

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

HUMBL, INC.

600 B Street, Suite 300
San Diego, CA 92101
(786) 738-9012
www.humbldpay.com
IC CODE: 5500

Quarterly Report

For the Period Ending: June 30, 2021
(the "Reporting Period")

As of August 16, 2021, the number of shares outstanding of our Common Stock was:

910,589,393

As of June 30, 2021, the number of shares outstanding of our Common Stock was:

910,589,393

As of March 31, 2021, the number of shares outstanding of our Common Stock was:

974,218,599

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

974,177,443

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 Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

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

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

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

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

OTC Markets Group Inc.

OTC Pink Basic Disclosure Guidelines (v2.1 December 2019)

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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 and the dates of the name changes.

Tesoro Enterprises, Inc. from November 12, 2009 to
HUMBL, Inc. as of February 26, 2021

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):

November 12, 2009 in the State of Oklahoma. The Corporation redomiciled to the State of Delaware on November 30, 2020. The Corporation is existing and in good standing.

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:

On December 3, 2020, HUMBL, LLC ("HUMBL LLC") merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares. The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock, however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed its name to HUMBL, Inc. ("HUMBL" or the "Company").

On June 3, 2021 we acquired Tickeri, Inc. ("Tickeri") in a debt and stock transaction totaling \$20,000,000 following which Tickeri became a subsidiary of HUMBL. Tickeri is a leading ticketing, live events and box office SaaS platform featuring Latin events and artists throughout the United States, Latin America, and the Caribbean corridor. The purchase price for the stock purchase was \$20,000,000 of which we must pay \$10,000,000 in our common stock and \$10,000,000 was paid through two promissory notes. The shares had a deemed value equal to the volume weighted average price per share of HUMBL common stock on the OTC Markets for the ten consecutive trading days ending with the complete trading day ending two trading days prior to the closing. We issued the two shareholders of Tickeri, Juan Gonzalez and Javier Gonzalez, 4,672,897 shares of our common stock each. We also issued to each of Juan and Javier Gonzalez a secured promissory note in the face amount of \$5,000,000. The promissory notes are due and payable on or before December 31, 2022, bear interest at the rate of 5% per annum and are secured by the equity interests of Tickeri. In the event of an uncured default by HUMBL under the promissory note, Juan and Javier Gonzalez have the right to recover the ownership of Tickeri and re-commence the business and operations of Tickeri free and clear of any claims or encumbrances by HUMBL. We intend to limit the integration of Tickeri's assets with our assets until the promissory notes are paid in full. We agreed to register on Form S-1 within three months from the closing the shares issued to Juan and Javier Gonzalez and have the registration statement declared effective within six months of the closing date. Following the closing, Juan Gonzalez and Javier Gonzalez, entered into employment agreements having a term of 18 months, appointing them CEO of Tickeri and CTO of HUMBL, respectively.

On June 30, 2021, we acquired Monster Creative, LLC ("Monster"). Monster is a Hollywood production studio that specializes in producing movie trailers and other related content. Monster was founded by Doug Brandt and Kevin Childress. Monster will collaborate with HUMBL in the production of NFTs and other digital content. The purchase price for all of the membership interests in Monster was paid through the issuance of one convertible note and one non-convertible note to each of Doug Brandt and Kevin Childress in the aggregate principal amount of \$8,000,000. The convertible notes were issued to Doug Brandt (through an entity owned by him) and Kevin Childress in the aggregate principal amount of \$7,500,000. The notes convert at the holder's election at \$1.20 per share, bear interest at 5% per annum and are due in 18 months from issuance. We also issued non-convertible notes to Doug Brandt and Kevin Childress in the aggregate amount of \$500,000. These notes bear interest at the rate of 5% per annum and are due on April 1, 2022. Doug Brandt and Kevin Childress each entered into employment agreements with Monster having a term of three years. Doug Brandt was appointed as the CEO of Monster and Kevin Childress was appointed as its President and Creative Director.

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

600 B Street, Suite 300
San Diego CA 92101

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: ☒

600 B Street, Suite 300
San Diego CA 92101

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:	HMBL
Exact title and class of securities outstanding:	Common
CUSIP:	44501Q104

Par or stated value:	\$0.00001	
Total shares authorized:	7,450,000,000	as of date: June 30, 2021
Total shares outstanding:	910,589,393	as of date: June 30, 2021
Number of shares in the Public Float ² :	786,912,048	as of date: June 30, 2021
Total number of shareholders of record:	327	as of date: June 30, 2021

All additional class(es) of publicly traded securities (if any):

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Trading symbol:	N/A	
Exact title and class of securities outstanding:	Series A Preferred	
CUSIP:	N/A	
Par or stated value:	\$0.00001	
Total shares authorized:	7,000,000	as of date: June 30, 2021
Total shares outstanding:	7,000,000	as of date: June 30, 2021

Trading symbol:	N/A	
Exact title and class of securities outstanding:	Series B Preferred	
CUSIP:	N/A	
Par or stated value:	\$0.00001	
Total shares authorized:	900,000	as of date: June 30, 2021
Total shares outstanding:	562,263	as of date: June 30, 2021

Trading symbol:	N/A	
Exact title and class of securities outstanding:	Series C Preferred	
CUSIP:	N/A	
Par or stated value:	\$0.00001	
Total shares authorized:	150,000	as of date: March 31, 2021
Total shares outstanding:	0	as of date: March 31, 2021

Transfer Agent

Name: Pacific Stock Transfer Company
 Phone: 702-361-3033
 Email: info@pacificstocktransfer.com
 Address: 6725 Via Austi Pkwy, Suite 300, Las Vegas NV 89119

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

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: ☐

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of January 1, 2019		Opening Balance: Common: 1,137,094,777 Preferred A: 7,000,000 Preferred B: 0 Preferred C: 0								
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.	
11/17/2020	Cancellation	137,917,334	Common	\$0.00001	No	Brian Foote	N/A	N/A	N/A	
12/9/2020	Cancellation	22,250,000	Common	\$0.00001	No	Prolific Group, LLC	N/A	N/A	N/A	
12/29/2020	Cancellation	2,750,000	Common	\$0.00001	N/A	Deerwood Capital LLC	N/A	N/A	N/A	
2/26/2021	Issuance	249,707	Series B Preferred	\$0.00001	N/A	HUMBL Holdings, LLC (Brian Foote – contact person)	Merger	R	N/A	
2/26/2021	Issuance	56,079	Series B Preferred	\$0.00001	N/A	Mark Grado	Merger	R	N/A	
2/26/2021	Issuance	40,269	Series B Preferred	\$0.00001	N/A	Jeffrey Hinshaw	Merger	R	N/A	
2/26/2021	Issuance	33,561	Series B Preferred	\$0.00001	N/A	The Stephen L. and Sandra M. Foote Revocable Trust (Stephen L. and Sandra M. Foote, Trustees)	Merger	R	N/A	
2/26/2021	Issuance	28,715	Series B Preferred	\$0.00001	N/A	Michele Rivera	Merger	R	N/A	
2/26/2021	Issuance	17,920	Series B Preferred	\$0.00001	N/A	Pete Sacco	Merger	R	N/A	

2/26/2021	Issuance	11,683	Series B Preferred	\$0.00001	N/A	Glenn Grider	Merger	R	N/A
2/26/2021	Issuance	11,683	Series B Preferred	\$0.00001	N/A	Karen Garcia	Merger	R	N/A
2/26/2021	Issuance	10,188	Series B Preferred	\$0.00001	N/A	Adam Wolfe	Merger	R	N/A
2/26/2021	Issuance	16,640	Series B Preferred	\$0.00001	N/A	McDougal and Duncan LLC (Tom McDougal – contact person)	Merger	R	N/A
2/26/2021	Issuance	7,010	Series B Preferred	\$0.00001	N/A	Christopher Chiricella	Merger	R	N/A
2/26/2021	Issuance	6,778	Series B Preferred	\$0.00001	N/A	The William Jared Magnuson and Katherine Marie Magnuson Living Trust (William and Katherine Magnuson Trustees)	Merger	R	N/A
2/26/2021	Issuance	6,075	Series B Preferred	\$0.00001	N/A	Ryan Ballantyne	Merger	R	N/A
2/26/2021	Issuance	5,637	Series B Preferred	\$0.00001	N/A	Alan Gunn	Merger	R	N/A
2/26/2021	Issuance	4,673	Series B Preferred	\$0.00001	N/A	Bonnie Foote	Merger	R	N/A
2/26/2021	Issuance	4,673	Series B Preferred	\$0.00001	N/A	Jim Yeager	Merger	R	N/A
2/26/2021	Issuance	4,532	Series B Preferred	\$0.00001	N/A	Webb Ellinger	Merger	R	N/A
2/26/2021	Issuance	4,532	Series B Preferred	\$0.00001	N/A	Michael Temple	Merger	R	N/A
2/26/2021	Issuance	3,045	Series B Preferred	\$0.00001	N/A	John Halligan	Merger	R	N/A
2/26/2021	Issuance	2,804	Series B Preferred	\$0.00001	N/A	J Rory Linehan and Kristen Chenet Linehan Living Trust (J Rory Linehan and Kristen Chenet Linehan Trustees)	Merger	R	N/A

2/26/2021	Issuance	2,619	Series B Preferred	\$0.00001	N/A	James J Blom Declaration of Trust (James J Blom Trustee)	Merger	R	N/A
2/26/2021	Issuance	2,615	Series B Preferred	\$0.00001	N/A	Jenny Edgerton	Merger	R	N/A
2/26/2021	Issuance	2,337	Series B Preferred	\$0.00001	N/A	Early Bird LLC (Steve Gerritsen – contact person)	Merger	R	N/A
2/26/2021	Issuance	2,124	Series B Preferred	\$0.00001	N/A	Nancy Angell	Merger	R	N/A
2/26/2021	Issuance	1,933	Series B Preferred	\$0.00001	N/A	BRNR, LLC (Joseph Rivera – contact person)	Merger	R	N/A
2/26/2021	Issuance	1,699	Series B Preferred	\$0.00001	N/A	Dylan Rachman	Merger	R	N/A
2/26/2021	Issuance	1,185	Series B Preferred	\$0.00001	N/A	Kurt Kimmel	Merger	R	N/A
2/26/2021	Issuance	935	Series B Preferred	\$0.00001	N/A	Lee Christopher Sanudo	Merger	R	N/A
2/26/2021	Issuance	935	Series B Preferred	\$0.00001	N/A	John Wadman	Merger	R	N/A
2/26/2021	Issuance	935	Series B Preferred	\$0.00001	N/A	Michael Cradeur	Merger	R	N/A
2/26/2021	Issuance	903	Series B Preferred	\$0.00001	N/A	Jose Colchao	Merger	R	N/A
2/26/2021	Issuance	748	Series B Preferred	\$0.00001	N/A	Zach Stevens	Merger	R	N/A
2/26/2021	Issuance	748	Series B Preferred	\$0.00001	N/A	Mark Turner	Merger	R	N/A
2/26/2021	Issuance	637	Series B Preferred	\$0.00001	N/A	Bryce Howard Dixon	Merger	R	N/A
2/26/2021	Issuance	584	Series B Preferred	\$0.00001	N/A	Roberta Wyn	Merger	R	N/A
2/26/2021	Issuance	531	Series B Preferred	\$0.00001	N/A	Cyberbeat Ptd Lte (Rajan Narayan – contact person)	Merger	R	N/A

2/26/2021	Issuance	531	Series B Preferred	\$0.00001	N/A	Rajan Narayan	Merger	R	N/A
2/26/2021	Issuance	531	Series B Preferred	\$0.00001	N/A	Ding Thi Hong Hanh	Merger	R	N/A
2/26/2021	Issuance	482	Series B Preferred	\$0.00001	N/A	HinCamp LLC (Steve Hinshaw-contact person)	Merger	R	N/A
2/26/2021	Issuance	467	Series B Preferred	\$0.00001	N/A	Anthony Sanudo	Merger	R	N/A
2/26/2021	Issuance	467	Series B Preferred	\$0.00001	N/A	Keith Berger	Merger	R	N/A
2/26/2021	Issuance	467	Series B Preferred	\$0.00001	N/A	Conrad Greene	Merger	R	N/A
2/26/2021	Issuance	467	Series B Preferred	\$0.00001	N/A	Brian Bewley	Merger	R	N/A
2/26/2021	Issuance	467	Series B Preferred	\$0.00001	N/A	Nicolas Kenagy	Merger	R	N/A
2/26/2021	Issuance	212	Series B Preferred	\$0.00001	N/A	Zach Funston	Merger	R	N/A
2/26/2021	Issuance	132	Series B Preferred	\$0.00001	N/A	Stephanie Nhim	Merger	R	N/A
2/26/2021	Issuance	132	Series B Preferred	\$0.00001	N/A	Carmen Baldwin	Merger	R	N/A
2/26/2021	Issuance	63	Series B Preferred	\$0.00001	N/A	Brian Innes	Services	R	N/A
4/15/2021	Cancellation	63							
2/26/2021	Issuance	63	Series B Preferred	\$0.00001	N/A	Ayodele Popoola	Services	R	N/A
4/15/2021	Cancellation	63							
2/26/2021	Issuance	63	Series B Preferred	\$0.00001	N/A	Fernando Rodriguez	Services	R	N/A
4/15/2021	Cancellation	63							
2/26/2021	Issuance	63	Series B Preferred	\$0.00001	N/A	Jose Colchao	Services	R	N/A
4/15/2021	Cancellation	63							
2/26/2021	Issuance	50	Series B Preferred	\$0.00001	N/A	Jenny Edgerton	Services	R	N/A
4/15/2021	Cancellation	50							
2/26/2021	Issuance	38	Series B Preferred	\$0.00001	N/A	Calvin Weight	Services	R	N/A
4/15/2021	Cancellation	38							

