

AFRICAN DISCOVERY GROUP, INC.445 Park Avenue, Ninth FloorNew York, NY 10022212-745-1164www.africandiscoverygroup.comak@africandiscoverygroup.com

Annual Report

For the period ending February 29, 2024 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

705,284,953 as of February 29, 2024

705,284,953 as of February 28, 2023

Shell Status

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control

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

Yes: ☐ No: ☒

⁴ “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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.

African Discovery Group, Inc., a Delaware corporation, was formerly Earn-A-Car, Inc. until November 13, 2020, and was Victoria Internet Services, Inc. from October 9, 2009, the date of incorporation, until February 10, 2012.

Current State and Date of Incorporation or Registration: Delaware, June 28, 2021

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

Prior Incorporation Information for the issuer and any predecessors during the past five years:
Until June 28, 2021, the Company was a Nevada corporation; on that date, the Company reincorporated to the State of Delaware. There were no changes to the Company's Charter in that reincorporation

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

None

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

None

Address of the issuer's principal executive office:

445 Park Avenue, Ninth Floor, New York, NY 10022

Address of the issuer's principal place of business:

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

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

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

2) Security Information

Transfer Agent

Name: West Coast Securities Transfer
Phone: 619-664-4780
Email: etobler@wcsti.com
Address: 721 North Vulcan Ave. Suite 106
Encinitas, CA 92024

Publicly Quoted or Traded Securities:

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

Trading symbol:	<u>AFDG</u>
Exact title and class of securities outstanding:	<u>Common Stock., \$0.0001 par value</u>
CUSIP:	<u>00832F100</u>
Par or stated value:	<u>\$0.0001</u>
Total shares authorized:	<u>1,000,000,000</u> as of date: <u>February 29, 2024</u>
Total shares outstanding:	<u>705,284,953</u> as of date: <u>February 29, 2024</u>
Total number of shareholders of record:	<u>82</u> as of date: <u>February 29, 2024</u>

During November 2023, the Company approved a share incentive plan in accordance with which 40,000,000 shares were authorized to be issued. During the year ended February 29, 2024 options to acquire 38,000,000 common shares were awarded under this plan.

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

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:	_____
Par or stated value:	_____
Total shares authorized:	_____ as of date: _____
Total shares outstanding:	_____ as of date: _____
Total number of shareholders of record:	_____ as of date: _____

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

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.**

The Company has not declared or paid any dividends and has no present intention to do so. Shareholders are entitled to one vote for each share held and have no preemptive rights.

- Company has no preferred stock issued

- None

- No material modification to any rights of holders of the company's securities occurred during the quarter ended November 30, 2023

No: ☒ Yes: ☐ (If yes, you must complete the table below)[illegible]

_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>02/29/2024</u>	Common: 705,284,953								
Preferred: <u>0</u>									

B. Promissory and Convertible Notes

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

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

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

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

4) Issuer's Business, Products and Services

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

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

The Company's Delaware wholly-owned subsidiary ADG Subsidiary Corp. ("ADG") currently generates consulting revenue from Africa-based clients. The Company's primary businesses from which ADG currently generates revenues and from which it intends to generate revenues in the future, include agriculture/sustainability, power, media, strategic minerals, and finance sectors on the African continent. The Company, through its wholly-owned subsidiary, is committed to all aspects of environmental, social and governance issues in its business.

In its agriculture/sustainability sector, the Company previously entered into a strategic partnership with African Agriculture Holdings Inc. (NASDAQ:AAGR), whereby AFDG would provide management, strategic, financial advisory and operational support to AAGR, a dynamic African- focused agricultural opportunity, in exchange for which AAGR agreed to pay AFDG an advisory fee including a grant of

shares or other potential incentive awards. In April 2024, the parties agreed to terminate this agreement.

In the power sector, the Company has an agreement with Monitor Power Systems, a New York and Oslo based project finance company for business development services on the African continent. This agreement, pertaining to power and infrastructure, will provide ADG a multi-year royalty stream if, as and when construction of each project is completed.

