Ameritek Ventures, Inc.

Period Report

For the Three Months Ending

June 30, 2022 and June 30, 2021

CURRENT INFORMATION REGARDING
Ameritek Ventures, Inc.

The following information is furnished to assist with "due diligence" compliance. The information is furnished pursuant to Rule 15c2-11 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended: The items and attachments generally follow the format set forth in Rule 15c2-11.

Ameritek Ventures, Inc.
Index to Consolidated Financial Statements
(Unaudited)

Ameritek Ventures, Inc.
Consolidated Balance Sheets
(Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash	$ 1,120	$ 32,830
Accounts receivable, net	369,250	254,105
Prepaid expenses	1,519	24,296
Total current assets	371,889	311,231
Property and equipment, net	23,380	6,127
Long-term assets:		
Investment in securities	661,886	–
Patent	250,000	250,000
Product development, net	566,651	559,207
Goodwill, net	2,312,087	2,397,002
Total long-term assets	3,768,292	3,206,209
Total assets	$ 4,163,561	$ 3,523,567
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 971,920	$ 784,067
Accrued interest and expenses	367,333	309,624
Deferred revenue	705,991	245,372
Short-term debt	21,000	21,000
Total current liabilities	2,066,244	1,360,063
Long-term liabilities		
Long term debts, net of current maturities	1,876,167	2,025,878
Total long-term liabilities	1,876,167	2,025,878
Total liabilities	3,942,411	3,385,941
Stockholders' equity (deficit):		
Preferred stock Series A, $0.01 par value, 10,000,000 shares authorized, 7,488,730 issued and outstanding, respectively	74,887	74,887
Preferred stock Series B, $0.01 par value, 10,000,000 shares authorized, 10,000,000 issued and outstanding, respectively	100,000	100,000
Preferred stock Series C, $0.01 par value, 60,000,000 shares authorized, 36,888,972 issued and outstanding, respectively	368,890	368,890
Preferred stock Series D, $0.01 par value, 10,000,000 shares authorized, 9,083,630 issued and outstanding, respectively	90,836	90,836
Preferred stock Series E, $0.01 par value, 23,000,000 shares authorized, 23,000,000 issued and outstanding, respectively	230,000	230,000
Common stock, $0.001 par value, 750,000,000 shares authorized, 514,226,791 issued and outstanding, respectively	514,202	514,202
Additional paid in capital	1,239,902	1,239,902
Accumulated deficit	(2,397,567)	(2,481,091)
Total stockholders' equity	221,150	137,626
Total liabilities and stockholders' equity	$ 4,163,561	$ 3,523,567

See accompanying notes to consolidated financial statements.

Ameritek Ventures, Inc.
Consolidated Statements of Income (Loss)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Revenue:	$ 351,673	$ 224,792	$ 1,001,530	$ 224,977
Expenses:				
Development and support	85,577	–	508,933	–
General and administrative	127,535	187,081	225,919	434,081
Salaries and benefits	439	49,912	2,365	49,912
Depreciation and amortization	52,510	36,278	104,533	66,091
Total operating expenses	265,961	273,271	841,750	550,084
Net operating income/(loss)	85,812	(48,479)	159,780	(325,107)
Other income (expense):				
Gain on extinguishment of debt	–	756,115	–	756,115
Interest expense	(38,466)	(35,043)	(76,256)	(81,132)
Total other income (expense)	(38,466)	721,072	(76,256)	674,983
Net income	$ 47,246	$ 672,593	$ 83,524	$ 349,876
Net income (loss) per common share:				
Basic	$ 0.000	$ 0.002	$ 0.000	$ 0.001
Diluted	$ 0.000	$ 0.002	$ 0.000	$ 0.001
Weighted average shares outstanding:				
Basic	514,226,791	434,216,430	514,226,791	434,216,430
Diluted	514,226,791	434,201,787	514,226,791	434,201,787

See accompanying notes to consolidated financial statements.

Ameritek Ventures, Inc.
Consolidated Statement of Cash Flows
(Unaudited)

	Six-Months Ended June 30, 2022	Six-Months Ended June 30, 2021
Cash flows from operating activities:		
Net income/(loss)	$ 83,524	$ 349,876
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	104,533	66,091
Gain on extinguishment of debt	(165,472)	(756,115)
Decrease (increase) in assets:		
Accounts receivable	(115,145)	31,744
Other current assets	22,778	11,255
Increase (decrease) in liabilities:		
Accounts payable	187,853	347,419
Accrued interest	57,709	79,464
Deferred revenues	(35,795)	(69,710)
Net cash used in operating activities	139,985	60,024
Cash flows from investing activities:		
Acquisition of Interactive Systems, Inc.	–	(85,502)
Purchase of equipment	(21,984)	–
Net cash provided by (used in) investing activities	(21,984)	(85,502)
Cash flows from financing activities:		
Proceeds from short-term debt issuance	–	185,000
Repayment of short-term debts	–	(118,420)
Repayment of long-term debts	(149,711)	(38,271)
	(149,711)	28,309
Net increase in cash	(31,710)	2,831
Cash - beginning	32,930	25,111
Cash - ending	$ 1,120	$ 27,942
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	$ –	$ –
Cash paid for interest	$ –	$ –
Non-cash investing and financing activities:		
Sale of drone patent to common stock	$ 661,886	$ –

See accompanying notes to consolidated financial statements.

Ameritek Ventures, Inc.
Consolidated Statement of Shareholder Equity
(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Series E Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	(Deficit)	(Deficit)
December 31, 2020	7,488,730	$ 74,887	10,000,000	$ 100,000	36,888,972	$ 368,890	9,083,630	$ 90,836	23,000,000	$ 230,000	434,201,787	$ 434,202	$ 653,573	(2,476,741)	$ (524,353)
Common stock share adjustment	—	—	—	—	—	—	—	—	—	—	25,004	25	(25)	—	—
Shares issued for conversion of debt	—	—	—	—	—	—	—	—	—	—	80,000,000	80,000	586,330	—	586,330
Net loss December 31, 2021	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,350)	(4,350)
December 31, 2021	7,488,730	$ 74,887	10,000,000	$ 100,000	36,888,972	$ 368,890	9,083,630	$ 90,836	23,000,000	$ 230,000	514,226,791	$ 514,227	$ 1,239,878	$ (2,481,091)	$ 137,627
Net income for the six-months ended June 30, 2022	—	—	—	—	—	—	—	—	—	—	—	—	—	83,524	83,524
June, 2022	7,488,730	$ 74,887	10,000,000	$ 100,000	36,888,972	$ 368,890	9,083,630	$ 90,836	23,000,000	$ 230,000	514,226,791	$ 514,227	$ 1,239,878	$ (2,397,567)	$ 221,150

See accompanying notes to consolidated financial statements.

Ameritek Ventures, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

(1) General Organization and Business

The Company was organized on December 27, 2010 under the laws of the State of Nevada, as ATVROCKN. On June 20, 2017, the Company changed its corporate name to Ameritek Ventures, Inc. Prior to November 2020, Ameritek Ventures was in the business of fiber optics. However, this business vanquished due to the former directors and officers of the Company failing to adequately pursue the business with its day-to-day operations and its shareholders. Shaun Passley, PhD, a shareholder of Ameritek, noticed the business relinquishment and appealed to the State of Nevada Court to become the custodian of the Company in late 2020. On November 12, 2020, the State of Nevada Court appoints Shaun Passley, PhD custodian of Ameritek Ventures, Inc.

In late October and early November of 2020, Shaun Passley, PhD, as a shareholder and director of both Ameritek and VW Winn Century, Inc. ("VWin"), sought to rehabilitate both the Company and VWin pursuant to the laws of the State of Nevada.

On November 27, 2020, VWin was merged with Ameritek pursuant to an agreement and plan of merger, with Ameritek as the surviving entity.

On November 27, 2020, Bozki, Inc. ("Bozki"), an Illinois company controlled by Shaun Passley, PhD, was merged with Ameritek pursuant to an agreement and plan of merger, with Ameritek as the surviving entity. This merger was accounted for as a stock-for-stock merger as, given that substantially all of the acquired company's assets, liabilities and ongoing operations were acquired for stock.

On May 14, 2021, Ameritek Ventures in its effort to increase the company's presence in the warehouse solutions market, purchased Interactive Systems, Inc., a Massachusetts software company that provides software inventory management.

