

Vortex Brands Co.

3511 Del Paso Rd., Ste. 160 PMB 208
Sacramento, CA 95835

Phone: (661) 418-7842

Website: www.vortexbrands.us

Email: info@vortexbrands.us

SIC Code: 7389

Annual Report

For the Period Ending: February 28, 2020
(the "Reporting Period")

As of February 28, 2020, the current reporting period, the number of shares outstanding of our Common Stock was:

256,750,000

As of November 30, 2019, the previous reporting period, the number of shares outstanding of our Common Stock was:

260,250,000

As of February 28, 2019, the most recent completed fiscal year, the number of shares outstanding of our Common Stock was:

207,050,000

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:

Yes: No:

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

Vortex Brands Co. ("Vortex Brands", "we", "us", "our", the "Company" or the "Registrant") was originally incorporated in the State of Colorado on May 6, 2005 under the name of Global Sunrise, Inc. On January 15, 2007 the Company changed its name to Zulu Energy Corp. On May 29, 2014, the Company changed its name to Vortex Brands Co. The Company trades on OTC Markets PINKS under the symbol "VTXB".

Date and state (or jurisdiction) of incorporation: May 6, 2005, in Colorado.

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

Yes: No:

2) Security Information

Trading symbol:	<u>VTXB</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>92904T100</u>	
Par or stated value:	<u>0.0001.</u>	
Total shares authorized:	<u>3,000,000,000</u>	as of date: <u>08/25/2021</u>
Total shares outstanding:	<u>256,750,000</u>	as of date: <u>08/25/2021</u>
Number of shares in the Public Float ² :	<u>207,100,000</u>	as of date: <u>08/25/2021</u>
Total number of shareholders of record:	<u>48</u>	as of date: <u>08/25/2021</u>

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

Trading symbol:		
Exact title and class of securities outstanding:		
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding:	_____	as of date: _____

Transfer Agent

Name: Pacific Stock Transfer Company
Phone: (800) 785-7782
Email: info@PacificStockTransferCompany.com
Address: 6725 Via Austi Parkway Suite 300 Las Vegas, NV 89119

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

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

None

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

None.

3) Issuance History

A. Changes to the Number of Outstanding Shares

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

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>02/28/2018</u> Common: <u>207,050,000</u> Preferred: <u>4,592,900</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>5/13/2019</u>	<u>New Issuance</u>	<u>2,500,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Robin and Casey Connelly</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>5/13/2019</u>	<u>New Issuance</u>	<u>3,750,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Roberta Vidal</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>5/13/2019</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Michael Stevens</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>5/24/2019</u>	<u>New Issuance</u>	<u>14,500,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Rosetta & Douglas Cashman</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>5/24/2019</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Alexander Cashman</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>5/24/2019</u>	<u>New Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Katelyn Cashman</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>

<u>5/24/2019</u>	<u>New Issuance</u>	<u>3,500,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Nicholas Cashman</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>5/24/2019</u>	<u>New Issuance</u>	<u>4,000,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Patricia Cashman</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>9/16/2019</u>	<u>New Issuance</u>	<u>600,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Kyle Rash</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>9/16/2019</u>	<u>New Issuance</u>	<u>600,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>James Standberg</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>10/09/2019</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Michael Fohn</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>10/18/2019</u>	<u>New Issuance</u>	<u>6,250,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Tribridge Ventures</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>11/07/2019</u>	<u>New Issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Darin Twete</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>11/18/2019</u>	<u>New Issuance</u>	<u>6,250,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Tribridge Ventures</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>12/02/2019</u>	<u>New Issuance</u>	<u>750,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Robert Crow</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
<u>12/02/2019</u>	<u>New Issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$0.004 (Reg A Price)</u>	<u>Yes</u>	<u>Curtis Twete</u>	<u>Cash</u>	<u>UR</u>	<u>Reg A</u>
Shares Outstanding on Date of This Report:									
<p style="text-align: right;"><u>Ending Balance Ending</u></p> <p><u>Balance:</u></p> <p>Date <u>02/29/2020</u></p> <p style="text-align: right;">Common: 265,750,000</p> <p style="text-align: right;">Preferred: <u>4,592,900</u></p>									

