

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **OM HOLDINGS INTERNATIONAL, INC.**

1221 Brickell Ave  
Suite 900  
Miami, FL 33131

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305.901.1497  
[Us.info@omholdingsinc.com](mailto:Us.info@omholdingsinc.com)  
[www.omholdingsinc.com](http://www.omholdingsinc.com)

### **Quarterly Report** **For the Period Ending: February 28, 2021** (the "Reporting Period")

As of February 28, 2021, the number of shares outstanding of our Common Stock was:  
46,200,596

As of November 30, 2020, the number of shares outstanding of our Common Stock was:  
1,950,863,362

As of August 31, 2020, the number of shares outstanding of our Common Stock was:  
1,950,863,362

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, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

**OM HOLDINGS INTERNTIONAL, INC.**  
**PORTAGE RESOURCES, INC. until 12/2020**

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

**Company was incorporated on 7/20/2006 in the state of Nevada, it is currently active**

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:

1 for 5,000 reverse split December 14, 2020

The address(es) of the issuer's principal executive office:

1221 Brickell Ave  
Suite 900  
Miami, FL 33131

The address(es) of the issuer's principal place of business:

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

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

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## **2) Security Information**

Trading symbol: OMHI  
Exact title and class of securities outstanding: COMMON STOCK  
CUSIP: 67114M103  
Par or stated value: 0.0001

Total shares authorized:	<u>510,000,000</u>	as of date: <u>February 28, 2021</u>
Total shares outstanding:	<u>46,200,596</u>	as of date: <u>February 28, 2021</u>
Number of shares in the Public Float:	<u>65,667</u>	as of date: <u>February 28, 2021</u>
Total number of shareholders of record:	<u>30</u>	as of date: <u>February 28, 2021</u>

### Transfer Agent

Name: Pacific Stock Transfer  
Phone: 702.361.3033  
Email: [info@pacificstocktransfer.com](mailto:info@pacificstocktransfer.com)

Address: 6725 Via Austi Parkway  
Suite 300  
Las Vegas, NV 89119

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

### 3) Issuance History

#### 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: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End:									
<p style="text-align: center;"><u>Opening Balance</u></p> <p>Date <u>August 31, 2019</u> Common: <u>1,950,863,362</u> Preferred: <u>0</u></p>									
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	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>12/14/2020<sup>1</sup></u>	<u>cancel</u>	<u>1,950,863,362</u>	<u>Common</u>	<u>n/a</u>	<u>n/a</u>	<u>various</u>	<u>Split cancel</u>	<u>Both</u>	<u>N/A</u>
<u>12/14/2020<sup>1</sup></u>	<u>Split issuance</u>	<u>400,596</u>	<u>Common</u>	<u>N/a</u>	<u>N/a</u>	<u>various</u>	<u>Split Issuance</u>	<u>Both</u>	<u>N/A</u>
<u>2/7/2021</u>	<u>New</u>	<u>1,000,000</u>	<u>Preferred</u>	<u>0.0001</u>	<u>No</u>	<u>Mark Vanterpool</u>	<u>Cash</u>	<u>restricted</u>	<u>N/A</u>
<u>2/7/2021<sup>2</sup></u>	<u>New</u>	<u>36,497,361</u>	<u>Common</u>	<u>1.50</u>	<u>No</u>	<u>Mark Vanterpool</u>	<u>Stock swap acquisition</u>	<u>restricted</u>	<u>N/A</u>
<u>2/7/2021<sup>2</sup></u>	<u>New</u>	<u>7,502,639</u>	<u>Common</u>	<u>1.50</u>	<u>No</u>	<u>ESG Wealth Management LLC<sup>3</sup></u>	<u>Stock swap acquisition</u>	<u>restricted</u>	<u>N/A</u>
<u>2/7/2021<sup>2</sup></u>	<u>New</u>	<u>1,800,000</u>	<u>Common</u>	<u>1.50</u>	<u>No</u>	<u>Capital Hill Management Inc<sup>4</sup></u>	<u>Stock Swap acquisition</u>	<u>restricted</u>	<u>N/A</u>
<u>2/7/2021</u>	<u>New</u>	<u>5,000</u>	<u>Preferred</u>	<u>0.001</u>	<u>No</u>	<u>Eintech Solutions, Inc.<sup>5</sup></u>	<u>Cash</u>	<u>restricted</u>	<u>N/A</u>
Shares Outstanding on Date of This Report:									
<p style="text-align: center;"><u>Ending Balance Ending Balance:</u></p> <p>Date <u>February 28, 2021</u> Common: <u>46,200,596</u></p>									