On May 14, 2021, due to ownership changes and company reorganization, the management of Ameritek decided to delist the company from the Pink Listing of OTCMarkets.com for the general public, refile a new Form S-1 to update the company's current ownership and business status, and relist it in the OTCMarkets.com Expert Market. The stock is still trading currently on a limited basis on the Pink Listing of the OTCMarkets.com.

On October 1st, 2021, Ameritek Ventures, purchased interlinkONE, Inc., a Massachusetts company that provides SaaS cloud-based solutions for warehouse and inventory fulfillment.

Today, Ameritek Ventures, Inc. is a group of companies that provides various world-class software and hardware products and services beneficial to businesses, organizations, and governments. We manufacture and innovate advanced technological developments in the medical industry, such as the DittoMask high filtration mask and FlexFridge portable medical use mini-fridge. We also develop blockchain technology software programs under WebBeeo and CordTell companies. Furthermore, Ameritek Ventures explores augmented reality technology with Passley, Inc., and Augmum, Inc. Meanwhile, our vertical landing aircraft service from AeroPass, Inc. takes ZenaDrone technology to a higher level with members-only passenger first-class transport across cities. Ecker Capital, LLC is our Merger and Acquisition division.

(2) Summary of Significant Accounting Policies

Basis of Accounting
The financial statements and accompanying notes are prepared under accrual of accounting in accordance with generally accepted accounting principles of the United States of America ("US GAAP"). These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

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

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of Sixmonths or less to be cash equivalents.

Long-lived Assets
The Company reviews the carrying value of property, plant, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors.

Property and Equipment
Equipment is recorded at its acquisition cost, which includes the costs to bring the equipment to the condition and location for its intended use, and equipment is depreciated using the straight-line method over the estimated useful life of the related asset as follows:

Furniture and fixtures	5 years
Computers and equipment	3-5 years
Website development	3 years
Leasehold improvements	5 years

Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Assets held under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the useful lives of the assets due to transfer of ownership after the lease term has expired.

Maintenance and repairs will be charged to expense as incurred. Significant renewals and betterments will be capitalized. At the time of retirement or other disposition of equipment, the cost and accumulated depreciation will be removed from the accounts and the resulting gain or loss, if any, will be reflected in operations.

Property and equipment are evaluated for impairment whenever impairment indicators are prevalent. The Company will assess the recoverability of equipment by determining whether the depreciation and amortization of these assets over their remaining life can be recovered through projected undiscounted future cash flows. The amount of equipment impairment, if any, will be measured based on fair value and is charged to operations in the period in which such impairment is determined by management.

Fair Value of Financial Instruments
Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company’s financial statements as reflected herein. The carrying amounts of cash, accounts payable and accrued expenses reported on the balance sheets are estimated by management to approximate fair value primarily due to the short-term nature of the instruments. The Company had debt instruments that required fair value measurement on a recurring basis.

Intangible Assets and Intellectual Property
Intangible assets are amortized using the straight-line method over their estimated period of benefit of five to fifteen years. We evaluate the recoverability of intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. All of our intangible assets are subject to amortization. No material impairments of intangible assets have been identified during any of the periods presented. As of June 30, 2022, and December 31, 2021, the Company’s amortization expense on intangible assets totaled $104,533, and $150,435, respectively.

Goodwill
The Company evaluates the carrying value of goodwill during the fourth quarter of each year and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. When evaluating whether goodwill is impaired, the Company compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. The fair value of the reporting unit is estimated using a combination of the income, or discounted cash flows, approach, and the market approach, which utilizes comparable companies' data. If the carrying amount of a reporting unit exceeds its fair value, then the amount of the impairment loss must be measured.

The impairment loss would be calculated by comparing the implied fair value of reporting unit goodwill to its carrying amount. In calculating the implied fair value of reporting unit goodwill, the fair value of the reporting unit is allocated to all of the other assets and liabilities of that unit based on their fair values. The excess of the fair value of a reporting unit over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. The Company's evaluation of goodwill completed during the past periods resulted in no impairment losses for the six months ended June 30, 2022 and December 31, 2021, respectively.

Ameritek Ventures sold in the first quarter of 2022 drone patent in exchange for 3,500,000 common shares per share Canadian, at the exchange rate of 1.2691 $US to CAN$. Ameritek will realize the revenue equally from the period January 1 through December 31, 2022.

Revenue	$165,472

Deferred revenue	496,414
Total	$661,886

During the first six-months of 2022, Ameritek realized $330,943 from the sale of the drone patent.

Beneficial Conversion Features
From time to time, the Company may issue convertible notes that may contain an imbedded beneficial conversion feature. A beneficial conversion feature exists on the date a convertible note is issued when the fair value of the underlying common stock to which the note is convertible into is in excess of the remaining unallocated proceeds of the note after first considering the allocation of a portion of the note proceeds to the fair value of warrants if related warrants have been granted.

The intrinsic value of the beneficial conversion feature is recorded as a debt discount with a corresponding amount to additional paid in capital. The debt discount is amortized to interest expense over the life of the note using the effective interest method.

Basic and Diluted Net Earnings per Share
Basic net earnings (loss) per common share is computed by dividing net earnings (loss) applicable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents,
consisting of shares that might be issued upon exercise of common stock options. In periods where losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

Earnings per Share
The basic earnings (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the weighted average number of common shares issued and outstanding during the year. The diluted earnings (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted as of the first year for any potentially dilutive debt or equity.

Dividends
The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the period shown.

Income Taxes
The Company utilizes the asset and liability method of accounting for deferred income taxes as prescribed by the FASB Accounting Standard Codification, ("ASC"), 740 (Income Taxes). This method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the tax return and financial statement reporting basis of certain assets and liabilities.

As required by ASC 740-10, "Income Taxes", the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Management does not believe that there are any uncertain tax positions which would have a material impact on the financial statements. The Company has elected to include interest and penalties related to uncertain tax positions as a component of income tax expense. To date, the Company has not recorded any interest or penalties related to uncertain tax positions.

Year-end
In 2020 the Company changed the year end for financial reporting to December 31 from May 31.

Advertising
Advertising is expensed when incurred. For the six months ended June 30, 2022 and June 30, 2021, there were $Nil, and $5,000, spent in advertising, respectively.

Recent Accounting Pronouncements
The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. The Company currently does not have any recent accounting pronouncements that they are studying and feel may be applicable.

(3) Going Concern

These financial statements have been prepared in accordance with generally accepted accounting principles applicable on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. For the six months ended June 30, 2022, the Company has a net income of $83,524, as compared with a net loss of ($349,876) for the six-months ended June 30, 2021. The improvements were due to the acquisition of Interactive Systems resulting in higher revenues, overall lower general and administrative costs, the forgiveness of loans to this subsidiary, as well as realizing revenue from the sale of drone technology. The Company's ability to continue as a going concern is contingent upon the successful completion of additional financing arrangements and its ability to achieve and maintain profitable operations.

Management plans to raise equity capital to finance the operating and capital requirements of the Company. Amounts raised will be used to further development of the Company's products, to provide financing for marketing and promotion, to secure additional property and equipment, and for other working capital purposes. While the Company is putting forth its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds that will be available for operations.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

(4) Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company does not have any financial instruments that must be measured under the new fair value standard. The Company’s financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

> Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
>
> Level 2 – Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
>
> Level 3 – Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedules summarize the valuation of financial instruments at fair value on a non-recurring basis in the balance sheets as of June 30, 2022 and December 31, 2021, respectively.

	Fair Value Measurements as of June 30, 2022		
	Level 1	Level 2	Level 3
Assets			
Total assets	$ –	$ –	$ –
Liabilities			
Short-term debt	–	21,000	–
Notes payable, related parties	–	1,022,411	–
Long-term debt	–	1,876,167	–
Total liabilities	–	3,942,411	–
	$	$ (3,942,411)	$

	Fair Value Measurements as of December 31, 2021		
	Level 1	Level 2	Level 3
Assets			
Total assets	$ –	$ -	$ –
Liabilities			
Short-term debt	–	21,000	–
Notes payable, related parties	–	1,022,411	–
Long-term debt	–	2,025,878	–
Total liabilities	–	3,385,941	–
	$	$ (3,385,941)	$

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the periods ended June 30, 2022 and

December 31, 2021. Long-term debts were retired and a gain of $19,320 was recorded due to this retirement.