2/26/2021	Issuance	25	Series B Preferred	\$0.00001	N/A	Inga Va'aiga	Services	R	N/A
4/15/2021	Cancellation	25							
2/26/2021	Issuance	25	Series B Preferred	\$0.00001	N/A	David Weil	Services	R	N/A
4/15/2021	Cancellation	25							
2/26/2021	Issuance	25	Series B Preferred	\$0.00001	N/A	Javier Gonzales	Services	R	N/A
4/15/2021	Cancellation	25							
2/26/2021	Issuance	13	Series B Preferred	\$0.00001	N/A	Jacob Davis	Services	R	N/A
4/15/2021	Cancellation	13							
2/26/2021	Issuance	13	Series B Preferred	\$0.00001	N/A	Raul Leggs	Services	R	N/A
4/15/2021	Cancellation	13							
2/26/2021	Issuance	13	Series B Preferred	\$0.00001	N/A	Alia Harris	Services	R	N/A
4/15/2021	Cancellation	13							
2/26/2021	Issuance	10	Series B Preferred	\$0.00001	N/A	Mario Vargas	Services	R	N/A
4/15/2021	Cancellation	10							
2/26/2021	Issuance	10	Series B Preferred	\$0.00001	N/A	Drew Foster	Services	R	N/A
4/15/2021	Cancellation	10							
2/26/2021	Issuance	6	Series B Preferred	\$0.00001	N/A	Ernie Stern	Services	R	N/A
4/15/2021	Cancellation	6							
2/26/2021	Issuance	5	Series B Preferred	\$0.00001	N/A	Vernonia Naumkina	Services	R	N/A
4/15/2021	Cancellation	5							
2/26/2021	Issuance	5	Series B Preferred	\$0.00001	N/A	Forest Joy	Services	R	N/A
4/15/2021	Cancellation	5							
2/26/2021	Issuance	3	Series B Preferred	\$0.00001	N/A	Marcela Quesada	Services	R	N/A
4/15/2021	Cancellation	3							
3/10/2021	Adjustment	41,156	Common	N/A	N/A	Adjustment	Adjustment	N/A	N/A
4/15/2021	Issuance	375	Series B Preferred	\$0.02	N/A	David Weil	Services	R	N/A
4/15/2021	Issuance	375	Series B Preferred	\$0.02	N/A	Drew Foster	Services	R	N/A
4/15/2021	Issuance	350	Series B Preferred	\$0.02	N/A	Jose Colchao	Services	R	N/A

4/15/2021	Issuance	150	Series B Preferred	\$0.02	N/A	Dennis Lee	Services	R	N/A
4/15/2021	Issuance	100	Series B Preferred	\$0.02	N/A	Brian Innes	Services	R	N/A
4/15/2021	Issuance	150	Series B Preferred	\$0.02	N/A	Calvin Weight	Services	R	N/A
4/15/2021	Issuance	100	Series B Preferred	\$0.02	N/A	Jacob Davis	Services	R	N/A
4/15/2021	Issuance	63	Series B Preferred	\$0.02	N/A	Ayodele Popoola	Services	R	N/A
4/15/2021	Issuance	63	Series B Preferred	\$0.02	N/A	Fernando Rodriguez	Services	R	N/A
4/15/2021	Issuance	50	Series B Preferred	\$0.02	N/A	Jenny Edgerton	Services	R	N/A
4/15/2021	Issuance	50	Series B Preferred	\$0.02	N/A	Kristian Giordano	Services	R	N/A
4/15/2021	Issuance	38	Series B Preferred	\$0.02	N/A	Grant Casey	Services	R	N/A
4/15/2021	Issuance	35	Series B Preferred	\$0.02	N/A	Phil Finch	Services	R	N/A
4/15/2021	Issuance	35	Series B Preferred	\$0.02	N/A	Adrian Torroella	Services	R	N/A
4/15/2021	Issuance	25	Series B Preferred	\$0.02	N/A	Inga Tuigamala	Services	R	N/A
4/15/2021	Issuance	25	Series B Preferred	\$0.02	N/A	Javier Gonzelez	Services	R	N/A
4/15/2021	Issuance	25	Series B Preferred	\$0.02	N/A	Forrest Joy	Services	R	N/A
4/15/2021	Issuance	25	Series B Preferred	\$0.02	N/A	Alejandro Torroella	Services	R	N/A
4/15/2021	Issuance	17	Series B Preferred	\$0.02	N/A	Glenn Shaw	Services	R	N/A
4/15/2021	Issuance	15	Series B Preferred	\$0.02	N/A	Kerlynn Egan	Services	R	N/A
4/15/2021	Issuance	13	Series B Preferred	\$0.02	N/A	Raul Leggs	Services	R	N/A
4/15/2021	Issuance	13	Series B Preferred	\$0.02	N/A	Alia Harris	Services	R	N/A

4/15/2021	Issuance	12	Series B Preferred	\$0.02	N/A	Michael Jue	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Mario Vargas	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Ernest Stern	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Michael Pollack	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Gabe Giordano	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Justin Brubaker	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Ivan Romero	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Nimbl Holdings, LLC (Shane Rowley)	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	David Nihm	Services	R	N/A
4/15/2021	Issuance	8	Series B Preferred	\$0.02	N/A	Jane Edmondson	Services	R	N/A
4/15/2021	Issuance	5	Series B Preferred	\$0.02	N/A	Yassine Gharram	Services	R	N/A
4/15/2021	Issuance	5	Series B Preferred	\$0.02	N/A	Chris Bibey	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Nicole Rodriguez	Services	R	N/A
4/15/2021	Issuance	5	Series B Preferred	\$0.02	N/A	Veronica Naumkina	Services	R	N/A
4/15/2021	Issuance	5	Series B Preferred	\$0.02	N/A	Marcela Quesada	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Warren Lorenz	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Patrick Lopez	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Ixxandra Molina Gamboa	Services	R	N/A
4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Jessica Salas-Acha	Services	R	N/A

4/15/2021	Issuance	10	Series B Preferred	\$0.02	N/A	Carol Andrea Zambrana Arias	Services	R	N/A
4/26/2021	Issuance	437,500	Common	\$2.28	No	HUMBL CL SPA (Attn: Juan Pablo Morales)	Country Rights	R	N/A
5/3/2021	Conversion – Common to Series B Preferred	(71,313,853) 7,131	Common Series B Preferred	N/A	N/A	Brian Foote	Conversion	R	N/A
5/6/2021	Conversion – Common to Series B Preferred	(8,311,147) 831	Common Series B Preferred	N/A	N/A	Brian Foote	Conversion	R	N/A
6/3/2021	Issuance	4,672,897	Common	\$1.07	No	Javier Gonzalez	Acquisition	R	N/A
6/3/2021	Issuance	4,672,897	Common	\$1.07	No	Juan Gonzalez	Acquisition	R	N/A
6/18/2021	Issuance	175,000	Common	\$1,295	No	Fakhraldien Fuad Gor	Consulting	R	N/A
6/18/2021	Issuance	175,000	Common	\$1,295	No	Samer Kamal	Consulting	R	N/A
6/23/2021	Issuance	150,000	Common	\$1.22	No	David Braun	Consulting	R	N/A
6/23/2021	Issuance	340,000	Common	\$1.22	No	Marcus Smart	Consulting	R	N/A
6/23/2021	Issuance	552,500	Common	\$1.22	No	JHolla11, LLC (Jrue Holliday)	Consulting	R	N/A
6/23/2021	Issuance	297,500	Common	\$1.22	No	3Bo, LLC (Duncan Robinson)	Consulting	R	N/A
6/23/2021	Issuance	297,500	Common	\$1.22	No	Dinwiddie, Inc. (Spencer Dinwiddie)	Consulting	R	N/A
6/28/2021	Issuance	250,000	Common	\$1.22	No	AZ Advisors LLC (Avraham Berkowitz)	Consulting	R	N/A
6/29/2021	Issuance	1,000,000	Common	\$1.20	No	Nickolas Carter	Consulting	R	N/A
6/29/2021	Issuance	500,000	Common	\$1.20	No	Jennifer Souza	Consulting	R	N/A

6/29/2021	Issuance	500,000	Common	\$1.20	No	Eddie Meehan	Consulting	R	N/A
6/30/2021	Issuance	500,000	Common	\$1.17	No	Kristian Giordano	Consulting	R	N/A
6/30/2021	Issuance	225,000	Common	\$1.17	No	Glushon Sports Management (David Glushon)	Consulting	R	N/A
6/30/2021	Issuance	250,000	Common	\$1.17	No	1744 Entertainment LLC (Rick Fox)	Consulting	R	N/A
6/30/2021	Issuance	500,000	Common	\$1.17	No	Griffin Rolander	Consulting	R	N/A
6/30/2021	Issuance	500,000	Common	\$1.17	No	Jacob Watton	Consulting	R	N/A
7/6/2021	Cancellation	9,350	Series B Preferred	N/A	N/A	Brian Foote	N/A	N/A	N/A
Shares Outstanding on June 30, 2021		Ending Balance:							
		Common: 910,589,393 Preferred A: 7,000,000 Preferred B: 562,263 (a) Preferred C: 0							
August 16, 2021		Common: 910,589,393 Preferred A: 7,000,000 Preferred B: 552,913 Preferred C: 0							

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

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

Share figures for common stock are reflected post reverse-split that occurred February 26, 2021 (retroactively).

All of the Series B Preferred Shares issued have one-year lock up provisions to convert into common stock from the date of the merger of December 3, 2020, except the shares issued to HUMBL Holdings, LLC which have a two-year lock up.

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: ☐

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 (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
10/29/2020	40,000	40,000	2,139	12/31/2021		The Estate of Henry Boucher (a) (Toni Boucher Trustee)	Cash
12/23/2020	112,500	112,500	4,660	12/23/2021	Convertible at \$0.60 per share	Kevin Levine	Working Capital
12/23/2020	112,500	112,500	4,660	12/23/2021	Convertible at \$0.60 per share	Judith Levine	Working Capital
4/14/2021	3,300,000	3,300,000	69,426	7/14/2022	Convertible at \$3.15 per share	Brighton Capital Partners, LLC (Lucas Hale, Manager)	Working Capital
5/13/2021	45,900	45,900	481	3/13/2023	Convertible at \$1.00 per share	Scottish Isles Investing LLC (Becky Moore)	Working Capital
5/13/2021	336,600	336,600	3,532	3/13/2023	Convertible at \$1.00 per share	The Strider Lir Trust (Brian Kirchoff)	Working Capital
5/13/2021	420,750	420,750	4,414	3/13/2023	Convertible at \$1.00 per share	Maize and Gray, LLC (Richard Shebib II)	Working Capital
5/17/2021	1,020,000	1,020,000	9,810	3/17/2023	Convertible at \$1.00 per share	Archura Capital Pty Ltd (Julius Tuigamala)	Working Capital
5/19/2021	497,250	497,250	4,565	3/19/2023	Convertible at \$1.00 per share	KWP 50, LLC (Kendall Prince)	Working Capital
5/19/2021	76,500	76,500	702	3/19/2023	Convertible at \$1.00 per share	CMP 76, LLC (Christina Pelz)	Working Capital
5/19/2021	153,000	153,000	1,405	3/19/2023	Convertible at \$1.00 per share	North Falls Investments LLP (Kendal Madsen)	Working Capital
6/3/2021	5,000,000	5,000,000	18,493	12/3/2022		Juan Gonzalez	Acquisition
6/3/2021	5,000,000	5,000,000	18,493	12/3/2022		Javier Gonzalez	Acquisition
6/21/2021	382,500	382,500	752	4/21/2023	Convertible at \$1.00 per share	Infinity Block Investment LLC (Jordan Smith)	Working Capital

6/21/2021	382,500	382,500	752	4/21/2023	Convertible at \$1.00 per share	Murtaugh Group LLC (Rebecca Williams)	Working Capital
6/30/2021	6,525,000	6,525,000		12/31/2022	Convertible at \$1.20 per share	Phantom Power LLC (Doug Brandt)	Acquisition
6/30/2021	975,000	975,000		12/31/2022	Convertible at \$1.20 per share	Kevin Childress	Acquisition
6/30/2021	435,000	435,000		4/1/2022		Phantom Power LLC (Doug Brandt)	Acquisition
6/30/2021	65,000	65,000		4/1/2022		Kevin Childress	Acquisition
6/30/2021	271,250	271,250		12/31/2022		Richard Brandt	Working Capital
6/30/2021	215,000	215,000		12/31/2022		Doug Childress	Working Capital
6/30/2021	250,000	250,000		7/30/2022		Griffin Rolander	Settlement
6/30/2021	250,000	250,000		7/30/2022		Jacob Watton	Settlement

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

- (a) The promissory note was originally issued to Brian Foote, who assigned this note to Henry Boucher on November 11, 2020. Mr. Boucher has since passed and the note is now in the name of The Estate of Henry Boucher.

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)⁴:

Name: **Jeffrey Hinshaw**
Title: **Chief Financial Officer**
Relationship to Issuer: **Officer**

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.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

- C. Balance Sheet;
- D. Statement of Operations;
- E. Statement of Cash Flows;
- F. Statement of Changes in Shareholders' Equity (Deficit); and
- G. Financial notes

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. Financial Statements must be compiled in one document.

The following financial statements are included in this Quarterly Report below:

Balance Sheets as of June 30, 2021 and December 31, 2020
 Statements of Operations for the six and three months ended June 30, 2021 and 2020
 Statements of Cash Flows for the six months ended June 30, 2021 and 2020
 Statement of Changes in Stockholders' Equity (Deficit) for the six months ended June 30, 2021 and 2020
 Notes to Financial Statements

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")

On December 3, 2020, HUMBL, LLC ("HUMBL LLC") merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares.

