

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines



Metro One Telecommunications Inc.

30 North Gould Street
Suite 2990, Sheridan, WY 82801

Company Telephone: 1-307-683-0855
Company Website: <https://shelfy.io/>
Company E-Mail: info@metro1telecomm.com

SIC Code: 4899

Quarterly Report For the Six Month Period Ending: June 30, 2021 (the "Reporting Period")

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

6,233,326

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

6,233,326

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

6,233,326

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.

Yes: ☐ No: ☒

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

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

Metro One Direct Information Services, Inc. – February 8, 1989 to December 12, 1995
Metro One Telecommunications, Inc. - December 12, 1995 to Present

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

The issuer's state of incorporation is Delaware as of August 9, 2021 when the issuer filed articles of conversion moving its registration to the State of Delaware.

The issuer's previous state of incorporation was Oregon from inception in 1995.

The issuer's current standing in Delaware is Active

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

On April 16, 2008, we were notified by The Nasdaq Stock Market that we were not in compliance with Nasdaq Marketplace Rule 4310(c)(4) (the "Minimum Bid Price Rule") because shares of our common stock had closed at a per share bid price of less than \$1.00 for 30 consecutive business days. In accordance with Marketplace Rule 4310(c)(8)(D), we had been provided 180 calendar days, or until October 13, 2008, to regain compliance with the Minimum Bid Price Rule.

In addition, on May 22, 2008, we were notified by The Nasdaq Stock Market that we no longer were in compliance with Nasdaq Marketplace Rule 4310(c)(3) and were subject to delisting from the Nasdaq Capital Market. Marketplace Rule 4310(c)(3) requires that we maintain stockholders' equity of at least \$2.5 million, or a market value of our listed securities of at least \$35.0 million, or have net income from continuing operations of at least \$500,000 during the last fiscal year or two of the last three fiscal years.

On July 25, 2008, we received a Nasdaq staff determination letter rejecting the plan we had submitted to evidence our ability to achieve compliance with the requirements for continued listing on The Nasdaq Capital Market set forth in Nasdaq Marketplace Rule 4310(c)(3). We appealed the Nasdaq staff's determination to delist our securities from The Nasdaq Capital Market effective August 5, 2008, and were scheduled for a hearing before a NASDAQ Listing Qualifications Panel (the "Panel") on September 18, 2008.

However, on September 16, 2008, we notified the Panel that we were withdrawing our appeal of the July 25, 2008 Nasdaq staff determination. Accordingly, our common stock was suspended from trading effective at the open of business on Friday, September 19, 2008. The common stock was subsequently delisted on October 7, 2008, when the SEC completed its formal notification of removal from listing.

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 March 30, 2021, the Company announced that its newly-formed, wholly owned Israeli subsidiary, Stratford Ltd. had received notification of approval from the Lod District Court in Israel for its winning bid to acquire assets of Royal App Ltd. out of insolvency proceedings for approximately \$2.4 million USD in cash as well as 8% equity in the Company on a diluted basis, post conversion of the Company's preferred common stock and certain other proposed sales of common stock in order to raise the required funds to complete the acquisition, the "Recapitalization".

Royal App is the developer of Shelfy, a white label, headless mobile commerce software platform that helps retailers and fast moving consumer goods companies become growth companies. Shelfy incorporates sophisticated artificial intelligence and machine learning in its algorithms to markedly improve online shopping metrics through mobile phones for large consumer retailers such as supermarket chains, food and other clients. Prior to its recent insolvency filing, more than \$20 million had been invested in Royal App.

If the Recapitalization of the Company is not approved by the shareholders and the 8% of the Company Capitalization is not issued to the bankruptcy trustee within 120 days from the date of the closing of the Acquisition, or April 26, 2021, the trustee, who holds a pledge over the assets of Royal App purchased by Stratford, may foreclose on such assets. Any foreclosure will result in the transfer of the ownership of Royal App assets purchased by Stratford, from Stratford to the trustee for the creditors of Royal App.

To finance the acquisition as well as general working capital, the Company proposed to raise up to \$3.5 million commencing March 2021 in the form of puttable Simple Agreements for Future Equity ("SAFES") from institutional investors and family offices. The terms of the SAFES require that they automatically convert into common stock of the Company following the conversion of all outstanding convertible preferred stock into common stock. The Company's intent is to undertake the conversion of preferred stock during fiscal 2021 following shareholder approval of certain proposed corporate restructure plans.

Subsequent to the conversion of the preferred stock, and as part of the agreement for the acquisition of the assets of Royal App the Company also agreed to issue common stock for commission fees of 2% of the Company's common stock on a diluted basis, and to the employees of Stratford as to 8% of the Company on a diluted basis, under the terms of an Employee Stock Option Plan, once approved by Shareholders. Further, in order to undertake these issuances, the Company will be required to increase the authorized common stock of the Company.

