

CAPITAL FINANCIAL GLOBAL, INC.
FINANCIAL STATEMENTS

September 30, 2021

(Unaudited)

CAPITAL FINANCIAL GLOBAL, INC.
INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Balance Sheets as of September 30, 2021 and December 31, 2020 (unaudited)	1
Statements of Operations for the nine months ended September 30, 2021 and 2020 (unaudited)	2
Statements of Changes in Stockholders' Equity (Deficit) for the nine months ended September 30, 2021 (unaudited)	3
Statements of Cash Flows for the nine months ended September 30, 2021 and 2020 (unaudited)	4
Notes to the Financial Statements (unaudited)	5-8

Capital Financial Global, Inc.
Balance Sheets

	Sept 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 23,855	\$ 645
Interest income receivable, net of allowance	-	-
Other notes receivable	-	-
Total Current Assets	<u>\$ 23,855</u>	<u>\$ 645</u>
Property and equipment, net	-	-
Escrow Deposit	-	-
Total Assets	<u><u>\$ 23,855</u></u>	<u><u>\$ 645</u></u>
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	\$ 9,477	\$ 9,216
Accrued interest payable	55,279	37,942
Accrued compensation and payroll taxes	568,608	471,723
Notes payable - related party	-	-
Current notes payable	20,000	20,000
Other current liabilities	569,810	569,810
Total Current Liabilities	<u>\$ 1,223,174</u>	<u>\$ 1,108,691</u>
Other long term liabilities	434,400	434,400
Long term notes payable	80,000	80,000
Total Liabilities	<u>\$ 1,737,574</u>	<u>\$ 1,623,091</u>
Stockholders' Equity (Deficit)		
Preferred stock		
Series A, \$0.001 par value, 100 shares authorized, 100 shares issued and outstanding;	\$ 2,644,097	\$ 2,644,097
Series B, \$0.001 par value, 50,000,000 shares authorized, 2,557,550 shares and		
2,557,550 shares issued and outstanding, respectively	2,557,550	2,557,550
Common stock, \$0.001 par value, 3,850,000,000 shares authorized,		
3,159,275,316 shares and 3,159,275,316 shares issued and outstanding, respectively	3,159,275	3,159,275
Additional paid-in capital	(832,884)	(832,884)
Accumulated deficit	(9,241,757)	(9,150,484)
Total Stockholders' Equity (Deficit)	<u>(1,713,719)</u>	<u>(1,622,446)</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u><u>\$ 23,855</u></u>	<u><u>\$ 645</u></u>

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

Capital Financial Global, Inc.
Statements of Operations

		For the Nine Months Ended Sept 30,	
		2021 (Unaudited)	2020 (Unaudited)
Revenues			
Interest Income			
Interest and fees on loans		\$ -	\$ -
Total Interest Income		<u>-</u>	<u>-</u>
Interest Expense			
Interest on credit lines		-	-
Total Interest Expense		<u>-</u>	<u>-</u>
Net Interest Income		-	-
Noninterest Income			
Net realized trading gains (losses)		-	-
Net unrealized trading gains (losses)		-	-
Loan origination commissions		63,119	17,780
Loan servicing fees		-	-
Loan advisory fees		2,500	7,000
Asset management fees		-	-
Total non-interest income		<u>65,619</u>	<u>24,780</u>
Net Revenue		<u>\$ 65,619</u>	<u>\$ 24,780</u>
Operating Expenses			
Compensation and benefits		96,982	64,590
Marketing		-	-
Communications & technology		-	1,131
Occupancy		-	-
Professional fees		34,020	18,372
Other general and administrative		8,553	1,526
Depreciation and amortization		-	-
Total operating expense		<u>139,555</u>	<u>85,619</u>
Operating Income (Loss)		<u>(73,936)</u>	<u>(60,839)</u>
Other Expenses			
Gain / (Loss) on extinguishment of debt		-	553,689
Non-operating interest expense		(17,337)	(16,853)
Provision for loan losses		-	-
Loss before income taxes		<u>(91,274)</u>	<u>475,997</u>
Provision for income tax		-	-
Net Gain		<u>\$ (91,274)</u>	<u>\$ 475,997</u>
Series A preferred dividends		-	-
Series B preferred dividends accumulated and unpaid		-	-
Net loss applicable to common shareholders		<u>\$ (91,274)</u>	<u>\$ 475,997</u>