Preferred: 1,005,000

1. Stock split of 5,000 to reduced the number of shares frm1,950,863,362 to 400,596
2. The shares issued on 2/7/2021 were part of an acquisition agreement
3. ESG Wealth Management is controlled by James Hannah
4. Capital Hill Management Inc is controlled by Mark Hannah
5. Eintech Solutions, Inc. is controlled by Jason Thomas

#### **B. Debt Securities, Including Promissory and Convertible Notes**

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

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

#### **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):

Name: Rachel Boulds  
Title: CPA  
Relationship to Issuer: Independent CPA

Financial Statements are attached at the end of this document.  
Annual Financials were Audited by PCAOB auditor.

#### **5) Issuer's Business, Products and Services**

OM Holdings International, Inc. operates a multi-tenant on-demand technology platform for the delivery of goods and services throughout the Caribbean from a single mobile app. The firm vertically integrates contactless delivery of these essentials, while simultaneously providing multi-modal transportation.

OMHI was formed through the fusion of Rydeum, an on-demand technology platform founded by Mark Hannah in 2019, and OneMart, a 35-year-old grocery store founded by Mark Vanterpool in 1986.

OMHI's technology subsidiary, Rydeum partnered with Jamaica's largest taxicab union (12,000 drivers) in 2021.

This segment provides an Uber-, Grubhub-, and Instacart-like platform which uniquely satisfies the needs of local on-demand economies (LODE) in the Caribbean.

OMHI's storefront and essential goods subsidiary, OneMart is the second largest grocery provider in the British Virgin Islands. This segment offers groceries, home goods, electronics, furniture, and some building supplies - just like Walmart. It sells wholesales products to restaurants and hospitality venues and caters to retail customers as well.

OM Holdings International, Inc. is a Nevada Corporation headquartered in Miami, Florida.

## 6) Issuer's Facilities and Leases

The Company currently has nine operating lease agreements for supermarket, office and parking space. These facilities are located in various cities in the British Virgin Islands, and Miami FL

## 7) Officers, Directors, and Control Persons

The following table shows as of the period end date of this report, any person(s) or entities owning 5% or more of any class of the issuer's securities, as well our officers, and directors of the company, regardless of the number of shares they own.

Name of Officer/Director or 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
Mark Vanterpool	CEO	<u>Road Town, BVI</u>	36,497,361 1,000,000	Common Preferred A <sup>1</sup>	79% 100%	
Michael Robbins	CFO	<u>Bohell, WA</u>	0	N/A	0%	
Ian Smith	Independent Director	<u>Road Town, BVI</u>	0	N/A	0%	
James Hannah	>5% shareholder ESG	<u>Wellington, FL</u>	7,502,639	Common	16.2%	
Raju Vegesna	CTO	<u>Hyderabad, INDIA</u>	0	N/A	0%	
Maurice Graham	Independent Director	<u>Atlanta, GA</u>	0	N/A	0%	

1. 1,000,000 Series A have super voting rights only, with no redemption value, or dividend rights or conversion rights

## 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**

### Accountant or Auditor

Name: Olayinka Oyebola  
Firm: Olayinka Oyebola & Co.  
Address 1: 10333 Harwin Dr Suite 677  
Address 2: Houston, TX 77036  
Phone: 0803 333 8600  
Email: [yinka@olayinkaobeyola.com](mailto:yinka@olayinkaobeyola.com)

### Securities Counsel

Name: Gilbert Bradshaw  
Firm: Wilson Bradshaw & Coa  
Address 1: 18818 Teller Avenue, Suite 115  
Address 2: Irvine, CA 92612  
Phone: 949.752.1100  
Email: [gbradshaw@wbc-law.com](mailto:gbradshaw@wbc-law.com)

## **10) Issuer Certification**

*Principal Executive Officer:*

The certifications shall follow the format below:

I, Mark Vanterpool certify that:

1. I have reviewed this Quarterly Report of OM Holdings International, 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.