On June 9, 2021, the Company announced a shareholders' meeting to be held on June 30, 2021 to approve the following actions:

1. An amendment to the articles of the Company to increase the authorized shares of the Company from 50,000,000 to 600,000,000.
2. An amendment to the articles of the Company to effect a reverse stock split on the basis of not less than 1 for 10 and not more than 1 for 100. Such ratio to be determined by the Board of Directors of the Company.
3. Approval of a 2021 Employee Stock Incentive Plan. The Plan will have available shares equity to 25% of the Company's capitalization and a term of ten years from the effective date of the Plan
4. Approval of the Company's reorganization from Oregon to Delaware.

The meeting was held on June 30, 2021, and the Company's shareholders approved all of the actions detailed above, as well as the conversion of 1,000 outstanding shares of Company's Series A convertible preferred stock whereby each 1 share of Preferred stock held is convertible into e 71,683.25 shares of common stock.

The Company expects to complete all of the transactions detailed above by third quarter 2021.

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

30 North Gould Street
Suite 2990, Sheridan, WY 82801

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: ☐

Shelfy (Stratford Ltd.)
Raul Vallenberg 18, Building D, 6th Floor, Ramat Hachayal, Tel Aviv, Israel.

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: WOWI
Exact title and class of securities outstanding: Common Stock
CUSIP: 59163F105
Par or stated value: No Par Value

Total shares authorized: 50,000,000 as of date: June 30, 2021
Total shares outstanding: 6,233,326 as of date: June 30, 2021
Number of shares in the Public Float² 4,227,125 as of date: June 30, 2021
Total number of shareholders of record: 42 as of date: June 30, 2021

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

N/A

Transfer Agent

Name: Computershare U.S.
Phone: 303 262 0796
Email: Dmitriy.Podolny@computershare.com
Address: 8742 Lucent Blvd., Suite 225, Highlands Ranch, CO 80129

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**.

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>December 31, 2018</u> Common: <u>6,233,326</u> Preferred: <u>Series A Preferred: 1,000</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.

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.

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

Shares Outstanding on Date of This Report:
Ending Balance:
Date: June 30, 2021
Common: 6,233,326
Preferred: Series A Preferred: 1,000

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.)

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

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: Li Shen
Title: CA
Relationship to Issuer: Accountant

Appended to this report are the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2021 and 2020, including:

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

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")

Metro One Telecommunications, Inc. is revolutionizing the way retailers integrate mobile commerce solutions within their business. Their multi-model plug and play mobile commerce platform enables retailers from any market segment to create a mobile-first shopping experience both in-store and online, leveraging existing customer data, to offer personalized mobile shopping experiences - no code required.

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.

Through its recently incorporated Israeli tech company, Stratford Ltd. DBA Shelfy, the company will continue to merge the functionality of mobile technology, AI, and Machine learning enabling retailers to quickly and easily bring their business online to significantly increase customer retention, average basket size, and customer lifetime value.

The company is in the process of transforming its existing suite of products to a fully modular and scalable SaaS based platform. Specific features can either be added to a retailer's existing mobile application or a complete mobile solution can be developed on Shelfy's mobile commerce suite, where the retailer can keep adding features as the business grows and as their business needs develop.

Main Products Include:

- **Branded Mobile Application:** Enabling retailers to launch a fully branded and functional mobile app without one line of code. Great for retailers with at least 200+ return customers. Our patented UX/UI features are available on both IOS and Android and includes unique features such as personalized smart shelves, loyalty programs and couponing.
- **Ecomarketing suite:** Ideal for medium to large retailers. Our user-friendly CMS system lets retailers manage and launch sponsored "digital" shelf spots, personalized banners and shoppable videos, great for automated up and cross selling as well as a Cost Per Click revenue stream.
- **Smart Omni-channel Search capabilities:** enabling customers to search for products the way they prefer to. Whether its hot text, voice activation or good old typing – easier search makes for happier customers.

In addition to moving to a modular platform, Shelfy is also looking at growing their in-store mobile features, allowing medium to large retailers to merge their digital and instore experience through products such as:

- **Scan, Pay and Go:** providing a purely customer centric approach to shopping as it reduces the customers shopping time by approximately 40%. Imagine no more waiting in lengthy lines, no more time and effort spent on packing, unpacking and packing again ... and for retailers, an effective way to reduce cost on hardware acquisition and maintenance.
 - In store navigation
 - In store personalized shopping experience
 - In store Customer loyalty program activation

Shelfy uses a unique combination of persona-based and per-feature pricing model, where distinct packages are aligned to a specific type of customer persona based on its size, market segment and physical/online store presence.

Each package is very different than the next with prices increasing as the functionality does. With the per-feature pricing add-on module, retailers are able to add specific features to their existing mobile application, this enables retailers to keep adding mobile features as the business grows and as the business needs develop.

B. Please list any subsidiaries, parents, or affiliated companies.

Stratford Ltd. DBA Shelfy is a wholly owned subsidiary operating out of Israel.

C. Describe the issuers' principal products or services.

Shelfy was founded in 2015 with the goal of taking mobile commerce to the next level. Shelfy.io is a white-label mobile commerce & advertising platform that leverages digital shopping to a whole new dimension.

It is a mobile commerce platform that enables retailers to create a mobile-first shopping experience both in-store and online - no code required.