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

Capital Financial Global, Inc.
Statements of Changes in Stockholders' Equity (Deficit)

(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2015	100	\$ 2,634,025	2,429,200	\$ 2,429,200	1,626,275,318	\$ 1,626,275	\$ (180,679)	\$ (7,862,399)	\$ (1,353,577)
Common Stock issued for conversion of debt					160,000,000	160,000	(154,770)		5,230
Series A preferred dividends									-
Series B Shares issued for officer compensation			200,000	200,000					200,000
Series B Shares issued in settlement of legal claims			250,000	250,000					250,000
Cancellation of Series B Shares			(540,000)	(540,000)			540,000		-
Series B Shares issued for conversion of debt			100,000	100,000					100,000
Net loss								(847,697)	(847,697)
Balance, December 31, 2016	100	\$ 2,634,025	2,439,200	\$ 2,439,200	1,786,275,318	\$ 1,786,275	\$ 204,551	\$ (8,710,096)	\$ (1,646,045)
Common Stock issued for conversion of debt					390,000,000	390,000	(385,638)		4,362
Series B Shares issued for cash			16,000	16,000					16,000
Series B Shares issued for conversion of debt			141,000	141,000					141,000
Series B Shares issued for accrued officer compensation			635,000	635,000					635,000
Net loss								(214,340)	(214,340)
Balance, December 31, 2017	100	\$ 2,634,025	3,231,200	\$ 3,231,200	2,176,275,318	\$ 2,176,275	\$ (181,086)	\$ (8,924,436)	\$ (1,064,022)
Common Stock issued for conversion of debt					240,000,000	240,000	(143,999)	(16,352)	79,649
Series A preferred dividends		10,072						(10,072)	-
Series B Shares issued for cash			34,800	34,800					34,800
Series B Shares issued for conversion of debt			30,300	30,300					30,300
Cancellation of Series B Shares issued for 2014 settlement agreement			(738,750)	(738,750)				738,750	-
Net loss								(717,059)	(717,059)
Balance, December 31, 2018	100	\$ 2,644,097	2,557,550	\$ 2,557,550	2,416,275,318	\$ 2,416,275	\$ (325,085)	\$ (8,931,643)	\$ (1,638,806)
Common Stock issued for conversion of debt					743,000,000	743,000	(507,800)		235,200
Series A preferred dividends								(478,149)	(478,149)
Series B Shares issued for cash									-
Series B Shares issued for acquisition									-
Cancellation of Series B Shares issued for 2014 settlement agreement									-
Net loss								(129,394)	(129,394)
Balance, December 31, 2019	100	\$ 2,644,097	2,557,550	\$ 2,557,550	3,159,275,316	\$ 3,159,276	\$ (832,885)	\$ (9,539,187)	\$ (2,011,149)
Net Gain (loss)								388,703	388,703
Balance, December 31, 2020	100	\$ 2,644,097	2,557,550	\$ 2,557,550	3,159,275,316	\$ 3,159,276	\$ (832,885)	\$ (9,150,484)	\$ (1,622,446)
Net Gain (loss)								(91,274)	(91,274)
Balance, September 30, 2021	100	\$ 2,644,097	2,557,550	\$ 2,557,550	3,159,275,316	\$ 3,159,276	\$ (832,885)	\$ (9,241,757)	\$ (1,713,719)