(5) Property and Equipment

Property and Equipment consists of the following at June 30, 2022, and December 31, 2021, respectively:

		June 30, 2022		December 31, 2021
Furniture and fixtures	$	29,106	$	27,462
Computer and equipment		31,223		31,223
Software		4,200		4,200
Assets held under capital leases		2,783		2,783
Total property and equipment		67,312		65,667
Less: accumulated depreciation		(43,932)		(39,202)
Net property and equipment	$	23,380	$	26,466

Depreciation expense totaled $43,932 and $39,202 for the periods ended June 30, 2022 and December 31, 2021, respectively.

(6) Mergers and Acquisitions

Bozki, Inc., Merger Agreement

On November 13, 2020, the Company closed on a merger with Bozki, Inc. an an Illinois corporation (Bozki). This merger was accounted for as a stock-for-stock merger as, given that substantially all of the acquired company's assets, liabilities and ongoing operations were acquired for stock. The merger plan first required the cancelation of all the current outstanding Preferred Series A class shares. Holders of the Company's shares received one (1) Common Stock share per ten (10) shares of Preferred Series A Shares. The Company's total outstanding and issued 51,627 Preferred Series A shares converted into 516,270 Common Stock shares.

Bozki Preferred Series A Stockholder, related parties, received ten (10) of the Company's Preferred Series A shares for every one (1) Bozki Preferred Series A Share. Based on the converted Bozki Preferred Series A Stock, the Company issued 7,488,730 Preferred Series A Share.

Bozki Preferred Series B Stockholder, related parties, received ten (10) of the Company's Preferred D shares for every one (1) Bozki Preferred Series C Share. Based on the converted Bozki Preferred Series C Stock, the Company issued 9,083,630 shares of Preferred D shares.

Bozki Preferred Series C Stockholder, related parties, received ten (10) of the Company's Preferred Series C shares for every one (1) Bozki Preferred Series C Share. Based on the converted Bozki Preferred Series C Stock, the Company issued 41,555,640 shares of Common Stock.

Bozki Class A Common Stockholder, related parties, received Six(3) of the Company's Common Stock to for every one (1) Bozki Class A Common Stock. Based on the converted Bozki Common Stock Class A, the Company issued 100,909,587 shares of Common Stock.

Bozki Class B Common Stockholder, related parties, received one (1) of the Company's Preferred Series E for every one (1) Bozki Class B Common Share. Based on the converted Bozki Class B Common Stock, the Company issued 23,000,000 shares of Preferred Series E shares.

This merger was accounted for as a Stock-for-Stock merger as, given that substantially all of the acquired company's assets, liabilities and ongoing operations were acquired for stock. The merger resulted in $1,551,504 of goodwill. According to the result of the merger, the Company recognized the identifiable assets acquired and liabilities assumed as follows:

		November 2020
Consideration:		
Issue of Preferred Stock Series A	$	22,483
Issue of Preferred Stock Series C		124,758
Issue of Preferred Stock Series D		27,271
Issue of Preferred Stock Series E		69,051
Issue of Common Stock		127,449
Total stock consideration given (1)		371,011
Plus, Fair Value of identifiable liabilities assumed:		
Accounts payable		10,807
First convertible notes payable		200,000
Second convertible notes payable		1,000,000
Accrued interest		89,686
Total fair value of liabilities assumed		1,300,493
Less, fair value of identifiable assets assumed:		
Product development cost		(120,000)

Total fair value of assets assumed	(120,000)
Consideration paid in excess of fair value (Goodwill (2))	$ 1,551,504

(1) The multiplier for calculation of stock consideration was based on merger documents.
(2) Goodwill is the excess of the net fair value of assets acquired and liabilities assumed.

VW WIN Century, Inc., Merger Agreement

On November 27, 2020, pursuant to the merger plan, all of VW Win Century, Inc. classes of stock were canceled. There are no other considerations for the merger between Ameritek Ventures, Inc.

In 2020, VW Win Century, Inc., could no longer continue with day-to-day operation and the officers of the Company resigned. Subsequently, Shaun Passley, PhD. took over operations and brokered a merger with Ameritek, Inc. On November 27, 2020, pursuant to the merger plan, all of VW Win Century, Inc. classes of stock were canceled and Ameritek Inc., assumed all of the VW Win Century's asset, liabilities, and ongoing operations.

The merger resulted in $220,172 of goodwill. According to the result of the merger, the Company recognized the identifiable assets acquired and liabilities assumed as follows:

	November 2020
Consideration:	
No consideration given	$ -
Plus, fair value of identifiable liabilities assumed:	
Accounts payable	33,683
Convertible notes payable	250,000
Accrued interest	187,500
Total fair value of liabilities assumed	471,183
Less, fair values of identifiable assets assumed:	
Fixed assets	(1,011)
Patent	(250,000)
Total fair value of assets assumed	(251,011)
Consideration paid in excess of fair value (Goodwill[1])	$ 220,172

(1) Goodwill is the excess of the net fair value of assets acquired and liabilities assumed.

Interactive Systems, Inc. Acquisition

On May 14th, 2021, Ecker Capital, LLC, a subsidiary of the Company, purchased 100% of the stock of Interactive Systems, Inc., a Massachusetts corporation for $675,000 and paid $337,500 cash and issued a 6% amortizing two-year debt for $337,500. The acquisition resulted in $775,761 goodwill, see calculation in the table below,

	May 2021
Consideration paid:	
Total cost	$ 675,000
Net assets acquired:	
Additional paid-in capital	(235,012)
Capital stock	(35,926)
Owners - fractional stock purchase	88,902
Retained earnings at December 31, 2020	352,609
Treasury stock	33,326
Retained earnings January 1, 2021 to May 14, 2021	(103,138)
Total net assets acquired when purchasing Interactive Systems, Inc.	(100,761)
Consideration paid in excess of fair value (Goodwill[1])	$ 775,761

(1) Goodwill is the excess of the net fair value of assets acquired and liabilities assumed.

interlinkONE, Inc. Acquisition

On October 1st, 2021, Ecker Capital, LLC, a subsidiary of the Company, purchased interlinkONE, Inc., a Massachusetts corporation for $500,000, and paid $250,000 cash and issued a 6% amortizing two-year debt for $250,000 with interest paid monthly. The acquisition resulted in $446,651 of excess value paid over book value, assigned to product development, see calculation in the table below.

	October 2021
Consideration paid:	
Total cost	$ 500,000
Net assets acquired:	
Total book value	(53,349)
Total net assets acquired when purchasing interlinkONE, Inc.	446,651
Consideration paid in excess of fair value (Product development[2])	$ 446,651

(2) Excess of the net fair value of assets acquired and liabilities assumed from purchase of interlinkONE assigned

to product development.

(7) Related Parties

On November 12, 2020, in consideration of the services provided and to be provided, the Company entered into a management agreement with Epazz, Inc., a Wyoming corporation, a related party, for a forty-five (45%) percent mark-up per month of the total expenses generated with a minimum annual fee of $350,000. The Company shall pay the minimum fee via a convertible promissory note. The Company also issued 10,000,000 Preferred Series B, voting control shares, as an engagement fee, consistent with the terms of the agreement.

On November 13, 2020, the company issued Shaun Passley, PhD, the Chief Executive Officer, 98,457 shares of the common stock consistent as part of the merger with Ameritek Ventures.

On November 13, 2020, the company issued GG Mars Capital, Inc., a related party, 8,103,636 shares of the common stock consistent as part of the merger with Ameritek Ventures.

On November 13, 2020, the company issued Star Financial Corporation, a related party, 8,106,003 shares of the common stock consistent as part of the merger with Ameritek Ventures.

On November 13, 2020, the company issued Shaun Passley, PhD, the Chief Executive Officer, 7,478,730 shares of the Preferred Series A consistent with the terms of the management service agreement.

On November 13, 2020, the company issued Craig Passley, a related party, 4,800,000 shares of the Preferred Series C consistent with the terms of the agreement.

On November 13, 2020, the company issued Shaun Passley, PhD, the Chief Executive Officer, 23,000,000 shares of the Preferred Series E consistent with the terms of the agreement.

On November 13, 2020, the company issued GG Mars Capital, Inc., a related party, 3,887,540 Preferred Series D into consistent with the terms of the agreement.

On November 13, 2020, the company issued Craig Passley, a related party, 1,043,580 Preferred Series D into consistent with the terms of the agreement.

On November 13, 2020, the company issued Star Financial Corporation, a related party, 3,904,350 Preferred Series D into consistent with the terms of the agreement.

On November 17, 2020, the company issued Epazz, Inc., a related party, 10,000,000 shares of the Preferred Series B consistent with the terms of the management service agreement.