Shelfy's Mobile Commerce Platform Main Products Include:

- **Branded Mobile Application:** Enabling retailers to launch a fully branded and functional mobile app without one line of code. Great for retailers with at least 200+ return customers. Our patented UX/UI features are available on both IOS and Android and includes unique features such as personalized smart shelves, loyalty programs and couponing.

- **Ecomarketing suite:** Ideal for medium to large retailers. Our user-friendly CMS system lets retailers manage and launch sponsored “digital” shelf spots, personalized barkers and shoppable videos, great for automated up and cross selling as well as a Cost Per Click revenue stream.
- **Smart Omni-channel Search capabilities:** enabling customers to search for products the way they prefer to. Whether its hot text, voice activation or good old typing – easier search makes for happier customers.
- **Scan, Pay and Go:** Turns shoppers’ mobile phones into scanning and payment tools. Activate the InApp feature, enabling customers to scan a products bar code, place it directly into their shopping bag, pay via a QR code or payment gateway and leave the shop.

With Shelfy’s sophisticated technology, retailers experience:

- + 60% Customer Retention
- + 30% Average Order Value
- + X3 Cross& Upsell
- + 10% Basket Net Profit
- + X 2.5 Conversion Rate
-

Shelfy's patented technology was designed especially for mobile to enable mass retailers to provide consumers with the ultimate shopping experience. With shelfy.io, customers can shop anytime, anywhere, with their mobile phones. They can access their loyalty cards, utilize points and coupons, interact with bloggers, watch relevant video content, and access personalized promotions. Consumers can even get some extra value while in-store, by scanning items for more information and pricing, or just checking out relevant content on their phone. Shelfy’s Digital Media Platform was engineered to derive new monetization opportunities for retailers, in addition to collecting data and consumer insights. Retailers can create, manage, and control multiple campaigns with a variety of advanced advertising plans.

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 and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, 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 issuer currently operates its business through Stanford Ltd., its wholly owned Israeli subsidiary. Stanford, Ltd. has a short-term lease agreement with Regus Co-Working Offices, Rental Agreement for the duration of 6 months: 13th of June 2021 – 31st December 2021. The location of the office is Raul Vallenberg 18, Building D, 6th Floor, Ramat Hachayal, Tel Aviv, Israel.

7) Company Insiders (Officers, Directors, and Control Persons)

Information below is provided as of June 30, 2021 and based on a total of 6,233,326, shares issued and outstanding as of that date.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Elchanan (Nani) Maoz	Chairman, CEO, President, Director	Ramat-Gan, Israel	1,988,102 shares 973 shares*	Common Stock		These shares are held by Everest Fund LP as to 1,988,102 Common and 800 Series A

				Series A Preferred Stock		Preferred and by Everest Special Situations Fund L.P. as to 173 Series A Preferred, both companies controlled by Mr. Maoz.
Jonah Meer	Secretary, Director	Atlantic Beach, NY	--			
James Alexander Brodie	Treasurer, Director	Short Hills, NJ	--			

* Everest Special Situations Fund LP also has voting control over the remaining 27 Series A Preferred Shares, but does not have beneficial ownership of these shares.

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities 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:

Legal and Securities Counsel

Name: Kenneth A. Schlesinger
Firm: Olshan Frome Wolonsky LLP
Address 1: 1325 Avenue of the Americas
Address 2: New York, New York, 10019
Phone: 1-212-451-2300
Email: kschlesinger@olshanlaw.com

Name: Sharon D Mitchell
Firm: SD Mitchell & Associates PLC
Address 1: 829 Harcourt Rd
Address 2: Grosse Point Park, Michigan 48230
Phone: 248-515-6035
Email: sharondmac2013@gmail.com

Accountant or Auditor

Name: Li Shen, CA
Firm: The Accounting Connection
Address 1: 145-251 Midpark Blvd SE
Address 2: Calgary, AB T2X 1S3, Canada
Phone: 403-693-8004
Email: support@theaccountingconnection.com

Investor Relations

None

Other Service Providers

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

Name: Jacqueline Danforth
Firm: The Ideal Connection
Nature of Services: Compliance Consulting Services
Address 1: 30 North Gould, Suite 5953
Address 2: Sheridan, WY 82801
Phone: 646-831-6244
Email: jd@theidealconnection.com

10) Issuer Certification

Principal Executive Officer

I, Elchanan (Nani) Maoz certify that:

1. I have reviewed this Quarterly report for the six month period ended June 30, 2021 of Metro One Telecommunications Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 31, 2021

/s/ Elchanan (Nani) Maoz

President and Director

Principal Executive Officer

Principal Financial Officer

I, James Brodie certify that:

1. I have reviewed this Quarterly report for the six month period ended June 30, 2021 of Metro One Telecommunications Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 31, 2021

/s/ James Brodie

Treasurer and Director

Principal Financial Officer

Metro One Telecommunications, Inc.