April 16, 2021

/s/ Mark Vanterpool

CEO

*Principal Financial Officer:*

I, Michael Robbins certify that:

1. I have reviewed this Quarterly report of OM Holdings International, 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.

February 28, 2021

/s/ Michael Robbins

CFO

**OM HOLDINGS INTERNATIONAL, INC.**  
(formerly Portage Resources, Inc.)  
**CONSOLIDATED BALANCE SHEETS**

	February 28, 2021	August 31, 2020
	(unaudited)	(audited)
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ -	\$ 1,188,529
Accounts receivable	1,850,399	1,590,050
Employee Advances	20,673	33,254
Other receivable	28,000	28,000
Loan receivable – related party	1,484,625	-
Other asset	772,620	622,620
Inventory	2,638,270	2,100,032
Total Current Assets	<u>6,794,587</u>	<u>5,562,485</u>
Property and equipment, net	3,305,524	3,408,832
Deposits	40,946	40,946
Right of use asset	22,733,415	23,231,460
Note receivable	10,954,054	10,953,854
Total Assets	<u><u>43,828,526</u></u>	<u><u>43,197,577</u></u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
Current Liabilities:		
Cash overdraft	\$ 333,965	\$ -
Accounts payable	3,728,587	3,527,935
Lease liability – short term	720,268	718,629
Note payable	122,612	119,889
Total Current Liabilities	<u>4,905,432</u>	<u>4,366,453</u>
Lease liability – long term	22,820,371	23,178,634
Note payable – net of current portion	2,330,072	2,410,286
Total Liabilities	<u><u>30,055,875</u></u>	<u><u>29,955,373</u></u>
Shareholders' Equity:		
Preferred Stock, \$0.0001 par value, 4,000,000 shares authorized, no shares issued and outstanding.	-	-
Series A Preferred Stock, \$0.0001 par value, 1,000,000 shares authorized 1,000,000 and 0 shares issued and outstanding, respectively	100	100
Series B Preferred Stock, \$0.0001 par value, 5,000,000 shares authorized 5,000 shares issued and outstanding	-	-
Stock subscription receivable	(1,800)	-
Common stock, \$0.0001 par value, 5,000,000,000 shares authorized, 46,200,596 shares issued and outstanding	4,620	4,440
Additional paid in capital	6,288,347	6,286,727
Retained earnings	7,481,384	6,950,937
Total Owners' Equity	<u>13,772,651</u>	<u>13,242,204</u>
Total Liabilities and Owners' Equity	<u><u>\$ 43,828,526</u></u>	<u><u>\$ 43,197,577</u></u>

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



**OM HOLDINGS INTERNATIONAL, INC.**  
(formerly Portage Resources, Inc.)  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**

	For the Three Months Ended February 28, 2021	For the Three Months Ended February 29, 2020	For the Six Months Ended February 28, 2021	For the Six Months Ended February 29, 2020
Revenue	\$ 7,265,342	\$ 7,978,740	\$ 13,268,236	\$ 14,071,840
Cost of revenue	4,993,566	5,524,475	9,370,716	10,362,367
Gross Margin	2,271,776	2,454,265	3,897,520	3,709,473
Operating Expenses:				
Professional fees	53,280	42,823	93,705	73,408
Payroll expense	584,548	644,528	1,151,968	1,227,472
Director fees	116,184	217,467	300,809	326,153
Lease expense	426,472	344,508	854,281	688,944
General and administrative	514,952	574,895	952,962	1,055,021
Total operating expenses	1,695,436	1,824,221	3,353,725	3,370,998
Income from operations	576,340	630,044	543,795	338,475
Other expense:				
Other income	24,000	-	24,000	-
Interest expense	(18,431)	(9,555)	(37,348)	(9,555)
Total other income (expense)	5,569	(9,555)	(13,348)	(9,555)
Net Income	\$ 581,909	\$ 620,489	530,447	\$ 328,920
Income per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average shares outstanding	44,400,596	44,400,596	44,400,596	44,400,596