The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock; however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed its name to HUMBL, Inc. ("HUMBL" or the "Company"). Prior to the reverse merger, the Company operated through its wholly-owned subsidiaries, Floor Covering and Tile, Inc. and Fashion Floor Annex, Inc., who market and sell floor and wall covering materials over the internet to both commercial businesses and residential homes in the New Canaan, CT and surrounding Westchester and Putnam Counties in NY.

About HUMBL

HUMBL is a Web 3, digital commerce platform that was built to connect consumers, freelancers and merchants in the digital economy. HUMBL provides simple tools and packaging for complex new technologies such as blockchain, in the same way that previous cycles of e-commerce and the cloud were more simply packaged by companies such as Facebook, Apple, Amazon and Netflix over the past several decades.

The goal of HUMBL is to provide ready built tools, and platforms for consumers and merchants to seamlessly participate in the digital economy. HUMBL is built on a patent-pending decentralized technology stack that utilizes both core and partner technologies, to provide faster connections to the digital economy and each other.

HUMBL has three interconnected product verticals:

- *HUMBL Pay* – A mobile app that allows peers, consumers and merchants to connect in the digital economy;
- *HUMBL Marketplace* – A mobile marketplace that allows consumers and merchants to connect more seamlessly in the digital economy; and
- *HUMBL Financial* – Financial products and services, targeted for simplified investing on the blockchain.

HUMBL Pay

HUMBL is developing a mobile application that allows customers to migrate to digital forms of payment, along with services such as maps, ratings, and reviews. The Company is also working rapidly to integrate the use of search, discovery, peer-to-peer cash and ticketing around the world, as these services migrate into digital and blockchain-based modalities. The mobile application is designed to provide functionality to the following groups:

- **Individuals** - Consumers who want to discover, pay, rate and review experiences digitally vs. paper bills and hardware point-of-sale (“POS”)
- **Freelancers** - Service providers and gig workers that want to get paid from anywhere they work vs. paper bills and hardware POS; and
- **Merchants** – Primarily brick and mortar vendors that want to get paid digitally vs. paper bills and hardware POS.

HUMBL Marketplace

Through its online marketplace, HUMBL is developing the capability for merchants to list a wide range of soft goods and digital assets to mid-market audiences, that, where appropriate, incorporate the benefits of blockchain. HUMBL provides merchants with the ability to list and sell goods with greater levels of authentication, by using technologies such as the HUMBL Token Engine and HUMBL Origin Assurance, to improve the merchant’s ability to trade, track and pay for assets.

HUMBL is also working to issue NFTs (Non-Fungible Tokens) that allow entities and individuals such as athletes, celebrities, agencies, artists and companies to monetize their digital images, multimedia, content and catalogues on the blockchain. The Company will work with clients to create, list and sell their NFTs across a variety of modalities and platforms.

HUMBL Financial

HUMBL Financial was developed to package step-function technologies such as blockchain into “several clicks” for the customer. With the total value of digital assets in excess of \$1 trillion, there is increased conviction that investment markets will need to migrate to more digital forms of asset ownership. This will create opportunities for a new generation of market participants and provide access to markets that have been historically reserved for high-net-worth individuals.

HUMBL Financial has created BLOCK ETX products to simplify digital asset investing for customers and institutions seeking exposure to a new, 24/7 digital asset class. We have launched this product in over 100 countries. HUMBL Financial has developed proprietary, multi-factor blockchain indexes, trading algorithms and financial services for the new digital asset trading markets. to accommodate index, active and thematic investment strategies. BLOCK ETXs are completely non-custodial, algorithmically driven software services that allow customers to purchase and hold digital assets in pre-set allocations through their own digital asset exchange accounts. BLOCK ETXs are compatible for United States customers who have accounts with Coinbase Pro, Bittrex US or Binance US. BLOCK ETXs are also available to non-US customers who have accounts with Bittrex Global. BLOCK ETXs will be served first on the desktop and web version of the HUMBL platform, with the goal of future applications inside the HUMBL mobile application. HUMBL Financial is open to the licensing of the BLOCK ETXs to institutions and exchanges. HUMBL Financial also plans to offer trusted, third party financial services in areas such as payments, investments, credit card services and lending across the HUMBL platform over time.

Our ability to access the capital markets and maintain existing operations is unknown during the COVID-19 pandemic. Any such limitation on available financing and how we conduct business with our customers and vendors would adversely affect our business.

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

- HUMBL, LLC – 100% owned subsidiary
- Tickeri, Inc. – 100% owned subsidiary
- Monster Creative, LLC – 100% owned subsidiary
- HUMBL Financial Singapore, PTE. LTD – 100% owned subsidiary formed in Singapore that currently has no operations
- HUMBL Oceania Pty Ltd – 100% owned subsidiary formed in Australia that currently has no operations

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

See descriptions in 5.A and 1.

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.

The Company’s headquarters is at 600 B Street in San Diego, California.

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, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, 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.

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 (as converted)	Share type/class	Ownership Percentage of Class Outstanding (as converted)	Note
Brian Foote	Officer and Director	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	7,000,000	Series A Preferred	100.00%	A
Brian Foote	Officer and Director	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	11,899,304	Common	1.33%	
HUMBL Holdings, LLC (Brian Foote – contact person)	Owner of more than 5%	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	2,483,210,000	Series B Preferred	35.69%	B
Mark Grado	Owner of more than 5%	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	560,790,000	Series B Preferred	8.32%	B
Jeffrey Hinshaw	Officer, Director and Owner of more than 5%	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	405,771,811	Common and Series B Preferred	6.02%	C
Michele Rivera	Officer and Director	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	287,150,000	Series B Preferred	4.26%	B
Karen Garcia	Officer	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	116,830,000	Series B Preferred	1.73%	B

Javier Gonzalez	Officer	c/o HUMBL, Inc. 600 B Street San Diego, CA 92101	4,922,897	Common and Series B Preferred	0.07%	D
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Explanatory Notes:

- (A) These shares were transferred from Henry Boucher at the time of the reverse merger in December 2020.
- (B) Represent Series B Preferred Shares (issued February 26, 2021) as converted in the 10,000 to 1 conversion ratio.
- (C) Include 3,081,811 shares of common stock and an additional 402,690,000 shares of common stock (on an as converted basis from 40,269 shares of Series B Preferred).
- (D) Includes 25 shares of Series B Preferred stock convertible into 250,000 shares of common stock.

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);

NO

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;

NO

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

NO

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.

NO

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party 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: Ernest Stern
Firm: Culhane Meadows PLLC
Address 1: 1101 Pennsylvania Avenue, NW, Suite 300
Address 2: Washington, DC 20004
Phone: 301-910-2030
Email: estern@culhanemeadows.com

Accountant

Name: Shane Rowley
Firm: Nimbl LLC
Address 1: 299 S. Main Street, Suite 1300 PMB 90424
Address 2: Salt Lake City, UT, 84111
Phone: 801-358-8118
Email: shane@trustnimbl.com

Auditor

Name: Ben Borgers, CPA
Firm: BF Borgers CPA PC
Address 1: 5400 W Cedar Ave
Address 2: Lakewood, CO 80226
Phone: 303-953-1454
Email: ben@bfbcpa.us

Investor Relations

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

Other Service Providers

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

Name: Brian Innes
Firm: Hansen Black Anderson Ashcraft PLLC
Nature of Services: Corporate Counsel
Address 1: 3051 W. Maple Loop Dr., Suite 325
Address 2: Lehi, UT 84043
Phone: 801-922-5000
Email: binnes@hbaa.law

Name: Michael Pollack
Firm: KBL LLP
Nature of Services: Financial Consultant
Address 1: 1350 Broadway, Suite 1510
Address 2: New York, NY 10018
Phone: 212-785-9700
Email: mpollack@kbl.com

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Brian Foote certify that:

1. I have reviewed this Quarterly Report of HUMBL, Inc. for the fiscal period ended June 30, 2021;
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.

08/16/2021 [Date]

/s/ Brian Foote [CEO's Signature]

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

Principal Financial Officer:

I, Jeffrey Hinshaw certify that:

1. I have reviewed this Quarterly Report of HUMBL, Inc. for the fiscal period ended June 30, 2021;
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.

08/16/2021 [Date]

/s/ Jeffrey Hinshaw [CFO's Signature]

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

OTC Markets Group Inc.

OTC Pink Basic Disclosure Guidelines (v2.1 December 2019)

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
CONSOLIDATED BALANCE SHEETS

	June 30, 2021	December 31,
	(unaudited)	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 5,315,221	\$ 1,720,979
Accounts receivable, net	139,932	-
Inventory - NFTs	16,424	-
Due from related parties, net	-	77,146
Prepaid expenses and other current assets	167,827	7,445
Total current assets	<u>5,639,404</u>	<u>1,805,570</u>
NON-CURRENT ASSETS		
Fixed assets, net of depreciation	364,545	-
Intangible assets – digital currency	78,005	-
Goodwill	16,484,593	-
Total non-current assets	<u>16,927,143</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 22,566,547</u></u>	<u><u>\$ 1,805,570</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 767,531	\$ 20,392
Deferred revenue	-	43,243
Note payable	106,628	40,000
Current portion of notes payable – related parties	500,000	-
Current portion of convertible notes payable, net of discount	161,700	141,103
Total current liabilities	<u>1,535,859</u>	<u>244,738</u>
LONG-TERM LIABILITIES		
Notes payable, net of current portion	650,000	-
Convertible notes payable, net of discount and net of current portion	4,621,714	-
Notes payable – related parties, net of current portion	10,486,250	-
Convertible notes payable – related parties, net of current portion	7,500,000	-
Total non-current liabilities	<u>23,257,964</u>	<u>-</u>
TOTAL LIABILITIES	<u>24,793,823</u>	<u>244,738</u>

STOCKHOLDERS' EQUITY (DEFICIT)

Preferred stock, 7,000,000 shares Series A Preferred stock authorized, 900,000 Series B Preferred stock authorized, and 150,000 Series C Preferred stock authorized		
Series A Preferred stock, par value \$0.00001; 7,000,000 issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	70	70
Series B Preferred stock, par value \$0.00001; 562,263 and 0 issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	6	-
Series C Preferred stock, par value \$0.00001; 0 issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	-	-
Common stock, par value \$0.00001; 7,450,000,000 and 5,000,000,000 shares authorized, 910,589,393 and 974,177,443 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	9,105	9,742

Additional paid in capital	21,390,709	2,545,825
Accumulated deficit	(23,627,166)	(994,805)
Total stockholders' equity (deficit)	(2,227,276)	1,560,832
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$ 22,566,547</u>	<u>\$ 1,805,570</u>

See notes to consolidated financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES	\$ 382,216	\$ -
COST OF REVENUES	<u>143,865</u>	<u>-</u>
GROSS PROFIT	238,351	-
OPERATING EXPENSES:		
Development costs	756,012	33,237
Professional fees	2,057,594	131,578
General and administrative (including \$12,141,062 in impairment charges, \$1,566,068 in stock-based compensation and \$1,870,000 in settlement charges for 2021)	<u>16,469,184</u>	<u>12,135</u>
Total operating expenses	<u>19,282,790</u>	<u>176,950</u>
LOSS FROM OPERATIONS BEFORE OTHER EXPENSES	(19,044,439)	(176,950)
OTHER INCOME (EXPENSE):		
Interest expense (including a \$3,300,000 beneficial conversion feature for 2021)	(3,443,869)	-
Amortization of discounts	(147,253)	-
Other income	<u>3,200</u>	<u>10,000</u>
Total other income (expense)	<u>(3,587,922)</u>	<u>10,000</u>
LOSS FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	<u>(22,632,361)</u>	<u>(166,950)</u>
PROVISION FOR INCOME TAXES	<u>(-)</u>	<u>(-)</u>
NET LOSS	<u>\$ (22,632,361)</u>	<u>\$ (166,950)</u>
NET LOSS PER SHARE		
Basic and diluted	\$ (0.02)	\$ -
SHARES USED IN CALCULATION OF NET LOSS PER SHARE		
Basic and diluted	951,633,584	-

See notes to consolidated financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
THREE MONTHS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES	\$ 225,956	\$ -
COST OF REVENUES	<u>39,122</u>	<u>-</u>
GROSS PROFIT	186,834	-
OPERATING EXPENSES:		
Development costs	653,709	12,009
Professional fees	1,142,716	83,869
General and administrative (including \$12,141,062 in impairment charges, \$1,386,393 in stock-based compensation and \$1,870,000 in settlement charges for 2021)	<u>16,023,811</u>	<u>2,936</u>
Total operating expenses	<u>17,820,236</u>	<u>98,814</u>
LOSS FROM OPERATIONS BEFORE OTHER EXPENSES	(17,633,402)	(98,814)
OTHER INCOME (EXPENSE):		
Interest expense (including a \$3,300,000 beneficial conversion feature for 2021)	(3,438,641)	-
Amortization of discounts	(126,656)	-
Other income	<u>3,200</u>	<u>10,000</u>
Total other income (expense)	<u>(3,562,097)</u>	<u>10,000</u>
LOSS FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	(21,195,499)	(88,814)
PROVISION FOR INCOME TAXES	<u>(-)</u>	<u>(-)</u>
NET LOSS	<u>\$ (21,195,499)</u>	<u>\$ (88,814)</u>
NET LOSS PER SHARE		
Basic and diluted	\$ (0.02)	\$ -
SHARES USED IN CALCULATION OF NET LOSS PER SHARE		
Basic and diluted	929,337,459	-