B. Debt Securities, Including Promissory and Convertible Notes

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

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

4) Financial Statements

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

- U.S. GAAP
- IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Todd Higley
Title: CEO
Relationship to Issuer: CEO

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

- C. Balance sheet
- D. Statement of income
- E. Statement of cash flows
- F. Statement of Changes in Shareholders' Equity
- G. Financial notes; and
- H. Audit letter, if audited

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

Financials Attached as Exhibit to this Disclosure Statement.

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")

Vortex Brands Co., ("Vortex", the "Company") is a Colorado corporation incorporated on May 6, 2005. It is based in Sacramento, California. The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America, and the Company's fiscal year end is February 28 (February 29 in leap years).

The Company has two business operations: (1) Bitcoin Mining and (2) offers multi-purpose Phase Angle Synchronization (PAS) equipment as a service to electric utilities in the United States.

Bitcoin Mining Business

The Company also intends to engage in “Bitcoin Mining” – i.e. the process by which Bitcoins are created, resulting in new blocks being added to the blockchain and new Bitcoins being issued to the miners. Miners engage in a set of prescribed complex mathematical calculations to add a block to the blockchain and thereby confirm cryptocurrency transactions included in that block’s data. Miners that are successful in adding a block to the blockchain are automatically awarded a fixed number of Bitcoins for their effort.

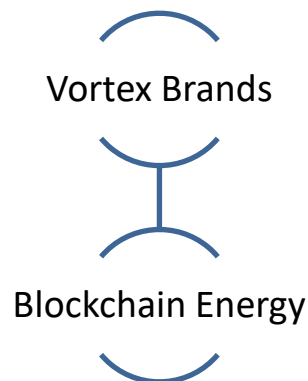
The Company intends to purchase and maintain ASIC (application-specific integrated circuit) computers - computers that are specifically designed for cryptocurrency mining - that will be used for Bitcoin Mining. We plans to place the Bitcoin Mining equipment with 3rd party datacenters or farms (often referred as a “Co-Location”) that will power and operate our Bitcoin Mining equipment for a fee. We plan to generate revenues through receiving Bitcoin from our Bitcoin Mining equipment. As of the date of this Offering Circular, we have not generated any revenues to date or acquired any Bitcoin Mining equipment.

Phase Angle Synchronization (PAS) Business:

Our Company will provide as a service multi-purpose Phase Angle Synchronization (PAS) equipment to electric utilities in the United States. PAS is a one-of-a-kind technology designed to address a one-hundred-year-old inherent problem that was thought to be unsolvable: the inefficient power consumption caused by electric motors. The solution will extend the life of the grid by protecting it from excessive wear and damage, improve grid reliability by reducing line congestion and increasing reserve margin, while creating true cost savings for the utility. Poor power efficiency has been the unsolvable issue in every facility that operates electric motors. PAS is designed to address industrial and commercial use applications in a scalable solution. Revenues will be generated from a service fee we will charge that shares a portion of the savings for the electric utility created by each PAS service installation. The Company intends to use the proceeds from its Bitcoin Mining operation to fund the acquisition and marketing of its PAS Equipment. Our company holds the irrevocable right to purchase all components necessary to effectuate the PAS system from Tripac Systems, who has done the research and development of PAS equipment over more than 25 years. Their capabilities include experience at assembling the equipment from off-the-shelf components and designing the plans and schematics for PAS equipment. Our Company, together with Tripac Systems, will effectuate the service program and we are likely to have multiple pilot program PAS units operating in Detroit, Michigan and potentially other locations, to collect initial data on performance prior to a full roll-out. Current efforts are focused on site selection for PAS installations as well as stakeholder and industry support of the pilot program.

- 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.