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

**OM HOLDINGS INTERNATIONAL, INC.**  
(formerly Portage Resources, Inc.)  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2021**  
**(unaudited)**

	Series A Preferred Stock		Common Stock		Additional Paid in Capital	Retained Earnings	Total
	Shares	Amount	Shares	Amount			
Balance, August 31, 2019		\$	44,400,596	\$ 4,440	\$ 5,993,342	5,395,896	\$ 11,393,678
Net loss	-	-	-	-	-	(291,569)	(291,569)
Balance, November 30, 2019	-	-	44,400,596	4,440	5,993,342	5,104,327	11,102,109
Net loss	-	-	-	-	-	620,489	620,489
Balance, February 29, 2020	-	\$ -	44,400,596	\$ 4,440	\$ 5,993,342	\$ 5,724,816	\$ 11,722,598

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Stock Subscription Receivable	Additional Paid in Capital	Retained Earnings	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, August 31, 2020	1,000,000	\$ 100	5,000	\$ -	44,400,596	\$ 4,440	\$ -	\$ 6,286,727	\$ 6,950,937	\$ 13,242,204
Net loss	-	-	-	-	-	-	-	-	(51,462)	(51,462)
Balance, November 30, 2020	1,000,000	100	5,000	-	44,400,596	4,440	-	6,286,727	6,899,475	13,190,742
Common stock sold for cash	-	-	-	-	1,800,000	180	(1,800)	1,620	-	-
Net loss	-	-	-	-	-	-	-	-	581,909	581,909
Balance, February 28, 2021	<u>1,000,000</u>	<u>\$ 100</u>	<u>5,000</u>	<u>\$ -</u>	<u>46,200,596</u>	<u>\$ 4,620</u>	<u>\$ (1,800)</u>	<u>\$ 6,288,347</u>	<u>\$ 7,481,384</u>	<u>\$ 13,772,651</u>

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

**OM HOLDINGS INTERNATIONAL, INC.**  
(formerly Portage Resources, Inc.)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**

	For the Six Months Ended February 28, 2021	For the Six Months Ended February 29, 2020
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 530,447	\$ 328,920
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in lease liability, operating leases	141,421	-
Depreciation expense	187,274	164,579
Changes in operating assets and liabilities:		
Accounts receivable	(260,349)	(471,977)
Employee advances	12,581	23,326
Inventory	(538,238)	-
Due from directors	-	(372,872)
Accounts payable and accruals	200,652	615,109
Net cash provided by operations	<u>273,788</u>	<u>287,085</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(83,966)	(592,760)
Due from related companies	-	(854,074)
Funds place in escrow	(150,000)	-
Loan receivable	(1,484,625)	(41,415)
Net cash used in investing activities	<u>(1,718,591)</u>	<u>(1,488,249)</u>
<b>Cash Flows from Financing Activities:</b>		
Cash overdraft	333,965	-
Proceeds from note payable	-	2,500,000
Payment on note payable	(77,691)	(9,570)
Net cash provided by financing activities	<u>256,274</u>	<u>2,490,430</u>
Net change in cash	(1,188,529)	1,289,266
Cash at Beginning of Period	1,188,529	687,792
Cash at End of Period	<u>\$ -</u>	<u>\$ 1,977,058</u>
<b>Supplemental Disclosure of non-cash activity:</b>		
Interest paid	\$ -	\$ -
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

**OM HOLDINGS INTERNATIONAL, INC.**  
(formerly Portage Resources, Inc.)  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2021**  
(UNAUDITED)

**NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION**

OM Holdings International, Inc. (formerly Portage Resources Inc.) (the “Company”) was incorporated under the laws of the State of Nevada on July 20, 2006.

