Convertible notes, net	\$ 108,609	\$ 188,306

Scheduled maturities of the above related party and convertible notes debt remaining as of March 31, 2025 for each respective fiscal year end are as follows:

2025	1,818,580
Total	\$ 1,818,580

NOTE 5 - CAPITAL STOCK

Capital Stock

As of March 31, 2025, the Company's authorized capital stock consists of 5,000,000,000 shares of common stock at \$0.0001 par value per share and 100,000,000 shares of preferred stock at \$0.0001 par value per share. The Company has designated 60,000,000 shares of preferred stock as Class A convertible preferred stock (the "Class A Preferred Stock"), and 100 shares of preferred stock as Series B super voting preferred stock (the "Series B Preferred Stock"). The remaining 39,999,900 of preferred stock remains undesignated.

Common Stock

The holders of common stock are entitled to one vote for each share held. The affirmative vote of a majority of votes cast at a meeting which commences with a lawful quorum is sufficient for approval of most matters upon which shareholders may or must vote, including the questions presented for approval or ratification at the Company's Annual Shareholders' Meeting. An amendment of the Company's Articles of Incorporation, however, requires the affirmative vote of a majority of the Company's total voting power for approval. Common shares do not carry cumulative voting rights, and holders of more than 50% of the common stock have the power to elect all directors and, as a practical matter, to control the Company. Holders of common stock are not entitled to preemptive rights, and the common stock may only be redeemed at the Company's election.

During the three months ended March 31, 2025, the Company issued 26,908,985 shares of its common stock, including:

- 16,214,200 shares of its common stock upon conversion of 648,568 shares of Class A preferred stock;
- 10,694,785 shares of its common stock for a total purchase price of \$50,277, net of offering costs of \$3,075.

Class A Preferred Stock

The Class A preferred stock has certain material rights and preferences (as is more fully set forth in the Certificate of Designation of the Class A Preferred Stock).

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During the three months ended March 31, 2025, 648,568 shares of Class A preferred stock were converted into 16,214,200 common shares.

As of March 31, 2025, the Company had 58,911,559 shares of Class A preferred stock outstanding, of which 15,958,767 shares are held by the Company's CEO. The former officers and directors of Singlepoint hold the remaining shares of the Class A preferred stock.

Ranking

The Class A preferred stock ranks, as to dividends and upon liquidation, senior and prior to the common stock of the Company.

Liquidation

In the event of liquidation, dissolution or winding up of the Company, the holders of the Class A preferred stock are entitled, out of the assets of the Company legally available for distribution, to receive, before any payment to the holders of shares of common stock or any other class or series of stock ranking junior, and amount per share equal to any dividends declared but unpaid thereon.

Voting

Each share of Class A preferred stock entitles the holder thereof to 50 votes on any matters requiring a shareholder vote of the Company.

Conversion

Each share of our Class A preferred stock is convertible into 25 shares of common stock at the option of the holder.

Series B Super Voting Preferred Stock

The Series B preferred stock has certain material rights and preferences (as is more fully set forth in the Certificate of Designation of the Series B Preferred Stock) and has a stated value of \$0.0001 per share.

As of March 31, 2025, the Company had 90 shares of Series B preferred stock outstanding.

Dividends

There will be no dividends due or payable on the Series B Preferred Stock.

Liquidation Rights

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

Conversion Rights

The shares of Series B Preferred Stock are not convertible into shares of the Company's Common Stock.

Voting Rights

If at least one share of Series B Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series B Preferred Stock at any given time, regardless of their number, shall have voting rights equal to 10 times the sum of: i) the total number of shares of Common Stock which are issued and outstanding at the time of voting, plus ii) the total number of votes of all other series of Preferred Stocks which are issued and outstanding at the time of voting.