In the media sector, AFDG has made an investment in the African focused social media group Ogéllé (www.Ogéllé.com). AFDG has exercised and funded its option to increase its investment in Ogéllé from 5% to 10%. Alan Kessler, AFDG's CEO, also holds a role on the Board of Directors of Reddot Television Network, Ltd., the Nigerian company which owns Ogéllé.

The Company was initially organized to operate as an online tax preparation service in the North American market. On December 7, 2011, the Company, its then principal shareholder, Earn-A-Car (PTY), Ltd., a South African corporation ("EAC") and DPL completed a reorganization pursuant to which DPL acquired 78,750,000 shares of our common stock from the former principal, EAC became a wholly owned subsidiary of the Company, and the business of the Company then became the business of EAC, i.e., the daily rental of vehicles in the South African market. The Company remained in the vehicle rental business until November, 2020.

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

The Company's 100% subsidiary is ADG Subsidiary Corp., a Delaware corporation (ADG), the information about which is incorporated by reference to Items 1 and 5A, herein.

C. Describe the issuers' principal products or services.

The Company's principal products and services are described in Items 1 and 5A, which are incorporated herein by reference.

5) Issuer's Facilities

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

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

The Company owns no property. The Company's subsidiary ADG utilizes approximately 700 square feet at 445 Park Avenue, Ninth Floor, New York, NY 10022 from an unaffiliated landlord, pursuant to an arrangement on a month-to-month basis. This is a sharing model. Office space and conference facilities in Africa and Europe are paid per diem, as needed. There are no leases in Africa.

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

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

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact

information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Alan Kessler (1)	CEO, Director	Port Washington, NY	501,195,571	Common Stock	71.1%	_____
Edmund Kessler	5%+ shareholder	Great Neck, NY	128,250,000	Common Stock	18.2%	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

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

7) Legal/Disciplinary History

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

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

No

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

No

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

No

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

No

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

No

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

No

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

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

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

Securities Counsel (must include Counsel preparing Attorney Letters).

Name:	Morgan E. Petitti, Esq.
Address 1:	118 W. Streetsboro Street, # 317
Address 2:	Hudson, Ohio 44236
Phone:	330.697.8548
Email:	PetittiLaw@gmail.com

Accountant or Auditor

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

Investor Relations

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

All other means of Investor Communication:

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

Other Service Providers

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

Name: _____
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: Alan Kessler
Title: _____
Relationship to Issuer: CEO

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

- ☐ IFRS
☒ U.S. GAAP

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

Name: Harry Green
Title: _____
Relationship to Issuer: Financial Consultant

Describe the qualifications of the person or persons who prepared the financial statements:⁵
General accounting knowledge, holds degree in business administration.

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)

⁵ 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 Notes

Financial Statement Requirements:

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

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Alan Kessler certify that:

1. I have reviewed this Disclosure Statement for African Discovery Group, 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.

May 31st 2024

/s/ Alan Kessler

AFRICAN DISCOVERY GROUP INC.

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AFRICAN DISCOVERY GROUP INC.
CONSOLIDATED BALANCE SHEETS
FEBRUARY 29, 2024 AND FEBRUARY 28, 2023
(Unaudited)

	February 29, 2024	February 28, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2	\$ 135
Marketable Securities (Note 8)	15,519	11,335
Receivables	330,000	311,440
Total Current Assets	345,521	322,910
Investment (Note 7)	181,385	572,089
Total Other Assets	181,385	572,089
TOTAL ASSETS	\$ 526,906	\$ 894,999
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 286,565	\$ 124,736
Accounted Payable - Related party	218,731	230,826
Total Current Liabilities	505,296	355,562
Total Liabilities	505,296	355,562
Stockholders' Equity		
Common stock, \$0.0001 par value, 1,000,000,000 shares authorized, 705,284,953 shares issued and outstanding as of February 29, 2024 and February 28, 2023, respectively.	694,273	694,273
Additional paid in capital	751,032	728,726
Accumulated other comprehensive income (loss)	156,628	156,628
Retained earnings	(1,580,323)	(1,040,190)
Total Stockholders' Equity	21,610	539,437
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 526,906	\$ 894,999

See accompanying notes to financial statements.