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

Capital Financial Global, Inc.
Statements of Cash Flows

	For the Nine Months Ended Sept 30,	
	2021	2020
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net income / (loss)	\$ (91,274)	\$ 475,997
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Escrow deposit	-	1,000,000
Depreciation and amortization	-	-
Net unrealized trading gains	-	-
Net provision for loan losses on Notes held for sale	-	-
Net provision for uncollectible interest income	-	-
Series B Preferred Shares issued for officer compensation	-	-
Series B Preferred Shares issued per settlement agreement	-	-
Common Stock Issued for Services	-	-
Amortization of debt discount	-	-
Changes in operating assets and liabilities:		
Interest income receivable	-	-
Current Notes Payable	-	(1,015,200)
Accounts payable and accrued liabilities	261	(35,821)
Accrued interest payable	17,337	(477,659)
Accrued compensation and payroll liabilities	96,885	64,590
Net cash provided (used) by operation activities	<u>\$ 23,210</u>	<u>\$ 11,906</u>
Cash flows from investing activities		
Net investment in note receivable	-	-
Net investment in capital assets	-	-
Net cash provided (used) by investing activities	<u>\$ -</u>	<u>\$ -</u>
Cash flows from financing activities		
Common stock issued, net of paid-in capital	-	-
Series A Preferred Stock dividends	-	-
Series B Preferred Stock	-	-
Net proceeds (payments/cancellation) on debt	-	-
Net proceeds from notes payable	-	-
Net proceeds from related party note payable	-	-
Net cash provided (used) by financing activities	<u>\$ -</u>	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	23,210	11,906
Cash and cash equivalents, beginning of period	645	17
Cash and cash equivalents, end of period	<u><u>\$ 23,855</u></u>	<u><u>\$ 11,924</u></u>
Supplemental Disclosures of Cash Flow Information		
Cash paid for:		
Interest	-	-
Income taxes	-	-
Non-cash financing activities:		
Series A preferred dividends	-	-
Series B preferred shares issued for cash	-	-
Series B preferred shares issued for conversion of debt	-	-
Common stock issued for conversion of debt	-	-
Common stock issued for services	-	-

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

Capital Financial Global, Inc.
Notes to the Financial Statements
September 30, 2021 (unaudited)

NOTE 1- BASIS OF PRESENTATION

The accompanying interim financial statements were prepared by the Company without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. In management's opinion all necessary adjustments, which consist primarily of normal recurring adjustments, to the financial statements have been made to present fairly the financial position and results of operations and cash flows. The results of operations for the respective periods presented are not necessarily indicative of the results for the respective complete years. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual financial statements as of and for the year ended December 31, 2020.

Recent Accounting Pronouncements

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

NOTE 2 – BUSINESS CONDITION

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has had recurring losses along with an accumulated deficit totaling \$9,241,757 as of September 30, 2021. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management's plans concerning these matters are to obtain additional debt and equity financing and expand lending to produce future revenues.

NOTE 3 – NOTES HELD FOR SALE

As of September 30, 2021, the Company does not have any notes held for sale. The Company is actively pursuing the acquisition of additional notes held for sale as part of its core business model.

NOTE 4 – NOTES HELD FOR INVESTMENT

As of September 30, 2021, the Company does not have any notes held for investment. The Company is actively pursuing the acquisition of additional notes held for investment as part of its core business model.

NOTE 5 – ACCRUED COMPENSATION AND PAYROLL TAXES

As of September 30, 2021, the company owed its President and Chief Executive Officer Paul Edward Norat \$568,608 in accrued compensation.

NOTE 6– RELATED PARTY NOTES PAYABLE

As of September 30, 2021, all amounts owed to the Company's President and Chief Executive Officer Paul Edward Norat for various cash amounts loaned to the Company during the period were repaid.

Capital Financial Global, Inc.
Notes to the Financial Statements
September 30, 2021 (unaudited)

NOTE 7 – CURRENT NOTES PAYABLE

Alisa Wright

On August 26, 2016, the Company executed a promissory note payable to Alisa Wright in the amount of \$20,000. The note bears interest at 12% per annum and matured on August 25, 2017. As of September 30, 2021, the balance of the note, including principal and interest, was \$35,516.38.

Casfil Company SA

On August 15, 2019, the Company executed a short term note payable for \$80,000 with Casfil Company SA. The note bears interest at 24%. As of September 30, 2021, the balance of the note including principal and interest was \$155,356.38.