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

[ten times the sum of: {all shares of Common Stock issued and outstanding at the time of voting + the total number of votes of all other series of Preferred Stocks which are issued and outstanding at the time of voting}]

Divided by:

[the number of shares of Series B Preferred Stock issued and outstanding at the time of voting]

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

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings and Other Claims

From time to time, we are a party to claims and actions for matters arising out of our business operations. We regularly evaluate the status of the legal proceedings and other claims in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss, or an additional loss, may have been incurred and determine if accruals are appropriate. If accruals are not appropriate, we further evaluate each legal proceeding to assess whether an estimate of possible loss or range of possible loss can be made for disclosure. Although the outcome of claims and litigation is inherently unpredictable, we believe that we have adequate provisions for any probable and estimable losses. It is possible, nevertheless, that our financial position, results of operations or liquidity could be materially and adversely affected in any particular period by the resolution of a claim or legal proceeding. Legal expenses related to defense, negotiations, settlements, rulings, and advice of outside legal counsel are expensed as incurred.

Employment Agreements

Effective February 28, 2024, the Company entered into the Employment Agreement with Gregory Lambrecht, the Company's Chief Executive Officer (the "CEO Agreement"). The term of the CEO Agreement is three years from the effective date, and will renew for six month periods automatically unless terminated by either party providing 90 days of prior written notice or for "Cause," as defined in the CEO Agreement. Pursuant to the CEO Agreement, Mr. Lambrecht is entitled to an annual salary of \$250,000. Mr. Lambrecht is also entitled to a bonus as determined by the Company's Board of Directors, healthcare (once established by the Company), reimbursement of expenses, and 20 vacation days per year. Also, as an inducement to enter into the CEO Agreement, Mr. Lambrecht was issued 60 shares of Series B Preferred Stock of the Company.

Effective May 28, 2024, Gregory Lambrecht resigned as the Chief Executive Officer, Chief Financial Officer, and Chairman of the Board of the Company and the Employee Agreement was terminated.

Effective February 28, 2024, the Company entered into the Employment Agreement with Austen Lambrecht, the Company's Vice President (the "VP Agreement"). The term of the VP Agreement is three years from the effective date, and will renew for six month periods automatically unless terminated by either party providing 90 days of prior written notice or for "Cause," as defined in the VP Agreement. Pursuant to the VP Agreement, Mr. Lambrecht is entitled to an annual salary of \$97,000. Mr. Lambrecht is also entitled to a bonus as determined by the Company's Board of Directors, healthcare (once established by the Company), reimbursement of expenses, and 20 vacation days per year. Also, as an inducement to enter into the VP Agreement, Mr. Lambrecht was issued 30 shares of Series B Preferred Stock of the Company.

Effective May 28, 2024, the Board of Directors of the Company (with Austen Lambrecht abstaining) appointed Austen Lambrecht as Chief Executive Officer (Principal Executive Officer), Chief Financial Officer (Principal Financial and Accounting Officer), and Chairman of the Board of the Company.

In February 2023, the Company entered into an employment agreement with Austen Lambrecht. The agreement provides that Austen Lambrecht would serve as Vice President for a term of three years at an annual salary of Eighty-Five Thousand Dollars (\$85,000), with an incentive bonus and stock options as determined by the Board of Directors. The agreement automatically renews for additional six-month periods unless either party has provided written termination of this Agreement at least 90 days prior to the expiration of such term. The agreement also provides for compensation under certain severance and change of control circumstance of twelve months of salary and other bonus dollars that may be due.

In May 2021, the Company entered into an employment agreement with Greg Lambrecht. The agreement provides that Mr. Lambrecht would serve as Chief Executive Officer Company for a term of three years at an annual salary of Two Hundred Fifty Thousand Dollars (\$250,000), and an incentive bonus as determined by the Board of Directors. The agreement automatically renews for additional six-month periods unless either party has provided written termination of this Agreement at least 90 days prior to the expiration of such term.

NOTE 7 – SUBSEQUENT EVENTS

No material subsequent events occurred after the balance sheet date and before the filing of the 10-Q.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our financial statements and notes thereto appearing elsewhere in this Annual Report. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results could differ materially from those anticipated by these forward-looking statements as a result of many factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this Annual Report, including those set forth under "Forward-Looking Statements."