On November 20, 2020, the Company issued 1,000,000 of Common Stock to James A. Sherman & Associates for accounting services rendered.

On December 7, 2020, the company issued GG Mars Capital, a related party, 14,459,336 shares of the Preferred Series C consistent with the terms of the agreement.

On December 7, 2020, the company issued Shaun Passley, PhD, the Chief Executive Officer, 2,000,000 shares of the Preferred Series C consistent with the terms of the agreement as a conversion from Common Stock.

On December 7, 2020, the company issued Star Financial Corporation, a related party, 14,536,666 shares of the Preferred Series C consistent with the terms of the agreement.

On December 7, 2020, the company issued Shaun Passley, PhD, the Chief Executive Officer, 79,000,000 shares of the common stock consistent with the terms of the agreement.

On December 7, 2020, the company issued GG Mars Capital, Inc., a related party, 10,000,002 shares of the common stock consistent as part of the agreement.

On December 7, 2020, the company issued Star Financial Corporation, a related party, 10,000,002 shares of the common stock consistent as part of the agreement.

On September 24, 2021, the company issued Epazz, Inc., a related party, 50,000,000 shares of common stock at $0.01 per share for $500,000 debt.

On January 30, 2020, one of the holders of the Company's convertible promissory notes converted $3,769 of principal into 14,133,333 shares of the Company's common stock.

On August 10, 2020, one of the holders of the Company's convertible promissory notes converted $7,840 of principal into 14,700,000 shares of the Company's common stock.

On May 16, 2021, the Board of Directors increased authorized common stock shares to 750,000,000 from 435,000,000.

On September 9, 2021, a holder of the Company's short-term debt, which did not carry a conversion feature, converted $164,000 of principal and $2,330 of accrued interest into 30,000,000 shares of the Company's common stock. This conversion was made within the terms of the agreement.

On September 24, 2021, the Company issued 50,000,000 shares of common stock at $0.01 per share to Epazz, Inc., a related party, for conversion of principal and interest of $500,000.

General and administrative expenses for the six months ending June 30, 2022 include $180,000 charged by Epazz Inc. As per management services agreement between Ameritek Ventures, Inc. and Epazz Inc., Epazz shall charge a 45% markup per month of the total expenses generated. The $180,000 expenses consist of,

- Accounting fees of $90,000
- Engineering services of $54,000, and
- Software development fees of $36,000.

(8) Stockholder's Equity and Contributed Capital

Cancelation of Old Preferred Series A Class
On November 13, 2020, pursuant to the Bozki Merger Plan, the Company canceled Preferred Series A class converted Preferred Series A class into shall be cancel. Holder of ATVK Preferred Series A shares shall be converted into the Company's' Common Stock, for every one (1) Preferred Series A shares, the holder was to shall receive ten (10) share of ATVK Common Stock. On November 13, 2020, 51,627 Preferred Series A converted into 516,270 shares of common stock.

As of June 30, 2022, and December 31, 2021, there were 74,887 and 74,887 shares of old Series A Preferred Stock issued and outstanding, respectively.

Series A Preferred Stock
The Company is authorized to issue 10,000,000 shares of $0.01 par value New Series A Preferred Stock. Liquidation Preference is equal to $0.01 per share. Series A Preferred Stock has no voting rights. Series A Preferred Stock shall be entitled to receive dividends once the Company has generated net income of over $2 million based on the Corporation's audited statement of operations. At any time and from time-to-time after the issuance of the Series A Preferred Stock, any holder may convert any or all of the shares of Series A Preferred Stock held by such holder at the ratio of .60 of Common Stock. For example, an owner of convertible 10,000 shares of Preferred A Stock would be able to convert to 6,000 shares of Common Stock. However, the beneficial owner of such Series A Preferred Stock cannot convert their Series A Preferred stock where they will beneficially own in excess of 9.99% of the shares of the Common Stock.

As of June 30, 2022, and December 31, 2021, there were 10,000,000 Preferred Stock Series A shares authorized, 7,488,730 issued and outstanding, respectively.

Series B Preferred Stock
The Company is authorized to issue 10,000,000 shares of $0.01 par value Series B Preferred Stock. Series B Preferred Stock has liquidation and first position ownership rights on any assets owned by the Company. The Series B Preferred Stock has ten thousand votes per share voting rights and are not entitled to receive dividends. The holders of Series B Preferred Stock shall be entitled to interest payments on monies paid or loaned to the corporation for their Series B Preferred Shares and a first position in a security interest on any assets of the Company upon default of a loan to the Company, liquidation, or dissolution of the Company. Further, the Company may call these shares at any time provided the holders of the Series B Preferred Stock are paid the monies they paid for their Series B Preferred Stock along with any interest due. Upon the payment of principal and interest to the Series B Preferred Stock shareholders, the shares must be returned to the Company.

As of June 30, 2022, and December 31, 2021, there were 10,000,000 Preferred Stock Series B shares authorized, 10,000,000 issued and outstanding, respectively.

Series C Preferred Stock
The Company is authorized to issue 60,000,000 shares of $0.01 par value Series C Preferred Stock. The Series C Preferred Stock has no voting rights. The conversion right is three fully paid shares of Common Stock. For example, an owner of convertible 1,000 shares of Preferred C Stock would be able to convert to 3,000 shares of Common Stock. However, the beneficial owner of such Series C Preferred Stock cannot convert their Series C Preferred stock where they will beneficially own in excess of 9.99% of the shares of the Common Stock.

As of June 30, 2022, and December 31, 2021, there were 60,000,000 Preferred Stock Series C shares authorized, 36,888,972 issued and outstanding, respectively.

Series D Preferred Stock
The Company is authorized to issue 10,000,000 shares of $0.01 par value Series D Preferred Stock. Liquidation Preference is equal to $0.01 per share. Series D Preferred Stock has no voting rights. Series D Preferred Stock shall be entitled to receive dividends once the Company has generated net income of over $1 million based on the Corporation's audited statement of operations at a rate of 1.5%. At any time and from time-to-time after the issuance of the Series D Preferred Stock, any holder may convert any or all of the shares of Series D Preferred Stock held by such holder at the ratio of .10 of Common Stock. For example, an owner of convertible 10,000 shares of Preferred D Stock would be able to convert to 1,000 shares of Common Stock. However, the beneficial owner of such Series D Preferred Stock cannot convert their Series D Preferred stock where they will beneficially own in excess of 9.99% of the shares of the Common Stock.

As of June 30, 2022, and December 31, 2021, there were 10,000,000 Preferred Stock Series D shares authorized, 9,083,630 issued and outstanding, respectively.

Series E Preferred Stock
The Company is authorized to issue 23,000,000 shares of $0.01 par value Series E Preferred Stock. Liquidation Preference is equal to $0.01 per share. Series E Preferred Stock has no voting rights. Series E Preferred Stock shall be entitled to receive dividends once the Company has generated net income of over $2 million based on the Corporation's audited statement of operations at a rate of 6%. At any time and from time-to-time after the issuance of the Series E Preferred Stock, any holder may convert any or all of the shares of Series E Preferred Stock held by such holder at the ratio of .15 of Common Stock. For example, an owner of convertible 10,000 shares of Preferred E Stock would be able to convert to 1,500 shares of Common Stock. However, the beneficial owner of such Series E Preferred Stock cannot convert their Series E Preferred stock where they will beneficially own in excess of 9.99% of the shares of the Common Stock.

As of June 30, 2022, and December 31, 2021, there were 23,000,000 Preferred Stock Series E shares authorized, 23,000,000 issued, outstanding, respectively.

Common Stock
Ameritek has 750,000,000 authorized shares of $0.001 par value Common Stock with cusip number 03078H. The Common Stock is quoted on the OTCMarkets.com under ticker symbol ATVK.

As of June 30, 2022 and December 31, 2021, there were 514,226,791 and 514,226,791 shares issued and outstanding.

(9) Accrued Expenses

Advances
Gain on extinguishment of debt booked of $123,039 in 2021, which resulted from the total outstanding liability of advances from the Company's previous Principal Financial Officer at December 31, 2020. Contingent liabilities as per the court order and proof of the claim have been submitted by creditors. The previous Principal Financial Officer did not submit a proof of claims for this liability. Therefore, the previous Principal Officer is now barred from presenting this claim to the Company in the future, and Ameritek recognized this gain.

Liabilities
Prior to November 2020, the Ameritek was in the business of fiber optics, however, this business vanquished due to the former directors and officers of the Company failing to adequately pursue their business, day to day operations and shareholders. Shaun Passley, PhD, a shareholder of the Company, noticed this relinquishment, and petitioned the State of Nevada to take ownership of the Company.

