Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

FUEGO ENTERPRISES, INC. ("Fuego")

A Nevada Corporation

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SIC Code: 7900

Annual Report
For the Period Ending: December 31, 2018
(the "Reporting Period")

As of September 30, 2019, the number of shares outstanding of our Common Stock is:

21,988,160

As of December 31, 2018, the number of shares outstanding of our Common Stock was:

21,528,160

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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: ☒

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

Yes: ☐ No: ☒

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

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Fuego Enterprises, Inc.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Fuego was incorporated under the laws of the State of Nevada on December 30, 2004, and is currently in active standing. There have been no changes to its state of incorporation since inception.

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

Yes: ☐ No: ☒

2) Security Information

Trading symbol:	FUGI
Exact title and class of securities outstanding:	Common Stock
CUSIP:	35953E201
Par or stated value:	$0.001
Total shares authorized:	60,000,000 shares as of date: September 30, 2019
Total shares outstanding:	21,988,160 shares as of date: September 30, 2019
Number of shares in the Public Float:	5,320,829 as of date: September 23, 2019
Total number of shareholders of record:	161 as of date: September 23, 2019

Additional class of securities (if any):

Trading symbol:	N/A
Exact title and class of securities outstanding:	Preferred Series 'A' Stock
CUSIP:	Pending (Application Submitted)
Par or stated value:	$0.001
Total shares authorized:	10,000,000 shares as of date: September 30, 2019
Total shares outstanding:	10,000,000 shares as of date: September 30, 2019

Trading symbol:	N/A
Exact title and class of securities outstanding:	Preferred Series (Undesignated)
CUSIP:	N/A
Par or stated value:	$0.001
Total shares authorized:	5,000,000 shares as of date: September 30, 2019
Total shares outstanding:	0 shares as of date: September 30, 2019

Transfer Agent

Name:	American Stock Transfer & Trust Company, LLC
Phone:	(800) 937-5449
Email:	help@astfinancial.com

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None.

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

During the past 12 months, the issuer has not effected or approved of any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization. The issuer does not currently anticipate any of the foregoing as well.

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of January 1, 2017	Opening Balance: Common: 21,158,160 Preferred: 10,000,000		*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)**	**Restricted or Unrestricted as of this filing?**	**Exemption or Registration Type?**
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Shares Outstanding on December 31, 2017	Ending Balance: Common: 21,158,160 Preferred: 10,000,000								
1/17/2018	New Issuance	20,000	Common	0.05	Yes	Jorge Ruiz	Stock based compensation	Restricted	Form 144
1/17/2018	New Issuance	200,000	Common	0.05	Yes	Hugo M. Cancio	Stock based compensation	Restricted	Form 144
1/17/2018	New Issuance	150,000	Common	0.05	Yes	Ariel J. Machado	Stock based compensation	Restricted	Form 144
Shares Outstanding on December 31, 2018	Ending Balance: Common: 21,528,160 Preferred: 10,000,000								
2/19/2019	New Issuance	30,000	Common	0.05	Yes	Gisselle Pinares	Stock based compensation	Restricted	Form 144
2/19/2019	New Issuance	250,000	Common	0.05	Yes	Hugo M. Cancio	Stock based compensation	Restricted	Form 144
2/19/2019	New Issuance	15,000	Common	0.05	Yes	Yaima Paez	Stock based compensation	Restricted	Form 144
2/19/2019	New Issuance	125,000	Common	0.05	Yes	Ariel J. Machado	Stock based compensation	Restricted	Form 144

4/19/2019	New Issuance	10,000	Common	0.05	Yes	Alejandro Piad Morffis	Stock based compensation	Restricted	Form 144
4/19/2019	New Issuance	10,000	Common	0.05	Yes	David A Darias Torres	Stock based compensation	Restricted	Form 144
4/19/2019	New Issuance	10,000	Common	0.05	Yes	Suilan Estevez Velarde	Stock based compensation	Restricted	Form 144
4/19/2019	New Issuance	10,000	Common	0.05	Yes	Yudivian Almeida Cruz	Stock based compensation	Restricted	Form 144
Shares Outstanding on September 30, 2019	Ending Balance: Common: 21,988,160 Preferred: 10,000,000								

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2018, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2016 through September 30, 2018 pursuant to the tabular format above.

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

The following is a summary of the rights of our Common Stock, our Preferred Stock, options, and warrants to purchase our Common Stock and related provisions of our Articles and our Bylaws. Copies of the Articles and our Bylaws may be requested.

Fuego was originally incorporated under the laws of the State of Nevada on December 30, 2004 as “Durango Entertainment, Inc.” On February 15, 2005, we filed a Certificate of Amendment with the Nevada Secretary of State changing our name to “Fuego Entertainment, Inc.” On May 18, 2009, we filed a Certificate of Amendment with the Nevada Secretary of State changing our name to “Fuego Enterprises, Inc.” In addition to these amendments, we have filed additional amendments to our Articles, but have recently amended and restated our Articles of Incorporation into in single set of Articles of Incorporation in August 2019.

Authorized Capital Stock

Our authorized capital stock consists of 60,000,000 shares of Common Stock with a par value $0.001 per share, and 15,000,000 shares of Preferred Stock with a par value $0.001 per share of which 10,000,000 shares have been designated as Preferred Series ‘A’ Stock. As of September 30, 2019, 21,988,160 shares of our Common Stock were issued and outstanding and held of record by approximately 161 shareholders, and 10,000,000 shares of our Preferred Series ‘A’ Stock were issued and outstanding and held of record by one shareholder, Hugo M. Cancio.

Description of Common Stock

Except as otherwise provided by our Articles of Incorporation or Nevada law, the holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders and any corporate action, other than the election of directors, requires a majority of the votes cast by holders entitled to vote. Subject to preferences that may be applicable to any outstanding preferred stock and except as otherwise provided by our Articles of Incorporation or Nevada law, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by our Board of Directors out of funds legally available for that purpose. In the event of our liquidation, dissolution, or winding up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. Our common stock has no preemptive rights, redemption, conversion, or other subscription rights under Nevada law. All issued and outstanding shares of common stock are fully paid and non-assessable. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of shares of our preferred stock.

Description of Preferred Stock

Our Board of Directors has the authority, subject to limitations prescribed by Nevada law, to issue our Preferred Stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix or alter the rights, preferences, and privileges of the preferred stock, along with any limitations or restrictions, including voting rights, dividend rights, conversion rights, redemption privileges, and liquidation preferences of each class or series of preferred stock.

As of September 30, 2019, we have 5,000,000 shares of undesignated Preferred Stock and 10,000,000 shares of designed Preferred Stock called Preferred Series ‘A’ Stock. Our Preferred Series ‘A’ Stock generally has the same rights and privileges as our Common Stock other than the right to have its capital contributions returned first and the right to have five votes per share. All of our Preferred Series ‘A’ Stock has been issued to Hugo M. Cancio in March 2016. Due to the voting rights of our Preferred Series ‘A’ Stock, Mr. Cancio holds a majority of our voting power.

Options

As of September 30, 2019, we have not issued any options to purchase shares of our Common Stock; however, we anticipate adopting a stock incentive plan for our management through which we may issue shares or options to purchase shares of our Common stock. The proposed plan contains a provision that would permit the shares authorized for issuance thereunder to be equal to 10% of our fully-diluted issued and outstanding shares of our Common Stock.

Warrants

As of September 30, 2019, we have not issued any warrants to purchase shares of our Common Stock.

Market Information

Our Common Stock has historically been quoted on the Pink Open Market under the symbol “FUGI”. As soon as practicable, and assuming we satisfy all necessary initial listing requirements, we intend to for our Common Stock to be trading on the OTCQB® Venture Market, although we cannot be certain that our application will be approved. As of September 30, 2019, our Common Stock last traded at $0.25 per share with a 52-week from $0.10 to $0.65 per share. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions.

Our Common Stock may be subject to the “penny stock” rules adopted under Section 15(g) of the Exchange Act. The penny stock rules apply to issuers whose common stock does not trade on a national securities exchange and trades at less than $5.00 per share, or that have a tangible net worth of less than $5,000,000 ($2,000,000 if the company has been operating for three or more years). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a special written determination that the penny stock is a suitable investment for the purchaser and a standardized risk disclosure document prepared by the SEC that contains certain required information to be acknowledged by the purchaser.

You may have experience difficulty in a subsequent resale or transfer of our Common Stock as a result of such penny stock rules. Due to the requirements of the penny stock rules, many broker-dealers have decided not to trade penny stocks. As a result, the number of broker-dealers willing to act as market makers in such securities is limited. If we remain subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for our securities. Moreover, if our securities are subject to the penny stock rules, investors will find it more difficult to dispose of our securities. For additional information, see “Important Information on Penny Stocks” below.

Summary of Articles, Bylaws, and Nevada Corporate Law

Provisions of Nevada law and our Articles and Bylaws could make the following more difficult:

- Acquisition of us by means of a tender offer;
- Acquisition of us by means of a proxy contest or otherwise; or,
- Removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals. Our Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors.

Stockholder Meetings. Our Bylaws provide that special meetings of the stockholders may be called by our President or a majority of the Board of Directors, and must be called by our Secretary or President upon the written request of the holders of not less than 25% of the voting power of our capital stock.

No Cumulative Voting. Our Articles and Bylaws do not provide for cumulative voting in the election of directors.

Undesignated Preferred Stock. The authorization of undesignated preferred stock in our Articles makes it possible for our Board of Directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of us.

Anti-Takeover Provisions. The Nevada Revised Statutes contain provisions governing the acquisition of a controlling interest in certain Nevada corporations. These laws provide generally that any person that acquires 20% or more of the outstanding voting shares of certain Nevada corporations in the secondary public or private market must follow certain formalities before such acquisition or they may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting rights in whole or in part. These laws will apply to us if we have 200 or more stockholders of record, at least 100 of whom have addresses in Nevada, unless our Articles or Bylaws in effect on the tenth day after the acquisition of a controlling interest provide otherwise. These laws provide that a person acquires a “controlling interest” whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the Nevada Revised Statutes, would enable that person to exercise:

- One-fifth or more, but less than one-third;
- One-third or more, but less than a majority; or,
- A majority or more, of all of the voting power of the corporation in the election of directors.

Once an acquirer crosses one of these thresholds, shares which it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become “control shares” to which the voting restrictions described above apply. These laws may have a chilling effect on certain transactions if our Articles or Bylaws are not amended to provide that these provisions do not apply to us or to an acquisition of a controlling interest, or if our disinterested stockholders do not confer voting rights in the control shares.

Nevada law also provides that if a person is the “beneficial owner” of 10% or more of the voting power of certain Nevada corporations, such person is an “interested stockholder” and may not engage in any “combination” with the corporation for a period of two years from the date such person first became an interested stockholder, unless the combination or the transaction by which the person first became an interested stockholder is approved by the board of directors of the corporation before the person first became an interested stockholder. Another exception to this prohibition is if the combination is approved by the affirmative vote of the holders of stock representing a majority of the outstanding voting power not beneficially owned by the interested stockholder at a meeting called for that purpose. These laws generally apply to Nevada corporations with 200 or more stockholders of record, but a Nevada corporation may elect in its articles of incorporation not to be governed by these particular laws.

Presumptions in Changes of Control. Nevada law also provides that directors may resist a change or potential change in control if the directors determine that the change is opposed to, or not in the best interest of, the corporation.

Dividend Policy

Dividends may be declared and paid out of legally available funds at the discretion of our Board of Directors. We do not anticipate or contemplate paying dividends on our Common Stock in the foreseeable future. The timing, amount and form of dividends, if any, will depend on, among other things, our results of operations, financial condition, cash requirements, and other factors deemed relevant by our Board of Directors. We currently intend to utilize all available funds to develop our business.

Important Information on Penny Stocks

The SEC requires your broker to give this statement to you, and to obtain your signature to show that you have received it, before your first trade in a penny stock. This statement contains important information—and you should read it carefully before you sign it, and before you decide to purchase or sell a penny stock.

In addition to obtaining your signature, the SEC requires your broker to wait at least two business days after sending you this statement before executing your first trade to give you time to carefully consider your trade.

Penny Stocks Can Be Very Risky

Penny stocks are low-priced shares of small companies. Penny stocks may trade infrequently—which means that it may be difficult to sell penny stock shares once you have them. Because it may also be difficult to find quotations for penny stocks, they may be impossible to accurately price. Investors in penny stock should be prepared for the possibility that they may lose their whole investment.