Plan of Operation

1606 Corp., a Nevada corporation (the "**Company**"), was incorporated in Nevada in February 2021 and spun-off from Singlepoint Inc. in April 2021. Management believes the assumptions made to carve out the Company's underlying standalone financial statements from the consolidated Singlepoint results prior to the April 2021 spin-off are reasonable.

In August 2023, we achieved our goal of creating a chatbot using AI technology to be placed on CBD retailers' and brands' websites. This chatbot is able to answer questions specifically tailored to the CBD industry and can be trained on client specific questions as well as trained to accommodate other industries. In addition to the ability to answer questions, the bot can use answers and customer feedback to recommend a product from the list uploaded by the client.

On August 17, 2023, we engaged AR XTLabs to help in development of an AI chatbot specifically designed for the CBD industry. The chatbot offers CBD and wellness merchants the ability to increase sales by providing product recommendations, track user behavior for inventory management, and ChatCBDW can also provide information on products and education around the clock. Our bot was built on Microsoft Azure by AR XTLabs, a state-of-the-art development company in the AI space. ChatCBDW is a proprietary bot fully integrated with ChatGPT, a state-of-the-art language model developed by OpenAI. This integration equips ChatCBDW with natural language processing (NLP) and machine learning capabilities, allowing lifelike conversations and intelligent product recommendations. It's designed to drive sales, educate audiences on products, and provide analytics on customer preferences and behavior, contributing to inventory management. The chat technology is enhanced through a patent possible process that tailors product recommendations to merchant specifications.

In September 2023, we partnered with Cool Blue Distribution, a leading CBD distributor, to better expand our CBD expertise and gain access hundreds of retailers and brands. The Company agreed to install the bot on Cool Blue's website as the first beta tester of our new chatbot.

On October 31, 2023, we announced that the beta version of our ChatCBDW bot was live on our site as well as cool blue Distributions website. We are working towards getting CBD brands and retailers to sign up for the bot on a monthly basis.

We are focused on signing business to use the chatbot with a monthly recurring licensing fee model. We are using a combination of our website, online ads, and email campaigns targeted towards CBD brands and retailers, we have cultivated considerable interest in 1606 and our AI Chatbot technology.

We are also using ISO's or independent sales organizations to sell the Chatbot or include it in a package deal with their products. These ISO's include but are not limited to CBD Distributors, website designers and builders, and payment processing services within and outside the CBD industry.

On April 30, 2024, we announced the completion of our second AI bot made for public companies. Chat IR is a bot made to go on public companies' websites and answers questions about the company's operations and disclosures.

We are focused on signing business to use the chatbot with a monthly recurring licensing fee model. We are using a combination of our website, online ads, and email campaigns targeted towards public companies, we have cultivated considerable interest in the Company and our AI Chatbot technology.

We are also using ISO's or independent sales organizations to sell the Chatbot or include it in a package deal with their products. These ISO's include but are not limited to IR Firms, Transfer Agents, Press Services, and Web Developers.

On September 4, 2024, we announced that we signed a nonbinding Letter of Intent (LOI) to acquire a strategic stake in Adnexus, a company at the forefront of Artificial Intelligence innovations in early drug discovery and infectious disease research.

Results from Operations – For the three months ended March 31, 2025, as compared to March 31, 2024

Net Revenue. For the three months ended March 31, 2025, we generated no revenue. For the three months ended March 31, 2024, we generated revenue of \$7,195 from consulting services to one potential BOT customer.

Cost of Goods Sold. For the three months ended March 31, 2025 and 2024, cost of goods sold was \$0 and \$7,313, respectively.

Gross Loss. As a result of the foregoing, we had a gross loss of \$0 for the three months ended March 31, 2025, compared with a gross loss of \$118 for the three months ended March 31, 2024.