AFRICAN DISCOVERY GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED FEBRUARY 29, 2023 AND FEBRUARY 28, 2023
(Unaudited)

	For the year ended February 29, 2024	For the year ended February 28, 2023
Revenues		
Revenue related to current operations	\$ 225,000	\$ 300,000
Total Revenues	<u>225,000</u>	<u>300,000</u>
Operating Expenses		
Selling, general and administrative related to current operations	363,520	31,982
Total Operating Expenses	<u>363,520</u>	<u>31,982</u>
Operating Income (Loss)	<u>(138,520)</u>	<u>268,018</u>
Other Income (Expense)		
Interest, net	7.337	-
Gain (loss) on securities, net	(10,909)	79,328
Loss on investments	<u>(398,041)</u>	<u>-</u>
Net Income (Loss) Before Provision for Income Taxes	(540,133)	347,346
Provision for Income Taxes	-	104,203
Net Income (Loss)	<u>(540,133)</u>	<u>243,143</u>
Earnings (Loss) per Share	\$ <u>(0.0008)</u>	<u>0.0003</u>
Weighted Average Common Shares Outstanding	<u>705,284,953</u>	<u>705,284,953</u>

See accompanying notes to the financial statement
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AFRICAN DISCOVERY GROUP INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
AS OF February 29, 2024
(Unaudited)

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Retained	
	Shares	Amount	Capital	Loss	Earnings	Total
Balance, February 28, 2022	705,284,953	\$ 694,273	\$ 728,726	\$ 156,628	\$ (1,283,333)	\$ 296,294
Net earnings (loss)	-	-	-	-	243,143	243,143
Balance, February 28, 2023	705,284,953	\$ 694,273	\$ 728,726	\$ 156,628	\$ (1,040,190)	\$ 539,437
Share based compensation	-	-	22,306	-	-	22,306
Net earnings (loss)	-	-	-	-	(540,133)	(540,133)
Balance, February 29, 2024	705,284,953	\$ 694,273	\$ 751,032	\$ 156,628	\$ (1,580,323)	\$ 21,610

See accompanying notes to financial statements.

AFRICAN DISCOVERY GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023
(Unaudited)

	For the year ended February 29, 2024	For the year ended February 28, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$ (540,133)	\$ 243,143
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Share based compensation	22,306	-
Non-cash interest received on convertible debt exchanged into equity investment	(7,337)	-
Investment write off	398,041	-
Change in Assets and Liabilities:		
Receivables	(18,561)	(311,440)
Securities	(4,184)	151,904
Accounts payables	161,829	102,631
Net Cash Provided (Used) by Operating Activities	<u>11,961</u>	<u>186,238</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment	-	(130,252)
Net Cash Used by Investing Activities	<u>-</u>	<u>(130,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of related party payable	(12,094)	(58,386)
Net Cash Provided by Financing Activities	<u>(12,094)</u>	<u>(58,386)</u>
Net Increase in Cash and Cash Equivalents	(133)	(2,400)
Cash, beginning of period	135	2,535
Cash, end of period	<u>2</u>	<u>135</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Non-cash financing activities		
Shares issued for African Discovery Group.	-	-

See accompanying notes to financial statements.

AFRICAN DISCOVERY GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business –

AFRICAN DISCOVERY GROUP, INC. (the “Company”), formerly Earn-A-Car, Inc. until November, 2020, and formerly Victoria Internet Services, Inc. until March, 2012, was incorporated in the State of Nevada on October 9, 2009. On June 10, 2021, the Company converted to a Delaware corporation.

On November 13, 2020, the Company acquired 100% of African Discovery Group, Inc., a Delaware corporation (“ADG”), in exchange for the issuance of 562,500,000 restricted common shares of the Company. Alan Kessler is now the CEO and majority shareholder of the Company. The Company's previous South African car rental business was spun off to Depassez Investments, Ltd. (“DPL”), the Company's now former principal shareholder which sold its 78,750,000 shares to Mr. Kessler, and the business of the Company going forward is the business of ADG.

The Company's Delaware wholly-owned subsidiary ADG Subsidiary Corp. (“ADG”) currently generates consulting revenue from Africa-based clients. The Company's primary businesses include power, agriculture/sustainability, media, strategic minerals, and finance sectors on the African continent. The Company, through its wholly-owned subsidiary, is committed to all aspects of environmental, social and governance issues in its business.