On June 24, 2020, Mark Vanterpool purchased 1 billion shares of common stock of the Company representing the control block of the Company. Mr. Vanterpool was appointed Director and CEO of the Company.

On August 31, 2020, the Company entered into a Share Exchange Agreement with K-Mark’s Foods (1996) Limited (“KMF”), a British Virgin Islands corporation. Pursuant to the terms of the agreement 100% ownership in KMF will be exchanged for 44,000,000 shares of common stock of the Company. The transaction has been accounted for as a “reverse acquisition” and recapitalization, with KMF being the accounting acquirer. A reverse merger transaction with a public company is considered and accounted for as a capital transaction in substance; it is equivalent to the issuance of the Company’s common stock for the net monetary assets and liabilities of KMF, accompanied by a recapitalization. Accordingly, the accounting does not contemplate the recognition of unrecorded assets of the accounting acquiree, such as goodwill. Consolidated financial statements presented herein reflect the consolidated financial assets and liabilities of the Company at their historical costs, giving effect to the recapitalization, as if it had been KMF during the periods presented.

K-Mark was incorporated in the British Virgin Islands (“BVI”) under the Companies Act, Cap 285, on February 7, 1996 and was determined to be re-registered as a BVI Business Company under the BVI Business Companies Act of, 2004. The principal activities of the Company are the wholesaling and retaining of foods and household merchandise.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of presentation*

The Company’s unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The accompanying unaudited consolidated financial statements reflect all adjustments, consisting of only normal recurring items, which, in the opinion of management, are necessary for a fair statement of the results of operations for the periods shown and are not necessarily indicative of the results to be expected for the full year ending August 31, 2021. These unaudited consolidated financial statements should be read in conjunction with the financial statements and related notes included in the Company’s financial statements for the year ended August 31, 2020.

*Use of estimates*

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

*Concentrations of Credit Risk*

We maintain our cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. We continually monitor our banking relationships and consequently have not experienced any losses in our accounts. We believe we are not exposed to any significant credit risk on cash.

*Cash equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents for the three months ended February 28, 2021 or the year ended August 31, 2020.

*Recently issued accounting pronouncements*

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

### NOTE 3 – OTHER ASSET

On June 3, 2020, the Company entered into a Stock Purchase and Consulting Services Escrow Agreement with Capital Hill Management Inc ('CHM') and a Trust Attorney. Per the terms of the agreement CHM will sell the Company its control block of a public company for \$575,000 to be deposited with the Trust Attorney along with other applicable fees. As of February 28, 2021 and August 31, 2020, the balance in this account is \$772,620 and \$622,620, respectively.

### NOTE 4 – PROPERTY AND EQUIPMENT

Property and Equipment are first recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets.

Long lived assets, including property and equipment, to be held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Impairment losses are recognized if expected future cash flows of the related assets are less than their carrying values. Measurement of an impairment loss is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Maintenance and repair expenses, as incurred, are charged to expense. Betterments and renewals are capitalized in plant and equipment accounts. Cost and accumulated depreciation applicable to items replaced or retired are eliminated from the related accounts with any gain or loss on the disposition included as income.

Property and equipment stated at cost, less accumulated depreciation consisted of the following:

	February 28, 2021	August 31, 2020
Furniture and Equipment	\$ 2,548,541	\$ 2,542,016
Automobiles	530,689	530,689
Leasehold Improvements	2,134,857	2,057,415
Less: accumulated depreciation	(1,908,563)	(1,721,288)
Property and equipment, net	<u>\$ 3,305,524</u>	<u>\$ 3,408,832</u>

Depreciation expense for the six months ended February 28, 2021 and February 29, 2020, was \$187,274 and \$164,579, respectively.

### NOTE 5 – OPERATING LEASES

The Company currently has nine operating lease agreements for supermarket, office and parking space.