Operating Expenses. For the three months ended March 31, 2025 and 2024, total operating expenses were \$174,232 and \$397,921, respectively. The decrease was primarily due to decrease in professional fees.

Net Loss. For the three months ended March 31, 2025 and 2024, net loss was \$208,339 and \$286,437, respectively. The decrease in net loss was primarily due to lower operating expenses as discussed above.

Liquidity and Capital Resources

As of March 31, 2025, we have yet to achieve profitable operations, and while we hope to achieve profitable operations in the future, if not, we may need to raise capital from stockholders or other sources to sustain operations and to ultimately achieve viable operations. These factors raise substantial doubt about our ability to continue as a going concern. Our principal sources of liquidity have been cash provided by operating activities, as well as our ability to raise capital. Our operating results for future periods are subject to numerous uncertainties and it is uncertain if we will be able to become profitable and continue growth for the foreseeable future. If management is not able to increase revenue and/or manage operating expenses, we may not be able to achieve profitability. Our ability to continue in existence is dependent on our ability to achieve profitable operations.

To continue operations for the next 12 months, we will have a cash need of approximately \$1,000,000. Should we not be able to fulfill our cash needs through the increase of revenue, we will need to raise money through outside investors through convertible notes, debt or similar instrument(s). Our plans to pay off current liabilities through sales and increasing revenue through sales of our services and or products, or through financing activities as mentioned above, although there is no guarantee that we will ultimately do so.

Operating Activities

Net cash used in operating activities was \$157,678 for the three months ended March 31, 2025, primarily as a result of our net loss of \$208,339 and change in fair value of derivative liabilities of \$145,638, and gain on debt extinguishment of \$25,035, offset by initial derivative expense of \$142,726, amortization of debt discount of \$58,695, and net changes in operating assets and liabilities of \$19,913.

Net cash used in operating activities was \$265,438 for the three months ended March 31, 2024, primarily as a result of our net loss of \$286,437 and change in fair value of derivative liabilities of \$291,591, offset by shares issued for services provided of \$90,000, amortization of debt discount of \$115,619, and net changes in operating assets and liabilities of \$106,971.

Investing Activities

There was no cash used in investing activities during the three months ended March 31, 2025.

There was no cash used in investing activities during the three months ended March 31, 2024.

Financing Activities

During the three months ended March 31, 2025, our financing activities provided cash of \$155,885, including \$50,277 from the sale of our common stock, \$76,000 in net proceeds from convertible notes, and \$163,000 in net proceeds from the note payable to our former CEO. We also repaid \$133,392 of convertible notes.

During the three months ended March 31, 2024, our financing activities provided cash of \$232,368, including \$125,006 from the sale of our common stock, \$170,000 in net proceeds from convertible notes, and \$70,000 in proceeds from the note payable to our former CEO. We also repaid \$132,638 of convertible notes.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Notes to the Financial Statements describes the significant accounting policies and methods used in the preparation of the Financial Statements. Estimates are used for, but not limited to, contingencies and taxes. Actual results could differ materially from those estimates. The following critical accounting policies are impacted significantly by judgments, assumptions, and estimates used in the preparation of the Financial Statements.

Derivative Liabilities

The Company has certain financial instruments that are derivatives or contain embedded derivatives. The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with ASC 810-10-05-4 and 815-40. This accounting treatment requires that the carrying amount of any derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either other income or expense. Upon conversion, exercise or repayment, the respective derivative liability is marked to fair value at the conversion, repayment or exercise date and then the related fair value amount is reclassified to other income or expense as part of gain or loss on extinguishment.

When a convertible note that contains a bi-furcated derivative is converted, it is not considered to be a convertible note for accounting purposes. Therefore, the Company will recognize a gain or loss on the conversion as a debt extinguishment gain or loss based on the difference between the fair value of the shares issued and the book value of the debt converted.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation - Stock Compensation," which requires all stock-based awards granted to employees, directors and non-employees to be measured at grant date fair value of the equity instrument issued and recognized as expense. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period of the award, which is generally equivalent to the vesting period. The fair value of each stock option granted is estimated using the Black-Scholes option pricing model. The measurement date for the non-forfeitable awards to non-employees that vest immediately is the date the award is granted.