This is the current corporate organization:



Blockchain Energy is responsible for the installation and marketing of the PAS system. The address and officers of each are the same.

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

Bitcoin Mining and we provide as a service multi-purpose Phase Angle Synchronization (PAS) equipment to electric utilities in the United States.

6) Issuer's Facilities

The Company's mailing address is: 3511 Del Paso Rd., Ste. 160 PMB 208 Sacramento, CA 95835. The Company maintains no other offices. The Company's operations are conducted on the mining site described above.

7) Officers, Directors, and Control Persons

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding*	Note
<u>Todd Higley</u>	<u>Officer/Director/5%</u>	<u>3511 Del Paso Rd., Ste. 160 PMB 208, Sacramento, CA 95835</u>	2,000,000	<u>Series C Preferred Stock</u>	<u>42.57%</u>	(1) Series C Preferred Stock shall be entitled to the number of votes equal to two thousand five hundred (2,500) Common Shares (2)Series C Preferred Shares are all converted into common shares after the offering at a ratio of 1:100
Cecilia Widner-White	<u>Directors/5%</u>	<u>3511 Del Paso Rd., Ste. 160 PMB 208, Sacramento, CA 95835</u>	2,000,000	<u>Series C Preferred Stock</u>	<u>42.57%</u>	(1) Series C Preferred Stock shall be entitled to the number of votes equal to two thousand five hundred

						(2,500) Common Shares (2)Series C Preferred Shares are all converted into common shares after the offering at a ratio of 1:100 Ms. Widner- White resigned as a director in June 2021.
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8) Legal/Disciplinary History

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

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

None

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

None

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

None

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

None

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

None

9) Third Party Providers

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

Securities Counsel

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

Accountant or Auditor

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

Investor Relations

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

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 provider assistance or services to the issuer during the reporting period.

Name:

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

Name:

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

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, Todd Higley certify that:

1. I have reviewed this Annual of Vortex Brands Co.;
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.

08/25/2021 [Date]

/s/ Todd Higley [CEO's Signature]

Principal Financial Officer:

I, Todd Higley certify that:

1. I have reviewed this Annual of Vortex Brands Co.;
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, considering 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 presented 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.

08/25/2021 [Date]

/s/ Todd Higley [CFO's Signature]

VORTEX BRANDS CO
FINANCIAL STATEMENTS
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**Vortex Brands Co.
Consolidated Balance Sheet
(Unaudited)**

	As of February 29, 2020	As of February 28 2019
Assets		
Current assets		
Cash	\$ -	\$ 1,181
Total current assets	-	1,181
Property and equipment, net	77,433	86,049
Total Assets	\$ 77,433	87,230
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	\$ 57,039	\$ 53,1432
Accrued management fees	400,000	200,000
Due to related parties	2,262	2,262
Total liabilities	459,301	255,405
Commitments and Contingencies	-	-
Stockholders' deficit		
Preferred stock: 20,000,000 authorized; \$0.0001 par value Series C Preferred Stock, 9,996,000 shares designated; \$0.0001 par value; 4,592,900 shares and 4,592,900 issued and outstanding respectively	459	459

Common stock: 3,000,000,000 shares authorized; \$0.0001 par value 256,750,000 and 207,050,000 shares issued and outstanding	25,675	20,705
Additional paid-in capital	457,666	238,836
Accumulated deficit	(865,668)	(428,175)
Total stockholders' deficit	(381,868)	(168,175)
Total Liabilities and Stockholders' Deficit	\$ 77,433	\$ 87,230

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

Vortex Brands Co.
Consolidated Statement of Operations
(Unaudited)

Fiscal Year Ending

February 29,

February 28,

2020

2019

Revenues	\$	-	\$	-
Operating Expenses				
General and administrative		357,877		345,414
Research and development		71,000		41,027
Depreciation		8,616		8,542
Total operating expenses		437,493		394,983
Operating Loss		(437,493)		(394,983)
Loss Before Income Taxes		(437,493)		(394,983)
Provision for income taxes		-		-
Net Loss	\$	(437,493)	\$	(394,983)
Basic and diluted loss per common share	\$	(0.00)	\$	(0.00)
Basic and diluted weighted average common shares outstanding		235,002,500		207,050,000