**TABLE OF CONTENTS FOR UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2021 and 2020

	Page
Condensed Consolidated Balance Sheets	F-2
Condensed Consolidated Statements of Operations	F-3
Condensed Consolidated Statements of Stockholders' Equity	F-4
Condensed Consolidated Statements of Cash Flows	F-5
Notes to the Condensed Consolidated Financial Statements	F-6 to F-14

Metro One Telecommunications, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 701,817	\$ 24,788
Accounts receivable	52,241	-
Prepaid expenses	12,345	-
Other current assets	22,270	-
Total current assets	<u>788,673</u>	<u>24,788</u>
Intangible assets (note 5)	3,272,676	-
Total assets	<u>\$ 4,061,349</u>	<u>\$ 24,788</u>
Liabilities and Stockholders' (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 339,211	\$ 51,175
Liability for unissued shares (note 5)	1,415,484	
Investor deposits (note 6)	3,250,000	-
Total current liabilities	<u>5,004,695</u>	<u>51,175</u>
Total liabilities	<u>5,004,695</u>	<u>51,175</u>
Stockholders' (deficit)		
Preferred stock, no par value, 10,000,000 shares authorized:		
Series A convertible preferred stock, 1,385 shares authorized 1,000 shares issued and outstanding; liquidation preference of \$10,000 per share	10,000,000	10,000,000
Common stock, no par value; 50,000,000 shares authorized, 6,233,326 shares issued and outstanding	122,248,660	122,248,660
Accumulated deficit	(133,186,180)	(132,275,047)
Other comprehensive income	(5,826)	-
Stockholders' (deficit)	<u>(943,346)</u>	<u>(26,387)</u>
Total liabilities, redeemable preferred stock and Stockholders' Deficit	<u>\$ 4,061,349</u>	<u>\$ 24,788</u>

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

Metro One Telecommunications, Inc.
Condensed Consolidated Statements of Operations and Other Comprehensive Income
(Unaudited)

	Three months ended June 30,		Six months Ended June 30,	
	2021	2020	2021	2020
Revenues	\$ <u>49,983</u>	\$ <u>-</u>	\$ <u>49,983</u>	\$ <u>-</u>
Operating expenses	\$	\$	\$	\$
General and administrative	231,454	4,719	297,154	9,168
Management Fees	69,441	12,000	81,441	24,000
Research and Development	181,736	-	181,736	-
Sales and Marketing	34,845	-	34,845	-
Finance Costs	365,940	-	365,940	-
Total operating expenses	<u>883,416</u>	<u>16,719</u>	<u>961,116</u>	<u>33,168</u>
Loss	\$ <u>(833,433)</u>	\$ <u>(16,719)</u>	\$ <u>(911,133)</u>	\$ <u>(33,168)</u>
Basic and diluted net loss per common share	\$ <u>(0.13)</u>	\$ <u>(0.00)</u>	\$ <u>(0.15)</u>	\$ <u>(0.00)</u>
Weighted average shares – basic and diluted	<u>6,233,326</u>	<u>6,233,326</u>	<u>6,233,326</u>	<u>6,233,326</u>
Other Comprehensive Income (loss)				
Net Loss	\$ (833,433)	\$ (16,719)	\$ (911,133)	\$ (33,168)
Foreign currency translation adjustment	(5,826)	-	(5,826)	-
	<u>\$ (839,259)</u>	<u>\$ (16,719)</u>	<u>\$ (916,959)</u>	<u>\$ (33,168)</u>

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

Metro One Telecommunications, Inc.
Condensed Consolidated Statements of Stockholders' (Deficit)
(Unaudited)

	Preferred Shares		Common Stock		Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount			
Balance at December 31, 2020	1,000	\$ 10,000,000	6,233,326	\$ 122,248,660	\$ -	(132,275,047)	\$ (26,387)
Net loss						(77,700)	(77,700)
Balance at March 31, 2021	1,000	10,000,000	6,233,326	122,248,660	-	(132,352,747)	(104,087)
Foreign currency translation adjustment					(5,826)		(5,826)
Net loss						(833,433)	(833,433)
Balance at June 30, 2021	1,000	\$ 10,000,000	6,233,326	\$ 122,248,660	\$ (5,826)	(133,186,180)	\$ (943,346)

	Preferred Shares		Common Stock		Accumulated Deficit	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount		
Balance at December 31, 2019	1,000	\$ 10,000,000	6,233,326	\$ 122,248,660	\$ (132,221,811)	\$ 26,849
Net loss	-	-			(16,448)	(16,448)
Balance at March 31, 2020	1,000	10,000,000	6,233,326	122,248,660	(132,238,259)	10,401
Net loss	-	-	-	-	(33,168)	(33,168)
Balance at June 30, 2020	1,000	\$ 10,000,000	6,233,326	\$ 122,248,660	\$ (132,271,427)	\$ (22,767)