On November 12, 2020, the Court appointed petitioner Shaun Passley, PhD custodian of Ameritek Ventures, Inc, (ATVK).

In late October and early November of 2020, Shaun Passley, PhD., as a shareholder and director of both the Ameritek and VW Winn Century, Inc. ("VWin"), sought to rehabilitate both the Company and VWin pursuant to the laws of the State of Nevada.

On December 15, 2020, Shaun Passley, PhD. filed a Motion for Declaratory Relief to confirm that the Custodian has authority to cancel the nineteen million seven hundred seventy thousand (19,770,000) shares of the Company common stock held by Mr. Clinton Stokes for the asset purchase agreement entered into on August 30, 2017. The courts also ordered that all claimants and creditors of Ameritek Ventures Inc., shall have thirty (30) days from date of notice (February 10, 2021) to submit under oath, a written proof of claim. Any claimants and creditors of the Company who fail to timely submit Proof of Claim shall be barred from later presenting their claim to the Company. On March 22, 2021, the court denied the motion for declaratory relief due the court belief that this was not the correct procedure for this type of request. Instead, the court set a new court date of April 12, 2021, to set the correct procedures to resolve the cancellation of Mr. Stokes shares.

In the beginning of March 2021, Meridian Pacific Holding, LLC, filed lawsuit in California over the fiber optics assets and promissory notes. Meridian filed the lawsuit, against Mr. Stokes, Mr. James Wesley Poff, and two other former officers of the Company over the Fiber Optic assets. Based on the lawsuit records, Mr. Stokes could not have legally delivered or transferred the Fiber Optic assets as the asset was encumbered by PPB Engineering Services Inc, which is a company owned by Mr. James Wesley Poff. Although the Company was named as a defendant in the California lawsuit, Meridian Pacific Holding, LLC, submitted their proof of claims in the Nevada court, therefore the Nevada court holds jurisdiction over the matter.

On March 11, 2021, a total of six claimants provided proof a claim totaling $4.5 million in claims and $283,383 in attorney's fees. Claimant, Nottingham Properties LLC. has agreed to a total payment of $7,200 in exchange for the total extinguishment $73,739 of debt. Claimant, Meridian Pacific Holding, LLC filed a proof of claim of $396,350 and attorneys fee claim of $217,635. Meridian presented to the court documentation in the form of a promissory note for $350,000 dated August 21, 2017, signed by Mr. Stokes. However, the Company's bank statement does not show that the $350,000 was wired or deposited into the Company's bank account and no liability was found on any financials filed with the SEC. Mr. Clinton Stokes's lawyer subsequently confirmed that Meridian did not wire the funds.

The previous President/CEO/Chairman, (Clinton L. Stokes III), V.P./Secretary/Treasurer, (Kenneth P. Mayeaux), and Director/Controller, (Jamie Mayeaux), summited a total of $3.8 million in salary claims and $50,000 in attorneys fee claims. Mr. James Wesley Poff filed a proof of claims of $250,000 in salary due from the Company, however Mr. Wesley Poff did not provide the court with supporting documentation of salary due. In addition, when Mr. Wesley Poff filed for bankruptcy in Federal Court, he did not list the claim as an asset.

The Company has disputed these claims by providing the Company's May 31, 2018, Audited 10-K to the last 10-Q file to the SEC on May 14, 2019. These financial statements prepared and submitted to the SEC by the four prior officer claimants, show zero compensation owed to all four claimants. Subsequently, all officers of the Company resigned with Mr. Stokes being the last to submit his resignation to the SEC on Form 8-K on March 24, 2020.

There are five convertible notes as of from the prior administration which the company is disputing because these loans maybe illegal based on New York law. The Custodian has filed legal action in Nevada court in order to start discovery on the claim.

In 2021, Ameritek recognized the remaining 2019 liability of $646,776, which includes two convertible notes payable totaling $207,990, with accrued interest, and attached, expired and invalidated associated warrants.

Bansal & Co. LLP served as our principal independent public accountant for reporting fiscal quarter ended June 30, 2022.

(10) Notes Payable, Related Parties

Convertible Note 1:

On July 31, 2017, the Company entered into a convertible note agreement in which the Company received $65,000 of proceeds and the Company is required to make a balloon payment of principal and accrued interest of $70,200 on the maturity date of April 31, 2018. This note accumulates interest at a rate of 8% from the original issue date through the maturity date. At any time while there is an outstanding balance, the note may be converted at a conversion price for the principal and interest in connection with voluntary conversions by the holder shall be 75% multiplied by the market price, representing a discount rate of 25%. The note also provides for warrants of up to 208,000 shares of common stock which may be exercised any time from the issuance date of July 31, 2017 (initial exercise date) until July 31, 2022 (termination date). The exercise price of this warrant is $1.35. Further, if at any time after the initial exercise date, there is no effective registration statement registering the warrant shares, or no current prospectus available for the resale of the warrant shares by the holder, then the warrant may be exercised at the holder's election, in whole or in part, at such times by means of a cashless exercise in which the holder shall be entitled to receive a number of warrant shares equal to the quotient obtained by dividing [(A-B)(X)] by (A), where (A) equals the VWAP on the trading day immediately preceding the date on which the holder elects to exercise the warrant; (B) equals the exercise price of the warrant; and (X) equals the number of warrant shares that would be issuable upon exercise of the warrant if such exercise were by means of a cash exercise rather than a cashless exercise. Regardless, on the termination date if there is no effective Registration Statement registering the warrant shares, or no current prospectus available for the resale of the warrant shares by the holder, then the warrant shall be automatically exercised via cashless exercise. Failure of the Company to issue shares in a timely manner will result in a late issuance penalty of $10 per trading day, increasing to $20 per trading day after the fifth trading day, for each $1,000 of exercise price of the warrant shares. In the event of default, the outstanding amount due on the note will be adjusted to the mandatory default amount which is the sum of (a) the greater of (i) the outstanding principal amount of this Note divided by the Conversion Price on the date the Mandatory Default Amount is either (A) demanded (if demand or notice is required to create an Event of Default), (B) otherwise due, or (C) paid in full, whichever is lowest, multiplied by the VWAP on the date the Mandatory Default Amount is either (x) demanded, (y) due, or (z) paid in full, whichever is highest, or (ii) 120% of the outstanding principal amount of this Note plus (b) all other amounts, costs, expenses and liquidated damages due in respect of this note. Also, as a result of default, interest on this note shall accrue at an interest rate equal to the lesser of 24% per annum or the maximum rate permitted under applicable law.

The total amount due under the convertible promissory note at December 31, 2018 was $55,940. During 2018, the convertible note agreement holder converted $28,300 of principle and $11,337 of accrued interest into 499,838 shares of the Company's common stock. During 2019, the convertible note agreement holder converted $55,940 of principal and $8,834 of accrued interest into 44,357,682 shares of the Company's common stock. This loan has been paid off as January 1, 2020. The company is disputing this loan because the loan maybe illegal based on New York law. Custodian filed legal action in Nevada court in order to start discovery on the claim.

Convertible Note 2:
On August 25, 2017, the Company entered into a convertible note agreement in which the Company received $64,000 of proceeds and the Company is required to make a balloon payment of principal and accrued interest of $69,120 on the maturity date of August 25, 2018.