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

Vortex Brands Co.
Consolidated Statement of Stockholders' Deficit
For the period from Inception (December 28, 2017) to February 29, 2020
(Unaudited)

	Series C Preferred Stock		Common Stock		Additional	Accumulated Deficit	Total Shareholders' Equity (Deficit)
	Shares	Amount	Number of shares	Amount	Paid in Capital		
Balance, December 28, 2017 (inception)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Preferred shares issued for services	9,996,000	1,000	-	-	-	-	1,000
Common shares issued for cash	-	-	117,000	11,700	22,300	-	234,000
Recapitalization	-	-	90,050	9,005	(9,005)	-	-
Net loss	-	-	-	-	-	(33,192)	(33,192)
Balance, February 28, 2018	9,996,000	1,000	207,050	20,705	213,295	(33,192)	201,808
Preferred shares canceled	(5,528,500)	(553)	-	-	553	-	-

Preferred shares issued for cash	125,000	12	-	-	24,988	-	25,000
Net loss	-	-	-	-	-	(394,983)	(394,983)
Balance, February 28, 2019	4,592,900	459	207,050,000	20,705	238,836	(428,175)	(168,175)
Common shares issued for cash	-	-	49,700,000	4,970	218,205	-	223,800
Net loss	-	-	-	-	-	(437,493)	(437,493)
Balance, February 29, 2020	4,592,900	459	256,750,000	25,675	457,666	(865,668)	(381,868)

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

Vortex Brands Co.
Consolidated Statement of Cash Flows
(Unaudited)

	Year Ended	Year Ended
	February 29,	February 28,
	2020	2019
Cash Used in Operating Activities		
Net loss	\$ (437,493)	\$ (394,983)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation		
Depreciation	8,616	8,542
Changes in non-cash working capital balances:		
Accounts payable	3,896	53,143
Accrued management fees	200,000	200,000
Due to related parties	-	2,262
Net Cash Used in Operating Activities	(224,981)	(131,036)
Cash Used in Investing Activities		
Purchases of equipment	-	-
Net Cash Used in Investing Activities	-	-
Cash Provided by Financing Activities		
Proceeds from issuance of common shares	223,800	-
Proceeds from issuance of Preferred shares	-	25,000

Net Cash Provided by Financing Activities	223,800	25,000
Net change in cash for the period	(1,181)	(106,036)
Cash at beginning of period	1,181	107,217
Cash at end of period	\$ -	\$ 1,181

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

Vortex Brands Co.
Notes to the Consolidated Financial Statements
February 29, 2020 and February 28, 2019

NOTE 1. ORGANIZATION AND BUSINESS

Organization and Operations

Vortex Brands Co., (“Vortex”, the “Company”) is a Colorado corporation incorporated on May 6, 2005. It is based in Sacramento, California. The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America, and the Company’s fiscal year end is February 28 (February 29 in leap years).

Our Company will provide as a service multi-purpose Phase Angle Synchronization (PAS) equipment to electric utilities in the United States. PAS is a one-of-a-kind technology designed to address a one-hundred-year-old inherent problem that was thought to be unsolvable: the inefficient power consumption caused by electric motors. The solution will extend the life of the grid by protecting it from excessive wear and damage, improve grid reliability by reducing line congestion and increasing reserve margin, while creating true cost savings for the utility. Poor power efficiency has been the unsolvable issue in every facility that operates electric motors. PAS is designed to address industrial and commercial use applications in a scalable solution. Revenues will be generated from a service fee we will charge that shares a portion of the savings for the electric utility created by each PAS service installation..