See notes to consolidated financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net loss	\$ (22,632,361)	\$ (166,950)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment expense	12,141,062	-
Amortization of discounts	147,253	-
Warrants granted for services	424,101	-
Stock-based compensation – common and preferred stock grants	1,141,967	-
Bad debt	88,693	-
Settlement	1,870,000	-
Beneficial conversion feature on convertible note payable	3,300,000	-
Changes in assets and liabilities		
Accounts receivable	(7,232)	-
Inventory - NFTs	4,106	-
Prepaid expenses and other current assets	(160,382)	-
Increase (decrease) in amounts due related parties	(11,547)	(45,565)
Accounts payable and accrued expenses	361,314	(468)
Net cash used in operating activities	<u>(3,333,026)</u>	<u>(212,983)</u>
Cash flows from investing activities:		
Purchase of fixed assets	(364,545)	-
Purchase of intangible assets – digital currency	(98,535)	-
Cash received in purchase of Tickeri	127,377	-
Cash received in purchase of Monster Creative	3,017	-
Net cash used in investing activities	<u>(332,686)</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from sales of membership interests of HUMBL, LLC	10,000	247,200
Payments of notes payable	(46)	-
Proceeds from convertible notes payable	6,250,000	-
Proceeds from issuance of common stock for cash	1,000,000	-
Net cash provided by financing activities	<u>7,259,954</u>	<u>247,200</u>
NET INCREASE IN CASH	<u>3,594,242</u>	<u>34,217</u>
Cash - beginning of period	1,720,979	4,855
Cash - end of period	<u><u>\$ 5,315,221</u></u>	<u><u>\$ 39,072</u></u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
SUMMARY OF NONCASH ACTIVITIES:		
Reclassification of deferred revenue related to warrant purchase	\$ 43,243	\$ -
Conversion of common stock into preferred stock	\$ 796	\$ -
Conversion of digital currency into inventory	\$ 20,530	\$ -
Recognition of discounts at inception of convertible notes payable	\$ 1,754,942	\$ -

SUMMARY OF TICKERI ACQUISITION:

Accounts receivable	\$	23,587	\$	-
Goodwill		20,086,664		-
Accounts payable and accrued expenses		(87,071)		-
EIDL loan		(150,000)		-
PPP loan		(557)		-
Notes payable issued		(10,000,000)		-
Common shares issued		(10,000,000)		-
Net cash received in acquisition of Tickeri	\$	(127,377)	\$	-

SUMMARY OF MONSTER CREATIVE ACQUISITION:

Accounts receivable	\$	109,113	\$	-
Goodwill		8,521,767		-
Accounts payable and accrued expenses		(81,530)		-
Notes payable - officers		(486,250)		-
PPP loan		(66,117)		-
Notes payable issued		(500,000)		-
Convertible notes issued		(7,500,000)		-
Net cash received in acquisition of Monster Creative	\$	(3,017)	\$	-

See notes to consolidated financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2021 AND 2020

	Series A Preferred		Series B Preferred		Common		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Deficit	
Balances at January 1, 2020	-	\$ -	-	\$ -	-	\$ -	\$ 205,500	\$ (281,542)	\$ (76,042)
Members interest purchased for cash	-	-	-	-	-	-	247,200	-	247,200
Net loss for the period	-	-	-	-	-	-	-	(166,950)	(166,950)
Balances June 30, 2020	-	-	-	-	-	-	\$ 452,700	\$ (448,492)	\$4,208
Balances at January 1, 2021	7,000,000	\$ 70	-	\$ -	974,177,443	\$ 9,742	\$ 2,545,825	\$ (994,805)	\$ 1,560,832
Share adjustment	-	-	-	-	41,156	-	-	-	-
Shares issued in reverse merger with HUMBL	-	-	552,029	6	-	-	39,961	-	39,967
Shares issued for cash	-	-	-	-	437,500	4	999,996	-	1,000,000
Shares issued for services	-	-	2,272	-	5,212,500	52	1,101,948	-	1,102,000
Shares issued for acquisition of Tickeri	-	-	-	-	9,345,794	93	9,999,907	-	10,000,000
Shares issued in settlement	-	-	-	-	1,000,000	10	1,169,990	-	1,170,000
Conversion of common shares to Preferred B shares	-	-	7,962	-	(79,625,000)	(796)	796	-	-
Members interest purchased for cash (timing difference from 2020)	-	-	-	-	-	-	10,000	-	10,000
Reclassification from deferred revenue on warrant purchase	-	-	-	-	-	-	43,243	-	43,243
Beneficial conversion feature on convertible note payable	-	-	-	-	-	-	3,300,000	-	3,300,000
Discount on convertible notes	-	-	-	-	-	-	1,754,942	-	1,754,942
Warrants granted to consultants	-	-	-	-	-	-	424,101	-	424,101

Net loss for the period	-	-	-	-	-	-	-	(22,632,361)	(22,632,361)
Balances at June 30, 2021	7,000,000	\$ 70	562,263	\$ 6	910,334,393	\$ 9,105	\$21,390,709	\$(23,627,166)	\$ (2,227,276)

*There was no Series C Preferred stock activity during these periods

See notes to consolidated financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: NATURE OF OPERATIONS

HUMBL, Inc. (formerly Tesoro Enterprises, Inc.), an Oklahoma corporation (“Company”) was incorporated November 12, 2009. The Company was redomiciled on November 30, 2020 to the State of Delaware.

Simultaneously with the November 12, 2009 incorporation, the Company entered into a share exchange agreement with Fashion Floor Covering and Tile, Inc. (“FFC&T”), whereby the sole stockholder of FFC&T received 125,000 shares of the Company’s restricted shares of common stock in exchange for all the outstanding shares of FFC&T. FFC&T is a full line (wood, carpet and tile) retail dealer and installer of floor and hard wall covering materials. FFC&T has been in business for over twenty-five years under the same ownership and management.

On December 3, 2020, HUMBL, LLC (“HUMBL LLC”) merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of a one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares, and 10,000,000 preferred shares.

The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock as well as 550,000,000 shares of common stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock; however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed their name to HUMBL, Inc. (“HUMBL” or the “Company”).

All share figures and per share amounts have been stated retroactively for the reverse stock split.

On June 3, 2021 we acquired Tickeri, Inc. (“Tickeri”) in a debt and stock transaction totaling \$20,000,000 following which Tickeri became a subsidiary of HUMBL. Tickeri is a leading ticketing, live events and box office SaaS platform featuring Latin events and artists throughout the United States, Latin America, and the Caribbean corridor. The purchase price for the stock purchase was \$20,000,000 of which we must pay \$10,000,000 in our common stock and \$10,000,000 was paid through two promissory notes. The shares had a deemed value equal to the volume weighted average price per share of HUMBL common stock on the OTC Markets for the ten consecutive trading days ending with the complete trading day ending two trading days prior to the closing. We issued the two shareholders of Tickeri, Juan Gonzalez and Javier Gonzalez, 4,672,897 shares of our common stock each. We also issued to each of Juan and Javier Gonzalez a secured promissory note in the face amount of \$5,000,000. The promissory notes are due and payable on or before December 31, 2022, bear interest at the rate of 5% per annum and are secured by the equity interests of Tickeri. In the event of an uncured default by HUMBL under the promissory note, Juan and Javier Gonzalez have the right to recover the ownership of Tickeri and re-commence the business and operations of Tickeri free and clear of any claims or encumbrances by HUMBL. We intend to limit the integration of Tickeri’s assets with our assets until the promissory notes are paid in full. We agreed to register on Form S-1 within three months from the closing the shares issued to Juan and Javier Gonzalez and have the registration statement declared effective within six months of the closing date. Following the closing, Juan Gonzalez and Javier Gonzalez, entered into employment agreements having a term of 18 months, appointing them CEO of Tickeri and CTO of HUMBL, respectively.

On June 30, 2021, we acquired Monster Creative, LLC (“Monster”). Monster is a Hollywood production studio that specializes in producing movie trailers and other related content. Monster was founded by Doug Brandt and Kevin Childress. Monster will collaborate with HUMBL in the production of NFTs and other digital content. The purchase price for all of the membership interests in Monster was paid through the issuance of one convertible note and one non-convertible note to each of Doug Brandt and Kevin Childress in the aggregate principal amount of \$8,000,000. The convertible notes were issued to Doug Brandt (through an entity owned by him) and Kevin Childress in the aggregate principal amount of \$7,500,000. The notes convert at the holder’s election at \$1.20 per share, bear interest at 5% per annum and are due in 18 months from issuance. We also issued non-convertible notes to Doug Brandt and Kevin Childress in the aggregate amount of \$500,000. These notes bear interest at the rate of 5% per annum and are due on April 1, 2022. Doug Brandt and Kevin Childress each entered into employment agreements with Monster having a term of three years. Doug Brandt was appointed as the CEO of Monster and Kevin Childress was appointed as its President and Creative Director.

HUMBL is a Web 3, digital commerce platform that was built to connect consumers, freelancers and merchants in the digital economy. HUMBL provides simple tools and packaging for complex new technologies such as blockchain, in the same way that previous cycles of e-commerce and the cloud were more simply packaged by companies such as Facebook, Apple, Amazon and Netflix over the past several decades.

The goal of HUMBL is to provide ready built tools, and platforms for consumers and merchants to seamlessly participate in the digital economy. HUMBL is built on a patent-pending decentralized technology stack that utilizes both core and partner technologies, to provide faster connections to the digital economy and each other.

HUMBL has three interconnected product verticals:

- *HUMBL Pay* – A mobile app that allows peers, consumers and merchants to connect in the digital economy;
- *HUMBL Marketplace* – A mobile marketplace that allows consumers and merchants to connect more seamlessly in the digital economy; and
- *HUMBL Financial* – Financial products and services, targeted for simplified investing on the blockchain.

HUMBL Pay

HUMBL is developing a mobile application that allows customers to migrate to digital forms of payment, along with services such as maps, ratings, and reviews. The Company is also working rapidly to integrate the use of search, discovery, peer-to-peer cash and ticketing around the world, as these services migrate into digital and blockchain-based modalities. The mobile application is designed to provide functionality to the following groups:

- **Individuals** - Consumers who want to discover, pay, rate and review experiences digitally vs. paper bills and hardware point-of-sale (“POS”)
- **Freelancers** - Service providers and gig workers that want to get paid from anywhere they work vs. paper bills and hardware POS; and
- **Merchants** – Primarily brick and mortar vendors that want to get paid digitally vs. paper bills and hardware POS.

HUMBL Marketplace

Through its online marketplace, HUMBL is developing the capability for merchants to list a wide range of soft goods and digital assets to mid-market audiences, that, where appropriate, incorporate the benefits of blockchain. HUMBL provides merchants with the ability to list and sell goods with greater levels of authentication, by using technologies such as the HUMBL Token Engine and HUMBL Origin Assurance, to improve the merchant’s ability to trade, track and pay for assets.

HUMBL is also working to issue NFTs (Non-Fungible Tokens) that allow entities and individuals such as athletes, celebrities, agencies, artists and companies to monetize their digital images, multimedia, content and catalogues on the blockchain. The Company will work with clients to create, list and sell their NFTs across a variety of modalities and platforms.

HUMBL Financial

HUMBL Financial was developed to package step-function technologies such as blockchain into “several clicks” for the customer. With the total value of digital assets in excess of \$1 trillion, there is increased conviction that investment markets will need to migrate to more digital forms of asset ownership. This will create opportunities for a new generation of market participants and provide access to markets that have been historically reserved for high-net-worth individuals.

HUMBL Financial has created BLOCK ETX products to simplify digital asset investing for customers and institutions seeking exposure to a new, 24/7 digital asset class. We have launched this product in over 100 countries. HUMBL Financial has developed proprietary, multi-factor blockchain indexes, trading algorithms and financial services for the new digital asset trading markets. to accommodate index, active and thematic investment strategies. BLOCK ETXs are completely non-custodial, algorithmically driven software services that allow customers to purchase and hold digital assets in pre-set allocations through their own digital asset exchange accounts. BLOCK ETXs are compatible for United States customers who have accounts with Coinbase Pro, Bittrex US or Binance US. BLOCK ETXs are also available to non-US customers who have accounts with Bittrex Global. BLOCK ETXs will be served first on the desktop and web version of the HUMBL platform, with the goal of future applications inside the HUMBL mobile application. HUMBL Financial is open to the licensing of the BLOCK ETXs to institutions and exchanges. HUMBL Financial also plans to offer trusted, third party financial services in areas such as payments, investments, credit card services and lending across the HUMBL platform over time.

Our ability to access the capital markets and maintain existing operations is unknown during the COVID-19 pandemic. Any such limitation on available financing and how we conduct business with our customers and vendors would adversely affect our business.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (the “Commission” or the “SEC”). It is management’s opinion that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation.

As the acquisition of HUMBL resulted in the owners of HUMBL gaining control over the combined entity after the transaction, and the shareholders of Tesoro Enterprises, Inc. continuing only as passive investors, the transaction was not considered a business combination under the ASC. Instead, this transaction was considered to be a capital transaction of the legal acquiree (HUMBL) and was equivalent to the issuance of shares by HUMBL for the net monetary assets of Tesoro Enterprises, Inc. accompanied by a recapitalization. As a result, all historical balances are those of HUMBL as they are the accounting acquirer.

Under generally accepted accounting principles of the United States, any excess of the fair value of the shares issued by HUMBL over the value of the net monetary assets of Tesoro Enterprises, Inc. is recognized as a reduction of equity. There was no excess of fair value in this transaction.

Principles of Consolidation

The consolidated financial statements include the accounts of HUMBL, Inc. and its subsidiaries, collectively referred to as “the Company”. All significant intercompany accounts and transactions have been eliminated in consolidation. HUMBL, Inc. holds 100% of Tickeri and Monster. The Company formed two additional subsidiaries in Singapore and Australia that are inactive and have no activity.