The Company was initially organized to operate as an online tax preparation service in the North American market. On December 7, 2011, the Company, its then principal shareholder, Earn-A-Car (PTY), Ltd., a South African corporation (“EAC”) and DPL completed a reorganization pursuant to which DPL acquired 78,750,000 shares of our common stock from the former principal, EAC became a wholly owned subsidiary of the Company, and the business of the Company then became the business of EAC, i.e., the daily rental of vehicles in the South African market. The Company remained in the vehicle rental business until November 2020.

Basis of Presentation– The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are presented in U.S. Dollars. In the opinion of management, all adjustments necessary in order for the financial statements to be not misleading have been reflected herein. The Company has selected a February 28 year end. Given that ADG and EAC are not under common control, the historical financials of ADG are not retrospectively stated. ADG was combined utilizing the acquisition method of consolidation on November 13, 2020.

Estimates – The preparation of the Company's consolidated 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 and disclosures in the consolidated financial statements. Actual results could differ materially from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand and on deposit, including highly liquid investments with initial maturities of three months or less. At February 29, 2024 and February 28, 2023, the Company had \$2 and \$135 in cash and cash equivalents, respectively.

Receivables and Payables– Trade receivables and payables are measured at initial recognition at fair value and are subsequently measured using the effective interest rate method of valuation. Appropriate allowances for estimated uncollectible receivable balances are recognized in profit or loss when there is evidence of impairment.

Long-Lived Assets – The Company reviews the value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based upon estimated future cash flows and records an impairment charge, equaling the excess of the carrying value over the estimated fair value, if the carrying value exceeds estimated future cash flows.

Revenue Recognition African Discovery Group, Inc. follows the guidance of Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients.

Income Taxes – The Company has provided for income taxes on its separate taxable income or loss.

Fair value of financial instruments - The Company follows the provisions of ASC 820, “Fair Value Measurements and Disclosures.” ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other the quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheets for cash and cash equivalents, marketable securities, accounts payable, and related party payables approximate their fair market value based on the short-term maturity of these instruments.

AFRICAN DISCOVERY GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Management believes it is not practical to estimate the fair value of due to related party because the transactions cannot be assumed to have been consummated at arm's length, the terms are not deemed to be market terms, there are no quoted values available for these instruments, and an independent valuation would not be practical due to the lack of data regarding similar instruments, if any, and the associated potential costs.

Earnings Per Share – Basic earnings or loss per share ("EPS") is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted net earnings or loss per share attributable to common stockholders is computed by dividing the diluted net loss attributable to common stockholders by the weighted average number of common shares outstanding for the period, including potential dilutive common shares assuming the dilutive effect of common stock equivalent, if any. The Company has 38,000,000 options outstanding at February 29, 2024. The options entitle the holder to purchase one share of common stock at an exercise price of between \$0.004 and \$0.007 per share. Certain of the options are in-the-money options but have not been considered in the net loss per share calculation as they are anti-dilutive.

Related parties - Parties are considered to be related to the Company if the parties that, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Share-based compensation - The Company measures compensation expense for all stock-based awards in accordance with ASC Topic 718, *Compensation — Stock Compensation*. Share-based compensation is measured at fair value on grant date and recognized as compensation expense ratably over the course of the requisite service period. The fair value of options is typically determined based on the fair value of the related options on the date of grant. The Company has elected to record forfeitures of employee awards as they occur.

New Accounting Standards – The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

2. DEBT AND OTHER OBLIGATIONS

The company currently has no debt or other obligations.

3. EQUITY

On November 14, 2011, the Company filed a Certificate of Amendment to its Articles of Incorporation, to effect a 50- for-1 forward common stock split and an increase in authorized common shares to 250,000,000.

On January 19, 2012, the Company cancelled 121,500,000 shares of common stock that were held by the former owner of Victoria Internet Services, Inc. On November 11, 2020, the Company's former principal shareholder sold 78,750,000 shares to Alan Kessler, owner and CEO of ADG.

On November 13, 2020, the Company acquired 100% of African Discovery Group, Inc (ADG, the Delaware subsidiary), in exchange for the issuance of 562,500,000 restricted common stock of the Company.