Our company holds the irrevocable right to purchase all components necessary to effectuate the PAS system from Tripac Systems, who has done the research and development of PAS equipment over more than 25 years. Their capabilities include experience at assembling the equipment from off-the-shelf components and designing the plans and schematics for PAS equipment. Our Company, together with Tripac Systems, will effectuate the service program and we are likely to have multiple pilot program PAS units operating in Detroit, Michigan and potentially other locations, to collect initial data on performance prior to a full roll-out. Current efforts are focused on site selection for PAS installations as well as stakeholder and industry support of the pilot program.

As of the date of this Offering Circular, we have not sold any products or generated any revenues to date.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

General principles

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”). The fiscal year end is November 30.

Related Party Transactions

Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition. FASB ASC 850, Related Party Disclosures (“FASB ASC 850”) requires that transactions with related parties that would make a difference in decision making shall be disclosed so that users of the financial statements can evaluate their significance. Related party transactions typically occur within the context of the following relationships:

- Affiliates of the entity;
- Entities for which investments in their equity securities is typically accounted for under the equity method by the investing entity;
- Trusts for the benefit of employees;
- Principal owners of the entity and members of their immediate families;
- Management of the entity and members of their immediate families.

that can significantly influence the management or operating policies of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Consolidation Policy

For February 29, 2020 and February 28, 2019, the consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiary, Blockchain Energy. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and cash equivalents

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less, at the date acquired.

Revenue recognition

Effective January 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products by: (1) identify the contract (if any) with a customer; (2) identify the performance obligations in the contract (if any); (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract (if any); and (5) recognize revenue when each performance obligation is satisfied. Under ASC 606, revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) the performance of service has been rendered to a customer or delivery has occurred; (3) the amount of fee to be paid by a customer is fixed and determinable; and (4) the collectability of the fee is reasonably assured. Other than The Company has no outstanding contracts with any of its' customers. The Company recognizes revenue when title, ownership, and risk of loss pass to the customer, all of which occurs upon shipment or delivery of the product and is based on the applicable shipping terms.

For contracts with customers, ownership of the goods and associated revenue are transferred to customers at a point in time, generally upon shipment of a product to the customer or receipt of the product by the customer and without significant judgments. Advance payments are typically required for commercial customers and are recorded as current liability until revenue is recognized. Advance payments are not required for government customers. The majority of contracts typically require payment within 30 to 60 days after transfer of ownership to the customer.

Advertising and marketing expenses

Advertising and marketing expenses are charged to the statement of operations and comprehensive income, as incurred.

Income taxes

The Company accounts for income taxes in accordance with ASC No. 740, "Income Taxes". This codification prescribes the use of the asset and liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and for carry-forward tax losses. Deferred taxes are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Deferred tax liabilities and assets are classified as current or non-current based on the classification of the related asset or liability for financial reporting, or according to the expected reversal dates of the specific temporary differences, if not related to an asset or liability for financial reporting.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740, "Income Taxes". Accounting guidance addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements, under which a company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Accordingly, the Company would report a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company elects to recognize any interest and penalties, if any, related to unrecognized tax benefits in tax expense.

Share-Based Expense

ASC 718, "Compensation – Stock Compensation," prescribes accounting and reporting standards for all share-based payment transactions in which employee and non-employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees and non-employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

Share-based expense totaled \$0 for the period ending February 29, 2020.

Earnings per Share

The Company computes basic and diluted earnings per share amounts in accordance with ASC Topic 260, "Earnings per Share." Basic earnings per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company. As of February 29, 2020, there are no convertible shares that were dilutive instruments and are not included in the calculation of diluted loss per share as their effect would be antidilutive.

Fair value measurements

Fair value is defined as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. A three-tier hierarchy is established to distinguish

between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs); and establishes a classification of fair value measurements for disclosure purposes.

The hierarchy is summarized in the three broad levels listed below:

- Level 1 quoted prices in active markets for identical assets and liabilities
- Level 2 other significant observable inputs (including quoted prices for similar assets and liabilities, interest rates, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Company's own assumptions in determining the fair value of assets and liabilities).