While penny stocks generally trade over-the-counter, they may also trade on U.S. securities exchanges, facilities of U.S. exchanges, or foreign exchanges. You should learn about the market in which the penny stock trades to determine how much demand there is for this stock and how difficult it will be to sell. Be especially careful if your broker is offering to sell you newly issued penny stock that has no established trading market.

Our Common Stock has not been approved or disapproved by the SEC. Moreover, the SEC has not passed upon the fairness or the merits of this transaction nor upon the accuracy or adequacy of the information contained in any prospectus or any other information provided by an issuer or a broker or dealer.

Information You Should Get

In addition to this statement, your broker is required to give you a statement of your financial situation and investment goals explaining why his or her firm has determined that penny stocks are a suitable investment for you. In addition, your broker is required to obtain your agreement to the proposed penny stock transaction.

Before you buy penny stock, Federal law requires your salesperson to tell you the “offer” and the “bid” on the stock, and the “compensation” the salesperson and the firm receive for the trade. The firm also must send a confirmation of these prices to you after the trade. You will need this price information to determine what profit or loss, if any, you will have when you sell your stock.

The offer price is the wholesale price at which the dealer is willing to sell stock to other dealers. The bid price is the wholesale price at which the dealer is willing to buy the stock from other dealers. In its trade with you, the dealer may add a retail charge to these wholesale prices as compensation (called a “markup” or “markdown”).

The difference between the bid and the offer price is the dealer's “spread.” A spread that is large compared with the purchase price can make a resale of a stock very costly. To be profitable when you sell, the bid price of your stock must rise above the amount of this spread and the compensation charged by both your selling and purchasing dealers. Remember that if the dealer has no bid price, you may not be able to sell the stock after you buy it, and may lose your whole investment.

After you buy penny stock, your brokerage firm must send you a monthly account statement that gives an estimate of the value of each penny stock in your account, if there is enough information to make an estimate. If the firm has not bought or sold any penny stocks for your account for six months, it can provide these statements every three months.

Additional information about low-priced securities—including penny stocks—is available on the SEC's Web site at http://www.sec.gov/investor/pubs/microcapstock.htm. In addition, your broker will send you a copy of this information upon request. The SEC encourages you to learn all you can before making this investment.

Brokers’ Duties and Customers’ Rights and Remedies

Remember that your salesperson is not an impartial advisor—he or she is being paid to sell you stock. Do not rely only on the salesperson, but seek outside advice before you buy any stock. You can get the disciplinary history of a salesperson or firm from FINRA at 1-800-289-9999 or contact FINRA via the Internet at http://www.finra.org. You can also get additional information from your state securities official. The North American Securities Administrators Association, Inc. can give you contact information for your state. You can reach NASAA at (202) 737-0900 or via the Internet at http://www.nasaa.org.

If you have problems with a salesperson, contact the firm's compliance officer. You can also contact the securities regulators listed above. Finally, if you are a victim of fraud, you may have rights and remedies under state and Federal law. In addition to the regulators listed above, you also may contact the SEC with complaints at (800) SEC-0330 or via the Internet at help@sec.gov.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period**.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

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	Reason for Issuance (e.g. Loan, Services, etc.)
2/14/2017	0	5,000.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
3/13/2017	0	20,000.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
6/16/2017	0	500,000.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder (including 1% loan fee)
10/23/2017	0	10,000.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
11/2/2017	0	10,000.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
11/15/2017	0	9,700.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
12/1/2017	0	5,042.59	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
12/8/2017	0	8,900.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
12/18/2017	0	8,700.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
12/27/2017	0	8,700.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
1/1/2018	0	2,408.80	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
6/25/2018	0	9,000.00	N/A	Payable on demand	N/A	Hugo M. Cancio	Loan from Shareholder
6/28/2018	0	21,000.00	N/A	Payable on demand	N/A	Fuego Enterprises, Inc.	Loan to Shareholder
7/3/2018	0	25,000.00	N/A	Payable on demand	N/A	Fuego Enterprises, Inc.	Loan to Shareholder
10/17/2018	0	25,000.00	N/A	Payable on demand	N/A	Fuego Enterprises, Inc.	Loan to Shareholder
12/19/2018	28,691.20	50,000.00	N/A	Payable on demand	N/A	Fuego Enterprises, Inc.	Loan to Shareholder
12/20/2018	20,000.00	20,000.00	N/A	Payable on demand	N/A	Fuego Enterprises, Inc.	Loan to Shareholder
12/24/2018	35,000.00	35,000.00	N/A	Payable on demand	N/A	Fuego Enterprises, Inc.	Loan to Shareholder

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

From time to time, Hugo M. Cancio, the issuer's CEO, has advanced the issuer funds for a variety of general administrative expenses and various other costs. As of December 31, 2017, Mr. Cancio had advanced $80,900 to the issuer, however, no amounts are currently owed or outstanding to Mr. Cancio from the issuer. The advances represented short-term, unsecured loans that were due on demand.

In 2018, the issuer advanced funds to Mr. Cancio in the amount of $83,691 as of December 31, 2018. This amount represented short-term, unsecured loans that were due on demand.

As of September 30, 2019, no amounts are currently owed or outstanding to the issuer from Mr. Cancio.

4) Financial Statements

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

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[1]:

Name: Gisselle Pinares
Title: Director of Finance & Human Resources
Relationship to Issuer: Employee

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;
F. Financial notes; and
G. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below.

Attached hereto as **Appendix A** are the following:

- Unaudited Balance Sheet as of December 31, 2017 and 2018;
- Unaudited Statements of Operations for the years ended December 31, 2017 and 2018;
- Unaudited Statements of Stockholders' Equity for the years ended December 31, 2017 and 2018;
- Unaudited Statements of Cash Flows for the years ended December 31, 2017 and 2018; and
- Notes to Unaudited Financial Statements.

The following discussion summarizes the significant factors affecting our results of operations and financial condition during the years ended December 31, 2017 and 2018, and should be read in conjunction with our unaudited financial statements and accompanying notes thereto included herein, copies of which are attached hereto as **Appendix A**.

The matters discussed in this section that are not historical or current facts deal with potential future circumstances and developments based on management's expectations and assumptions ("forward-looking statements"). These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. We assume no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Overview

Fuego is a diversified holding company for business opportunities in developing and emerging markets, and makes direct equity investments, launches new businesses and initiatives, and seeks strategic partnerships and joint venture opportunities in a number of industries.

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

Historically, we earned a majority of our revenue through the travel and hospitality division as a leading provider of cruise-related services for American tourists to Cuba. In particular, we create, manage, and oversee all port operations, as well as the shore excursion for the Cuban ports of Havana, Cienfuegos, and Santiago de Cuba for a leading international cruise line operator departing from Miami, Florida. In addition to providing consulting services related to regulatory matters in Cuba, with the objective of OFAC-compliance for any commercial activities between the U.S. and Cuba, we also provide Cuban travel visas and private travel packages (air + accommodation + experiences) for American tourists to Cuba.

The balance of our revenue is earned through the sale of Cuban-themed consumer products (souvenirs) and promotional goods to retail stores onboard the cruise lines with scheduled calls to Cuba and the advertising and subscription revenue from our media portals and printed magazines.

Revenue Recognition

Travel & Hospitality. Revenue related to travel, groups, and related bookings are recognized at the time the services are booked by the end-user. Sales include airfare, hotels, cruise cabins, meal packages, and tours: multi-day tours, custom tour packages, and shore excursions for cruise ship passengers. Revenue also includes the sale of visas and passport services.

Media. Revenue from magazine sales is recognized when (1) the magazine is shipped to the customer (in the case of one-time sales) or (2) when a customer pays for a subscription. Advertisement revenue is recognized when clients pay for advertisements in our magazines or websites. Licensing fees earned from the music catalog of our CEO, Hugo M. Cancio, are recognized when distributors notify us of sales through their online stores.

Consumer Products & Promotional Goods. Revenue from the sale of consumer products and promotional goods is recognized when the products are sold.

Fiscal Period

Our current fiscal year end is May 31; however, we are in the process of changing our fiscal year end to December 31.

Results of Operations for the Years Ended December 31, 2017 and 2018

The following table outlines information derived from our consolidated financial statements, expressed as a percentage of revenue. The discussion that follows the table should be read in conjunction with our consolidated financial statements.

	Year Ended December 31, 2017	Year Ended December 31, 2018
Revenue	100.0%	100.0%
Cost of Revenue	85.7%	88.6%
Gross Profit	14.3%	11.4%
Selling, General, and Administrative Expense	9.6%	9.3%
Operating Income	4.7%	2.2%

Revenue

Revenue for the years ended December 31, 2017 and 2018 was $13,076,812 and $19,180,022, respectively. The revenue increase of 46.7% or $6,103,210 during 2018 compared to 2017 was a direct result of increased tourist travel to Cuba from the United States.

Gross Profit

Gross profit for the years ended December 31, 2017 and 2018 was $1,875,789 and $2,190,439, respectively.

Gross margin for the year ended December 31, 2018 was 11.4%, which represents a decrease of 2.9% compared to gross margin of 14.3% for year ended December 31, 2017. This decrease in gross margin was primarily due to an increase in sales of lower margin services such as travel visas. In general, the Company believes gross margins will remain under downward pressure due to a variety of factors, including competition and the sale of travel-related products and services that inherently have low gross profit margins.

Selling, General, and Administrative Expense

Total selling, general, and administrative expense was $1,794,135 in 2018, compared to $1,256,177 in 2017. The year-over-year growth in selling, general, and administrative expense in 2018 of 42.8% or $537,958 was driven primarily by increases in headcount-related expenses, consulting services, and bank fees.

Income Taxes

There is no income tax provision for the twelve months ended December 31, 2017 and 2018 due to net operating losses for which there is no benefit currently available. As of May 31, 2016, the Company's net operating losses were $1,684,657.

Investment in New Projects; Commitments and Contingencies

No operations have commenced for Club 28, Katapulk Marketplace, LLC, and IslaData, LLC; accordingly, all related expenses for these projects have been capitalized in the balance sheet. Cumulative investment in these new projects is summarized below.

	December 31, 2017	December 31, 2018
Club 28	$ 693,208	$ 980,829
Katapulk Marketplace, LLC	37,626	69,257
IslaData, LLC	6,000	13,364
Total	$ 736,834	$ 1,063,451

Club 28. Club 28 is a new hospitality development in which we have made investments and requires ongoing investment from us prior to its grand opening.

Katapulk Marketplace, LLC. In June 2017, Fuego formed Katapulk Marketplace, LLC ("Katapulk"), an online marketplace and community for the sale of Cuban-made and Cuban-themed products globally. Katapulk currently has no operations, and requires ongoing investment from us. We own 100% of Katapulk.

IslaData, LLC. In October 2018, Fuego formed IslaData, LLC ("IslaData"), a provider of data mining, predictive analytics, and text mining related to the Cuban marketplace. IslaData currently has no operations, and requires ongoing investment from us. We own 50% of IslaData.

Liquidity and Capital Resources

Our cash totaled $616,541 and $471,945 at December 31, 2017 and 2018, respectively. We believe our existing balance of cash will be sufficient to satisfy our working capital needs, outstanding commitments, and other liquidity requirements associated with our existing operations through the end of 2019.

During 2018, we generated $477,915 of cash from operating activities. Cash used by investing activities of $816,616 consisted of (1) the purchase of an office condominium for $490,000, and (2) investment in new projects totaling $326,616. Cash provided by financing activities totaled $194,106, which included a mortgage for the purchase of an office condominium for $358,697, and was offset by (1) the repayment of a $80,900 note issued to us by a related party, and (2) a note from us to a related party for $83,691.

During 2017, we generated $550,362 of cash from operating activities. Cash used by investment activities totaled $730,834, which consisted of investment in new projects. Cash provided by financing activities of $80,900 was related to proceeds from a note issued to us by a related party.

Outlook

Historically, we have earned a majority of our revenue by providing cruise-related services for American tourists traveling to Cuba. In particular, we provided consulting services related to regulatory matters in Cuba, with the objective of OFAC-compliance for any commercial activities between the U.S. and Cuba. Our success was driven by our management's unique expertise and network of relationships relating to Cuba.

On June 4, 2019, the U.S. Department of State issued a notice that prohibits U.S. travelers from going to Cuba via cruise ships, among other restrictions. Further, it is unknown if or when this travel ban will be removed and business will revert to normal. Although we had already started the diversification of our operations, there are no assurances that we will be able to generate any revenue from these efforts to offset the revenue lost from our traditional travel and hospitality operations. In addition to our limited cash-on-hand, we will be relying on the proceeds from this Offering to sustain our operations for the foreseeable future.