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

Metro One Telecommunications, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended	
	June 30,	
	2021	2020
Cash flows used in operating activities:		
Net loss	\$ (911,133)	\$ (33,168)
Adjustments to reconcile net loss to net cash used in operating activities:		
Financing costs	283,096	
Changes in certain assets and liabilities:		
Accounts receivables	(52,241)	-
Prepaid expenses	(12,345)	-
Other current assets	(22,270)	27,000
Accounts payable and accrued liability	288,038	8,841
Net cash used in operating activities	<u>(426,855)</u>	<u>2,673</u>
Cash flows from investing activities:		
Asset purchase	(2,140,288)	-
Net cash provided by investing activities	<u>(2,140,288)</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from private placements	3,250,000	-
Net cash provided by financing activities	<u>3,250,000</u>	<u>-</u>
Net decrease in cash and cash equivalents	682,857	2,673
Foreign Exchange Gain (loss)	(5,826)	-
Cash and cash equivalents, beginning of year	24,788	1,827
Cash and cash equivalents, end of year	<u>\$ 701,819</u>	<u>\$ 4,500</u>
Supplemental disclosure of cash flow information:		
Cash received (paid) for income taxes, net	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
Non-cash Investing and Financing Activities		
Royal App assets acquired as liability for unissued shares	<u>\$ 1,132,388</u>	<u>\$ -</u>
Financing cost recorded as liability for unissued shares	<u>\$ 283,096</u>	<u>\$ -</u>

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

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 1 - NATURE OF OPERATIONS

Historical Information:

The Company was incorporated in the State of Oregon on February 8, 1989, as Metro One Direct Information Services Inc. On December 12, 1995, we changed our name to Metro One Telecommunications Inc. The Company was formerly in the business of providing directory assistance service to subscribers through carrier contracts starting with its first contract in 1991. Previously the Company was contracted with a number of wireless carriers, voice over internet protocol providers, cable companies and various other carriers both free and prepaid providing live operator directory assistance services to the carriers' subscribers and users. Revenues were historically derived principally through fees charged to telecommunications carriers.

Starting in 2005, the Company went through a number of restructures of its business in an attempt to retain market share in a rapidly evolving technology and telecommunications industry.

In March 2008, the Company decided to exit the wholesale directory assistance business, but to continue to pursue growth in the Company's small data services business which it had concurrently developed.

As of September 2008, the Company had closed all of its call centers and approximately 700 employees were terminated.

In conjunction with the closures, the Company sold a majority of its patent and trademarks to raise funds to continue operations.

Further, during 2008, the Company voluntarily deregistered its common stock under the Securities Exchange Act of 1934. With that action the Company moved from the OTC Markets Bulletin Board to the OTC Markets Pink Sheets.

The Company was unsuccessful in pursuing its then current business and ceased filing any current information reports with OTC Markets in fiscal 2009.

Current Information:

Certain of the officers and directors of the Company maintained the Company's registration as an Oregon corporation while seeking other business opportunities for the Company and its stockholders between fiscal 2009 and current date.

On March 30, 2021, the Company announced that its newly-formed, wholly owned Israeli subsidiary, Stratford Ltd. had received notification of approval from the Lod District Court in Israel for its winning bid to acquire assets of Royal App Ltd. out of insolvency proceedings for approximately \$2.4 million USD in cash as well as 8% equity in the Company on a diluted basis, post conversion of the Company's preferred common stock and certain other proposed sales of common stock in order to raise the required funds to complete the acquisition, the "Recapitalization".

Royal App is the developer of Shelfy, a white label, headless mobile commerce software platform that helps retailers and fast moving consumer goods companies become growth companies. Shelfy incorporates sophisticated artificial intelligence and machine learning in its algorithms to markedly improve online shopping metrics through mobile phones for large consumer retailers such as supermarket chains, food and other clients. Prior to its recent insolvency filing, more than \$20 million had been invested in Royal App.

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 1 - NATURE OF OPERATIONS

Description of Business:

Current Information (continued)

If the Recapitalization of the Company is not approved by the shareholders and the 8% of the Company Capitalization is not issued to the bankruptcy trustee within 120 days from the date of the closing of the Acquisition, or April 26, 2021, the trustee, who holds a pledge over the assets of Royal App purchased by Stratford, may foreclose on such assets. Any foreclosure will result in the transfer of the ownership of Royal App assets purchased by Stratford, from Stratford to the trustee for the creditors of Royal App.

To finance the acquisition as well as general working capital, the Company proposed to raise up to \$3.5 million commencing March 2021 in the form of puttable Simple Agreements for Future Equity (“SAFES”) from institutional investors and family offices. The terms of the SAFES require that they automatically convert into common stock of the Company following the conversion of all outstanding convertible preferred stock into common stock. The Company’s intent is to undertake the conversion of preferred stock during fiscal 2021 following shareholder approval of certain proposed corporate restructure plans.

Subsequent to the conversion of the preferred stock, and as part of the agreement for the acquisition of the assets of Royal App the Company also agreed to issue common stock for commission fees of 2% of the Company’s common stock on a diluted basis, and to the employees of Stratford as to 8% of the Company on a diluted basis, under the terms of an Employee Stock Option Plan, once approved by shareholders. Further, in order to undertake these issuances, the Company will be required to increase the authorized common stock of the Company.

On June 9, 2021, the Company announced a shareholders’ meeting to be held on June 30, 2021 to approve the following actions:

1. An amendment to the articles of the Company to increase the authorized shares of the Company from 50,000,000 to 600,000,000.
2. An amendment to the articles of the Company to effect a reverse stock split on the basis of not less than 1 for 10 and not more than 1 for 100. Such ratio to be determined by the Board of Directors of the Company.
3. Approval of a 2021 Employee Stock Incentive Plan. The Plan will have available shares equity to 25% of the Company’s capitalization and a term of ten years from the effective date of the Plan
4. Approval of the Company’s reorganization from Oregon to Delaware.