Other Current Liabilities

As part of the settlement transaction from September 2018 described in Note 8, the Company recognized a Settlement Obligation of \$730,000. As a result of the stock transactions also described in Note 8, the balance of this obligation has been reduced to \$569,810 as of the current period end.

NOTE 8 – LONG-TERM NOTES PAYABLE

On September 29, 2011, the Company executed a promissory note payable to Red Castle Enterprises in the amount of \$730,000, bearing interest at 6% per annum. As amended, the note had a maturity date of December 31, 2018. As of September 18, 2018, the balance of the note, including principal and interest, was \$978,894.

On August 28, 2018, SDN Investments, LLC., acquired all of the claims of Red Castle Enterprises via an unrelated claims purchase agreement.

On September 18, 2018, the Company entered into a settlement agreement with SDN Investments LLC to settle the promissory note formerly payable to Red Castle in exchange for common stock having an estimated fair market value of \$1.2 million, to be issued in tranches upon request. This transaction is recognized by recording \$730,000 as a liability against the market value of settlement stock that will be issued at a discount to market, and \$600,000 as a contingent settlement obligation recorded in Other Long-Term Liabilities.

As of September 2018, the Company recognized a related loss on extinguishment of debt of \$265,604.

On November 21, 2018, the Company issued the first tranche of common stock under the above agreement, with 240,000,000 shares issued at a market price of \$0.0004, for a total transaction value of \$96,000, plus associated issuance costs.

On January 1, 2019, the Company issued the second tranche of common stock under the above agreement, with 193,000,000 shares issued at a market price of \$0.0004, for a total transaction value of \$77,200, plus associated issuance costs.

On January 25, 2019, the Company issued the third tranche of common stock under the above agreement, with 240,000,000 shares issued at a market price of \$0.0004, for a total transaction value of \$96,000, plus

Capital Financial Global, Inc.
Notes to the Financial Statements
September 30, 2021 (unaudited)

associated issuance costs.

On May 28, 2019, the Company issued the fourth tranche of common stock under the above agreement, with 310,000,000 shares issued at a market price of \$0.0002, for a total transaction value of \$62,000, plus associated issuance costs.

The above stock transactions have reduced the balance of the contingent settlement obligation to \$434,400 as of September 30, 2021.

NOTE 9 – PREFERRED STOCK

At period end, the Company had a total of 150,000,000 shares of Preferred Stock authorized, 100 shares of which have been designated as Series A Preferred Stock and 50,000,000 as Series B Preferred Stock. The remaining 99,999,900 shares of Preferred Stock had not yet been designated.

Series A Preferred Stock

The 100 shares of Series A preferred stock, with par value \$0.001 per share, are convertible into 105% of the common shares outstanding immediately prior to conversion. Subsequent to initial issuance, as additional shares of common stock have been issued, the holders of the Series A Preferred Shares have the right to obtain additional shares of common stock upon conversion as a result of the 105% conversion provision. The value of the right to obtain those additional shares of common stock has been recognized as additional value of the Series A Preferred Shares and consideration to the holder of the Series A Preferred Shares in the form of a preferred stock dividend. Accordingly, the value of the Series A preferred stock amounted to \$2,644,097, as of the current period end.

Series B Preferred Stock

The Company's Series B Preferred Stock includes terms that provide for a 4% cumulative dividend, payable quarterly from the date of issuance starting in July 2010, when, as, and if declared by the Company's Board of Directors. As of June 30, 2021, no such dividends had been declared. All shares of Series B Preferred Stock have been issued, since inception, at \$1.00 per share.

At period end, there were 2,557,550 shares of Series B preferred stock outstanding.

NOTE 10– COMMON STOCK

There are 3,850,000,000 shares of Common Stock authorized, of which 3,159,275,316 shares are outstanding at period end.

NOTE 11 – MATERIAL RELATED-PARTY EVENTS

As of period end, there were no material related events.

NOTE 12 –LITIGATION AND SETTLEMENT

As of period end, there was no current or pending litigation.

Capital Financial Global, Inc.
Notes to the Financial Statements
September 30, 2021 (unaudited)

NOTE 13 – SUBSEQUENT EVENTS

No material subsequent events have occurred as of the issuance of this report.