The Company applies the guidance of Topic 805 *Business Combinations* of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

For Tickeri and Monster, the Company accounted for these acquisitions as business combinations and the difference between the consideration paid and the net assets acquired was first attributed to identified intangible assets and the remainder of the difference was applied to goodwill.

Reclassification

The Company has reclassified certain amounts in the 2020 financial statements to comply with the 2021 presentation. These principally relate to classification of certain expenses and liabilities. The reclassifications had no impact on total net loss or net cash flows for the period ended June 30, 2020.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. 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 reported amounts of revenues and expenses during the reporting period. These estimates include, but are not limited to, management’s estimate of provisions required for permanent and temporary differences related to income taxes, liabilities to accrue, and determination of the fair value of stock awards. Actual results could differ from those estimates.

Cash

Cash consists of cash and demand deposits with an original maturity of three months or less. The Company holds no cash equivalents as of June 30, 2021 and December 31, 2020, respectively. The Company maintains cash balances in excess of the FDIC insured limit at a single bank. The Company does not consider this risk to be material.

Inventories

NFTs and merchandise inventories are carried at the lower of cost (first-in-first-out (FIFO)) or net realizable value. Inventory costs include expenditures and other charges directly and indirectly incurred in bringing the inventory to its existing condition and location.

Fixed Assets and Long-Lived Assets

ASC 360 requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company has adopted Accounting Standard Update (“ASU”) 2017-04 Intangibles – Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment.

The Company reviews recoverability of long-lived assets on a periodic basis whenever events and changes in circumstances have occurred which may indicate a possible impairment. The assessment for potential impairment is based primarily on the Company’s ability to recover the carrying value of its long-lived assets from expected future cash flows from its operations on an undiscounted basis. If such assets are determined to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets.

Fixed assets and intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment. Intangible assets with infinite lives, such as digital currency are valued at costs and reviewed for indicators of impairment at least annually, or more depending on circumstances.

The Company assesses the impairment of identifiable intangibles whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers to be important which could trigger an impairment review include the following:

1. Significant underperformance relative to expected historical or projected future operating results;
2. Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

Subsequent Events

Subsequent events were evaluated through the date the financial statements were filed.

Revenue Recognition

The Company accounts for a contract with a customer that is within the scope of this Topic only when the five steps of revenue recognition under ASC 606 are met.

The five core principles will be evaluated for each service provided by the Company and is further supported by applicable guidance in ASC 606 to support the Company's recognition of revenue.

The Company accounts for revenues based on the verticals in which they were earned. The three principal verticals in which the Company operates today are HUMBL Pay, HUMBL Marketplace, and HUMBL Financial.

HUMBL Pay

The Company is anticipated to earn transaction revenues primarily from fees charged to merchants and consumers on a transaction basis through the Company's mobile application. These fees may have a fixed and/or variable component. The variable component is generally a percentage of the value of the payment amount and is known at the time the transaction is processed. For a portion of our transactions, the variable component of the fee is eligible for reimbursement when the underlying transaction is approved for a refund. The Company may estimate the amount of fee refunds that will be processed each quarter and record a provision against the net revenues. The volume of activity processed on the platform, which results in transaction revenue, is referred to as Total Payment Volume ("TPV"). The Company will earn additional fees on transactions where currency conversion is performed, when cross-border transactions are enabled (i.e., transactions where the merchant and consumer are in different countries), to facilitate the instant transfer of funds for customers from their HUMBL account to their debit card or bank account, and other miscellaneous fees. The Company will rely on third party partners to perform all money transmission services.

The Company may earn revenues from other value-added services, which are comprised primarily of revenue earned through partnerships, referral fees, subscription fees, gateway fees, ticketing, peer-to-peer payments and other services that will be provided to merchants and consumers. These contracts typically have one performance obligation which is provided and recognized over the term of the contract.

The transaction price is generally fixed and known at the end of each reporting period; however, for some agreements, it may be necessary to estimate the transaction price using the expected value method. The Company is expected to record revenue earned in revenues from other value-added services on a net basis when they are considered the agent with respect to processing transactions.

HUMBL Marketplace

The Company will recognize revenue when its transfer control of promised goods or services to customers in an amount that reflects the consideration to which is expected to be entitled in exchange for those goods or services. Revenue is recognized net of any taxes collected, which are subsequently remitted to governmental authorities.

Net transaction revenues

The net transaction revenues will primarily include final value fees, feature fees, including fees to promote listings, and listing fees from sellers in our Marketplace. The net transaction revenues will also include store subscription and other fees often from large enterprise sellers. The net transaction revenues are reduced by incentives provided to customers.

The Company has identified one performance obligation to sellers on the Marketplace platform, which is to connect buyers and sellers on the secure and trusted Marketplace platforms. Final value fees are recognized when an item is sold on a Marketplace platform, satisfying this performance obligation. There may be additional services available to Marketplace sellers, mainly to promote or feature listings, that are not distinct within the context of the contract.

Accordingly, fees for these additional services are recognized when the single performance obligation is satisfied. Promoted listing fees are recognized when the item is sold and feature and listing fees are recognized when an item is sold, or when the contract expires.

Further, to drive traffic to the platform, the Company will provide incentives to buyers and sellers in various forms including discounts on fees, discounts on items sold, coupons and rewards. Evaluating whether a promotion or incentive is a payment to a customer may require significant judgment. Promotions and incentives which are consideration payable to a customer are recognized as a reduction of revenue at the later of when revenue is recognized or when the incentive is paid or promise to be paid. Promotions and incentives to most buyers on our Marketplace platforms, to whom there is no performance obligation, are recognized as sales and marketing expense. In addition, there may be credits provided to customers when certain fees are refunded. Credits are accounted for as variable consideration at contract inception when estimating the amount of revenue to be recognized when a performance obligation is satisfied to the extent that it is probable that a significant reversal of revenue will not occur and updated as additional information becomes available.

Ticketing Revenues

The Company with the acquisition of Tickeri will recognize revenues from their ticketing services primarily from service fees and payment processing fees charged at the time a ticket for an event is sold. We also derive revenues from providing certain creators with account management services and customer support. Our customers are primarily event creators who use our platform to sell tickets to attendees. Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration we receive in exchange for those goods or services. We allocate the transaction price by estimating a standalone selling price for each performance obligation using a cost plus a margin approach. For service fees and payment processing fees, revenue is recognized when the ticket is sold. For account management services and customer support, revenue is recognized over the period from the date of the sale of the ticket to the date of the event.

We evaluate whether it is appropriate to recognize revenue on a gross or net basis based upon our evaluation of whether we obtain control of the specified goods or services by considering if we are primarily responsible for fulfillment of the promise, have inventory risk, and have the latitude in establishing pricing and selecting suppliers, among other factors.

We determined the event creator is the party responsible for fulfilling the promise to the attendee, as the creator is responsible for providing the event for which a ticket is sold, determines the price of the ticket and is responsible for providing a refund if the event is canceled. Our service is to provide a platform for the creator and event attendee to transact and our performance obligation is to facilitate and process that transaction and issue the ticket. The amount that we earn for our services is fixed. For the payment processing service, we determined that we are the principal in providing the service as we responsible for fulfilling the promise to process the payment and we have discretion and latitude in establishing the price of our service. Based on our assessment, we record revenue on a net basis related to our ticketing service and on a gross basis related to our payment processing service. As a result, costs incurred for processing the transactions are included in cost of net revenues in the consolidated statements of operations.

Revenue is presented net of indirect taxes, value-added taxes, creator royalties and reserves for customer refunds, payment chargebacks and estimated uncollectible amounts. If an event is cancelled by a creator, then any obligations to provide refunds to event attendees are the responsibility of that creator.

If a creator is unwilling or unable to fulfill their refund obligations, we may, at our discretion, provide attendee refunds. Revenue is also presented net of the amortization of creator signing fees when applicable. The benefit we receive by securing exclusive ticketing and payment processing rights with certain creators from creator signing fees is inseparable from the customer relationship with the creator and accordingly these fees are recorded as a reduction of revenue in the consolidated statements of operations.

Marketing services and other revenues

Marketing services and other revenues are derived principally from the sale of advertisements, classifieds fees, and revenue sharing arrangements. Advertising revenue is derived principally from the sale of online advertisements which are based on “impressions” (i.e., the number of times that an advertisement appears in pages viewed by users of our platforms) or “clicks” (which are generated each time users on our platforms click through our advertisements to an advertiser’s designated website) delivered to advertisers. The Company uses the output method and apply the practical expedient to recognize advertising revenue in the amount to which they have a right to invoice. For contracts with target advertising commitments with rebates, estimated payout is accounted for as a variable consideration to the extent it is probable that a significant reversal of revenue will not occur.

HUMBL Financial

Revenue is recognized upon transfer of control of promised services to customers in an amount to which the Company expects to be entitled in exchange for those services. Service subscription revenue is recognized for the month in which services are provided. If a customer pays for an annual subscription, revenue is allocated over the months in the subscription and recognized for each month of the service provided.

Accounts Receivable and Concentration of Credit Risk

An allowance is based on management’s estimate of the overall collectability of accounts receivable, considering historical losses. Based on these same factors, individual accounts are charged off against the allowance when management determines those individual accounts are uncollectible. Credit extended to customers is generally uncollateralized. Past-due status is based on contractual terms. The Company does not charge interest on accounts receivable. As of June 30, 2021 and December 31, 2020, there was no allowance necessary.

Income Taxes

Income taxes are accounted under the asset and liability method. The current charge for income tax expense is calculated in accordance with the relevant tax regulations applicable to the entities. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Differences between statutory tax rates and effective tax rates relate to permanent tax differences.

Prior to the merger with the Company, HUMBL LLC was a partnership. All losses generated were passed through to the individual members, and there was no provision for income taxes.

Uncertain Tax Positions

The Company follows ASC 740-10 Accounting for Uncertainty in Income Taxes. This requires recognition and measurement of uncertain income tax positions using a “more-likely-than-not” approach. Management evaluates their tax positions on an annual basis.

The Company files income tax returns in the U.S. federal tax jurisdiction and various state tax jurisdictions. The federal and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Vacation and Paid-Time-Off

The Company follows ASC 710-10 Compensation – General. The Company records liabilities and expense when obligations are attributable to services already rendered, will be paid even if an employee is terminated, payment is probable, and the amount can be estimated.

Share-Based Compensation

The Company follows ASC 718 Compensation – Stock Compensation and has adopted ASU 2017-09 Compensation – Stock Compensation (Topic 718) Scope of Modification Accounting. The Company calculates compensation expense for all awards granted, but not yet vested, based on the grant-date fair values. Share-based compensation expense for all awards granted is based on the grant-date fair values. The Company policy is to recognize these compensation costs, on a pro rata basis over the requisite service period of each vesting tranche of each award for service-based grants, and as the criteria is achieved for performance-based grants, when such grants are made.

The Company adopted ASU 2016-09 Improvements to Employee Share-Based Payment Accounting. Cash paid when shares are directly withheld for tax withholding purposes will be classified as a financing activity in the statement of cash flows.

Fair Value of Financial Instruments

ASC 825 Financial Instruments requires the Company to disclose estimated fair values for its financial instruments. Fair value estimates, methods, and assumptions are set forth below for the Company's financial instruments: The carrying amount of cash, accounts receivable, prepaid and other current assets, accounts payable and accrued liabilities, and amounts payable to related parties, approximate fair value because of the short-term maturity of those instruments. The Company does not utilize derivative instruments.

Leases

The Company follows ASC 842 Leases in accounting for leased properties, when they exceed a one-year term.

Earnings (Loss) Per Share of Common Stock

Basic net income (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share ("EPS") include additional dilution from common stock equivalents, such as convertible notes, preferred stock, stock issuable pursuant to the exercise of stock options and warrants.

Common stock equivalents are not included in the computation of diluted earnings per share when the Company reports a loss because to do so would be anti-dilutive for periods presented, so only the basic weighted average number of common shares are used in the computations.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. Management evaluates all of the Company's financial instruments, including convertible notes and warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. The Company generally uses a Black-Scholes model, as applicable, to value the derivative instruments at inception and subsequent valuation dates when needed. The classification of derivative instruments, including whether such instruments should be recorded as liabilities, is remeasured at the end of each reporting period.

Fair Value Measurements

ASC 820 Fair Value Measurements defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. ASC 820 classifies these inputs into the following hierarchy:

Level 1 inputs: Quoted prices for identical instruments in active markets.

Level 2 inputs: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 inputs: Instruments with primarily unobservable value drivers.

Segment Reporting

The Company follows the provisions of ASC 280-10 Segment Reporting. This standard requires that companies disclose operating segments based on the manner in which management disaggregates the Company in making internal operating decisions.

For the six months ended June 30, 2020 the Company and its chief operating decision makers determined that the Company operated in one segment as they were developing their business model. Effective 2021, the Company has established three distinct operating segments: HUMBL Marketplace; HUMBL Pay; and HUMBL Financial. All operations for the six months ended June 30, 2021 and 2020, respectively were conducted in North America.

Less than 4% of the Company's sales were from outside of North America, therefore the Company has determined that segment reporting by geographic location was not necessary. In the future, the Company will continue to monitor their activity by region to determine if it is feasible to report segment information by location.

Related-Party Transactions

Parties are considered to be related to the Company if the parties directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal stockholders of the Company, its management, members of the immediate families of principal stockholders of the Company and its management and other parties with which the Company may deal where one-party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all material related-party transactions. All transactions shall be recorded at fair value of the goods or services exchanged.

Recent Accounting Pronouncements

In August, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-06, Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contract's in an Entity's Own Equity. The ASU simplifies accounting for convertible instruments by removing major separation models required under current GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU simplifies the diluted net income per share calculation in certain areas. The ASU is effective for annual and interim periods beginning after December 31, 2021, and early adoption is permitted for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company is currently evaluating the impact that this new guidance will have on its financial statements.