The meeting was held on June 30, 2021, and the Company’s shareholders approved all of the actions detailed above. In addition the Preferred stockholders agreed to the conversion of 1,000 outstanding shares of the Company’s Series A convertible preferred stock whereby each 1 share of Preferred stock held is convertible into 71,683.25 shares of common stock.

The Company is actively pursuing the closure of this acquisition through its wholly owned subsidiary Stratford Ltd. and expects to close all proposed transactions and corporate restructure plans during the third quarter fiscal 2021.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared assuming the continuation of the Company as a going concern. The Company has recently acquired operating assets, is generating modest revenues, and is in the process of pursuing expansion of its new business venture. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and is dependent on debt and equity financing to fund its operations.

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 2 – GOING CONCERN (continued)

The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern. Management's plans for the continuation of the Company as a going concern include financing the Company's operations through issuance of its common stock, conducting revenue generating operations or expanding the Company's existing business operations to acquire projects which generate additional revenue. If the Company is unable to complete its financing requirements or achieve net profits as projected, it will then modify its expenditures and plan of operations to coincide with the actual financing completed and actual operating revenues, if any. The Company is currently seeking a further equity financing of up to \$3 million US Dollars to meet ongoing capital requirements.

There are no assurances the Company will succeed in implementing its plans. Unless otherwise indicated, amounts provided in these notes to the financial statements pertain to continuing operations.

COVID-19

The recent COVID-19 pandemic could have an adverse impact on the Company going forward. COVID-19 has caused significant disruptions to the global financial markets, which may severely impact the Company's ability to raise additional capital and to pursue certain contracts. The Company may be required to cease operations if it is unable to finance its' operations. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report and is highly uncertain and subject to change. Management is actively monitoring the situation but given the daily evolution of the COVID-19 outbreak, the Company is not able to estimate the effects of the COVID-19 outbreak on its operations or financial condition in the next 12 months. There are no assurances that the Company will be able to meet its obligations, raise funds or conclude the acquisition of identified businesses. Further upon acquisition of any target businesses there is no guarantee these operations will be profitable.

NOTE 3 - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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 these financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 – SUMMARY OF ACCOUNTING POLICIES

Fiscal Year end

The Company has selected December 31 as its fiscal year end.

Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles (US GAAP). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its 100% controlled Israeli subsidiary, Stratford Ltd ("Stratford") as of June 30, 2021. All significant intercompany accounting transactions have been eliminated as a result of consolidation.

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 4 – SUMMARY OF ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Basic and Diluted Net Income (Loss) Per Share

In accordance with ASC Topic 260 – Earnings Per Share, the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common stock outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional shares of common stock that would have been outstanding if the potential common stock had been issued and if the additional shares of common stock were dilutive.

Potential common stock consists of the incremental common stock issuable upon convertible notes, stock options and warrants and classes of shares with conversion features. The computation of basic loss per share for the periods ended June 30, 2021 and December 31, 2020 excludes potentially dilutive securities of underlying preferred shares, because their inclusion would be antidilutive. As a result, the computations of net loss per share for each period presented is the same for both basic and fully diluted.

Goodwill

Goodwill represents the excess of the purchase price of the acquisition over the net fair value of identifiable assets acquired and liabilities assumed. Goodwill amounts are not amortized.

Intangible Assets

The Company generally recognizes assets for customer relationships, developed technology, and finite-lived trade names from an acquisition. Finite-lived intangible assets are carried at acquisition cost less accumulated amortization. Such amortization is recorded on a straight-line basis over the estimated useful lives of the respective assets, generally from 3 to 8 years. Amortization for developed technology is recognized in cost of revenue. Amortization for customer relationships and trade names is recognized in sales and marketing expenses.

In the three month period ended June 30, 2021, the company recorded assets acquired in the cumulative amount of approximately \$3.3 million (cash proceeds and share based consideration) purchased through a liquidation proceeding from the trustee for Royal App Ltd., an Israeli corporation (ref: Note 5), which we recorded as intangible assets. Intangible assets acquired included (1) goodwill; (2) intellectual property and trademarks, including rights in patents in so far as they exist and rights of claim (if and in so far as they exist and are transferrable) for infringement of the aforementioned intellectual property; and (3) agreements (rights and obligations) with customers. We initially record acquired intangible assets at their estimated fair values and we review these assets periodically for impairment.

Impairment

The valuation of goodwill at the reporting unit level is reviewed annually during the fourth fiscal quarter or more frequently if facts or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. The Company presently has one reporting unit; therefore, all of its goodwill is associated with the entire company. Management has the option to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of the Company is less than the carrying amount, including goodwill. If it is determined that it is more likely than not that the fair value of the Company is less than the carrying amount, a quantitative assessment is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge is recognized

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 4 – SUMMARY OF ACCOUNTING POLICIES (continued)

Impairment (cont'd)

for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit. The Company also has the option to bypass the qualitative assessment and perform the quantitative assessment.