The Company's financial instruments consist primarily of cash and due to related parties. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

There were no transfers between the levels of the fair value hierarchy during the period ended February 29, 2020.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies relating to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought. If the assessment of the contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Company's financial statements.

Recently Issued Accounting Standards

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. The ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2018.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles - Goodwill and Other: Simplifying the Test for Goodwill Impairment. The amendments simplify the subsequent measurement of goodwill and eliminate the two-step goodwill impairment test. The Company will perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize a goodwill impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value. If fair value exceeds the carrying amount, no impairment should be recorded. Any loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Impairment losses on goodwill cannot be reversed once recognized. The ASU is effective prospectively for fiscal years and interim periods within those years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We do not anticipate any material impact on the condensed consolidated financial statements.

Management has considered all recent accounting pronouncements issued. The Company's management believes that recent pronouncements will not have a material effect on the Company's financial statements.

NOTE 3 – GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of February 29, 2020, the Company has a loss from operations, an accumulated deficit, no revenue, and a working capital deficiency. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ended February 29, 2020.

Management intends to raise additional funds through public or private placement offerings.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net at February 29, 2020 and February 28, 2019 consist of the following:

	February 29, 2020	February 28, 2019
Technical equipment	\$ 86,049	\$ 94,591
Less: accumulated depreciation	(8,616)	(8,542)
Equipment	<u>\$ 77,433</u>	<u>\$ 86,049</u>

NOTE 5. STOCKHOLDERS' DEFICIT

General

We have authorized capital stock consisting of 3,000,000,000 shares of common stock, \$0.0001 par value per share ("Common Stock") and 20,000,000 shares of preferred stock, \$0.0001 par value per share ("Preferred Stock"). As of the date of this filing, we have 256,750,000 shares of Common Stock, 4,592,900 shares of Preferred Series C Stock issued and outstanding.

Common Stock

The holders of outstanding shares of Common Stock are entitled to receive dividends out of assets or funds legally available for the payment of dividends of such times and in such amounts as the board from time to time may determine. Holders of Common Stock are entitled to one vote for each share held on all matters submitted to a vote of shareholders. There is no cumulative voting of the election of directors then standing for election. The Common Stock is not entitled to pre-emptive rights and is not subject to conversion or redemption. Upon liquidation, dissolution or

winding up of our company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the Common Stock after payment of liquidation preferences, if any, on any outstanding payment of other claims of creditors.

During the period ended February 29, 2020, the Company issued 55,950,000 shares of common stock for \$238,800.

As of February 29, 2020, 256,750,000 shares of common stock were issued and outstanding. As of February 28, 2019, 207,050,000 shares of common stock were issued and outstanding.

Preferred Stock

Series C Preferred Stock

The Company designated 9,996,000 shares of Series C Convertible Preferred Stock with a par value of \$0.0001 per share.

Initially, there will be no dividends due or payable on the Series C Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation's Certificate of Incorporation. Any and all such future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

All shares of the Series C Preferred Stock shall rank (i) senior to the Corporation's Common Stock and any other class or series of capital stock of the Corporation hereafter created, (ii) pari passu with any class or series of capital stock of the Corporation hereafter created and specifically ranking, by its terms, on par with the Series A Preferred Stock and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking, by its terms, senior to the Series C Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

The Series C Preferred shall have the following liquidation preferences over any other class of stock:

"In the event of a Liquidation Event, the Holders of the SERIES C PREFERRED STOCK shall have the same rights as holders of Common Stock, except that each share of outstanding SERIES C PREFERRED STOCK shall have one thousand (1,000) times the rights as each share of Common Stock ("Liquidation Ratio"). Collectively, the holders of the then outstanding shares of Common Stock and the holders of the then outstanding shares of SERIES C PREFERRED STOCK shall be entitled to receive all of the remaining assets of the Corporation available for distribution to such stockholders. The distribution shall be ratable, in proportion to the number of shares of the Common Stock and/or Series C Preferred Stock held by them, after giving effect to the Liquidation Ratio."