This note accumulates interest at a rate of 8% from the original issue date through the maturity date. At any time while there is an outstanding balance, the note may be converted at a conversion price for the principal and interest in connection with voluntary conversions by the holder shall be 75% multiplied by the market price, representing a discount rate of 25%. The note also provides for warrants of up to 204,800 shares of common stock which may be exercised any time from the issuance date of August 25, 2017 (initial exercise date) until August 25, 2022 (termination date). The exercise price of this warrant is $1.35. Further, if at any time after the initial exercise date, there is no effective registration statement registering the warrant shares, or no current prospectus available for the resale of the warrant shares by the holder, then the warrant may be exercised at the holder’s election, in whole or in part, at such times by means of a cashless exercise in which the holder shall be entitled to receive a number of warrant shares equal to the quotient obtained by dividing [(A-B)(X)] by (A), where (A) equals the VWAP on the trading day immediately preceding the date on which the holder elects to exercise the warrant; (B) equals the exercise price of the warrant; and (X) equals the number of warrant shares that would be issuable upon exercise of the warrant if such exercise were by means of a cash exercise rather than a cashless exercise. Regardless, on the termination date if there is no effective Registration Statement registering the warrant shares, or no current prospectus available for the resale of the warrant shares by the holder, then the warrant shall be automatically exercised via cashless exercise. Failure of the Company to issue shares in a timely manner will result in a late issuance penalty of $10 per trading day, increasing to $20 per trading day after the fifth trading day, for each $1,000 of exercise price of the warrant shares. In the event of default, the outstanding amount due on the note will be adjusted to the mandatory default amount which is the sum of (a) the greater of (i) the outstanding principal amount of this Note divided by the Conversion Price on the date the Mandatory Default Amount is either (A) demanded (if demand or notice is required to create an Event of Default), (B) otherwise due, or (C) paid in full, whichever is lowest, multiplied by the VWAP on the date the Mandatory Default Amount is either (x) demanded, (y) due, or (z) paid in full, whichever is highest, or (ii) 120% of the outstanding principal amount of this Note plus (b) all other amounts, costs, expenses and liquidated damages due in respect of this note. Also, as a result of default, interest on this note shall accrue at an interest rate equal to the lesser of 24% per annum or the maximum rate permitted under applicable law.

The total amount due under the convertible promissory note at June 30, 2022, and December 31, 2021 was $55,990, and $55,990, respectively. During 2020 the convertible note agreement holder converted $11,609 into 28,833,333 shares of the Company's common stock. Contingent liabilities as per the court order, proof of the claim have been submitted by the creditors. This creditor did not submit claim and therefore failed to timely submit proof claim and is barred from later presenting their claim to the Company. Gain on extinguishment of debt will be booked in 2021. The company is disputing this loan because the loan maybe illegal based on New York law. Custodian filed legal action in Nevada court in order to start discovery on the claim.

Convertible Note 3:
On March 12, 2018, the Company entered into a convertible note agreement in which the Company received $103,000 of proceeds and the Company is required to make a balloon payment of principal and accrued interest of $115,360 on the maturity date of March 12, 2019. This note accumulates interest at a rate of 12% from the original issue date through the maturity date or in the event of default the note will accumulate interest at a rate of 22%. From time to time, and at any time during the period beginning on the date which is one hundred eighty (180) days following the date of the Note and ending on the later of: (i) the Maturity Date and (ii) the date of the payment of the Default Amount, each in respect of the remaining outstanding principal amount of this Note to convert all or any part of the outstanding and unpaid principal amount of this Note into fully paid and non-assessable shares of Common Stock, as such common stock exists on the issue Date, or any shares of capital stock or other securities of the borrower into which such Common stock shall hereafter be changed or reclassified at the conversion price determined as provided. The Conversion Price shall equal the Variable Conversion Price (subject to equitable adjustments by the Borrower relating to the Borrower’s securities). The Variable Conversion Price shall mean 61% multiplied by the Market Price, representing a 39% discount rate. Market Price means the lowest Trading Price for the Common Stock during the fifteen (15) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date. Trading Price means, for any security as of any date, the closing bid price on the OTCQB, OTCQX, Pink Sheets electronic quotation system or applicable trading market (the “OTC”). The Borrower is required at all times to have authorized and reserved eight times the number of shares that would be issuable upon full conversion of the Note in effect from time to time, initially 2,214,458 (the “Reserved Amount”).

The total amount due under the convertible promissory note at December 31, 2018 was $95,000. During 2018 the convertible note agreement holder converted $8,000 into 655,738 shares of the Company's common stock. During 2019 the convertible note agreement holder converted $146,500 into 51,167,078 shares of the Company's common stock. This loan has been paid off as January 1, 2020. The company is disputing this loan because the loan maybe illegal based on New York law. Custodian filed legal action in Nevada court in order to start discovery on the claim.

Convertible Note 4:
On April 27, 2018, the Company entered into a convertible note agreement in which the Company received $68,000 of proceeds and the Company is required to make a balloon payment of principal and accrued interest of $76,160 on the maturity date of April 27, 2019. This note accumulates interest at a rate of 12% from the original issue date through the maturity date or in the event of default the note will accumulate interest at a rate of 22%. From time to time, and at any time during the period beginning on the date which is one hundred eighty (180) days following the date of the Note and ending on the later of: (i) the Maturity Date and (ii) the date of the payment of the Default Amount, each in respect of the remaining outstanding principal amount of this Note to convert all or any part of the outstanding and unpaid principal amount of this Note into fully paid and non-assessable shares of Common Stock, as such common stock exists on the issue Date, or any shares of capital stock or other securities of the borrower into which such Common stock shall hereafter be changed or reclassified at the conversion price determined as provided.

The Conversion Price shall equal the Variable Conversion Price (subject to equitable adjustments by the Borrower relating to the Borrower's securities). The Variable Conversion Price shall mean 61% multiplied by the Market Price, representing a 39% discount rate. Market Price means the lowest Trading Price for the Common Stock during the fifteen (15) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date. Trading Price means, for any security as of any date, the closing bid price on the OTCQB, OTCQX, Pink Sheets electronic quotation system or applicable trading market (the "OTC"). The Borrower is required at all times to have authorized and reserved eight times the number of shares that would be issuable upon full conversion of the Note in effect from time to time, initially 1,350,820 (the "Reserved Amount").

The total amount due under the convertible promissory note at December 31, 2018 was $68,000. During 2018, none of the convertible note was converted. During 2019, the convertible note agreement holder converted $102,000 into 102,000,518 shares of the Company's common stock. This loan has been paid off as January 1, 2020. The company is disputing this loan because the loan maybe illegal based on New York law. Custodian filed legal action in Nevada court in order to start discovery on the claim.

Convertible Note 5:
On May 10, 2018, the Company entered into a convertible note agreement in which the Company received $160,000 of proceeds and the Company is required to make a balloon payment of principal and accrued interest of $181,500 on the maturity date of May 10, 2019. This note accumulates interest at a rate of 10% from the original issue date through the maturity date. The Holder of this Note is entitled, at its option, at any time after 6 months and full cash payment, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the company's common stock at a Conversion Price for each share of Common Stock equal to 57% of the lowest trading price of the Common Stock as reported on the National Quotations Bureau OTC market exchange which the Company's shares are traded or any exchange upon which the Common Stock may be traded in the future, for the 20 prior trading days including the day upon which a Notice of Conversion is received by the Company. The Company shall reserve 1,536,000 shares of its Common Stock for conversions under this Note, (the "Share Reserve"). This note was secured by the pledge of the $165,000 10% convertible promissory note issued to the Company by the lender. The Company may exchange this collateral for other collateral with an appraised value of at least $160,000, by providing 3 days prior written notice to the lender.

During the six months of 2022 and 2021, none of the note was converted to shares of the Company's common stock. The total amount due under the convertible promissory note at June 30, 2022, and December 31, 2021 was $152,000, respectively. Contingent liabilities as per the court order, proof of the claim have been submitted by the creditors. This creditor did not submit claim and therefore failed to timely submit proof claim and is barred from later presenting their claim to the Company. The company is disputing this loan because the loan maybe illegal based on New York law. Custodian filed legal action in Nevada court in order to start discovery on the claim. Gain on extinguishment of debt of $646,000 was booked in 2021.

Assumption of $200,000 convertible note from Bozki merger
On November 13, 2020, the company merged with Bozki, Inc. assuming a 10-year, convertible note with Epazz, Inc. of $200,000 and accrued interest of $66,353.