The Company reviews the valuation of long-lived assets, including property and equipment and finite-lived intangible assets, whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The recoverability of long-lived assets or asset groups is calculated based on the estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset. Impairment testing is performed at the asset group level.

Research and Development

Research and development expenses consist primarily of costs associated with the developer of Royal App system, compensation and other expenses for research and development, personnel, supplies and development materials, costs for consultants and related contract research and facility costs. Expenditures relating to research and development are expensed as incurred. In the three month period ended June 30, 2021, the company recorded assets acquired in the cumulative amount of approximately \$3.3 million (cash proceeds and share based consideration) purchased through a liquidation proceeding from the trustee for Royal App Ltd., an Israeli corporation (ref: Note 5), which we recorded as intangible assets. During the most three months ended June 30, 2021 we expensed \$181,736 as research and development costs in the accompanying Condensed Consolidated Statements of Operations.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value for applicable assets and liabilities, we consider the principal or most advantageous market in which we would transact and we consider assumptions market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. This guidance also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions

The Company's financial instruments include cash, accounts payable, related party loans and a demand promissory note. The carrying amounts of cash and accounts payable approximate their fair value, due to the short-term nature of these items.

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 4 – SUMMARY OF ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company has adopted the requirement of Accounting Standards Update, or ASU No. 2014-09 “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”).

We derive our revenues from annual license fees, subscriptions, and customized professional services. We recognize revenues when a contract exists between the Company and a customer and upon transfer of control of promised products or services to such customer in an amount that reflects the consideration we expect to receive in exchange for those products or services. We enter into contracts that can include various combinations of annual licenses, subscriptions, customized service contracts and professional services, which may be capable of being distinct and accounted for as separate performance obligations, or in the case of offerings such as annual licenses, subscriptions, services and support, accounted for as a single performance obligation. Revenues are recognized net of allowances and any taxes collected from customers, which are subsequently remitted to governmental authorities.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenues when, or as, the Company satisfies a performance obligation

Annual License fees and Subscription Revenues

Annual license and subscription revenues primarily consist of fees for providing customers access to a combination of our software offerings including persona-based and per-feature pricing models, where distinct packages are aligned to a specific type of customer persona based on its size, market segment and physical/online store presence. Each package is very different than the next with prices increasing as the functionality does. With the per-feature pricing add-on module, retailers are able to add specific features to their existing mobile application, this enables retailers to keep adding mobile features as the business grows and as the business needs develop. We also provide routine customer support and maintenance related to email and phone support, bug fixes, and unspecified software updates and upgrades released when and if available during the maintenance term. Revenues are generally recognized on a ratable basis over the contract term beginning on the date that our service is made available to the customer, which we believe best reflects the manner in which our customers utilize our subscription offerings. Arrangements with customers do not provide the customer with the right to take possession of the software supporting application service at any time and, as a result, are accounted for as a service contract. Our subscriptions and licenses have varying terms of service which dictate the revenue recognition on a contract by contract basis.

Customized Service Revenues

Customized service contract revenues primarily consist of fees for deployment, configuration, and optimization services, and potentially, training. The majority of our professional services contracts are billed on a fixed price basis, and revenues are recognized over time based on a proportional performance methodology which utilizes input methods. A portion of our customized service contracts may be billed on a time and materials basis and revenues are recognized over time as the services are performed.

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 4 – SUMMARY OF ACCOUNTING POLICIES (continued)

Revenue Recognition (cont'd)

Contracts with Multiple Performance Obligations

Most of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price (“SSP”) basis. We determine SSP by considering its overall pricing objectives and market conditions. Significant pricing practices taken into consideration include our discounting practices, the size and volume of our transactions, the scope of customer needs relative to custom services and available subscription services for existing packages, the customer demographic, price lists, our go-to-market strategy, historical sales, and contract prices. As our go-to-market strategies evolve, we may modify pricing practices in the future, which could result in changes to SSP.

Given the variability of pricing, we use a range of SSP. We determine the SSP range using information that may include market conditions or other observable inputs. We typically have more than one SSP for individual products and services due to the stratification of products and services by customer size.

Remaining performance obligations (RPOs) represent contracted revenues that have not yet been recognized, including deferred revenue and unbilled amounts that we expect will be recognized as revenues in future periods. Our reported RPO balance is influenced by several factors, including the timing of renewals, average contract terms, and foreign currency exchange rates (if applicable). Because we may enter into multi-year contracts and the timing of renewal of these contracts varies by customer, our reported RPOs may fluctuate significantly from period to period, and we do not believe this measure is a useful gauge of our future performance. For these reasons, we do not use RPOs as a tool for managing our business.

Income Taxes

Income taxes are recognized in accordance with ASC 740, “Income Taxes”, whereby deferred income tax liabilities or assets at the end of each period are determined using the tax rate expected to be in effect when the taxes are actually paid or recovered. A valuation allowance is recognized on deferred tax assets when it is more likely than not that some or all of these deferred tax assets will not be realized.