The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

NOTE 3: REVERSE MERGER

HUMBL LLC

On December 3, 2020, HUMBL LLC merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares. The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021.

To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock, however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed its name to HUMBL.

As the acquisition of HUMBL resulted in the owners of HUMBL gaining control over the combined entity after the transaction, and the shareholders of Tesoro Enterprises, Inc. continuing only as passive investors, the transaction was not considered a business combination under the ASC. Instead, this transaction was considered to be a capital transaction of the legal acquiree (HUMBL) and was equivalent to the issuance of shares by HUMBL for the net monetary assets of Tesoro Enterprises, Inc. accompanied by a recapitalization. As a result, all historical balances are those of HUMBL as they are the accounting acquirer.

There were no outstanding liabilities of Tesoro Enterprises, Inc. that remained at the time of the merger so no amounts were assumed by HUMBL.

NOTE 4: REVENUE

The following table disaggregates the Company's revenue by major source for the six months ended June 30, 2021 and 2020:

	Six Months Ended	
	June 30,	
	2021	2020
Revenue:	(unaudited)	(unaudited)
Financial Services	\$ 104,366	\$ -
Merchandise	171,175	-
Tickets	11,830	-
Merchant Fees	76,738	-
NFTs	18,107	-
Other	-	-
	<u>\$382,216</u>	<u>\$ -</u>

There were no significant contract asset or contract liability balances for all periods presented. The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Collections of the amounts billed are typically paid by the customers within 30 to 60 days.

NOTE 5: FIXED ASSETS AND GOODWILL

As of June 30, 2021 and December 31, 2020, the Company has the following fixed assets:

		June 30, 2021	December 31, 2020
Non-residential property – 20 year-life	\$	345,497	\$ -
Equipment – 5 year-life		5,772	-
Furniture and fixtures – 5 year-life		13,276	-
Accumulated depreciation		(-)	(-)
	\$	<u>364,545</u>	<u>\$ -</u>

In June 2021, the Company purchased some equipment and furniture as well as a commercial property in the form of a suite at a luxury hotel. The Company is the owner of this suite and entered into a long-term rental agreement with the hotel to manage the property. The Company has use of the suite for 28 calendar days a year and will receive their proportionate income for the other days the suite is being used.

The Company recorded no depreciation expense for the six months ended June 30, 2021, as the property was placed into service on July 1, 2021.

As of June 30, 2021 and December 31, 2020, the Company has recorded goodwill as follows:

		June 30, 2021	December 31, 2020
Tickeri	\$	7,945,602	\$ -
Monster Creative		<u>8,538,991</u>	<u>-</u>
	\$	<u>16,484,593</u>	<u>\$ -</u>

For the six months ended June 30, 2021, the Company recognized \$12,141,062 in impairment expense.

NOTE 6: INTANGIBLE ASSETS – DIGITAL CURRENCY

In 2021, the Company purchased Ethereum, a digital currency to create NFTs that will be placed onto the HUMBL Marketplace. The Company paid \$98,535 to digital currency in the six months ended June 30, 2021. The cryptocurrency markets have been volatile of late and the prices across the board have dropped from their previous high values. Even though the price has decline for Ethereum, Management does not believe that this value has been impaired and the price will increase over the next several months.

Management will evaluate this at year end to determine if there is impairment. If so, they will record the impairment at that time. As of June 30, 2021, there is \$78,005 of intangible assets related to digital currency.

NOTE 7: INVENTORY

The Company used a portion of their Ethereum to produce \$20,530 of inventory in the form of NFTs. Of the inventory produced, the Company sold \$4,106 worth of the NFTs in the six months ended June 30, 2021, and as of June 30, 2021 has \$16,424 remaining in inventory. There was no activity in the six months ended June 30, 2020.

NOTE 8: NOTES PAYABLE

The Company entered into notes payable as follows as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Note payable, at 8% interest, maturing December 31, 2021 for merger with Tesoro Enterprises Inc. (see Note 1)	\$ 40,000	\$ 40,000
Notes payable (\$250,000 each), at 2% interest, maturing July 30, 2022 (see Note 15)	500,000	-
PPP SBA loan - Tickeri	511	-
PPP loan – Monster	66,117	-
EIDL loan - Tickeri	<u>150,000</u>	<u>-</u>
Total	756,628	40,000
Less: Current portion	<u>(106,628)</u>	<u>(40,000)</u>
Long-term debt	\$ 650,000	\$ -

Maturities of promissory notes for the next two years as of June 30 are as follows:

2022	\$ 106,628
2023	<u>650,000</u>
	\$ 756,628

In the acquisition of Tickeri, the Company assumed a PPP loan and an EIDL loan. If these amounts are forgiven in the future, they will adjust the purchase price and the goodwill acquired in this transaction. Interest expense for the six months ended June 30, 2021 and 2020 was \$1,588 and \$0, respectively. Accrued interest at June 30, 2021 was \$2,139.

NOTE 9: NOTES PAYABLE – RELATED PARTIES

The Company entered into notes payable as follows as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Notes payable (\$5,000,000 each), at 5% interest, maturing December 3, 2022 for acquisition of Tickeri (see Note 17)	\$ 10,000,000	\$ -
Notes payable (\$435,000 and \$65,000), at 5% interest, maturing April 1, 2022 for acquisition of Monster (see Note 17)	500,000	-
Note payable – family members of Monster (\$271,250 and \$215,000), at 3% interest, maturing December 31, 2022	<u>486,250</u>	<u>-</u>
Total	10,986,250	-
Less: Current portion	<u>(500,000)</u>	<u>(-)</u>
Long-term debt	\$ 10,486,250	\$ -

Maturities of promissory notes for the next two years as of June 30 are as follows:

2022	\$ 500,000
2023	<u>10,486,250</u>
	\$ 10,986,250

Interest expense for the six months ended June 30, 2021 and 2020 was \$36,986 and \$0, respectively. Accrued interest at June 30, 2021 was \$36,986.

NOTE 10: CONVERTIBLE PROMISSORY NOTES

The Company entered into convertible promissory notes as follows as of June 30, 2021 and December 31, 2020:

	June 30, <u>2021</u>	December <u>31, 2020</u>
Convertible note, at 8% interest, maturing December 23, 2021 convertible into common shares at \$0.15 per share	\$ 112,500	\$ 112,500
Convertible note, at 8% interest, maturing December 23, 2021 convertible into common shares at \$0.15 per share	112,500	112,500
Convertible note at 10% interest, maturing July 14, 2022 convertible into common shares at \$3.15 per share (\$300,000 original issue discount)	3,300,000	-
Convertible note at 8% interest, maturing March 13, 2023 convertible into common shares at \$1.00 per share (\$7,500 original issue discount)	382,500	-
Convertible note at 8% interest, maturing March 13, 2023 convertible into common shares at \$1.00 per share (\$8,250 original issue discount)	420,750	-
Convertible note at 8% interest, maturing March 17, 2023 convertible into common shares at \$1.00 per share (\$20,000 original issue discount)	1,020,000	-
Convertible note at 8% interest, maturing March 19, 2023 convertible into common shares at \$1.00 per share (\$9,750 original issue discount)	497,250	-
Convertible note at 8% interest, maturing March 19, 2023 convertible into common shares at \$1.00 per share (\$1,500 original issue discount)	76,500	-
Convertible note at 8% interest, maturing March 19, 2023 convertible into common shares at \$1.00 per share (\$3,000 original issue discount)	153,000	-
Convertible note at 8% interest, maturing April 21, 2023 convertible into common shares at \$1.00 per share (\$7,500 original issue discount)	382,500	-
Convertible note at 8% interest, maturing April 21, 2023 convertible into common shares at \$1.00 per share (\$7,500 original issue discount)	382,500	-

		6,840,000	225,000
Less: Discounts		<u>(2,056,586)</u>	<u>(83,897)</u>
Total	\$	4,783,414	\$ 141,103

On April 14, 2021 we received bridge financing in the form of a loan in the principal amount of \$3,300,000 from Brighton Capital Partners, LLC (“Brighton Capital” or “BCP”) for which we issued them a convertible promissory note due 15 months after April 14, 2021 (July 14, 2022). The note bears interest at 10% per annum and is convertible at Brighton Capital’s election at a fixed price of \$3.15 per share.

Under the terms of the note, Brighton Capital has a right of redemption commencing on the earlier of an effective date of a Registration Statement and the 12-month anniversary of the note, to cause us to redeem all or any portion of the note in cash or shares of our common stock, at the Company’s election.

Any redemption with shares of our common stock shall be at the “market price” which is defined as 80% of our lowest closing trade price for the 10 consecutive trading days prior to the date on which the market price is measured. The note serves as a bridge loan to a \$50,000,000 Equity Financing Agreement. The Company recognized a beneficial conversion feature on this note in the amount of \$3,300,000.

Under the terms of the Equity Financing Agreement, Brighton Capital agreed to purchase up to \$50,000,000 of our common stock during a 12-month period commencing upon (i) a registration statement filed with the Securities and Exchange Commission registering the shares underlying the EPA has been declared effective; (ii) the above \$3,300,000 bridge note issued by us to Brighton Capital having been repaid in full and (iii) we shall have uplisted to the OTCQB or OTCQX. We have the right, but not the obligation, to sell our shares of common stock to Brighton Capital. If we elect to cause Brighton Capital to purchase our shares of common stock under a put option, the put option price shall be equal to 80% of the lowest trading price in the ten-trading day period immediately prior to the delivery of the Put Notice. Unless we and Brighton Capital agree to a greater amount, each Put Notice shall not exceed the lesser of (a) \$3,500,000; and (b) 100% of the average daily trading dollar volume of the previous five days provided that the number of shares sold to Brighton Capital shall not cause the aggregate number of shares of our common stock beneficially owned by Brighton Capital and its affiliates to exceed 4.99% of the outstanding shares of our common stock. Each Put Notice shall be conditional upon the continued effectiveness of a registration statement to allow Brighton Capital to freely sell our shares of common stock that it will hold. The Company was required to file a registration statement within 60 days of the execution of a Rights Agreement entered into on April 14, 2021. The Company was granted a waiver of that requirement so long as the registration statement is filed by August 1, 2021, which it was.

The Company has agreed to pay Brighton Capital a commitment fee equal to 1% of the commitment amount which will be paid in shares of our common stock that will piggyback on a registration statement.

On May 13, 2021, the Company issued a convertible promissory note to investors for \$382,500 with an original issue discount of \$7,500, for a term of twenty-two months maturing March 13, 2023. In addition, the Company issued warrants to the same investors to purchase up to 750,000 warrant shares with the convertible note.

On May 13, 2021, the Company issued a convertible promissory note to an investor for \$420,750 with an original issue discount of \$8,250, for a term of twenty-two months maturing March 13, 2023. In addition, the Company issued a warrant to the same investor to purchase up to 825,000 warrant shares with the convertible note.

On May 17, 2021, the Company issued a convertible promissory note to an investor for \$1,020,000 with an original issue discount of \$20,000, for a term of twenty-two months maturing March 17, 2023.

On May 19, 2021, the Company issued a convertible promissory note to an investor for \$497,250 with an original issue discount of \$9,750, for a term of twenty-two months maturing March 19, 2023. In addition, the Company issued a warrant to the same investor to purchase up to 975,000 warrant shares with the convertible note.

On May 19, 2021, the Company issued a convertible promissory note to an investor for \$76,500 with an original issue discount of \$1,500, for a term of twenty-two months maturing March 19, 2023. In addition, the Company issued a warrant to the same investor to purchase up to 150,000 warrant shares with the convertible note.

On May 19, 2021, the Company issued a convertible promissory note to an investor for \$153,000 with an original issue discount of \$3,000, for a term of twenty-two months maturing March 19, 2023. In addition, the Company issued a warrant to the same investor to purchase up to 300,000 warrant shares with the convertible note.

On June 21, 2021, the Company issued a convertible promissory note to an investor for \$382,500 with an original issue discount of \$7,500, for a term of twenty-two months maturing April 21, 2023. In addition, the Company issued a warrant to the same investor to purchase up to 750,000 warrant shares with the convertible note. The Company recognized a BCF discount in the amount of \$100,828 on this convertible note that is being amortized over the life of the convertible note.

On June 21, 2021, the Company issued a convertible promissory note to an investor for \$382,500 with an original issue discount of \$7,500, for a term of twenty-two months maturing April 21, 2023. In addition, the Company issued a warrant to the same investor to purchase up to 750,000 warrant shares with the convertible note. The Company recognized a BCF discount in the amount of \$100,828 on this convertible note that is being amortized over the life of the convertible note.

Maturities of promissory notes for the next two years as of June 30 are as follows:

2022	\$	161,700
2023		4,621,714
	\$	4,783,414

Interest expense for the six months ended June 30, 2021 and 2020 was \$104,766 and \$0, respectively. Amortization of debt discount, original issue discount and BCF discount was \$147,253 and \$0 for the six months ended June 30, 2021 and 2020, respectively. Accrued interest at June 30, 2021 was \$105,061.

NOTE 11: CONVERTIBLE PROMISSORY NOTES – RELATED PARTIES

The Company entered into convertible promissory notes as follows as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Convertible note at 5% interest, maturing December 31, 2022 convertible into common shares at \$1.20 per share (two notes – one for \$6,525,000 and one for \$975,000) for the acquisition of Monster Creative, LLC (see Note 17)	\$ 7,500,000	\$ -
	7,500,000	-
Less: Current portion	(-)	(-)
Total	\$ 7,500,000	\$ -

Maturities of promissory notes for the next two years as of June 30 are as follows:

2022	\$	-
2023		7,500,000
	\$	7,500,000

On June 30, 2021, the Company acquired Monster Creative, LLC. The Monster Purchase Price included: (a) a convertible note to Phantom Power, LLC in the amount of \$6,525,000 that bears interest at 5% per annum, and matures December 31, 2022, convertible into the Company's common stock at \$1.20 per share; and (b) a convertible note to Kevin Childress in the amount of \$975,000 that bears interest at 5% per annum, and matures December 31, 2022, convertible into the Company's common stock at \$1.20 per share.