Risk Factors

Our business is subject to a variety of risks. The risk factors set forth in **Appendix B** describe the most significant events, facts, or circumstances that could have a material adverse effect upon our business, financial condition, results of operations, ability to implement our business plan, and the market price for our common stock. Many of these events are outside of our control. If any of these risks actually occur, our business, financial condition, or results of operations may be materially adversely affected. In such case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment. In assessing these risks, investors should also refer to the other information contained in this Disclosure Statement, including our financial statements and related notes.

These risks are not the only risks investors of our common stock may face. Additional risks that we do not yet know of or that we currently judge to be immaterial may also impair our business operations. If any of the events or circumstances described in the aforementioned risks or other material actually occurs, our business, financial condition, or results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

Please see response to Subsection C below.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Fuego's wholly-owned subsidiaries include the following:

1. OnCuba Travel, LLC;
2. OCG Logistics, LLC;
3. NCL/SHOREEX, LLC; and
4. Katapulk Marketplace, LLC.

In addition, Fuego has a 50% ownership interest in IslaData, LLC.

C. Describe the issuers' principal products or services, and their markets

Fuego Enterprises, Inc. is a Nevada corporation and serves as the holding company for a diverse range of businesses that generate revenue and pursue business opportunities in developing and emerging markets. Our principal executive offices are located at 3250 NE 1st Ave, Suite 310, Miami, FL 33137.

Our Activities

We are a diversified holding company for business opportunities in developing and emerging markets, and (1) make direct equity investments, (2) launch new businesses and initiatives, and (3) seek strategic partnerships and joint venture opportunities in the following industries:

- Travel & Hospitality, including real estate;
- Consumer Products & Promotional Goods;
- Software & Technology;
- Media & Entertainment;
- Infrastructure & Telecommunications; and,

- E-Commerce & Big Data Solutions.

We strive to become a global leader in international business, which may be achieved through a series of highly profitable, growth-oriented enterprises. To accomplish this task, we pursue opportunities in complex markets that have the potential to experience stable economic growth during political and economic transition.

By relying on an extensive network of professionals who serve the needs of financial, legal, and technical business strategies, Fuego promotes “thought leadership” to accelerate policy and system change for governments, capital markets, and private enterprise.

Fuego has unique access to opportunities and revenue streams there. As a result of its success and track record in Cuba, a broad range of new business opportunities from other parts of the world continue to emerge regularly. As a result, Fuego continues to diversify its products and capabilities, and further develop its:

- Wide network of partners and regional representation;
- Innovative new brands, concepts, and services;
- Affiliations with groups that maintain a strong presence in key markets, such as Cuba, Italy, Spain, and China; and,
- Portfolio of brands and assets, whereby Fuego holds an economic interest or equity ownership position.

By providing superior value and monetizing revenue streams using unique and sustainable competitive advantages proven by our know-how and experience, Fuego is well-positioned to enter the global economy as a leading specialist of international trade and commerce. In fact, Fuego already represents multinational corporations for bespoke business development strategies, to include sales and distribution, marketing and promotions, management consulting, public relations, and more. Through these engagements, Fuego offers bespoke solutions to its clients and partners benefit, including new income opportunities, cost synergies, and complementary services that are aimed at Fuego becoming a leading advisor and principal for multinational business.

Our Revenue Streams and Subsidiaries

Historically, we have earned the majority of our revenue through the travel and hospitality division as a leading provider of cruise-related services for American tourists to Cuba. In particular, we create, manage, and oversee all shore excursions for the Cuban ports of Havana, Cienfuegos, and Santiago de Cuba for a leading international cruise line operator departing from Miami, Florida. In addition to providing consulting services related to regulatory matters in Cuba, with the objective of OFAC-compliance for any commercial activities between the U.S. and Cuba, we also provide Cuban travel visas and private travel packages (air + accommodation + experiences) for American tourists to Cuba. The balance of our revenue is earned through (1) the sale of Cuban-themed consumer products (souvenirs) and promotional goods to retail stores onboard the cruise lines with scheduled calls to Cuba and (2) advertising and subscription revenue for our media portals and magazines. Due to recent restrictions imposed on June 4, 2019, our ability to continue generating revenue from these operations is severely limited.

We conduct our operations through four subsidiaries that are wholly-owned and one of which that is part-owned. These subsidiaries are:

- OnCuba Travel LLC, a Florida limited liability company that operates our travel-related services business;
- OCG, LLC, a Delaware limited liability company that licenses, produces, and distributes our consumer products;
- IslaData LLC, a Florida limited liability company that will be used for our proposed data-related services;
- Katapulk Marketplace, LLC, a Florida limited liability company that will be used to market our Cuban-made / Cuban-themed products online; and
- NCL/SHOREEX LLC, a Florida limited liability company.

Travel & Hospitality

OnCuba Travel LLC (“OCT”) is an IATAN-certified (license ST41206) full-service global travel agency based in Miami, Florida, with relationships with airlines, hotel chains, and cruise lines around the world. OCT offers comprehensive travel programs to Cuba as a full-service agency with direct investments and active management of hospitality properties in Cuba. In addition to providing customized travel services to Cuba and other worldwide destinations, OCT offers passport services and travel visas for people who journey to Cuba - in 2018, OCT facilitated more than 100,000 visas for travel to Cuba. OCT operates from Miami, Florida and Havana, Cuba, which provides us with a competitive advantage over other travel agencies that do not have an on-site presence in Havana. OCT’s Havana office has a team of 20 staff members and works with over 250 independent contractors on the island to curate every aspect of our travel programs. Recently, Fuego expanded into Europe; starting with shore excursions, the Port of Barcelona is one of the world's busiest cruise ship terminals and a new entry point for us to pursue. OCT promotes sales through its website at http://www.OnCubaTravel.com and traditional advertising channels (print ads, online banners, referral partnerships, email marketing, etc.). The information contained in the OCT website is not a part of this Disclosure Statement.

For travelers from the U.S., OCT's travel programs are OFAC-compliant with the newest regulation changes for Cuba-related travel. Under the "Support for the Cuban People" OFAC category, which is currently one of the conditions under which U.S. citizens can visit Cuba, OCT offers a robust selection of 3-6 day tours, including programs catered to cigars and rum, Afro-Cuban cultural immersion, art, food, and more. If OCT's clients cannot find a travel program that fits their needs, OCT offers customized itineraries (OFAC-compliant for U.S. customers) that include lodging, transportation, local guides, meals, and other support services for groups of all sizes. OCT's travel programs are typically all-inclusive.

In addition to multi-day travel programs in Cuba, OCT also offers a large selection of shore excursion services for cruise ship customers and other visitors of the island interested in short (3-6 hour) tours in Cuba. These guided excursions include visits to cigar factories, rum museums, art exhibits, live music performances, restaurants, and more.

Media & Entertainment

Fuego offers media products in print and digital formats, and generates revenue through (1) subscription-based and one-time sales of two magazines (OnCuba Travel Magazine (http://www.OnCubaTravel.com/magazines) and Art OnCuba Magazine), and (2) advertisement sales for our magazines and online news portal (http://www.OnCubaNews.com). The information contained in these websites is not a part of this Disclosure Statement.

OnCuba Travel Magazine and Art OnCuba Magazine are the leading magazines with cross-border publishing and distribution on both sides of the Florida Straits: Havana and Miami.

- OnCuba Travel Magazine offers a glimpse of Cuban culture and the Cuban people, featuring original content and photography, and is packed in an easy-to-read format with cutting edge design.
- Art OnCuba Magazine offers a benchmark of Cuban visual arts production, and brings together everything related to artists, galleries, art centers, museums, collections, foundations, and universities.

Both OnCuba Travel Magazine and Art OnCuba Magazine are available for sale nationwide in Barnes & Noble, Hudson News (airports of Miami, Washington, and New York City), Publix Supermarkets (Florida region) and Books & Books (Miami area).

OnCubaNews is among the most read media platform regarding Cuba in the world, with over 100 journalists and contributors providing daily coverage on the Cuban economy, sports, culture, art, food, health, fashion, and more, on a global level. Armed with irreverent intelligence from its journalists and collaborators, the OnCubaNews.com website reaches more than 600,000 readers per month.

Fuego's media division maintains a permanent news media bureau in Havana, Cuba.

Consumer Products & Promotional Goods

OCG, LLC ("OCG") is a wholly-owned subsidiary of Fuego that licenses, produces, and distributes consumer products around the world. OCG provides handcrafted souvenirs, destination-unique promotional products, and made-to-order goods as a full-service supplier of reliable, high-quality, and low-cost consumer items. Examples include coffee mugs, ashtrays, t-shirts, postcards, and more. We are led by an experienced executive in international trade, logistics/fulfillment, pricing strategy, contract manufacturing, and sales/marketing. OCG has agreements with the leading global travel retailers (duty free stores, cruise lines, etc.), and has ongoing operations in the U.S., Asia, Europe, and the Caribbean.

Big Data Solutions

Fuego invested in the development of IslaData LLC ("IslaData") in order to become the only independent, non-governmental provider of data mining, predictive analytics, and text mining in the Cuban market. Headquartered in Havana, Cuba, IslaData has been independently collecting data and processing information on Cuban user behavior on the internet over the past six years from a wide range of sources, in an effort to determine trends and predict outcomes in specific Cuban market segments.

By providing unique insight through professional data solutions for virtually every industry type, IslaData will fill this information gap and play a key role in the success and development of the Cuban economy.

Among many developments, IslaData's proprietary pricing algorithm for Cuban real estate is the first of its kind, and is one of many tools that Fuego believes will drive increased economic activity in Cuba. Given the data integration, innovation, and automation IslaData has created, Fuego expects the platform to become a guide for the Cuban government to enhance the economy and drive foreign direct investment. As Fuego further develops this division and adds artificial intelligence features, Fuego expects to use IslaData's insights to better assess and guide its investments in Cuba, as well as sell IslaData's research for various commercial purposes.

Fuego has not officially set a launch date for IslaData.

E-Commerce

Fuego invested in the development of Katapulk Marketplace, LLC ("Katapulk") in order to become the only online marketplace and community for the sale of Cuban-made and Cuban-themed products globally. Katapulk's primary target markets are the U.S. and China.

Katapulk employs a team of experts and enthusiasts who hand-pick its products, and also works with several designers and artisans who serve as guest curators of the marketplace's collections. Katapulk receives every item directly from the creators, artisans, designers, and private manufacturers in Cuba, and guarantees the authenticity of every product it sells. We also host online pop-up shops that are dedicated to month-long sales campaigns, focused on specific Cuban themes, creators, artisans, or artists.

Cuba is a cultural powerhouse filled with highly skilled and educated people; Katapulk was founded to share the beauty of Cuban creativity and talent with the world by providing a full e-commerce platform for Cuban artists and creators living on the island to sell their unique products. With Katapulk, Fuego intends to provide the first dedicated online marketplace where the best of Cuba can be sold to the world.

Fuego has not officially set a launch date for Katapulk.

Our Investment Strategy

In addition to our traditional operations, we seek to capitalize on our global network and operational expertise by making opportunistic equity investments in Travel and Hospitality, Software and Technology, Media and Entertainment, Infrastructure and Telecommunications, and E-Commerce and Big Data Solutions companies, in both developing and emerging markets, with a focus on Cuba, Italy, China, and Spain. We view our investment strategy as follows:

Key Value Drivers

Through our expertise and network, Fuego's management team can mitigate risk and maximize investment return by focusing on developing markets, employing value-based financing strategies, accessing deal flow and capital sources throughout the world, sharing broad operational experience, and leveraging the international transaction know-how of Mr. Cancio.

- Experience in Developing Markets: Fuego is expected to earn high investment returns by pursuing those investment opportunities and strategies that are overlooked by other private investment groups by leveraging our expertise in the Cuban marketplace and other developing markets. Complex deals, especially, can hold the key to extraordinary gain, whereby transactions as small as $500,000 have the ability to return many multiples of investment gain. Accordingly, our investment strategies will include small/middle buyouts (LBOs/MBOs), seed/early/late stage VC-style investments, and PIPEs/public equities trading.

- Financing Strategies: Fuego expects to make investments that are priced at a discount to fair market value. By pursuing an investment strategy where the target is perceived to be valued less than its comparable peer transactions/valuations, Fuego is in a position to maximize gain from market conditions, not including operational value we intend to add; in addition, since these assets (company stock, cash, property, equipment, etc.) are able to be leveraged among various lending institutions, Fuego will aim to minimize its total cash commitments by using debt financing.

- Operations Experience: Fuego's team has developed an extensive set of skills and expertise with regard to business management in developing and emerging markets. Additionally, using existing suppliers and vendors, our management team has the relationships to analyze investment opportunities in real world environments where we can execute commercials deals as part of our due diligence analysis.