Recent Accounting Pronouncements

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

NOTE 5 – ACQUISITION OF ASSETS

During March 2021 the Company entered into an agreement, (the “Agreement”), for the purchase of certain assets of Royal App Ltd., a corporation incorporated in Israel, through a liquidation proceeding approved by the Lod District Court (Israel) within the framework of Insolvency Case 53873-01-21. On April 26, 2021, the Company completed a cash payment to the trustee for the acquisition of the identified assets, and the assets were effectively transferred to the Company’s controlled subsidiary, Stratford Ltd.

Assets acquired included (1) goodwill; (2) intellectual property and trademarks, including rights in patents in so far as they exist and rights of claim (if and in so far as they exist and are transferrable) for infringement of the aforementioned intellectual property; (3) agreements (rights and obligations) with customers and, (4) certain equipment and fixed assets.

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 5 – ACQUISITION OF ASSETS (continued)

In consideration for the assets acquired the Company paid \$2,140,288 (net of VAT) and agreed to issue 8% of the Company's issued and outstanding shares on a diluted basis, following the issuance of certain share capital in respect to the sale of common shares under SAFES, the conversion of 1,000 shares of Series A preferred stock to common stock and an estimate of shares expected to be issued for certain warrants and employee stock options during fiscal 2021. The consideration shares are to be issued to the bankruptcy trustee within 120 days from the date of the closing of the acquisition, April 26, 2021. The trustee, who holds a pledge over the assets of Royal App purchased by Stratford Ltd., may foreclose on such assets in the event the consideration shares are not issued as required under the terms of the Agreement. Any foreclosure will result in the transfer of the ownership of Royal App assets purchased by Stratford, from Stratford to the trustee for the creditors of Royal App. The 22,647,751 consideration shares were issued to the trustee subsequent to June 30, 2021 and were valued at the fair market value at the date of issue or \$1,132,388, as part of the acquisition consideration, and are recorded on the Company's balance sheets as "Liability for unissued shares" at June 30, 2021.

The Company has recorded the acquired assets on the Company's balance sheets as Intangible Assets as of the date of acquisition and is currently reviewing the assets for further classification. The Company intends to complete impairment testing on all acquired assets no later than the close of fiscal 2021.

The Company also paid a transaction fee of 2% of the diluted share capital by way of the issuance of 5,661,938 common shares to Everest Corporate Finance Ltd., a company of which our President is an officer, director and shareholder, subsequent to June 30, 2021, valued at fair market value or \$283,096 which amount was expensed as a finance cost and is included on the balance sheets as "Liability for unissued shares" at June 30, 2021.

NOTE 6 – INVESTOR DEPOSITS

Investor deposits consist of \$3,250,000 in gross proceeds received in the form of puttable Simple Agreements for Future Equity ("SAFES") from institutional investors and family offices during the six months ended June 30, 2021. The terms of the SAFES require that they automatically convert into restricted, unregistered shares of common stock of the Company following the conversion of all outstanding convertible preferred stock into common stock at such price per share equal to the fully diluted capital post conversion of the preferred stock divided by \$2,000,000, or \$0.02567 per share.

NOTE 7 – CAPITAL STOCK

The Company has authorized 50,000,000 shares of Common stock, no par value and 10,000,000 shares of Preferred stock, no par value, of which 1,385 shares have been designated Series A convertible preferred stock with a liquidation preference of \$10,000 per share. Holders of convertible preferred stock, when voting with the holders of our common stock, are entitled to an approximate 0.856 vote for each share of common stock into which the Series A convertible preferred stock registered in the shareholder's name can be converted. Each share of Series A convertible preferred Stock is convertible into approximately 71,683.25 shares of common stock. In addition, the holders of our convertible preferred stock are entitled to elect a majority of the members of our Board of Directors.

There were no issuances of common or preferred stock during the most the fiscal year ended December 31, 2020 or the six month period ended June 30, 2021.

At June 30, 2021 and December 31, 2020 the Company had 6,233,326 shares of common stock issued and outstanding and 1,000 shares of Series A Preferred stock issued and outstanding.

Metro One Telecommunications, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
For The Three and Six Months Ended June 30, 2021

NOTE 8 – SUBSEQUENT EVENTS

On July 27, 2021, the Company appointed Ms. Bianca Meger as CEO of the Company and Co-CEO of the Company's wholly owned Israeli subsidiary, Stratford Ltd.

On August 20, 2021, the Company issued the following shares of common stock:

- 71,683,250 shares of unregistered restricted common stock upon conversion of 1,000 shares of the Series A convertible Preferred stock to its controlling shareholder, Everest Credit L.P., a company of which our President and Director is a beneficial owner;
- 5,661,938 shares of unregistered restricted common stock to Everest Corporate Finance Ltd., a company of which our President and Director is a beneficial owner, as commission fees in respect to the acquisition of the assets of Royal App Ltd;
- 22,647,751 shares of unregistered restricted common stock to the Trustee in Liquidation for Royal App as part of the agreed consideration under the acquisition agreement;
126,614,436 unregistered restricted shares of common stock in exchange for 3.25M in proceeds from SAFES.

The Company has evaluated events for the period from June 30, 2021 through the date of the issuance of these financial statements and determined that there are no additional events requiring disclosure.