<u>Asset</u>	Balance Sheet Classification	February 28, 2021	August 31, 2020
Operating lease assets	Right of use assets	<u>\$ 22,733,415</u>	<u>23,231,460</u>
Total lease assets		<u>\$ 22,733,415</u>	<u>23,231,460</u>
<u>Liability</u>			
Operating lease liability – current portion	Current operating lease liability	\$ 719,222	718,629
Operating lease liability – noncurrent portion	Long-term operating lease liability	23,000,397	23,178,634
Total lease liability		<u>\$ 23,719,619</u>	<u>23,897,263</u>

Lease obligations at February 28, 2021 consisted of the following:

<b>For the year ended August 31:</b>	
2021	\$ 862,860
2022	1,706,520
2023	1,706,520
2024	1,706,520
2025	1,706,520
Thereafter	25,433,672
Total payments	\$ 33,122,612
Amount representing interest	\$ (9,581,973)
Lease obligation, net	23,540,639
Less current portion	(720,268)
Lease obligation – long term	\$ 22,820,371

The lease expense for the six months ended February 28, 2021 was \$854,281 which consisted of amortization expense of \$498,045 and interest expense of \$356,236.

The lease expense for the three months ended February 29, 2020 was \$688,944.

At February 28, 2021, the weighted average remaining lease term is approximately 20 years and the weighted average monthly discount rate is .25%.

#### NOTE 6 – NOTE PAYABLE

On December 19, 2019, the Company received a \$2,500,000 Demand Instalment Loan from First Caribbean International Bank. The loan incurs interest at the US prime rate minus 0.25% per annum. The loan requires sixty monthly payments of principal and interest of \$19,124.83. Due to the pandemic the bank granted the Company a moratorium on the loan. The Company accrued an additional \$39,745 of interest related to the granting of the moratorium.

The following sets forth the principal loan payments for the years ended August 31:

2021 (three months)	\$ 16,004
2022	\$ 125,397
2023	\$ 131,158
2024	\$ 137,183
2025	\$ 143,485
Thereafter	\$ 1,899,457
Total	\$ 2,452,684

#### NOTE 7 – RELATED PARTY TRANSACTIONS

On July 9, 2020, the Company issued 1,000,000 shares of Series A preferred stock to OM Prime Holdings, Ltd for reimbursement of \$34,314 of expense incurred to assist in bringing the Company current. OM Prime Holdings, Ltd, is owned by Mark Vanterpool, CEO.

On July 16, 2020, the Company created Portgage Resources, Inc, a Colorado corporation (“Portgage”) and transferred \$259,171 of debt from the Nevada corporation to Portgage. On July 16, 2020, the Company sold Portgage to an unrelated third party for a nominal amount.

As of February 28, 2021, the Company had a loan receivable due from an affiliated company of \$1,484,625.

## **NOTE 8 – COMMON STOCK**

On December 14, 2020, the Company effectuated a 1 for 5,000 reverse stock split. All shares throughout these financial statements have been retroactively adjusted to reflect the reverse. At the same time the Company changed its name to OM Holdings International, Inc. and its stock symbol to OMHI.

On February 7, 2021, the Company sold 1,800,000 to Capital Hill Management, Inc. for \$1,800. As of February 28, 2021, the funds have not yet been received and are disclosed as a subscription receivable.

## **NOTE 9 – PREFERRED STOCK**

On July 9, 2020, the Company authorized 10,000,000 shares of preferred stock, par value \$0.0001.

1,000,000 shares of preferred stock are designated Series A Preferred. The holder of Series A are not entitled to receive dividends nor do they have any liquidation rights. The Series A preferred stock is not convertible into common stock. The holders of Series A are entitled to 1,000,000 votes per every share of Series A held.

Refer to Note 7 for related party transaction.

5,000,000 shares of preferred stock are designated Series B Preferred. The holder of Series B are not entitled to receive dividends nor do they have any liquidation rights or voting rights. One share of Series B is convertible into 1,000 shares of common stock.

## **NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855, from the balance sheet date through the date the financial statement were available to be issued and has determined that there are no material subsequent events that require disclosure in these financial statements.

Subsequent to February 28, 2021, 2,000 shares of Series B preferred stock were converted into 2,000,000 shares of common stock.