- Access to Industry Advisors for Deal Flow and Capital: Fuego has developed relationships with leading executives, investment bankers, and business brokers to gain quality deal flow, access additional capital sources, and expand industry insights. Fuego will originate its investment opportunities from many sources, including unsolicited proposals from the public, personal contacts of Mr. Cancio, other venture capital, buyout and private equity investors, and referrals from investment banks, commercial banks, lawyers, accountants, and other members of the business and financial community.
- Experience of Mr. Cancio: Mr. Cancio has a diverse track record in business, having successfully completed many international transactions and progressively developed on-the-ground expertise in operations. In particular, Mr. Cancio has cultivated an extensive network of contacts around the world, from government personnel to private sector operators. Through these relationships, he helped negotiate notable Cuban-American public political affairs and while continuing to engage in a wide range of business activities between the U.S. and Cuba. With a strong operational background, Mr. Cancio is internationally-known as one of the leading experts on doing business in Cuba.

Given Fuego's success in a multifaceted marketplace such as Cuba, Mr. Cancio's sights are set on worldwide opportunities in other developing and emerging markets. By applying the lessons learned over his last 25 years in business, Fuego is well-positioned to enter the global economy as a leading specialist of international trade and commerce. Furthermore, our international efforts will benefit from selling and back office synergies between our multiple activities in related industries; for example, the same customer who buys travel services to Cuba may also be interested in our media publications as a reader or advertiser or both.

Criteria for Making Investments

Fuego will consider those opportunities that meet each of the following criteria, although we reserve the right, in our sole discretion, to pursue investments above or below these preferences:

- We must have control of the underlying investment (managerial and/or board representation);
- We must have an "active" and "hands on" role; and,
- We must have relative value pricing advantage among comparable transactions.

In terms of the actual investment parameters, they are as follows:

- Enterprise value of up to $10,000,000;
- Equity investment ranging from $50,000-$2,000,000;
- Location can be throughout the world;
- Revenue of up to $20 million; and,
- Profitability can be at any level.

Investment Policy

Fuego will seek to take advantage of current global economic and business conditions by making investments predominantly in small-sized operating companies that are growth-oriented. Fuego does not seek to own a mediocre company just because the investment is minimal or inexpensive. Fuego must also have clear prospects of earnings growth over a defined period ahead. Between these two strategies among value and growth, we will have a unique advantage in our investment thesis.

Key Strategic Elements

Fuego will seek to take advantage of the private investment industry in developing and emerging markets, where wide economies of scale can be earned through partnerships or other collaboration arrangements among existing activities. Fuego aims to make investments on the following parameters:

- Ability to scale product and service for global expansion. We will target investments in companies that have the near-term ability for a dramatic increase in sales. In particular, we aim to identify companies that have not maximized their production capacity or sales potential, but can do so by taking advantage of advances in technology, logistics, brand recognition, overlapping customer bases, and other strategies.
- Companies in industry sectors undergoing consolidation. We will target investments in companies that have yet to realize the efficiencies and economies of scale associated with increased market share through consolidation.

Fuego will target industries that are considered likely to grow as a result of interaction and correlations to the overall economy and the political environment.

- Companies in Cuba and other markets. We will target companies in developing and emerging markets in which we have operational experience and established networks. Accordingly, we will target companies with an existing or potential customer base in Cuba while also considering those business ventures where the potential for high growth is available.

Investment Process

To achieve our investment objective, we will focus on acquiring control positions in, or providing expansion capital to, opportunities that overlap with our existing operations or investments. The investment process is a multi-step and complicated event between Fuego and the target opportunity. The following provides a synopsis of the investment process we propose to follow along with a discussion of our particular strengths in pursuing these investments.

- Deal Flow Sourcing. We have established a strong network of contacts that has generated private capital deal flow across a diverse range of investment strategies. This network of contacts should assist us in identifying target companies and enable us to make effective approaches to those companies. We will pursue investments based on the investment strategy.
- Evaluation of Investment Opportunities. Prior to committing funds to an investment opportunity, we will undertake a disciplined investment process which includes a legal, financial, tax, industry, operational, and commercial due diligence investigation to assess the prospects and risks of the potential investment. The experience and expertise of our management will be essential in evaluating products, markets, industry trends, financial requirements, competition, and the management team associated with a prospective investment.
- Due Diligence Process. In analyzing investments, we will review several main areas of qualifications to identify attractive investments: product, business model, management, competition, industry, growth prospects, competitive landscape, financial structure, management capabilities, employee relations, legal issues, operating structure, exit strategy, etc.
- Investment. Investments will be made when we perceive attractive values or significant growth opportunities. These investments will be made directly between Fuego and the issuer and may be made in transactions where a change of control takes place. Any investment may be financed on a leveraged basis with debt provided by third-parties. The financing and investment structure of each of these investments will differ depending upon the growth prospects and the capital needs of the individual opportunities. Because of the degree of debt financing that may be involved in these transactions, risks apart from those relating to our operations might be incurred.

  Fuego will evaluate the ability of prospective investments to produce long-term capital appreciation based upon criteria that may be modified from time to time. The criteria that will initially be used by us in determining whether to make an investment include:

  - An attractive perceived value, relative to peer transactions;
  - The presence or availability of competent management;
  - The existence of a substantial market for the target company's products of an investment, characterized by favorable growth potential or an existing and substantial market position, in pursuit of a growth-oriented investment strategy;
  - Stability of the economic and political environment where the opportunity is based;
  - The existence of a history of profitable operations or a reasonable expectation that operations can be conducted at a level of profitability, acceptable in relation to the proposed investment; and,
  - The willingness of a business to provide a substantial ownership position in the business and to have representation on its board of directors, so as to enable Fuego to influence the selection of management and basic policies of the business.
- Structuring of Investments. The terms and conditions of our investments will typically result from direct negotiations with the target. We will be responsible for conducting such negotiations and will seek to structure the terms of the investment to provide for the capital needs and success of the opportunity, and at the same time to maximize our potential for long-term capital appreciation. Additional factors include price, timing, type of security, restrictions on use of funds, commitments or rights to provide additional financing, control and involvement in the business opportunity, and liquidity.

- Management of the Portfolio Companies. We will seek to influence the management and direction of all our investment activities, providing strategic input to improve the management teams, operations, and sales and marketing activities.
- Exit Strategy. The method and timing of the liquidation of investments are critical elements to maximizing return. The domestic and international networks that Mr. Cancio will bring to us will increase the options available for the realization of our investment activity. We expect to liquidate our investments through a variety of transactions, including mergers, privately negotiated sales, sales in registered public offerings, sales in the public markets of registered securities, and recapitalizations. The timing of divestitures, sales, or other liquidity events depends on the performance of each investment where we will typically bear the costs of liquidating its investments. Fuego will actively manage its projects to maximize investment returns.

Competition

In terms of travel and hospitality, we currently operate in and propose to expand into highly competitive markets. We anticipate competing with regional and global travel service providers, where these travel service providers will have superior expertise, relationships, and financial resources that may prove difficult to compete successfully.

As we expand our focus into making additional investments in Travel and Hospitality, Software and Technology, Media and Entertainment, Infrastructure and Telecommunications, and E-Commerce and Big Data Solutions companies, in both developing and emerging markets, we expect to compete with a broad array of individuals, companies, and organizations seeking to make similar investments. A significant amount of investment capital is seeking attractive private opportunities. Competition for the most attractive investments is substantial and will tend to limit the number and quality opportunities we can pursue. Although we plan to focus our efforts in Cuba, Italy, China, and Spain and use our experience and global relationships to our advantage, we are not able to predict the impact of such competition on our ability to identify and make suitable investments.

Government Regulation

We are a global company operating in a number of jurisdictions both inside and outside of the United States. Many of these areas have different economic conditions, languages, currencies, consumer expectations, legislation, regulatory environments (including labor laws and customs), tax laws, levels of consumer acceptance and use of the internet for commerce, and levels of political stability. As a result, we are subject to or affected by international, federal, state and local laws, regulations and policies, which are constantly subject to change. These laws, regulations, and policies include regulations applicable to Cuba.

The Department of Treasury's Office of Foreign Assets Control (the "OFAC") administers regulations that prohibit U.S. persons from engaging in financial transactions with or relating to the prohibited individual, entity, or country, require the blocking of assets in which the individual, entity or country has an interest, and prohibit transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons) to such individual, entity, or country. In particular, OFAC administers and enforces the Cuban Assets Control Regulations ("CACR"), which is the main mechanism of domestic enforcement of the U.S. embargo against Cuba.

Tourism and U.S. Policy Changes

In 2018, tourist arrivals in Cuba were approximately 4.8 million people, which represents the highest number of visitors Cuba has seen since the government began recording tourism statistics. Cuba is currently projecting approximately 5.1 million tourist arrivals in 2019, which would represent an increase of over 6% compared to 2018 figures. As such, the development of a strategy that leverages the unrivaled attractions of Havana is a unique opportunity for Fuego's efforts in the hospitality sector.

Recently, the U.S. placed additional travel restrictions on U.S. citizens visiting Cuba, which will negatively impact the Cuban tourism industry and likely affect the 5.1 million tourists forecast for 2019. Accordingly, U.S. policy continues to require OFAC and other regulatory approvals on a case-by-case basis. As Fuego continues to identify new business opportunities and develop commercial plans for success, Fuego will continue to take an active ownership approach to direct investments that deliver a lasting social and environmental impact to Cuba and its people.

Most recently, on June 4, 2019, travel to Cuba for tourist activities became significantly restricted for U.S. citizens. In particular, OFAC released amendments to the CACR which, among other things, removes the authorization for group people-to-people education travel and ends license exception eligibility for passenger and recreational vessels and certain aircraft. While OFAC has included a grandfathering provision in the rules for general licenses of certain categories of travel and certain authorized export transactions, these new amendments severely restrict American travel to Cuba.

Employees

Fuego employs seven persons on a full-time or on a part-time basis, and has several people working on our behalf as independent contractors. For additional information as to our management team, please see “Management”.

We intend to increase the number of our employees over the next year. Our current strategy is to outsource where possible because it is management’s belief that this strategy, at our current level of development, gives us access to the best services available, leads to lower overall costs, and provides us the most flexibility for our business operations. As of September 30, 2019, Fuego proposes to outsource the following services: travel agents, journalists, and advertising and marketing services.

Legal Proceedings

Other than as described below, we are not a party to any material legal proceedings nor is management aware of any circumstance that may reasonably lead a third-party to initiate legal proceedings against us.

On May 5, 2019, we were named as a defendant in an action brought by our former landlord. The ultimate disposition of this matter is not presently determinable; however, we believe that this claim is without merit and plan to vigorously defend ourselves.

6) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

We conduct our operations through offices located in Miami, Florida and Havana, Cuba.

In April 2018, we purchased our corporate offices located at 3250 NE 1st Avenue, Suite 310, Miami, FL 33137. The corporate offices are approximately 1,760 square feet with eight offices/workstations, one conference room and a green room with kitchen, as well as multi-purpose common areas. The purchase price of $490,000 was financed in part through a first lien mortgage in the original principal amount of $367,500. We are current in our monthly mortgage payments.

The offices in Havana, Cuba are leased pursuant to short-term lease agreements with monthly lease payments. From time to time, Fuego may open offices in other countries as may be determined by management.

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor 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 shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% of more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any 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 of an individual representing the corporation or entity in the note section.**

The beneficial ownership of each person in the table below was calculated based on 21,988,160 shares of our Common Stock and 10,000,000 shares of our Preferred Series 'A' Stock issued and outstanding as of September 30, 2019.

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Hugo M. Cancio	Director/Officer	Miami, Florida	12,025,332	Common Stock	54.7%	See below.
Ariel J. Machado	Director/Officer	Miami, Florida	1,021,333	Common Stock	4.6%	See below.

Due to the voting rights of the issuer's Preferred Series 'A' Stock, the voting power of the holder of the issuer's common stock must be calculated together with the issuer's Preferred Series 'A' Stock. As there are 10,000,000 shares of Preferred Series 'A' Stock issued and outstanding with voting rights of 5-to-1 to that of common stock, the shares of Preferred Series 'A' Stock have the voting power of 50,000,000 shares of common stock. Accordingly, the voting power of Messrs. Cancio and Machado is 86.2% and 1.4%, respectively, as of September 30, 2019.

In addition, although Dayri Blanco is the record holder of 1,275,000 shares of the issuer's common stock (approximately 5.8%) of the issued and outstanding shares of common stock), due to the voting rights of the issuer's Preferred Series 'A' Stock, the voting power of these shares is substantially less than 5%.