On November 13, 2020, Articles of Amendment were filed with the state of Nevada, updating the Company's name and capitalization. The amendment increased authorized common shares to 1,000,000,000 at par value \$0.0001. The authorized preferred shares were removed.

On February 8, 2021 the Company issued 9,064,953 restricted common shares to private investors, in exchange for the receipt of \$634,546 in a private fundraising transaction, at an offering price of \$0.07 per share. The restricted shares which were issued constituted approximately 1.3% of the Company's issued and outstanding shares. The proceeds of the offering were used to advance the Company's existing projects, for general corporate purposes, and in conjunction with the November, 2020 reverse merger related costs.

In March 2021, the Company raised an additional capital of \$82,000 by issuing 820,000 shares at \$0.10 per share.

In August 2021, the Company raised \$15,000 from an individual by issuing 150,000 shares at \$0.10 per share.

As of February 29, 2024, and February 28, 2022 there were 705,284,953 common shares outstanding, respectively.

In November and December of 2023, the Company issued 38,000,000 options under the 2023 Incentive Plan. The options entitle the holder to purchase one share of common stock at an exercise price of between \$0.004 and \$0.007 per share.

4. COMMITMENTS AND CONTINGENCIES

The Company has no commitments or contingencies.

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5. RELATED PARTY TRANSACTIONS

The CEO of African Discovery Group, Inc and related parties have financed the Company \$218,731 to fund its operations as of February 29, 2024. These payables are not subject to any loan or note agreement.

6. INVESTMENTS

As of November 30, 2023, the Company invested 10% interest in Ogelle for \$462,127. Ogelle is an online video sharing resource and entertainment platform for African content only. Ogelle integrates User Generated Content (UGC) and exclusive original production Subscription Video on Demand (SVOD) delivered as free and subscription-based services. During the quarter, the Company wrote down this investment by an additional \$115,532. The write down was due to the Company's view that the operations of Ogelle have not recovered from the effects of COVID, the challenges for Ogelle to raise further capital to grow the business to a scale sufficient to attract advertising revenue to achieve break even and profitability especially against the backdrop of a very challenging emerging market fundraising environment.

As of November 30, 2023, the Company invested \$21,837 in an option in MPS Infrastructure. In addition, AFDG continues to hold approximately 2.8% of MPS Infrastructure.

As of November 30, 2023, the Company invested \$46,700 into Convertible Promissory Notes ("Notes") issued by African Agriculture, Inc. The Notes coupon was simple interest rate of twelve percent (12%) per annum based on a 365-day year. On December 6, 2023, African Agriculture completed its business combination with New York-based 10X Capital Venture Acquisition Corp II (NASDAQ: [VCXA](#)), at which point the combined company began public trading on the Nasdaq stock exchange under the ticker "AAGR" and changed the name to African Agriculture Holdings Inc. By operation of the terms of the Notes, they automatically converted into equity of the Combined Company based on the accrued interest to date at a 20% discount to the Merger Consideration. The Company now holds 6,755 common shares of AAGR. Owing to the relationship of Mr. Kessler to AAGR and ADG, these shares are subject to various trading restrictions and lock ups. The value of this investment is marked based on the public share price of AAGR as of the date of February 29, 2024. In addition, **as of February 28, 2024, the Company invested \$41,425 into Promissory Notes ("Short Term Notes")** issued by African Agriculture, Inc. The Short Term Notes bear a simple interest rate of sixteen percent (16%) per annum based on a 365-day year. The Short Term Notes have a four-month maturity, with an option of the issuer to extend the maturity an additional four months. These Short Term Notes remain outstanding as of February 29, 2024.

The Company has an advisory agreement in place with AAGR in accordance with which AFDG would provide management, strategic, financial advisory and operational support to AAGR in exchange for which AAGR agreed to pay AFDG an ongoing monthly advisory fee including a grant of shares or other potential incentive awards. In November 2022, the predecessor board of AAGR awarded to AFDG 2,700,000 Restricted Stock Units ("RSUs") to be vested in the first half of 2024. It is expected that the shares acquired in accordance with the RSUs once vested will be restricted securities and subject to a lock up in accordance with the business combination agreement with VCXA. Following the business combination, the RSUs awarded in November 2022, have been adjusted to reflect the merger consideration ratio and now amount to 2,356,496 RSUs.