As the notes were entered into on close of business June 30, 2021, there is no interest expense for the six months ended June 30, 2021 and 202, respectively, and no accrued interest as of June 30, 2021 on these notes.

NOTE 12: STOCKHOLDERS' EQUITY (DEFICIT)

Preferred Stock

The Company has 10,000,000 shares of Preferred Stock authorized, designated as follows: 7,000,000 shares of Series A Preferred Stock authorized, 900,000 shares of Series B Preferred Stock authorized, and 150,000 shares of Series C Preferred Stock authorized. All shares of preferred stock have a par value of \$0.00001.

Series A Preferred Stock

Dividends. Shares of Series A Preferred Stock shall be entitled to receive, out of funds legally available for that purpose, on the same terms and conditions as that of holders of common stock, as may be declared by the Board of Directors.

Conversion. There are no conversion rights.

Redemption. Subject to certain conditions set forth in the Series A Certificate of Designation, in the event of a Change of Control (defined in the Series A Certificate of Designation as the time at which as a third party not affiliated with the Company or any holders of the Series A Preferred Stock shall have acquired, in one or a series of related transactions, equity securities of the Company representing more than fifty percent 50% of the outstanding voting securities of the Company), the Company, at its option, will have the right to redeem all or a portion of the outstanding Series A Preferred Stock in cash at a price per share of Series A Preferred Stock equal to 100% of the liquidation value.

Voting Rights. Holders of Series A Preferred Stock are entitled to vote on all matters, together with the holders of common stock, and have the equivalent of one thousand (1,000) votes for every share of Series A Preferred Stock held.

Liquidation. Upon any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the liquidation value of the Series A Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company is insufficient to pay in full such amounts, then the entire assets to be distributed to the holders of the Series A Preferred Stock shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

The 7,000,000 shares were issued to a former officer of the Company and assigned to the new CEO at the time of the reverse merger of HUMBL.

Series B Preferred Stock

Dividends. Shares of Series B Preferred Stock shall be entitled to receive, out of funds legally available for that purpose, on the same terms and conditions as that of holders of common stock, as may be declared by the Board of Directors.

Conversion. Each share of Series B Preferred Stock shall be convertible at the option of the holder thereof at any time after December 3, 2021 at the office of the Company or any transfer agent for such stock, into ten thousand (10,000) fully paid and nonassessable shares of common stock subject to adjustment for any stock split or distribution of securities or subdivision of the outstanding shares of common stock.

Redemption. Subject to certain conditions set forth in the Series B Certificate of Designation, in the event of a Change of Control (defined in the Series B Certificate of Designation as the time at which as a third party not affiliated with the Company or any holders of the Series B Preferred Stock shall have acquired, in one or a series of related transactions, equity securities of the Company representing more than fifty percent 50% of the outstanding voting securities of the Company), the Company, at its option, will have the right to redeem all or a portion of the outstanding Series B Preferred Stock in cash at a price per share of Series B Preferred Stock equal to 100% of the liquidation value.

Voting Rights. Holders of Series B Preferred Stock are entitled to vote on all matters, together with the holders of common stock, and have the equivalent of ten thousand (10,000) votes for every share of Series B Preferred Stock held.

Liquidation. Upon any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the liquidation value of the Series B Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company is insufficient to pay in full such amounts, then the entire assets to be distributed to the holders of the Series B Preferred Stock shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

HUMBL exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares. The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. These shares that were issued in the reverse merger had a value of \$39,967. These shares have a lock-up provision that prevents the holders to convert into common stock for a period of one-year from the date of the merger of December 3, 2020, with the exception of those held by the CEO who has a two-year lock up provision. In addition, officers and directors that received these shares are subject to strict selling limitations, where the number of shares sold within the preceding three months cannot exceed the greater of: (a) 1% of the total outstanding common shares; and (b) the average weekly reported trading volume for the previous four weeks.

On February 26, 2021, the Company issued 493 shares of Series B Preferred Stock for services rendered that were cancelled. On April 15, 2021, the Company revised their issuances and issued with an effective date of March 31, 2021, 2,272 Series B Preferred shares for services rendered. Of the 2,272 shares issued, 528 are vested immediately, 1,219 are vested over one year, and 525 are vested over two years. The vesting period commenced January 1, 2021. All of the Series B Preferred Shares issued have one-year lock up provisions to convert into common stock from the date of the merger of December 3, 2020.

Between May 3 and May 6, 2021, the Company's CEO converted 79,625,000 shares of common stock into 7,962 Series B Preferred shares. These shares are subject to a lock-up provision whereby the CEO has agreed not to convert these Series B shares to common for a period of two years.

As of June 30, 2021 and December 31, 2020, the Company has 562,263 and 0 shares of Series B Preferred Stock issued and outstanding, respectively. On July 6, 2021, the CEO of the Company cancelled 9,350 shares of Series B Preferred Stock (93,500,000 if converted into common stock) for no consideration.

Series C Preferred Stock

Dividends. Shares of Series C Preferred Stock shall be entitled to receive, out of funds legally available for that purpose, on the same terms and conditions as that of holders of common stock, as may be declared by the Board of Directors.

Conversion. Each share of Series C Preferred Stock shall be convertible at the option of the holder thereof at the office of the Company or any transfer agent for such stock, into five thousand (5,000) fully paid and nonassessable shares of common stock subject to adjustment for any stock split or distribution of securities or subdivision of the outstanding shares of common stock.

Redemption. Subject to certain conditions set forth in the Series C Certificate of Designation, in the event of a Change of Control (defined in the Series C Certificate of Designation as the time at which as a third party not affiliated with the Company or any holders of the Series C Preferred Stock shall have acquired, in one or a series of related transactions, equity securities of the Company representing more than fifty percent 50% of the outstanding voting securities of the Company), the Company, at its option, will have the right to redeem all or a portion of the outstanding Series C Preferred Stock in cash at a price per share of Series C Preferred Stock equal to 100% of the liquidation value.

Voting Rights. Holders of Series C Preferred Stock are entitled to vote on all matters, together with the holders of common stock, and have the equivalent of five thousand (5,000) votes for every share of Series C Preferred Stock held.

Liquidation. Upon any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the holders of Series C Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the liquidation value of the Series C Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company is insufficient to pay in full such amounts, then the entire assets to be distributed to the holders of the Series C Preferred Stock shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

As of June 30, 2021 and December 31, 2020, the Company has 0 shares of Series C Preferred Stock issued and outstanding, respectively.

Common Stock

The Company has 7,450,000,000 shares of common stock, par value \$0.00001, authorized. The Company has 910,589,393 and 974,177,443 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively. The Company on February 26, 2021 increased its authorized shares from 5,000,000,000 to 7,450,000,000 shares.

In December 2020 following the reverse merger, the Company cancelled 25,000,000 shares of common stock for no value received to assist in completing the merger with HUMBL, and the raising of capital through the purchase of warrants and warrants granted in the convertible notes.

In March 2021 there was an adjustment for 41,156 shares of common stock from the reverse stock split on February 26, 2021.

On April 26, 2021, the Company, issued 437,500 for the acquisition of the Chile country rights. The value of this transaction was \$1,000,000 received in cash.

Between May 3 and May 6, 2021, the Company's CEO converted 79,625,000 shares of common stock into 7,962 Series B Preferred shares. These shares are subject to a lock-up provision whereby the CEO has agreed not to convert these Series B shares to common for a period of two years.

On June 3, 2021, the Company issued 9,345,794 shares of common stock valued at \$10,000,000 using the 10-day VWAP price as part of the consideration for Tickeri. These shares were issued to the two principals of Tickeri.

Between June 18 and June 30, 2021, the Company issued 5,212,500 shares of common stock to consultants and advisors for services. These shares were valued at the market price of the Company's common stock on the respective dates at a value of \$6,296,750. These shares will be expensed as stock-based compensation expense through June 30, 2022. For the six months ended June 30, 2021, the Company expensed \$848,250, and \$5,448,500 is yet to be expensed and is reflected as an offset to additional paid in capital as of June 30, 2021.

On June 30, 2021, the Company issued 1,000,000 shares of common stock in settlement of a liability.

Warrants

On December 4, 2020, the Company granted 250,000,000 warrants to two separate holders at a price of \$400,000. These warrants have a term of 2 years and are exercisable into shares of common stock at a price of \$0.20 per share. On December 23, 2020, the Company granted 12,500,000 warrants which were part of a country rights option HUMBL granted. These warrants have a term of 1 year and are exercisable into shares of common stock at a price of \$1.00 per share.

On December 23, 2020, the Company entered into two separate convertible note agreements that are convertible into shares of common stock at \$0.60 per share. The note holders were each granted 112,500 warrants under the convertible note agreements. These warrants have a term of 2 years and are exercisable into shares of common stock at a price of \$1.00 per share.

On May 13, 2021, the Company entered into two separate convertible note agreements that are convertible into shares of common stock at \$1.00 per share. The note holders were granted 1,575,000 warrants under the convertible note agreements. These warrants have a term of 2 years and are exercisable into shares of common stock at a price of \$1.00 per share. The relative fair value of the warrants of \$540,815 was recognized as a debt discount and is being amortized over the life of the convertible notes.

On May 19, 2021, the Company entered into three separate convertible note agreements that are convertible into shares of common stock at \$1.00 per share. The note holders were granted 1,425,000 warrants under the convertible note agreements. These warrants have a term of 2 years and are exercisable into shares of common stock at a price of \$1.00 per share. The relative fair value of the warrants of \$464,127 was recognized as a debt discount and is being amortized over the life of the convertible notes.

On May 21, 2021, the Company entered into a consulting agreement and granted 25,000,000 warrants under this agreement. The warrants have a term of 5 years and expire May 21, 2026. The value of the warrants are \$19,132,393 and are being expensed over the 5 year period.

On June 21, 2021, the Company entered into two separate convertible note agreements that are convertible into shares of common stock at \$1.00 per share. The note holders were granted 1,500,000 warrants under the convertible note agreements. These warrants have a term of 2 years and are exercisable into shares of common stock at a price of \$1.00 per share. The relative fair value of the warrants of \$548,344 was recognized as a debt discount and is being amortized over the life of the convertible notes.

The following represents a summary of the warrants:

	Six Months Ended June 30, 2021		Year Ended December 31, 2020	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Beginning balance	262,725,000	\$ 0.23875	-	\$ -
Granted	29,500,000	1.00	262,725,000	0.23875
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Ending balance	<u>292,225,000</u>	<u>\$ 0.31</u>	<u>262,725,000</u>	<u>\$ 0.23875</u>
Intrinsic value of warrants	\$251,928,250		\$104,800,000	
Weighted Average Remaining Contractual Life (Years)	1.69		1.88	

For the six months ended June 30, 2021 and 2020, the Company expensed \$424,101 and \$0, respectively for the warrants.

NOTE 13: RELATED-PARTY TRANSACTIONS

Since May 13, 2019 when HUMBL was incorporated, they relied on entities that had common ownership to HUMBL for either assistance with payment of bills or for services rendered to assist HUMBL in bringing their products to market.

NOTE 14: COUNTRY RIGHTS OPTION

Tuigamala Group Pty Ltd

On December 23, 2020, the Company and Tuigamala Group Pty Ltd, an Australian corporation (“TGP”), entered into a Securities Purchase Agreement whereby TGP agreed to purchase an option to purchase territory rights to 15 countries in the Oceania region (“Option”). The purchase price for this Option was \$5,600,000, payable in two payments. The initial payment was \$600,000 and was paid on December 23, 2020. The second payment of \$5,000,000 was due on or before March 31, 2021.

In addition to receiving the Option, TGP was granted a warrant to purchase 12,500,000 shares of common stock of the Company at an exercise price of \$1.00 per share. The warrant expires one-year from the grant date, December 23, 2021. As the warrant and the Option were granted for one price, the Company calculated the relative fair values of each instrument and recognized \$556,757 of the \$600,000 paid as the value of the warrant, and the remaining \$43,243 as the value of the Option, which is reflected as deferred revenue on the Consolidated Balance Sheet as the criteria for revenue recognition under ASC 606 has not been satisfied to be recognized as revenue as of December 31, 2020. There was no guarantee that TGP would be able to make the second payment under the Option by the deadline of March 31, 2021.

On February 26, 2021, the Company and TGP entered into a term sheet to revise the Option. The revised terms of the Option are that the Company would form a subsidiary in the Oceania region. TGP would purchase a 35% ownership interest in the subsidiary and 3,750,000 shares of common stock for an aggregate purchase price of \$15,000,000. The subsidiary shares and common shares would be purchased as follows: (a) by March 31, 2021, 1,250,000 shares will be issued for \$5,000,000 and 33.33% of the subsidiary shares are to be sold to TGP; and (b) by September 30, 2021 with reasonable extensions to be determined, 2,500,000 shares will be issued for \$10,000,000 and the remaining 66.66% of the subsidiary shares are to be sold to TGP. As a result of the revised terms, the \$600,000 paid on December 23, 2020, will be used in its entirety to pay for the warrants described below, and the deferred revenue recognized will be reflected as additional paid in capital on February 26, 2021.

The Company and TGP were unable to come to agreement on new terms of this transaction and have as of April 14, 2021 have terminated negotiations. TGP still owns the warrants received in December 2020 and continues to have the right to exercise them. The Company is not obligated to return any of the \$600,000 received on December 23, 2020.