Executive Officers

As of September 30, 2019, our management team consists of five persons, including two executive officers. Our executive officers also serve as the two members of our Board of Directors.

Hugo M. Cancio, President & CEO and Treasurer, Chairman of the Board of Directors.

Hugo M. Cancio is an internationally-renowned expert on the Cuban business environment and culture and is an active proponent of Cuba's reconciliation and economic growth. Hugo has been President and CEO of Fuego since inception, and is a leading advisor and consultant on U.S.-Cuban political and economic relations. Among his many accomplishments is the OnCuba media platform, which is the first Cuban-focused bilingual platform with national distribution in the U.S. and a leading cross-over media solution for both the U.S. and Cuba. Born in Havana, Cuba, Mr. Cancio immigrated to the U.S. in 1980 during the Mariel Boatlift. Mr. Cancio resides in Miami and travels frequently to his office in Havana.

Ariel J. Machado, Vice President & COO and Secretary, Member of the Board of Directors

Ariel J. Machado has led day-to-day operations of Fuego and its subsidiaries for the last 10 years. With over 15 years of experience in business development for media and entertainment in both Havana, Cuba and Las Vegas, Nevada, Ariel guides the media and travel operations teams to success. Previously, Ariel was a leading marketing manager and business consultant in Cuba working with brands such as BMW and PEUGEOT Motorcycles. Ariel holds an engineering degree from the Centro Universitario Jose Antonio Echeverria in Havana, Cuba and an MBA from the University of Havana.

Additional Team Members

Gisselle Pinares, Director of Finance & Human Resources

Gisselle Pinares serves as Director of Finance and Human Resources for Fuego and its subsidiaries. She works directly with the executive team to maximize human potential and create new opportunities for institutional financial growth. With over seven years of experience in finance and human resources in the public, private, and government sectors, Gisselle contributes executive level experience in business development, strategic business planning, budget execution, and human potential. Gisselle is a graduate of the University of Florida; she maintains a degree in food and resource economics with a specialization in food and agribusiness marketing and management.

Jorge Ruiz, VP of Business Development

Jorge Ruiz is a Cuban-born executive living in the Miami area with extensive experience in the development of export programs and sales and marketing. Having managed more than 2,500 employees in previous business activities, Jorge leads the day-to-day activities of OCG, LLC, our consumer products and promotional goods division.

Yeline Ramos, Director of International Business Development

Yeline Ramos leads our strategic efforts in China regarding outbound tourism, local production and export, local distribution, and strategic alliances. She holds a bachelor's degree in foreign affairs, an MBA from Barcelona Business School, and a Master´s Degree in International Law and Foreign Affairs.

Executive Compensation

As of September 30, 2019, we do not have employment agreements with either Hugo M. Cancio or Arial Machado. Although we have not entered into formal arrangements with either Mr. Cancio or Mr. Machado, we have agreed to provide recurring payments of base compensation, additional amounts, and health and other benefits. For Mr. Cancio, we have agreed to provide him annual base compensation of $234,000 and health and other benefits in addition to other compensation. For Mr. Machado, we have agreed to provide him with annual base compensation of $92,400 and health and other benefits in addition to other compensation.

The following table sets forth the compensation paid to Messrs. Cancio and Machado for the years ended 2017 and 2018:

NAME OF EXECUTIVE OFFICER	YEAR	SALARY ($)	BENEFITS ($)	BONUS ($)	EQUITY COMPEN-SATION ($)	ALL OTHER COMPEN-SATION ($)	TOTAL ($)
Hugo M. Cancio [FN1]	2018	144,750	4,355	--	--	599,578	748,683
President & CEO and Treasurer	2017	--	33,731	--	--	565,962	599,692
Ariel J. Machado [FN2]	2018	22,104	1,572	--	--	83,005	106,681
Vice President, COO and Secretary	2017	--	--	--	--	68,595	68,595

[FN1] The amounts paid to Mr. Cancio under the column "All Other Compensation" represent consulting fees payable to Mr. Cancio as a result of services provided by Fuego to third-parties. The amounts received are in turn paid to Mr. Cancio from the amounts paid for the services provided by Fuego.

[FN2] The amounts paid to Mr. Machado as part of this annual base compensation have been paid an employee and as independent contractor where such amounts are reflected in both columns "Salary" and "All Other Compensation".

Indemnification of Directors and Officers

Section 78.138 of the Nevada Revised Statutes provides that a director or officer is not individually liable to the company or its shareholders or creditors for any damages as a result of any act or failure to act in his capacity as a director or officer unless it is proven that (1) his act or failure to act constituted a breach of his fiduciary duties as a director or officer and (2) his breach of those duties involved intentional misconduct, fraud, or a knowing violation of law. This provision is intended to afford directors and officers protection against and to limit their potential liability for monetary damages resulting from suits alleging a breach of the duty of care by a director or officer. As a consequence of this provision, shareholders of our Company will be unable to recover monetary damages against directors or officers for action taken by them that may constitute negligence or gross negligence in performance of their duties unless such conduct falls within one of the foregoing exceptions. The provision, however, does not alter the applicable standards governing a director's or officer's fiduciary duty and does not eliminate or limit the right of our company or any shareholder to obtain an injunction or any other type of non-monetary relief in the event of a breach of fiduciary duty.

Our Bylaws provide, among other things, that a director, officer, employee, or agent of the company may be indemnified against expenses (including attorneys' fees inclusive of any appeal), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such claim, action, suit, or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best of our interests, and with respect to any criminal action or proceeding, such person had no reasonable cause to believe that such person's conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be provided for directors, officers, employees, agents, or persons controlling an issuer pursuant to the foregoing provisions, the opinion of the SEC is that such indemnification is against public policy as expressed in the Securities Act, and is therefore unenforceable. In the event that a claim for indemnification by such director, officer, or controlling person of us in the successful defense of any action, suit, or proceeding is asserted by such director, officer, or controlling person in connection with the securities being offed, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

At the present time, there is no pending litigation or proceeding involving a director, officer, employee, or other agent of ours in which indemnification would be required or permitted. We are not aware of any threatened litigation or proceeding, which may result in a claim for such indemnification.

Certain Relationships and Related Transactions

Historically, Hugo M. Cancio has advanced funds to us for general administrative expenses and various other costs. As of December 31, 2017, Mr. Cancio had advanced $80,900 to us. In 2018, although Mr. Cancio advanced funds to us, we also advanced funds to Mr. Cancio. As of December 31, 2018, Mr. Cancio has been advanced $83,691. As of September 30, 2019, there are no amounts owed to either Mr. Cancio or us.

In addition to the payment to Hugo M. Cancio of annual base compensation and health benefits, we also provide Mr. Cancio with payments as a consultant where the services provided by Mr. Cancio generate revenue for Fuego and cover the amount payable to Mr. Cancio for providing such services. These services generally involve direct interaction and maintaining open channels of communication with government officials.

In March 2016, we issued 10,000,000 shares of our Preferred Series ‘A’ Stock to Mr. Cancio in exchange for prior services valued at $10,000. Although the only distinction between the shares of Preferred Series ‘A’ Stock and our Common Stock are the voting rights, the voting rights of our Preferred Series ‘A’ Stock permit each share to have five votes. Accordingly, through his ownership of our Preferred Series ‘A’ Stock, Mr. Cancio is able to exert a majority of our voting power. For additional information, see “Security Ownership and Capitalization”.

Other than as described in this Disclosure Statement, there are no other material relationships or transactions between Fuego and our management team.

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   None.

2. 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, or banking activities;

   None.

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

   None.

4. The entry 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.

   None.

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 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.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Robert C. Kim
Firm: Ballard Spahr LLP
Address 1: One Summerlin, 1980 Festival Plaza Drive, Suite 900
Address 2: Las Vegas, NV 89135
Phone: 702-868-7512
Email: kimr@ballardspahr.com

Accountant or Auditor

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

Investor Relations Consultant

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

Other Service Providers

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

Name: Felix Danciu
Firm: Elmcore Securities LLC
Nature of Services: Placement Agent in connection with proposed financings for Fuego
Address 1: 500 W. Madison Street, Suite 1000
Address 2: Chicago, IL 60661
Phone: 312-488-4008
Email: info@elmcore.com

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

Phone: _____
Email: _____

10) Issuer Certification

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).

Principal Executive Officer:

I, Hugo M. Cancio, certify that:

1. I have reviewed this Annual Disclosure Statement of Fuego Enterprises, 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.

September 30, 2019

/s/ Hugo M. Cancio

Principal Financial Officer:

I, Hugo M. Cancio, certify that:

1. I have reviewed this Annual Disclosure Statement of Fuego Enterprises, 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.

September 30, 2019

/s/ Hugo M. Cancio

APPENDIX A

FUEGO ENTERPRISES, INC.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2018

TABLE OF CONTENTS

FUEGO ENTERPRISES, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS

	December 31, 2017	December 31, 2018
ASSETS		
Current Assets		
Cash	$ 616,541	$ 471,945
Accounts Receivable	82,180	49,197
Total Current Assets	698,720	521,142
Furniture and Property, net	10,204	486,576
Investments	736,834	1,063,451
Other Assets	6,319	83,691
TOTAL ASSETS	$ 1,452,077	$ 2,154,859
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	$ -	$ 10,180
Total Current Liabilities	-	10,180
Mortgage Payable	-	358,697
Other Liabilities	80,900	-
Total Liabilities	80,900	368,878
Stockholders' Equity		
Paid-In Capital: Common Stock (50,000,000 shares authorized; 21,158,160 issued and outstanding as of December 31, 2017; 21,528,160 issued and outstanding as of December 31, 2018; par value $0.001)	21,158	21,528
Additional Paid-In Capital: Common Stock (50,000,000 shares authorized; 21,158,160 issued and outstanding as of December 31, 2017; 21,528,160 issued and outstanding as of December 31, 2018; par value $0.001)	4,473,187	4,491,317
Paid-In Capital: Preferred Stock (10,000,000 shares authorized; 10,000,000 issued and outstanding; par value $0.001)	10,000	10,000
Total Paid-In Capital	4,504,345	4,522,845
Accumulated Deficit	(3,133,168)	(2,736,863)
Total Stockholders' Equity	1,371,177	1,785,982
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,452,077	$ 2,154,859

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERPRISES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended	
	December 31, 2017	December 31, 2018
Revenue	$ 13,076,812	$ 19,180,022
Costs and Expenses		
Cost of Revenue	11,201,023	16,989,582
Selling, General, and Administrative	1,256,177	1,794,135
Total Costs and Expenses	12,457,200	18,783,717
Income before Income Taxes	619,612	396,305
Income Tax Expense	-	-
Net Income	$ 619,612	$ 396,305
Earnings per Share (Basic)	$ 0.03	$ 0.02
Earnings per Share (Diluted)	$ 0.02	$ 0.01
Common Shares Outsanding (Basic)	21,158,160	21,528,160
Common Shares Outsanding (Diluted)	31,158,160	31,528,160

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERPRISES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock			Preferred Series "A"					
	Shares	Paid-In Capital	Additional Paid-In Capital	Shares	Paid-In Capital	Additional Paid-In Capital	Total Paid-In Capital	Accumulated Deficit	Total
Balance, December 31, 2016	21,158,160	$ 21,158	$ 4,473,187	10,000,000	$ 10,000	$ -	$ 4,504,345	$ (3,752,780)	$ 751,565
Stock-Based Compensation									
Net Income								619,612	
Balance, December 31, 2017	21,158,160	21,158	$ 4,473,187	10,000,000	$ 10,000	$ -	$ 4,504,345	$ (3,133,168)	$ 1,371,177
Stock-Based Compensation	370,000	370	18,130				18,500		
Net Income								396,305	
Balance, December 31, 2018	21,528,160	21,528	$ 4,491,317	10,000,000	$ 10,000	$ -	$ 4,522,845	$ (2,736,863)	$ 1,785,982

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERPRISES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended	
	December 31, 2017	December 31, 2018
OPERATING ACTIVITIES		
Net Income	$ 619,612	$ 396,305
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	1,749	13,628
Stock-Based Compensation	-	18,500
Changes in operating assets and liabilities:		
Accounts Receivable	(64,680)	32,983
Prepaid Expense	(6,319)	6,319
Accounts Payable	-	10,180
NET CASH PROVIDED BY OPERATING ACTIVITIES	550,362	477,915
INVESTING ACTIVITIES		
Purchase of Office Suite 310	-	(490,000)
Investment in New Projects	(730,834)	(326,616)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(730,834)	(816,616)
FINANCING ACTIVITIES		
Mortgage Payable	-	358,697
Notes Payable - Related Party	80,900	(80,900)
Notes Receivable - Related Party	-	(83,691)
NET CASH PROVIDED BY FINANCING ACTIVITIES	80,900	194,106
NET INCREASE (DECREASE) IN CASH	(99,572)	(144,595)
CASH, BEGINNING OF YEAR	716,112	616,541
CASH, END OF YEAR	$ 616,541	$ 471,945
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest Expense	$ 5,000	$ 10,720

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERPRISES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Operations

Fuego Enterprises, Inc. (the “Company”, “Fuego”, “we”, “our” or “us”) was originally incorporated under the laws of the State of Nevada on December 30, 2004 as “Durango Entertainment, Inc.” On February 15, 2005, we filed a Certificate of Amendment with the Nevada Secretary of State changing our name to “Fuego Entertainment, Inc.” On May 18, 2009, we filed a Certificate of Amendment with the Nevada Secretary of State changing our name to “Fuego Enterprises, Inc.” The Company operates principally as a diversified holding company for business opportunities in emerging and developed markets.