FOR VALUE RECEIVED, the undersigned, Bozki, Inc.., an Illinois corporation, ("Maker") hereby promises to pay to the order of Epazz, Inc. ("Payee"), the principal sum of two hundred dollars ($200,000), in lawful money in United States of America, which shall be legal tender, bearing interest and payable as provided herein. This Promissory Note (this "Note" or "Promissory Note") has an effective date of January 1, 2018. Payee will forever forgive and discharge any difference between the outstanding balance of the fees owed to Payee by Maker as of the effective date of this Note and the principal amount of this Note upon repayment of this Note in its entirety. 1. Interest on the unpaid balance of this Note shall bear interest at the rate of eight percent (8%) per annum, which interest shall accrue from the effective date until the Maturity Date (as defined below), unless prepaid prior to such Maturity Date. The promissory note shall provide for one hundred twenty (120) equal monthly payments commencing one hundred twenty (120) days after April 1, 2018. Payee will have an option to deferred 36 monthly payments. The payee will need to provide written notice of how many payments it wishes to defer. The deferred payment(s) will have an interest rate of 10%. Deferred payments will be added to the remaining payments. All past-due principal and interest (which failure to pay such amounts after a five (5) day cure period, shall be defined herein as an "Event of Default") shall bear interest at the rate of twelve percent (12%) per annum until paid in full (the "Default Interest Rate"), with it being understood that Maker shall have an additional fifteen-day cure periods during the term of the Note before an Event of Default occurs. Upon an Event of Default, Payee may declare the entire amount of this Note due and payable and shall be able to take whatever action available to it in law or equity to enforce its rights to collect an additional $1,000 as liquidated damages in addition to the amounts owed pursuant to this Note. Interest will be computed on the basis of a 360-day year. 2. The principal amount of this Note shall be due and payable on January 1, 2028 (the "Maturity Date"). 3. Convertible into Common Stock of the Maker at 20% discount based on an average closing price of five trading day. The Payee shall provide a conversion notice. 4. This Note may be prepaid in whole or in part, at any time and from time to time, without premium or penalty. 5. If any payment of principal or interest on this Note shall become due on a Saturday, Sunday, or any other day on which national banks are not open for business, such payment shall be made on the next succeeding business day.6. This Note shall be binding upon and inure to the benefit of the Payee named herein and Payee's respective successors and assigns. Each holder of this Note, by accepting the same, agrees to and shall be bound by all of the provisions of this Note. Payee may assign this Note or any of its rights, interests, or obligations to this Note without the prior written approval of Maker. 7. No provision of this Note shall alter or impair the obligation of Maker to pay the principal of and interest on this Note at the times, places, and rates, and in the coin or currency, herein prescribed. 8. The Maker will do or cause to be done all things reasonably necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and comply with all laws applicable to the Maker, except where the failure to comply could not reasonably be expected to have a material adverse effect on the Maker. Failure to comply with this provision shall constitute an Event of Default.

9. Notwithstanding anything to the contrary in this Note or any other agreement entered into in connection herewith, whether now existing or hereafter arising and whether written or oral, it is agreed that the aggregate of all interest and any other charges constituting interest, or adjudicated as constituting interest, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction, shall under no circumstances exceed the Maximum Rate. 10. In the event the maturity of this Note is accelerated by reason of an Event of Default under this Note, any other agreement entered into in connection herewith or therewith, or by voluntary prepayment by Maker or otherwise, then earned interest may never include more than the Maximum Rate allowable by law, computed from the dates of each advance of the loan proceeds outstanding until payment. If from any circumstance any holder of this Note shall ever receive interest or any other charges constituting interest, or adjudicated as constituting interest, the amount, if any, which would exceed the Maximum Rate shall be applied to the reduction of the principal amount owing on this Note, and not to the payment of interest; or if such excessive interest exceeds the unpaid balance of principal hereof, the amount of such excessive interest that exceeds the unpaid balance of principal hereof shall be refunded to Maker. In determining whether or not the interest paid or payable exceeds the Maximum Rate, to the extent permitted by applicable law (i) any non-principal payment shall be characterized as an expense, fee or premium rather than as interest; and (ii) all interest at any time contracted for, charged, received, or preserved in connection herewith shall be amortized, prorated, allocated and spread in equal parts during the period of the full stated term of this Note. The term "Maximum Rate" shall mean the maximum rate of interest allowed by applicable federal or state law. 11. Except as provided herein, Maker and any sureties, guarantors, and endorsers of this Note jointly and severally waive demand, presentment, notice of nonpayment or dishonor, notice of intent to accelerate, notice of acceleration, diligence in collecting, grace, notice and protest, and consent to all extensions without notice for any period or periods of time and partial payments, before or after maturity, without prejudice to the holder. The holder shall similarly have the right to deal in any way, at any time, with one or more of the foregoing parties without notice to any other party, and to grant any such party any extensions of time for payment of any of said indebtedness, or to grant any other indulgences or forbearance whatsoever, without notice to any other party and without in any way affecting the personal liability of any party hereunder. If any efforts are made to collect or enforce this Note or any installment due hereunder, the undersigned agrees to pay all collection costs and fees, including reasonable attorney's fees. 12. A copy of this Promissory Note signed by one party and faxed to another party shall be deemed to have been executed and delivered by the signing party as though an original. A photocopy of this Promissory Note shall be effective as an original for all purposes. 13. This Note shall be construed and enforced under and in accordance with the laws of the State of Illinois, without regard to choice-of-law rules of any jurisdiction.

The total amount due under the promissory note at June 30, 2022 is $200,000 and accrued interest of $67,982.

Assumption of $1,000,000 convertible note from Bozki merger and Conversion to $500,000 convertible note
On November 27, 2020, the company merged with VW Win Century, Inc. assuming a 10 year note with Epazz, Inc. of $1,000,000 and accrued interest of 23,333.

FOR VALUE RECEIVED, the undersigned, Bozki, Inc.., an Illinois corporation, ("Maker") hereby promises to pay to the order of Epazz, Inc. ("Payee"), the principal sum of one million dollars ($1,000,000), in lawful money in United States of America, which shall be legal tender, bearing interest and payable as provided herein. This Promissory Note (this "Note" or "Promissory Note") has an effective date of October 20, 2020. Payee will forever forgive and discharge any difference between the outstanding balance of the fees owed to Payee by Maker as of the effective date of this Note and the principal amount of this Note upon repayment of this Note in its entirety.1. Interest on the unpaid balance of this Note shall bear interest at the rate of eight percent (8%) per annum, which interest shall accrue from the effective date until the Maturity Date (as defined below), unless prepaid prior to such Maturity Date. The promissory note shall provide for one hundred twenty (120) equal monthly payments commencing one hundred twenty (120) days after February 20, 2021. Payee will have an option to deferred 36 monthly payments. The payee will need to provide written notice of how many payments it wishes to deferred. The deferred payment(s)will have an interest rate of 10%. Deferred payments will be added to the remaining payments. All past-due principal and interest (which failure to pay such amounts after a five (5) day cure period, shall be defined herein as an "Event of Default") shall bear interest at the rate of twelve percent (12%) per annum until paid in full (the "Default Interest Rate"), with it being understood that Maker shall have an additional fifteen-day cure periods during the term of the Note before an Event of Default occurs. Upon an Event of Default, Payee may declare the entire amount of this Note due and payable and shall be able to take whatever action available to it in law or equity to enforce its rights to collect an additional $1,000 as liquidated damages in addition to the amounts owed pursuant to this Note. Interest will be computed on the basis of a 360-day year. 2. The principal amount of this Note shall be due and payable on October31,2030 (the “Maturity Date”). 3. Convertible into Common Stock of the Maker at 20% discount based on an average closing price of five trading day. The Payee shall provide a conversion notice. 4. This Note may be prepaid in whole or in part, at any time and from time to time, without premium or penalty. 5. If any payment of principal or interest on this Note shall become due on a Saturday, Sunday, or any other day on which national banks are not open for business, such payment shall be made on the next succeeding Business day. 6. This Note shall be binding upon and inure to the benefit of the Payee named herein and Payee’s respective successors and assigns. Each holder of this Note, by accepting the same, agrees to and shall be bound by all of the provisions of this Note. Payee may assign this Note or any of its rights, interests, or obligations to this Note without the prior written approval of Maker. 7. No provision of this Note shall alter or impair the obligation of Maker to pay the principal of and interest on This Note at the times, places, and rates, and in the coin or currency, herein prescribed. 8. The Maker will do or cause to be done all things reasonably necessary to preserve and keep in full force and Effect its corporate existence, rights, and franchises and comply with all laws applicable to the Maker, except where the failure to comply could not reasonably be expected to have a material adverse effect on the Maker. Failure to comply with this provision shall constitute an Event of Default.