7. SECURITIES

The Company holds investment classified as marketable securities in form of trading securities. The trading securities are recorded at fair value.

As of February 29, 2024, the Company's investment in Imara Asset Management's African Opportunities Fund that is subject to a monthly net asset value (NAV) calculation was valued at \$832.

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8. EMPLOYEE AND NON-EMPLOYEE SHARE BASED COMPENSATION

In November 2023, the Company's Board of Directors approved the adoption of the African Discovery Group, Inc. 2023 Incentive Plan (the "Plan"). The Plan permits the Company to grant up to 40,000,000 shares of the Company's common stock.

The Plan provides for the granting of incentive and nonqualified stock options, share appreciation rights (SARs), restricted stock, and restricted stock units to employees, non-employee directors, and consultants of the Company. Instruments granted under the Plan generally become exercisable ratably over the stated vesting terms in each award agreement following the date of grant and expire ten years from the date of grant. All stock awards are exercisable only to the extent vested. The exercise price of incentive stock awards must be at least equal to 100% of the fair value of the Company's common stock at the date of grant, as determined by the Board of Directors.

A summary of stock award activity and related information is as follows:

	Number of Options	Weighted Average Remaining Vesting Term <i>(in years)</i>	Grant Date Fair Value
<u>Plan Awards:</u>			
Non-Employees:			
Nonvested at beginning of year	-	-	-
Awarded during the year	38,000,000	0.45	37,600
Vested during the year	24,000,000	-	22,800
Forfeited, canceled, or expired	-	-	-
Nonvested at end of year	14,000,000	0.20	\$ 14,800

The Board of Directors determined the grant date fair value of the stock awards, which had an exercise price equivalent to the market value at the grant date, to be \$0.008 and \$0.0017 per option on the respective grant dates, which is based on the application of the Black-Scholes methodology. The grant date fair value of stock awards awarded during the period ended February 29, 2024 totaled \$37,600. As of February 29, 2024, there was approximately \$15,294 of unamortized share-based compensation cost which is expected to be recognized over a weighted average period of approximately 0.2 years, and as the stock awards amortize, the Company will record compensation and non-employee expense with the offset to additional paid-in capital.

The table below shows share-based compensation expense recognized in the statement of operations for the period ended February 29, 2024 and February 28, 2023:

	2024	2023
Share based compensation expense:		
Professional fees	22,306	-
Total	\$ 22,306	\$ -

9. SUBSEQUENT EVENTS

Subsequent to February 29, 2024, up to the date hereof, the Company evaluated and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements other than as described below.

On April 8, 2024, Mr. Kessler and AAGR mutually agreed to end the agreement between the parties. Pursuant to that certain Resignation and General Release Agreement, dated April 8, 2024, by and between AAGR, Mr. Kessler, and AFDG, AFDG and Mr. Kessler agreed to permanently waive all claims to any unpaid wages, bonuses, commissions or other compensation arising prior to the execution of such agreement in consideration for the right to receive a one-time payment of \$330,000 upon the earlier to occur of (i) the date AAGR achieves a capital raise of at least \$5,000,000 in a single transaction or series of related transactions following, or (ii) December 31, 2024; provided, that, the board of AAGR may elect, in its sole discretion, (x) to pay such amount in installments, so long as it is paid in full no later than such deadline, and/or (y) to pay all or any portion of such amount in the form of shares of common stock of AAGR having a fair market value equal to the value of the portion of the \$330,000 payment so elected to be paid in common stock, as determined by the board of AAGR based on the closing share price of AAGR's common stock on the applicable payment date. AAGR further agreed to repay the Short Term Notes by April 30, 2024. Further the RSU awards granted to ADG shall fully accelerate and vest as of the Effective Date of the Agreement. These RSUs however will settle subject to the terms of the lock up agreement negotiated as part of the business combination.

In March 2024, the Company awarded a bonus to Alan Kessler in recognition of services performed for the Company in the amount of \$288,000, in lieu of any prior compensation taken by Mr. Kessler. The award will be payable when the Company has sufficient resources to make such payment.