Basis of Financial Statements Presentation

The accompanying financial statements include those of Fuego Enterprises, Inc. and its subsidiaries. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The fiscal year end of the Company is May 31.

Business Description

Fuego Enterprises, Inc. is a public company trading on the Pink Open Market under the symbol “FUGI.” The Company is a diversified holding company for business opportunities in emerging and developed markets, and makes (1) direct equity investments, (2) launches new businesses and initiatives, and (3) seeks strategic partnerships and joint venture opportunities in the following industries:

- Travel & Hospitality, including Real Estate;
- Consumer Products & Promotional Goods;
- Software & Technology;
- Media & Entertainment;
- Infrastructure & Telecommunications; and,
- E-Commerce & Big Data Solutions.

For those looking to access emerging markets, Fuego represents multinational corporations for bespoke business development strategies, to include sales and distribution, marketing and promotions, management consulting, public relations, and more.

The Company earns the majority of its revenue through the travel and hospitality division as a leading provider a cruise-related services for American tourists to Cuba. In particular, Fuego creates, manages and oversees all port operations, as well as the shore excursion for the Cuban ports of Havana, Cienfuegos, and Santiago de Cuba for a key cruise line operator departing from Miami, Florida. In addition to providing consulting services related to regulatory matters in Cuba, with the objective of OFAC-compliance for any commercial activities between the U.S. and Cuba, the Company also provides Cuban travel visas and private travel packages (air + accommodation + experiences) for American tourists to Cuba.

The balance of the Company’s revenue is earned through (1) the sale of Cuban-themed consumer products (souvenirs) and promotional goods to retail stores onboard the cruise lines with scheduled calls to Cuba and (2) advertising and subscription revenue from the Company’s media portals and printed magazines.

Subsidiaries

Travel & Hospitality

OnCuba Travel, LLC (“OCT”) is an IATAN-certified full-service global travel agency based in Miami, Florida, with relationships with airlines, hotel chains, and cruise lines around the world. The company offers comprehensive travel programs. NCL/SHOREEX, LLC is a strategic pass-through entity for operations support.

Media

Fuego Enterprises, Inc. offers media products in print and digital formats, and generates revenue through (1) subscription-based and one-time sales of two magazines (OnCuba Travel Magazine (http://www.OnCubaTravel.com/magazines) and

Art OnCuba Magazine), (2) advertisement sales for the Company's magazines and online news portal (http://www.OnCubaNews.com), and (3) licensing fees from the music catalog of the Company's CEO, Mr. Hugo M. Cancio.

Consumer Products & Promotional Goods

OCG, LLC ("OCG") licenses, produces, and distributes handcrafted souvenirs, destination-unique promotional products, and made-to-order goods as a full-service supplier of reliable, high-quality, and low-cost consumer items. Examples include coffee mugs, ashtrays, t-shirts, postcards, and more.

E-Commerce

Katapulk Marketplace, LLC ("Katapulk") is an online marketplace and community for the sale of Cuban-made and Cuban-themed products globally. Katapulk currently has no operations, and all of its expenses to date have been capitalized.

Data Analytics

IslaData, LLC ("IslaData") is a provider of data mining, predictive analytics, and text mining related to the Cuban marketplace. IslaData currently has no operations, and all of its expenses to date have been capitalized.

Consolidation Policy

The accompanying December 31, 2017 and December 31, 2018 financial statements include the Company's accounts and the accounts of its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. The Company's ownership of its subsidiaries as of December 31, 2018 is as follows:

Name of Subsidiary	Percentage of Ownership
OnCuba Travel, LLC	100%
OCG Logistics, LLC	100%
NCL/SHOREEX, LLC	100%
Katapulk Marketplace, LLC	100%
IslaData, LLC	50%

Revenue Recognition

Travel & Hospitality

Revenue related to travel, groups, and related bookings are recognized at the time the services are booked by the end-user. Sales include airfare, hotels, cruise cabins, meal packages, and tours: multi-day tours, custom tour packages, and shore excursions for cruise ship passengers. Revenue also includes the sale of visas and passport services.

Media

Revenue from magazine sales is recognized when (1) the magazine is shipped to the customer (in the case of one-time sales) or (2) when a customer pays for a subscription. Advertisement revenue is recognized when clients pay for advertisements in the Company's magazines or websites. Licensing fees earned from Mr. Hugo M. Cancio's music catalog are recognized when distributors notify the Company of sales through their online stores.

Consumer Products & Promotional Goods

Revenue from the sale of consumer products and promotional goods is recognized when the products are sold.

Other

Fees for other services, such as consulting provided to third-parties, are recognized as revenue when the services are performed and there is reasonable assurance of collection, which includes revenue from the sale of Cuban artwork that is brokered worldwide.

Use of Estimates

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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Estimates include, among other things, determining the depreciable lives of property and equipment and intangible assets. Actual results may differ from those estimates, and the differences may be material to the financial statements.

Advertising Expenses

Advertising costs are expensed as incurred are included in the SG&A expenses in the accompanying statement of operations.

Cost of Revenue

Cost of Revenue represents the cost of travel packages and related cruise services, the cost of developing, printing and distribution of the Art OnCuba and OnCuba Travel magazines, and the cost related to the purchase and sale of merchandise.

Income Tax Expense

The Company pays federal corporate income taxes on its taxable income and incurs a liability for state income taxes when appropriate.

There is no income tax provision for the twelve months ended December 31, 2017 and 2018 due to net operating losses for which there is no benefit currently available. The Company had net operating losses of $1,684,657 as of 5/31/16.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand deposits. The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to $250,000. At December 31, 2018, the Company had $80,329 in excess of FDIC insured limits. The Company has never experienced any losses related to these balances.

Property and Furniture, Net

Property and furniture are stated at cost less accumulated depreciation. Depreciation has been calculated using the straight-line method over the estimated useful lives of the assets. Improvements and replacements of property and new equipment purchases are capitalized over $2,500 per item. Expenditures for maintenance and repairs are charged against operations in the year incurred. Upon retirement or other disposition of property, applicable cost and accumulated depreciation are removed from the accounts and any gains and losses are included in the reporting of operations. The estimated useful life of the office condominium is 27.5 years and the furniture is 7 years.

Allowance for Doubtful Accounts

In order to assess the collectability of our trade accounts receivable, the Company monitors the current creditworthiness of each customer and analyzes the balances aged beyond the customer’s credit terms. These evaluations may indicate a situation in which a certain customer cannot meet its financial obligations due to deterioration of its financial viability, credit ratings, or bankruptcy. The allowance requirements are based on current facts and are reevaluated and adjusted as additional information is received. Trade accounts receivable are subject to an allowance for doubtful accounts when it is probable that the balance will not be collected. Accounts receivable are ultimately written off when collection efforts have been exhausted and there is no likelihood of collection. For the periods ended December 31, 2017 and December 31, 2018, no allowance for doubtful accounts was made; all outstanding accounts receivable were deemed to be fully collectible.

Investment in New Projects

No operations have commenced for Katapulk Marketplace, LLC, IslaData, LLC, and Club 28; therefore, all expenses for these entities have been capitalized in the balance sheet.

Recently Issued Accounting Standards

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant effect on its consolidated financial position or results of operations.

Income (Loss) Per Common Share

Income (loss) per common share is calculated on the number of common shares outstanding during each period. Diluted income (loss) per common share is based on the number of common shares outstanding during each period, adjusted for the effect of outstanding stock equivalents.

2. Property and Furniture

Property and furniture consist of the following:

	As of December 31, 2017	As of December 31, 2018
Property, at Cost	$ -	$ 490,000
Furniture	12,244	12,244
Total Property and Furniture, Gross	12,244	502,244
Less: Accumulated Depreciation	(2,041)	(15,669)
Property and Furniture, Net	$ 10,204	$ 486,576

Depreciation expense for property and furniture is included in selling, general, and administrative expenses as "Depreciation" on the consolidated statement of operations, and totaled $1,749 for the year ended December 31, 2017 and $13,628 for the year ended December 31, 2018.

3. Mortgage and Notes Payable

Mortgage and notes payable consist of the following:

	As of December 31, 2017	As of December 31, 2018
Mortgage Payable	$ -	$ 358,697
Notes Payable - Related Party	80,900	-
Notes Receivable - Related Party	-	83,691

4. Commitments and Contingencies

Katapulk Marketplace, LLC

In June 2017, Fuego formed Katapulk Marketplace, LLC ("Katapulk"), an online marketplace and community for the sale of Cuban-made and Cuban-themed products globally. Katapulk currently has no operations, and requires ongoing investment from the Company. The Company owns 100% of Katapulk.

IslaData, LLC

In October 2018, Fuego formed IslaData, LLC ("IslaData"), a provider of data mining, predictive analytics, and text mining related to the Cuban marketplace. IslaData currently has no operations, and requires ongoing investment from the Company. The Company owns 50% of IslaData.

Club 28

Club 28 is a new hospitality development that the Company invested, which requires ongoing investment from the Company prior to its grand opening.

Claims and Litigation

The Company is not involved in any material legal claims and litigation, and currently none are threatened.

5. Related Party Transactions

Loans from Shareholders

From time to time, Mr. Cancio, the Company's CEO, will advance the Company money for a variety of general administrative expenses and various other costs; the Company may also occasionally advance money to Mr. Cancio. As of December 31, 2017, Mr. Cancio had advanced $80,900 to the Company, and as of December 31, 2018, Mr. Cancio has been advanced $83,691. Please see note 3 for a detailed review of related party notes payable.

6. Stockholders' Equity

Shares Authorized

The Company has 50,000,000 common shares authorized at a par value of $0.001 per share ("Common Stock"), and 10,000,000 shares of Preferred Series "A" Stock with a par value of $0.001 per share ("Preferred Stock"). All Common Stock have equal voting rights, are non-assessable, and have one vote per share. All Preferred Stock generally have the same rights and privileges as the Common Stock other than the right to have its capital contributions returned first and the right to have five votes per share. Voting rights are not cumulative, and therefore, the holders of more than 50% of the voting shares could elect all directors of the Company. As of September 30, 2019, there are 21,988,160 shares of the Company's Common Stock issued and outstanding, and 10,000,000 shares of the Company's Preferred Stock issued and outstanding.

7. Subsequent Events

The Company evaluated subsequent events from December 31, 2018 through the time of issuance of this financial report on July 29, 2019. On June 4, 2019, the U.S. Department of State issued a notice that prohibits U.S. travelers from going to Cuba via cruise ships, among other restrictions (https://www.state.gov/united-states-restricts-travel-and-vessels-to-cuba/). As a result, the Company's revenue in 2019 is expected to significantly decline because the majority of its revenue is sourced through a strategic agreement with an international cruise ship operator for Cuban ports of call. While the Company is working to rebalance its efforts in other international markets, it is unknown if or when this travel ban will be removed and business will revert to normal. The Company is not aware of any other significant events that would have a material impact on its financial statements.

On August 21, 2019, the Company amended and restated its Articles of Incorporation to increase its authorized shares of capital stock from 50,000,000 shares of Common Stock to 60,000,000 shares of Common Stock and from 10,000,000 shares of Preferred Stock to 15,000,000 shares of Preferred Stock, where the additional 5,000,000 shares of Preferred Stock are undesignated.

As of September 30, 2019, there are no advances outstanding between the Company and Hugo M. Cancio.

APPENDIX B

RISK FACTORS

Risks Related to Our Business

Due to recent restrictions on tourist activities in Cuba for U.S. citizens that adversely impact a key source of our revenue, we will need to rely on the proceeds from other sources of revenue or from equity or debt-based financings to continue as a going concern.