9. Notwithstanding anything to the contrary in this Note or any other agreement entered into in connection herewith, whether now existing or hereafter arising and whether written or oral, it is agreed that the aggregate of all interest and any other charges constituting interest, or adjudicated as constituting interest, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction, shall under no circumstances exceed the Maximum Rate. 10. In the event the maturity of this Note is accelerated by reason of an Event of Default under this Note, any other agreement entered into in connection herewith or therewith, or by voluntary prepayment by Maker or otherwise, then earned interest may never include more than the Maximum Rate allowable by law, computed from the dates of each advance of the loan proceeds outstanding until payment. If from any circumstance any holder of this Note shall ever receive interest or any other charges constituting interest, or adjudicated as constituting interest, the amount, if any, which would exceed the Maximum Rate shall be applied to the reduction of the principal amount owing on this Note, and not to the payment of interest; or if such excessive interest exceeds the unpaid balance of principal hereof, the amount of such excessive interest that exceeds the unpaid balance of principal hereof shall be refunded to Maker. In determining whether or not the interest paid or payable exceeds the Maximum Rate, to the extent permitted by applicable law (i) any non-principal payment shall be characterized as an expense, fee or premium rather than as interest; and (ii) all interest at any time contracted for, charged, received, or preserved in connection herewith shall be amortized, prorated, allocated and spread in equal parts during the period of the full stated term of this Note. The term "Maximum Rate" shall mean the maximum rate of interest allowed by applicable federal or state law. 11. Except as provided herein, Maker and any sureties, guarantors, and endorsers of this Note jointly and severally waive demand, presentment, notice of nonpayment or dishonor, notice of intent to accelerate, notice of acceleration, diligence in collecting, grace, notice and protest, and consent to all extensions without notice for any period or periods of time and partial payments, before or after maturity, without prejudice to the holder. The holder shall similarly have the right to deal in any way, at any time, with one or more of the foregoing parties without notice to any other party, and to grant any such party any extensions of time for payment of any of said indebtedness, or to grant any other indulgences or forbearance whatsoever, without notice to any other party and without in any way affecting the personal liability of any party hereunder. If any efforts are made to collect or enforce this Note or any installment due hereunder, the undersigned agrees to pay all collection costs and fees, including reasonable attorney's fees. 12. A copy of this Promissory Note signed by one party and faxed to another party shall be deemed to have been executed and delivered by the signing party as though an original. A photocopy of this Promissory Note shall be effective as an original for all purposes. 13. This Note shall be construed and enforced under and in accordance with the laws of the State of Illinois, without regard to choice-of-law rules of any jurisdiction.

On September 15, 2021, the Company’s management converted $500,000 of this debt, or $427,589 in principal and $72,411 interest, into a convertible nine-year note with principal of $572,411 and 8% annual interest.

The total amount due under the promissory note at June 30, 2022 is $572,411 principal and accrued interest of $24,804.

<u>Assumption of $250,000 note from VW Win Century, Inc. (Previously registered as, FlexFridge, Inc. an Illinois corporation) merger</u>
On November 27, 2020, the company merged with VW Win Century, Inc. assuming note with Epazz, Inc. of $250,000 and accrued interest of $187,500.

FOR VALUE RECEIVED, the undersigned, FlexFridge, Inc.., an Illinois corporation, ("Maker") hereby promises to pay to the order of Epazz, Inc. ("Payee"), the principal sum of Two Hundred Fifty thousand dollars ($250,000), in lawful money in United States of America, which shall be legal tender, bearing interest and payable as provided herein. This Promissory Note (this “Note” or “Promissory Note”) has an effective date of December 29, 2015. Payee will forever forgive and discharge any difference between the outstanding balance of the fees owed to Payee by Maker as of the effective date of this Note and the principal amount of this Note upon repayment of this Note in its entirety. 1. Interest on the unpaid balance of this Note shall bear interest at the rate of fifteen percent (15%) per annum, which interest shall accrue from the effective date until the Maturity Date (as defined below), unless prepaid prior to such Maturity Date. All past-due principal and interest (which failure to pay such amounts after a fifteen (15) day cure period, shall be defined herein as an “Event of Default”) shall bear interest at the rate of fifteen percent (15%) per annum until paid in full (the “Default Interest Rate”), with it being understood that Maker shall have an additional fifteen-day cure periods during the term of the Note before an Event of Default occurs. Upon an Event of Default, Payee may declare the entire amount of this Note due and payable and shall be able to take whatever action available to it in law or equity to enforce its rights to collect an additional $500 as liquidated damages in addition to the amounts owed pursuant to this Note. Interest will be computed on the basis of a 360-day year. 2. The principal amount of this Note shall be due and payable on December 29, 2025 (the “Maturity Date”). 3. This Note may be prepaid in whole or in part, at any time and from time to time, without premium or penalty. 4. If any payment of principal or interest on this Note shall become due on a Saturday, Sunday, or any other day on which national banks are not open for business, such payment shall be made on the next succeeding business day. 5. This Note shall be binding upon and inure to the benefit of the Payee named herein and Payee’s respective successors and assigns.

Each holder of this Note, by accepting the same, agrees to and shall be bound by all of the provisions of this Note. Payee may assign this Note or any of its rights, interests, or obligations to this Note without the prior written approval of Maker. 6. No provision of this Note shall alter or impair the obligation of Maker to pay the principal of and interest on this Note at the times, places, and rates, and in the coin or currency, herein prescribed. 7. The Maker will do or cause to be done all things reasonably necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and comply with all laws applicable to the Maker, except where the failure to comply could not reasonably be expected to have a material adverse effect on the Maker. Failure to comply with this provision shall constitute an Event of Default. 8. Notwithstanding anything to the contrary in this Note or any other agreement entered into in connection herewith, whether now existing or hereafter arising and whether written or oral, it is agreed that the aggregate of all interest and any other charges constituting interest, or adjudicated as constituting interest, and contracted for, chargeable or receivable under this Note or otherwise in connection with this loan transaction, shall under no circumstances exceed the Maximum Rate. 9. In the event the maturity of this Note is accelerated by reason of an Event of Default under this Note, any other agreement entered into in connection herewith or therewith, or by voluntary prepayment by Maker or otherwise, then earned interest may never include more than the Maximum Rate allowable by law, computed from the dates of each advance of the loan proceeds outstanding until payment.
If from any circumstance any holder of this Note shall ever receive interest or any other charges constituting interest, or adjudicated as constituting interest, the amount, if any, which would exceed the Maximum Rate shall be applied to the reduction of the principal amount owing on this Note, and not to the payment of interest; or if such excessive interest exceeds the unpaid balance of principal hereof, the amount of such excessive interest that exceeds the unpaid balance of principal hereof shall be refunded to Maker. In determining whether or not the interest paid or payable exceeds the Maximum Rate, to the extent permitted by applicable law (i) any non-principal payment shall be characterized as an expense, fee or premium rather than as interest; and (ii) all interest at any time contracted for, charged, received, or preserved in connection herewith shall be amortized, prorated, allocated and spread in equal parts during the period of the full stated term of this Note. The term Maximum Rate shall mean the maximum rate of interest allowed by applicable federal or state law.10. Except as provided herein, Maker and any sureties, guarantors, and endorsers of this Note jointly and severally waive demand, presentment, notice of nonpayment or dishonor, notice of intent to accelerate, notice of acceleration, diligence in collecting, grace, notice and protest, and consent to all extensions without notice for any period or periods of time and partial payments, before or after maturity, without prejudice to the holder. The holder shall similarly have the right to deal in any way, at any time, with one or more of the foregoing parties without notice to any other party, and to grant any such party any extensions of time for payment of any of said indebtedness, or to grant any other indulgences or forbearance whatsoever, without notice to any other party and without in any way affecting the personal liability of any party hereunder. If any efforts are made to collect or enforce this Note or any installment due hereunder, the undersigned agrees to pay all collection costs and fees, including reasonable attorney's fees. 12. A copy of this Promissory Note signed by one party and faxed to another party shall be deemed to have been executed and delivered by the signing party as though an original. A photocopy of this Promissory Note shall be effective as an original for all purposes. 13. This Note shall be construed and enforced under and in accordance with the laws of the State of Illinois, without regard to choice-of-law rules of any jurisdiction.

The total amount due under the promissory note at June 30, 2022 is $250,000 of which $233,875 is principal and $50,308 is accrued interest.

(11) Income Taxes

The Company accounts for income taxes under FASB Accounting Standard Codification ASC 740 "Income Taxes." ASC 740 provides that deferred tax assets and liabilities are recorded based on the differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

As of June 30, 2022 and December 31, 2021, the Company did not have any eligible net operating loss carry forwards as the Company has not filed the appropriate federal and state income tax returns so any accumulated net operating losses could be subject to the respective tax agency disallowance. Any actual net operating losses would be limited by a valuation allowance, as their realization, as determined by management, is determined to be not likely to occur and accordingly, the Company would have recorded a valuation allowance for the deferred tax asset relating to the tax potential net operating loss carryforwards. Additionally, actual net operating losses carry-forwards and the related deferred tax assets would also be limited due to the various changes in control that has occurred during prior reporting periods.

(12) Subsequent Events

None.