These warrants were assigned to Archumbl Pty Ltd. in May 2021.

Aurea Group

On March 1, 2021, the Company and Aurea Group (“Aurea”) entered into a term sheet for Country Rights in Chile. Under the term sheet, the Company will form a subsidiary in Chile where Aurea will purchase a 35% ownership interest and 2,000,000 shares of common stock to be issued for \$7,500,000, as follows: (a) at the first closing date, 437,500 shares will be issued for \$1,000,000; and (b) nine months after closing, either (i) 1,562,500 shares for \$6,500,000 or (ii) the number of shares as determined by taking \$6,500,000 divided by the closing price of the Company’s common stock on the date prior to the execution of a call option. The Company closed on this transaction on March 15, 2021. The first closing date was March 30, 2021, however due to strict banking regulations in Chile, the \$1,000,000 was received in two tranches of \$500,000 each and the funds came in between April 5, 2021 and April 6, 2021, and the 437,500 shares were issued on April 26, 2021.

NOTE 15: COMMITMENTS

On March 1, 2021, the Company entered into a term sheet to acquire Tickeri, in a debt and stock transaction totaling \$20,000,000. Tickeri is a leading ticketing, live events and box office SaaS platform featuring Latin events and artists throughout the United States, Latin America and the Caribbean corridor. This transaction closed on June 3, 2021.

On May 7, 2021, the Company entered into a binding term sheet to acquire Monster Creative, LLC, (“Monster”) an advertising agency in the entertainment space. Monster will assist the Company in collaborating on creating multimedia NFTs and ticketing for clients in the sports, music, entertainment, fashion, gaming and photography fields. The purchase price for this acquisition is anticipated to be \$8,000,000 in the form of convertible and non-convertible promissory notes. This transaction closed on June 30, 2021.

On June 30, 2021, the Company settled with two former associates of HUMBL LLC for the cash payment of \$200,000 (\$100,000 each), promissory notes of \$500,000 (\$250,000 each), and the issuance of 1,000,000 shares (500,000 each) of common stock with a value of \$1,170,000 for a total settlement of \$1,870,000.

On July 13, 2021, the Company entered into Employment Agreements with four executive officers for a period of eighteen months. Three of the four are to be paid an annual base compensation of \$90,000, with a discretionary bonus to be provided to them. The fourth executive, the CEO has an annual salary of \$1 with a discretionary bonus.

NOTE 16: SEGMENT REPORTING

The Company follows the provisions of ASC 280-10 *Disclosures about Segments of an Enterprise and Related Information*. This standard requires that companies disclose operating segments based on the manner in which management disaggregates the Company in making operating decisions. As of June 30, 2021 and for the six months ended June 30, 2021, the Company operated in three segments. The segments are HUMBL Marketplace, HUMBL Pay, and HUMBL Financial. For the six and three months ended June 30, 2020, the Company operated in one segment.

Six Months Ended June 30, 2021	HUMBL Pay	HUMBL Marketplace	HUMBL Financial	Total
Segmented operating revenues	\$ -	\$ 277,850	\$ 104,366	\$ 382,216
Cost of revenues	-	143,865	-	143,865
Gross profit	-	133,985	104,366	238,351
Total operating expenses net of depreciation, amortization and impairment	3,640,642	2,267,588	1,233,498	7,141,728
Depreciation, amortization and impairment	-	12,141,062	-	12,141,062
Other (income) expense	1,793,696	1,076,748	717,478	3,587,922
Income (loss) from operations	<u>\$ (5,434,338)</u>	<u>\$ (15,351,413)</u>	<u>\$ (1,846,610)</u>	<u>\$ (22,632,361)</u>

Three Months Ended June 30, 2021	HUMBL Pay	HUMBL Marketplace	HUMBL Financial	Total
Segmented operating revenues	\$ -	\$ 123,746	\$ 102,210	\$ 225,956
Cost of revenues	-	39,122	-	39,122
Gross profit	-	84,624	102,210	186,834
Total operating expenses net of depreciation, amortization and impairment	2,798,923	1,901,713	978,538	5,679,174
Depreciation, amortization and impairment	-	12,141,062	-	12,141,062
Other (income) expense	1,780,784	1,069,000	712,313	3,562,097
Income (loss) from operations	<u>\$ (4,579,707)</u>	<u>\$ (15,027,151)</u>	<u>\$ (1,588,641)</u>	<u>\$ (21,195,499)</u>

Segmented assets as of June 30, 2021

Property and equipment, net	\$ -	\$ 364,545	\$ -	\$364,545
Intangible assets, net	\$ -	\$ 78,005	\$ -	\$ 78,005
Goodwill	\$ -	\$ 16,484,593	\$ -	\$16,484,593
Capital expenditures	\$ -	\$ 364,545	\$ -	\$ 364,545

NOTE 17: ACQUISITIONS

Tickeri

On June 3, 2021 we acquired Tickeri, Inc. (“Tickeri”) in a debt and stock transaction totaling \$20,000,000 following which Tickeri became a subsidiary of HUMBL. Tickeri is a leading ticketing, live events and box office SaaS platform featuring Latin events and artists throughout the United States, Latin America, and the Caribbean corridor. The purchase price for the stock purchase was \$20,000,000 of which we must pay \$10,000,000 in our common stock and \$10,000,000 was paid through two promissory notes. The shares had a deemed value equal to the volume weighted average price per share of HUMBL common stock on the OTC Markets for the ten consecutive trading days ending with the complete trading day ending two trading days prior to the closing. We issued the two shareholders of Tickeri, Juan Gonzalez and Javier Gonzalez, 4,672,897 shares of our common stock each. We also issued to each of Juan and Javier Gonzalez a secured promissory note in the face amount of \$5,000,000. The promissory notes are due and payable on or before December 31, 2022, bear interest at the rate of 5% per annum and are secured by the equity interests of Tickeri. In the event of an uncured default by HUMBL under the promissory note, Juan and Javier Gonzalez have the right to recover the ownership of Tickeri and re-commence the business and operations of Tickeri free and clear of any claims or encumbrances by HUMBL. We intend to limit the integration of Tickeri’s assets with our assets until the promissory notes are paid in full. We agreed to register on Form S-1 within three months from the closing the shares issued to Juan and Javier Gonzalez and have the registration statement declared effective within six months of the closing date. Following the closing, Juan Gonzalez and Javier Gonzalez, entered into employment agreements having a term of 18 months, appointing them CEO of Tickeri and CTO of HUMBL, respectively.

The Company acquired the assets and liabilities noted below in accordance with ASC 805. Based on the fair values at the effective date of acquisition the purchase price was recorded as follows (subject to adjustment):

Cash	\$ 127,377
Accounts receivables	23,587
Goodwill	20,086,664
Accounts payable and accrued expenses	(87,071)
SBA EIDL	(150,000)
PPP loan	(557)
	<u>\$ 20,000,000</u>

The consideration paid for the acquisition of Tickeri was as follows:

Stock	\$ 10,000,000
Notes payable	10,000,000
Total consideration	<u>\$ 20,000,000</u>

The Acquisition has been accounted for under the acquisition method of accounting. Under the acquisition method of accounting, the total acquisition consideration price was allocated to the assets acquired and liabilities assumed based on their preliminary estimated fair values. The fair value measurements utilize estimates based on key assumptions of the Acquisition, and historical and current market data. The excess of the purchase price over the total of the estimated fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed is recognized as goodwill. The Company has estimated the preliminary purchase price allocations based on historical inputs and data as of June 3, 2021. The preliminary allocation of the purchase price is based on the best information available and is pending, amongst other things: (i) the finalization of the valuation of the fair values and useful lives of tangible assets acquired; (ii) the finalization of the valuations and useful lives for the intangible assets acquired; (iii) finalization of the valuation of accounts payable and accrued expenses; and (iv) finalization of the fair value of non-cash consideration.

The Company will have up to one-year from the date of acquisition to adjust any of the acquired assets and liabilities for information obtained during this measurement period. If new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of additional assets or liabilities as of the acquisition date or a re-allocation of assets and liabilities is necessary, the Company will adjust these figures.

The goodwill is not expected to be deductible for tax purposes.

Monster Creative, LLC

On June 30, 2021, we acquired Monster Creative, LLC (“Monster”). Monster is a Hollywood production studio that specializes in producing movie trailers and other related content. Monster was founded by Doug Brandt and Kevin Childress. Monster will collaborate with HUMBL in the production of NFTs and other digital content. The purchase price for all of the membership interests in Monster was paid through the issuance of one convertible note and one non-convertible note to each of Doug Brandt and Kevin Childress in the aggregate principal amount of \$8,000,000. The convertible notes were issued to Doug Brandt (through an entity owned by him) and Kevin Childress in the aggregate principal amount of \$7,500,000. The notes convert at the holder’s election at \$1.20 per share, bear interest at 5% per annum and are due in 18 months from issuance. We also issued non-convertible notes to Doug Brandt and Kevin Childress in the aggregate amount of \$500,000. These notes bear interest at the rate of 5% per annum and are due on April 1, 2022. Doug Brandt and Kevin Childress each entered into employment agreements with Monster having a term of three years. Doug Brandt was appointed as the CEO of Monster and Kevin Childress was appointed as its President and Creative Director.

The Company acquired the assets and liabilities noted below in accordance with ASC 805. Based on the fair values at the effective date of acquisition the purchase price was recorded as follows (subject to adjustment):

Cash	\$ 3,017
Accounts receivables	109,113
Goodwill	8,538,991
Accounts payable and accrued expenses	(98,754)
Notes payable – related parties	(486,250)
PPP loan	(66,117)
	<u>\$ 8,000,000</u>

The consideration paid for the acquisition of Monster Creative, LLC was as follows:

Convertible notes payable	\$ 7,500,000
Non-convertible notes payable	500,000
Total consideration	<u>\$ 8,000,000</u>

The Acquisition has been accounted for under the acquisition method of accounting. Under the acquisition method of accounting, the total acquisition consideration price was allocated to the assets acquired and liabilities assumed based on their preliminary estimated fair values. The fair value measurements utilize estimates based on key assumptions of the Acquisition, and historical and current market data. The excess of the purchase price over the total of the estimated fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed is recognized as goodwill. The Company has estimated the preliminary purchase price allocations based on historical inputs and data as of June 30, 2021. The preliminary allocation of the purchase price is based on the best information available and is pending, amongst other things: (i) the finalization of the valuation of the fair values and useful lives of tangible assets acquired; (ii) the finalization of the valuations and useful lives for the intangible assets acquired; (iii) finalization of the valuation of accounts payable and accrued expenses; and (iv) finalization of the fair value of non-cash consideration.

The Company will have up to one-year from the date of acquisition to adjust any of the acquired assets and liabilities for information obtained during this measurement period. If new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of additional assets or liabilities as of the acquisition date or a re-allocation of assets and liabilities is necessary, the Company will adjust these figures.

The goodwill is not expected to be deductible for tax purposes.

The following table shows the unaudited pro-forma results for the six months ended June 30, 2021 and 2020, as if the acquisitions had occurred on January 1, 2020. These unaudited pro forma results of operations are based on the historical financial statements and related notes of Tickeri, Monster and the Company.

	Six Months Ended June 30, 2021
	(Unaudited)
Revenues	\$ 1,000,508
Net loss	\$ (23,252,883)
Net loss per share	\$ (0.02)

	Six Months Ended June 30, 2020
	(Unaudited)
Revenues	\$ 1,240,358
Net loss	\$ 165,736
Net loss per share	\$ N/A

NOTE 18: SUBSEQUENT EVENTS

The following is a list of events that have occurred between July 1, 2021 and August 15, 2021:

On July 6, 2021, the CEO of the Company cancelled 9,350 shares of Series B Preferred Stock (93,500,000 if converted into common stock) for no consideration.

On July 13, 2021, the Company entered into Employment Agreements with four executive officers for a period of eighteen months. Three of the four are to be paid an annual base compensation of \$90,000, with a discretionary bonus to be provided to them. The fourth executive, the CEO has an annual salary of \$1 with a discretionary bonus.

On July 21, 2021, the Company established the HUMBL, Inc. 2021 Stock Incentive Plan (the “Plan”) for a total issuance not to exceed 20,000,000 shares of common stock. The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing key people with incentives to improve stockholder value and to contribute to the growth and financial success of the Company, and (ii) enabling the Company to attract, retain and reward the best-available persons.

The Plan permits the granting of Stock Options (including incentive stock options qualifying under Code Section 422 and nonqualified stock options), Stock Appreciation Rights, restricted or unrestricted Stock Awards, Restricted Stock Units, Performance Awards, other stock-based awards, or any combination of the foregoing.

On July 29, 2021, the Company entered into a Development Services Agreement with Red Rock Development Group, LLC (“Red Rock”). The Company intends to purchase and/or develop a portfolio of real estate assets and then potentially tokenize the interest in the portfolio. The Company has engaged Red Rock to advise them with respect to that process. As part of the foregoing strategy, the Company purchased a suite at the Hard Rock Hotel in San Diego, California. The Company is the owner of this suite and entered into a long-term rental agreement with the hotel to manage the property. The Company has use of the suite for 28 calendar days a year and will receive their proportionate income for the other days the suite is being used. The Company is obligated to issue 3,000,000 shares of common stock to Red Rock as payment for its services.

Since the acquisition of Tickeri, the Company had \$3,528,213 in total ticket sales which comprises 60,300 tickets. Of this, \$1,149,749 in ticket sales comprising 19,405 tickets were sold from the acquisition date through June 30, 2021, and the remaining were sold from July 1, 2021 through August 9, 2021. Of the tickets sold, Tickeri recognized \$261,672 in revenue which includes \$814,186 from the acquisition date through June 30, 2021, and the remaining revenue was earned from July 1, 2021 through August 9, 2021.