Historically, we have earned the majority of our revenue through cruise-related services for American tourists to Cuba. Through recent amendments released by OFAC to the CACR which, among other things, removes the authorization for group people-to-people education travel and ends license exception eligibility for passenger and recreational vessels and certain aircraft, our ability to earn revenue from cruise-related services for American tourists to Cuba has been severely curtailed. Accordingly, while we expand our operations and identify opportunities outside of Cuba, we will need to rely on the proceeds from other sources of revenue or from equity or debt-based financings to continue as a going concern.

Changes in economic conditions could adversely affect demand for our products and services.

The industries in which we operate are subject to cyclical variations in the global economy and to uncertainty regarding future economic prospects. Changes in consumer confidence and political factors could have particularly significant effects on our consolidated financial condition, results of operations and cash flows.

Regarding our direct equity investments, the success of any investment activity is necessarily affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equities and interest sensitive securities. Unexpected volatility or illiquidity in the markets in which we hold positions could impair our ability to carry on our business or cause us to incur losses. The success of our investments is dependent upon the general economic conditions in the geographic areas in which our investments and operations are located. Adverse changes in national economic conditions or in the economic conditions of the regions in which our investments and operations are based would likely have an adverse effect on bond values, interest rates, and accordingly, our investments and commercial activities.

Our activities will be subject to a significant degree of market risk. Market risk is the risk that general market movements in addition to fluctuations of individual investments may adversely affect our commercial affairs.

Changes in the economic, political, legal, and financial environment within Cuba could adversely affect our business.

We do business in Cuba, which may increase risk, relative to investing in similar assets in other geographies that have a comparatively less sensitive political environment. The U.S. government maintains numerous legal restrictions aimed at doing business in Cuba, and continues to adopt new restrictions. Additional restrictions against Cuba could negatively impact our operations, namely our tourism-related businesses. Our travel and hospitality businesses are subject to numerous risks, including the tightening of travel restrictions for U.S. tourists visiting Cuba, monitoring OFAC compliance of our programs catered to U.S. tourists, and other policy changes that could negatively impact the entities we operate.

The enforcement of Title III of the Helms-Burton Act could adversely affect the foreign investment climate in Cuba.

Title III of the Helms-Burton Act was brought into force on May 2, 2019, which permits U.S. citizens to file lawsuits in U.S. federal courts against businesses that operate on property appropriated by the Cuban government. As such, any legal claims in U.S. courts against foreign investors in Cuba could negatively impact the foreign investment climate in Cuba – namely, access to international capital and financial markets.

If we lose our key personnel, or are unable to attract and retain additional qualified personnel, the quality of our services may decline and our business may be adversely affected.

Our success will depend to a large extent on the efforts and abilities of our executive officers, particularly Hugo M. Cancio, our President and Chief Executive Officer. The loss of Mr. Cancio's services could have a material adverse effect on us. In addition, we currently have plans to hire additional administrative and marketing personnel. Competition for qualified personnel is intense. Failure to hire and retain talented administrative and marketing personnel or the loss of key employees could adversely affect our business.

We may not be able to keep pace with competition in the industries in which we operate.

The Travel and Hospitality, Consumer Products and Promotional Goods, Software and Technology, Media and Entertainment, Infrastructure and Telecommunications, and E-Commerce and Big Data Solutions industries in the U.S. and international markets are very competitive and fragmented. Our business is subject to risks associated with competition from new or existing industry participants who may have more resources and better access to capital. Many of our competitors and potential competitors may have substantially greater financial support, technical and marketing resources, larger customer bases, longer operating histories, greater name recognition, and more established relationships in the industry than we do. Among other things, these industry participants compete with us based upon price, quality, style, functionality, and availability. We cannot be sure we will have the resources or expertise to compete successfully in the future. Some of our competitors may also be able to provide customers with additional benefits at lower overall costs to increase market share. We cannot be sure we will be able to match cost reductions by our competitors or that we will be able to succeed in the face of current or future competition. Also, due to the large number of competitors and their wide range of product offerings, we may not be able to continue differentiating our products through value, styling or functionality from those of our competitors. As a result, we are continually subject to the risk of losing market share, which may lower our sales and earnings. We will face different market dynamics and competition as we develop new products to expand our presence in our target markets. In some markets, our future competitors may have greater brand recognition and broader distribution than we currently experience. We may not be as successful as our competitors in generating revenue in those markets due to the lack of recognition of our brands, lack of customer acceptance, lack of product quality history, and other factors. As a result, any new expansion efforts could be more costly and less profitable than our efforts in our existing markets. If we are not as successful as our competitors are in our target markets, our sales could decline, our margins could be impacted negatively, and we could lose market share, any of which could materially harm our business.

If we are unable to manage our growth, we may not continue to be profitable.

Our continued success depends, in part, upon our ability to manage and expand our operations in the face of continued growth. We cannot assure you that we will be able to fulfill our staffing requirements for our business, successfully train and assimilate new employees, or expand our management base and enhance our operating and financial systems. Failure to achieve any of these goals will prevent us from managing our growth in an effective manner and could have a material adverse effect on our business, financial condition, or results of operations.

We may need additional capital to execute our business plan and fund operations and may not be able to obtain such capital on acceptable terms or at all.

If actual expenses exceed estimated expenses, or if revenues from operations are not sufficient to meet our cash flow needs, we will be required to seek additional debt or equity financing from other sources. We currently have no agreements or commitments from any other sources to provide additional financing to fund operating or other expenses in the event it becomes necessary. Accordingly, additional financing in any amount may not be available on acceptable terms or at all. If additional financing is needed but unavailable, we may not be able to operate on a commercial basis, which would have a material adverse effect on us and could result in an entire loss of investment for holders of our Common Stock. Our ability to obtain additional capital on acceptable terms or at all is subject to a variety of uncertainties, including:

- Investors' perceptions of, and demand for, companies in our industry;
- Conditions of the U.S. and other capital markets in which we may seek to raise funds;
- Our future results of operations, financial condition and cash flows;
- Governmental regulation of foreign investment in companies in particular countries; and,
- Economic, political and other conditions in the U.S. and other countries.

We may be required to pursue sources of additional capital through various means, including joint venture projects and debt or equity financings. There is no assurance we will be successful in locating a suitable financing transaction in a timely fashion or at all. In addition, there is no assurance we will obtain the capital we require by any other means. Future financings through equity investments are likely to be dilutive to our existing shareholders. Also, the terms of securities we may issue in future capital transactions may be more favorable for our new investors. Newly issued securities may include preferences or superior voting rights, be combined with the issuance of warrants or other derivative securities, or be the issuances of incentive awards under equity employee incentive plans, which may have additional dilutive effects.

Furthermore, we may incur substantial costs in pursuing future capital and financing, including investment banking fees, legal fees, accounting fees, printing and distribution expenses, and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we may issue, such as convertible notes and warrants, which will adversely impact our financial condition. If we cannot raise additional funds on favorable terms or at all, we may not be able to carry out all or parts of our strategy to maintain our growth and competitiveness.

Our insurance coverage may be inadequate to protect us from potential losses.

We do not maintain business interruption insurance and any insurance available currently may offer limited coverage. Any business disruption or natural disaster could result in substantial costs and a diversion of resources, which would have a material and adverse effect on our business and results of operations. Although we request that any manufacturer companies we engage maintain insurance policies with respect to product liability, we do not have product liability insurance covering bodily injuries and property damage caused by the products we sell. Therefore, we are exposed to risks associated with product liability claims and may need to bear the litigation cost if the use of our products results in bodily injury or property damage. We do not carry key-man life insurance, and if we lose the services of any senior management and key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and prospects. We do not have personal injury insurance and accidental medical care insurance. Although we require that the third-party transportation companies we engage maintain insurance policies with respect to inland transit risks for our products, the coverage may be inadequate to protect us from potential claims against us and the losses that may result. The occurrence of a significant event for which we are not fully insured or indemnified, and/or the failure of a party to meet its underwriting or indemnification obligations, could materially and adversely affect our operations and financial condition. Moreover, no assurance can be given that we will be able to maintain adequate insurance in the future at rates we consider reasonable.

We incur significant costs as a result of our operating as a public company and our management is required to devote substantial time to new compliance initiatives.

While we are a public company, our compliance costs were not substantial in light of our limited reporting status. If we are successful in becoming a fully-reporting public company, we will incur increased legal, accounting, and other expenses. The costs of preparing and filing annual and quarterly reports, current reports proxy statements and other information with the SEC, and furnishing audited reports to shareholders is time-consuming and costly. It will also be time-consuming, difficult, and costly for us to develop and implement the internal controls and reporting procedures required by the Sarbanes-Oxley Act of 2002 (“SOX”), if required to do so. In such case, if we are unable to comply with the internal controls requirements of SOX, we may not be able to obtain the independent accountant certifications required by the SOX.

If we fail to establish and maintain an effective system of internal controls, we may not be able to report our financial results accurately. Any inability to report and file our financial results accurately and timely could harm our business and adversely affect the trading price of our Common Stock.

We will be required to establish and maintain formal internal controls over financial reporting and disclosure controls and procedures and to comply with other requirements promulgated by the SEC. At present, we have instituted internal controls, but it may take time to implement them fully. Our management, including our Chief Executive Officer, cannot guarantee that our internal controls and disclosure controls and procedures will prevent all possible errors. Because of the inherent limitations in all control systems, no system of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the possibility that judgments in decision-making can be faulty and subject to simple error or mistake. Furthermore, controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Risks Related to Our Direct Investing Activity

Our direct investing activity involves risk and special considerations in addition to those risks normally associated with making investments in securities.

No Assurance of Performance

There is no assurance that we or any of our investments will be profitable, or that we will be able to earn any profit, to make distributions, or to meet all of our operating expenses. There can be no assurance that our business objectives will be achieved.

Lack of Public Markets

We expect to invest in securities which are not, and may never be, publicly-traded or quoted on any stock exchange. In general, these unlisted securities may be difficult to value and are likely to be less liquid and to involve greater risk than securities which are traded on a stock exchange. Such unlisted securities will usually lack a liquid secondary market; accordingly, such securities may be hard to liquidate and we may not be able to liquidate any investments at the optimum time or at all and may not be able to realize the full value of our investments. Further, companies whose securities are not listed on any stock exchange may not be subject to the disclosure and other investor protection requirements applicable to companies whose securities are listed.

Illiquidity of Investments

Private investments may typically take from four to seven years (or longer) from the date of initial investment to reach a state of maturity at which disposition can be considered. In light of the foregoing, it is unlikely that any significant distributions of proceeds from the disposition of any of our investments will be made until the later years of our existence, if at all.

In addition, contractual or practical limitations may inhibit our ability to sell, or liquidate our investments because the issuers are privately-held, and since we own a relatively large percentage of the outstanding securities or joint venture associates, other investors, financial institutions, or management are relying on our continued investment and participation. Sales of investments may also be limited by financial market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular markets. The above limitations on liquidity of our investments could prevent a successful exit/sale transaction and/or result in the delay of any sale or reduction in the amount of proceeds that might otherwise be realized. Although we will reflect these restrictive factors in the valuation of our investments, no assurance can be given that the estimated values will represent the return that might ultimately be realized by us from any investment.

Long-Term Investments

Although our investments may occasionally generate current income, the return of capital and the realization of gains, if any, from an investment will generally occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the investment is made, if at all.

Risk of Limited Number of Investments

We may invest in a limited number of opportunities and, as a consequence, our aggregate return may be substantially adversely affected by the unfavorable performance of even a single investment.

Competitive Market for Investment Opportunities

The activity of identifying, completing, and realizing attractive investment opportunities is competitive and involves a high degree of uncertainty. We may be competing with other investors and corporate buyers for the investments that we will make. As a result, there can be no assurance that we will be able to locate and complete investments that satisfy our rate of return objectives or realize upon their values or that we will be able to become fully invested for a significant period of time, if at all.

Need for Follow-On Investments

Following our initial investments, we anticipate that we may be called upon to provide additional funds or have the opportunity to increase our investment in successful operations. Although we may borrow to make follow-on investments, there is no assurance that we will make follow-on investments or that we will have sufficient funds to make such investments. Any decision by Fuego not to make follow-on investments or our inability to make them may have a substantial impact on such an investment or may result in a missed opportunity for us to increase our participation in a successful operation.

Non-Disclosure of Investment Activities

In an effort to protect the confidentiality of our investment activities, except as otherwise required, we may not generally disclose all of our details, rationale, or other key information related to any investment activities, on an ongoing basis.