Recent Accounting Pronouncements

See Note 2 of the financial statements for discussion of Recent Accounting Pronouncements.

Off-Balance Sheet Arrangements

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Pursuant to Item 305(e) of Regulation S-K (§ 229.305(e)), we are not required to provide the information required by this Item as we are a "smaller reporting company," as defined by Rule 229.10(f)(1).

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We have performed an evaluation under the supervision and with the participation of our management, including our President and Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of our disclosure controls and procedures, (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2025. Based on that evaluation, our management, including our President and CEO, who also serves as our CFO, concluded that our disclosure controls and procedures were not effective as of March 31, 2025 to provide reasonable assurance that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer, as appropriate to allow timely decisions regarding required disclosure due to the material weaknesses described below.

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Based on our evaluation under the framework described above, our management concluded that we had “material weaknesses” (as such term is defined below) in our control environment and financial reporting process consisting of the following as of the Evaluation Date:

- 1) lack of a functioning audit committee resulting in ineffective oversight in the establishment and monitoring of required internal control and procedures; and
- 2) inadequate segregation of duties consistent with control objectives.

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

A system of controls, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

There has been no change in the Company’s internal control over financial reporting, as defined in Rules 13a-15(f) of the Exchange Act, during the Company’s quarter ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II—OTHER INFORMATION**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

During the quarter ended March 31, 2025, Greg Lambrecht converted 435,600 shares of Class A Preferred Stock into 10,890,000 shares of Common Stock.

During the quarter ended March 31, 2025, William Ralston converted 212,960 shares of Class A Preferred Stock into 5,324,200 shares of Common Stock.

The securities above were issued in reliance upon the exemption from securities registration afforded by Section 3(a)(9) of the Securities Act under the Securities Act of 1933, as amended. No commissions were paid in connection with the sales of the securities above.

Item 5. Other Information.

During the quarter ended March 31, 2025, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Name of Exhibit
31.1	Certification of Chief Executive Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002. (1)
31.2	Certification of Chief Financial Officer, pursuant to Rule 13a-14(a) of the Exchange Act, as enacted by Section 302 of the Sarbanes-Oxley Act of 2002. (1)
32.1	Certification of Chief Executive Officer and Chief Financial Officer, pursuant to 18 United States Code Section 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002. (1)
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

(1) Filed herewith. In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Exchange Act or deemed to be incorporated by reference into any filing under the Exchange Act or the Securities Act except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

1606 Corp.

Dated: May 13, 2025

By: /s/ Austen Lambrecht
Austen Lambrecht
Chief Executive Officer (Principal Executive Officer)
and Chief Financial Officer (Principal Financial and
Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)**

I, Austen Lambrecht, certify that:

1. I have reviewed this Form 10-Q for 1606 Corp. for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on the most recent evaluation of internal control over financial reporting, to the registrant's other certifying officer and registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1606 Corp.

Date: May 13, 2025

By: /s/ Austen Lambrecht
Name: Austen Lambrecht
Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)**

I, Austen Lambrecht, certify that:

1. I have reviewed this Form 10-Q for 1606 Corp. for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's other certifying officer and registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1606 Corp.

Date: May 13, 2025

By: /s/ Austen Lambrecht
 Name: Austen Lambrecht
 Title: Chief Financial Officer
 (Principal Financial and Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Chief Executive Officer and Chief Financial Officer and Chief Financial Officer of 1606 Corp., hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge, the Quarterly Report on Form 10-Q of 1606 Corp. for quarter ended March 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of 1606 Corp.

Date: May 13, 2025

By: /s/ Austen Lambrecht

Austen Lambrecht
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Austen Lambrecht

Austen Lambrecht
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to 1606 Corp. and will be retained by 1606 Corp. and furnished to the Securities and Exchange Commission or its staff.