Each holder of outstanding shares of Series C Preferred Stock shall be entitled to the number of votes equal to two thousand five hundred (2,500) Common Shares. Except as provided by law, or by the provisions establishing any other series of Preferred Stock, holders of Series C Preferred Stock and of any other outstanding series of Preferred Stock shall vote together with the holders of Common Stock as a single class.

Each holder of shares of Series C Preferred Stock may, at any time and from time to time, convert (an "Optional Conversion") each of its shares of Series C Preferred Stock into a 100 of fully paid and non-assessable shares of Common Stock; provided, however, that any Optional Conversion must involve the issuance of at least 100 shares of Common Stock.

The Series C Preferred has the following anti-dilution language:

"For a period of 24 months after the Preferred is issue, the conversion price of the Series C Preferred will be subject to adjustment to prevent dilution in the event that the Company issues additional shares at a purchase price less than the applicable conversion price. The conversion price will be subject to adjustment on a weighted basis that takes into account issuances of additional shares and the fully convertible positions of this Series C Preferred. At the expiration

of the anti-dilution period, the conversion rate in Section V (A) above shall be equal to a conversion rate equal to 72.5% on the Common Stock. For example, if on the date of expiration of the anti-dilution clause there are 500,000,000 shares of Common Stock issued and outstanding then each Series C Preferred Stock shall convert at a rate of 181.9 common shares for each 1 Series Preferred Share.”

In the event of a reverse split the conversion ratio shall not be change. However, in the event a forward split shall occur then the conversion ratio shall be modified to be increased by the same ratio as the forward split.

The company has evaluated the Series C Preferred Stock in accordance with ASC 815 and has determined their conversion options were for equity and ASC 815 does not apply.

The Series C Preferred Stock is non-redeemable.

On October 29, 2018, as part of the resignation of two of our directors, they agreed to cancel and return to the Company 4,000,000 shares of Series C preferred stock. There was no consideration given for the 4,000,000 shares that were returned.

During the period ended February 29, 2020, there were no issuances of preferred stock

As of February 28, 2020, 4,592,900,000 shares of Series C Preferred Stock were issued and outstanding.

NOTE 6. PROVISION FOR INCOME TAXES

The Company provides for income taxes under ASC 740, "Income Taxes." Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax basis of assets and liabilities and the tax rates in effect when these differences are expected to reverse. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

The provision for income taxes differs from the amounts which would be provided by applying the statutory federal income tax rate of 21% to the net loss before provision for income taxes for the following reasons:

Net deferred tax assets consist of the following components as of:

	February 29, 2020	February 29, 2020
NOL carry forward	\$ 91,874	\$ 42,916
Valuation allowance	(91,874)	(42,916)
Net deferred tax asset	\$ -	\$ -

Utilization of the NOL carry forwards, which expire 20 years from when incurred, of approximately \$45,456 for February 28, 2019 and \$91,874 for February 29, 2020 for federal income tax reporting purposes, may be subject to an annual limitation due to ownership change limitations that may have occurred or that could occur in the future, as required by Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). These ownership changes may limit the amount of the NOL carry forwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an "ownership change" as defined by Section 382 of the Code results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percentage points of the outstanding stock of a company by certain stockholders.

NOTE 7. RELATED PARTY CONSIDERATIONS

The officer and directors have agreed to receive stock as compensation for their employment. Mr. Higley and Mrs. Widner-White have agreed to \$100,000 each in annual deferred compensation, until such time as sufficient operating capital has been raised. As of February 28, 2019, and February 29, 2020, the Company recorded accrued salary of \$200,000 for each period.

Due to Related Party

During the period ended February 29, 2020, \$2,262 was due to Mrs. Widner-White.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated events occurring between the end of the fiscal year, February 29, 2020 to the date when the financial statements were issued:

None.