Legal Protections of Operating in Foreign Countries

We will be given legal protection under the laws of the United States of America; however, our investments may be subject to the laws of the countries in which each such investment is located. Investors should be aware that additional risk exists by investing in an overseas country when compared to the risk of investing countries such as the U.S.

Investment Company Act

Investors will not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act of 1940. Consequently, investors will not have the regulatory protections provided to investors in registered investment companies.

Institutional Risk

There is the possibility that the institutions, including brokerage firms and banks, with which we do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair our operational capabilities or our capital position. We intend to limit our transactions with such institutions to well-capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Accounting Policies

The accounting policies and methods utilized by us determine how we report our financial condition and results of operations and may require us to make estimates or rely on assumptions about matters that are inherently uncertain. Our financial condition and results of operations are reported using the accounting policies and methods prescribed by U.S. Generally Accepted Accounting Principles (“GAAP”). In certain cases, GAAP allows accounting policies and methods to be selected from two or more alternatives, any of which might be reasonable, yet result in the Company reporting materially different amounts. We will exercise judgment in selecting and applying accounting policies and methods to ensure that, while GAAP compliant, these reflect our best judgment of the most appropriate manner in which to record and report our financial condition and results of operations. There can be no assurance that the cost of our investments, operations, and condition will be accurately reflected using GAAP and its policies and assumptions. In addition, our Securities are not based upon any known metric of value, e.g. book value, nor forecasted earnings or operating requirements.

Leverage

We may utilize leverage, which would result in our controlling substantially more assets than we have equity. Leverage increases our returns if we earn a greater return on investments purchased with borrowed funds than our cost of borrowing such funds. However, the use of leverage exposes us to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had we not borrowed to make the investments; (ii) margin calls or interim margin requirements which may force premature liquidations of our investments; and, (iii) losses on investments where the investment fails to earn a return that equals or exceeds our cost of borrowing such funds. In the event of a sudden, precipitous drop in value of our assets, we might not be able to liquidate assets quickly enough to repay our borrowings, further magnifying our losses.

Our investments may include companies whose capital structures have significant leverage. The leveraged capital structure of these companies will increase their exposure to adverse economic factors such as rising interest rates, downturns in the economy, or a deterioration in the condition of the particular investment, which in turn may have a negative impact on us.

No Independent Counsel

Separate counsel has not been retained to act on behalf of our shareholders or any Investors.

No Assurance of Availability of Suitable Commercial Activities or Investment Opportunities

Although we have been successful in finding suitable business opportunities in the past, we may be unable to continue finding new opportunities that meet our objectives and criteria.

Determination of Consideration to Staff and Third-Party Participants

Any consideration being paid by us has been determined to the best of our abilities or at arm's length negotiation. While we believe that any consideration is fair for any work being performed, there is no assurance that any consideration reflects the true market value of the services of these participants.

Investment in Less Established Companies and Related Opportunities

We have not established any minimum transaction size for the companies in which it will invest, and may invest in smaller, less established companies and related opportunities. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. Such companies may be subject to more abrupt and erratic changes in value than larger, more established companies, since their company valuations are generally quite lower than industry peers that are more established. Less established companies tend to have a lower capitalization and fewer resources and, therefore, are often more vulnerable to financial failure. In addition, such companies may not be profitable at the time of investment and may experience substantial fluctuations in their operating results. The success of such companies may also depend on the management talents and efforts of one person or a small group of persons whose death, disability, or resignation would adversely affect their businesses. Such companies may also have shorter operating histories on which to judge future performance.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an Investment, we may be required to make representations about the business and financial affairs of the investment typical of those made in connection with the sale of an investment. We also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which we may establish reserves or escrow accounts.

Foreign Investments and Operations

Given that our headquarters is in the United States and that we intend to make investments around the world, we may hold assets and securities of non-U.S. investments. Such investments are subject to the risks normally associated with any conduct of business in foreign countries, including: uncertain political and economic environments; war, terrorism, and civil disturbances; changes in laws or policies of particular countries, including those relating to taxation, royalties, imports, exports, duties, and currency, etc.; risk of loss due to disease and other potential endemic health issues; delays in obtaining or the inability to obtain necessary governmental permits; currency fluctuations; restrictions on the ability of local operating companies to sell assets for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts; import and export regulations, including restrictions on the export of assets; limitations on the repatriation of earnings; and increased financing costs.

These risks may limit, disrupt, or impair the value of investments, restrict the movement of funds, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect our financial position or results of operations. In the event of a dispute arising from our activities in international dealings, we may be subject to the exclusive jurisdiction of courts outside the United States, which could adversely affect the outcome of the dispute.

Currency Risks

Our activities that are transacted in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade and current account balances, national budget deficits, the level of short-term interest rates, differences in comparative values of similar assets in different currencies, long-term opportunities for economic growth and/or investment and capital appreciation, and political developments. Currency fluctuations may affect the costs we incur in our operations and may affect our operating results and cash flows. We do not currently have in place any hedging techniques, but may consider the use of derivative instruments. If certain countries share the U.S. Dollar as their country's currency, we would likely avoid any currency hedging techniques for that investment.

Potential Conflict of Interests

We, including our management, employees, and contractors, engage in a wide variety of activities, some of which may be carried out on behalf of competitors of our investments.

Diverse Investors

Our investors may have conflicting investment, tax, and other interests with respect to their investment in us. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of our business activities, the structuring of our transactions and investments, and the timing of our activities. As a result, decisions made by us, including with respect to the nature of our activities, may be more beneficial for one investor than for another investor. In selecting and structuring opportunities that are appropriate for us, we will consider our business and tax objectives as a whole, not the objectives of any investor individually.

Risks Related to the Ownership of Our Common Stock

The market price for our Common Stock may be volatile.

The trading price of our Common Stock may fluctuate widely in response to various factors, some of which are beyond our control. These factors include, but not limited to, our quarterly operating results or the operating results of other companies in our industry, announcements by us or our competitors of acquisitions, new products, product improvements, commercial relationships, intellectual property, legal, regulatory or other business developments, and changes in financial estimates or recommendations by stock market analysts regarding us or our competitors. In addition, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market prices of securities issued by many companies for reasons unrelated or disproportionate to their operating performance. These broad market fluctuations may materially affect our stock price, regardless of our operating results. Furthermore, the market for our Common Stock historically has been limited and we cannot assure you that a larger market will ever be developed or maintained. We cannot make any predictions as to the volume or trading price of our Common Stock. We cannot assure you that a shareholder will be able to sell shares of our Common Stock at a price equal to or greater than the price paid by such shareholder. Market fluctuations and volatility, as well as general economic, market and political conditions, could reduce our market price. As a result, these factors may make it more difficult or impossible for you to sell our Common Stock for a positive return on your investment.

Shares of our Common Stock lack a significant trading market.

Shares of our Common Stock are not yet eligible for trading on any national securities exchange. Our Common Stock is qualified for quotation on the Pink Open Market, which is operated by the OTC Markets Group. However, there is no active market for our Common Stock at this time. These over-the-counter markets are highly illiquid. Although we plan to apply for listing of our Common Stock on the OTCQB® Venture Market, which is also operated by the OTC Markets Group, there can be no assurance if and when we will meet the applicable listing requirements or such application would be granted. There is no assurance that an active trading market in our Common Stock will develop, or if such a market develops, that it will be sustained. In addition, there is a greater chance for market volatility for securities quoted on the OTCQB® Venture Market or Pink Open Market as opposed to securities traded on a national exchange. This volatility may be caused by a variety of factors, including the lack of readily available quotations, the absence of consistent administrative supervision of “bid” and “ask” quotations, and generally lower trading volume. As a result, an investor may find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, our Common Stock, or to obtain coverage for significant news events concerning us, and our Common Stock could become substantially less attractive for margin loans, for investment by financial institutions, as consideration in future capital raising transactions or for other purposes.

Future sales of our Common Stock by our shareholders could cause our stock price to decline.

Future sales of our Common Stock could adversely affect the prevailing market price of our stock. Moreover, the perception in the public market that shareholders might sell shares of our stock could depress the market for our Shares. If our shareholders sell substantial amounts of our Common Stock in the public market upon the effectiveness of a registration statement registering their shares of our Common Stock, or upon the expiration of any holding period under Rule 144, or the applicable lockup period to which they are contractually bound, such sales could cause the price of our Common Stock to fall. The future sale of shares of our Common Stock and a resulting fall in our stock price will make it more difficult for us to raise additional financing through the sale of equity or equity-related securities in the future at a time and price we deem reasonable or appropriate.

We may issue additional shares of our Common Stock or debt securities to raise capital or complete acquisitions, which would reduce the equity interest of our shareholders.

Our Articles of Incorporation, as amended, authorize the issuance of up to 60,000,000 shares of common stock with a par value of $0.001 per share, and up to and 15,000,000 shares of Preferred Series ‘A’ Stock with a par value of $0.001 per share. As of September 30, 2019, we have authorized and unissued shares of our Common Stock and our Preferred Stock available for future issuance. Although we have no commitments as of the date of this Disclosure Statement to issue our securities, we may issue a substantial number of additional shares of our Common Stock, our Preferred Stock or debt securities to complete a business combination or to raise capital. The issuance of additional shares of our Common Stock, our Preferred Stock or debt securities may significantly reduce the equity interest of our existing shareholders and adversely affect prevailing market prices for our Common Stock.

The application of the "penny stock" rules could adversely affect the market price of our Common Stock and increase your transaction costs to sell those shares.

Our Common Stock may be subject to the "penny stock" rules adopted under Section 15(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The penny stock rules apply to issuers whose common stock does not trade on a national securities exchange and trades at less than $5.00 per share, or that have a tangible net worth of less than $5,000,000 ($2,000,000 if the company has been operating for three or more years). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document prepared by the SEC that contains the following information:

- A description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- A description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities laws;
- A brief, clear, narrative description of a dealer market, including "bid" and "ask" prices for penny stocks and the significance of the spread between the "bid" and "ask" prices;
- A toll-free telephone number for inquiries on disciplinary actions;
- Definitions of any significant terms in the disclosure document or in the conduct of trading in penny stocks; and,
- Such other information and is in such form (including language, type, size and format), as the SEC shall require by rule or regulation.

Prior to effecting any transaction in a penny stock, the broker-dealer also must provide the customer with the following information:

- Bid and offer quotations for the penny stock;
- Compensation of the broker-dealer and our salesperson in the transaction;
- Number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and,
- Monthly account statements showing the market value of each penny stock held in the customer's account.

The penny stock rules further require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

Although we are relying on exemptions from the penny stock rules as to the offer and sale of shares pursuant to this offering (and thus not providing any determination as to whether our shares are a suitable investment for you), you may experience difficulty in a subsequent resale or transfer of our Common Stock as a result of such penny stock rules. Due to the requirements of the penny stock rules, many broker-dealers have decided not to trade penny stocks. As a result, the number of broker-dealers willing to act as market makers in such securities is limited. If we remain subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for our securities. Moreover, if our securities are subject to the penny stock rules, investors will find it more difficult to dispose of our securities.

We do not expect to pay dividends in the foreseeable future. Any return on investment may be limited to the value of our Common Stock.

We do not anticipate paying cash dividends on our Common Stock in the foreseeable future. The payment of dividends on our Common Stock will depend on earnings, financial condition and other business and economic factors affecting it at such time as the Board of Directors may consider relevant. Our management intends to follow a policy of retaining all of our earnings to finance the development and execution of our strategy and the expansion of our business. If we do not pay dividends, our Common Stock may be less valuable because a return on your investment will occur only if our stock price appreciates.

Our CEO will be the majority shareholder and will have complete control in matters requiring a shareholder vote and could delay, deter, or prevent a change of control in our company.

Through his ownership of our Preferred Series ‘A’ Stock, Mr. Cancio will exert complete control over us, giving him the ability, among other things, to exercise control over the election of all or a majority of the Board of Directors and to approve significant corporate transactions. Such share ownership and control may also have the effect of delaying or preventing a future change in control, impeding a merger, consolidation, takeover or other business combination, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our company. Without the consent of Mr. Cancio, we could be prevented from entering into potentially beneficial transactions if such transactions conflict with our principal shareholders’ interests. The interests of Mr. Cancio may differ from the interests of our other shareholders.

Provisions in our Bylaws could make it very difficult for you to bring any legal actions against our directors or officers for violations of their fiduciary duties or could require us to pay any amounts incurred by our directors or officers in any such actions.

Our Bylaws allow us to indemnify our directors and officers from and against any and all costs, charges, and expenses resulting from their acting in such capacities with us. This means that if you were able to enforce an action against our directors or officers, in all likelihood, we would be required to pay any expenses they incurred in defending the lawsuit and any judgment or settlement they otherwise would be required to pay.