

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

KRTL Holding Group, Inc.

14143 Denver W Pkwy #100

Golden, CO 80401

800-707-0586

www.krtlholding.com

info@krtlholding.com

SIC Code 2833

Annual Report

For the period ending December 31, 2022 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

73,916,072 as of December 31, 2022

53,092,740 as of December 31, 2021

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

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

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

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

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

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

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

KRTL Holding Group, Inc. (the "Company") was incorporated in the State of Utah as Big Pony Gold, Inc. on August 2, 1984. The Company's name was changed to Pan American Motorsports, Inc. in April of 1998. The name was changed to Queench, Inc. in November 2002, and in July 2022 the Company completed a name change to KRTL Holding Group, Inc.

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

The Company is active and in good standing in the state of Utah, where it incorporated on August 2, 1984.

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

None

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

The Company formed a wholly owned subsidiary, QENC Acquisition Inc., which merged with the Company's majority shareholder, KRTL Biotech Inc. ("KRTL") in March 2022. In the merger, KRTL was the surviving corporation. The Company acquired KRTL International Corp. as a wholly owned subsidiary in February 2022.

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

14143 Denver W Pkwy #100 Golden, CO 80401

The address(es) of the issuer's principal place of business:

☒ *Check if principal executive office and principal place of business are the same address:*

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

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Colonial Stock Transfer
Phone: (801) 355-5740
Email: dancarter@colonialstock.com
Address: 66 Exchange Place, Ste 100 Salt Lake City, UT 84111

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>KRTL</u>	
Exact title and class of securities outstanding:	<u>common stock</u>	
CUSIP:	<u>74823U103</u>	
Par or stated value:	<u>\$0.0001 per share</u>	
Total shares authorized:	<u>1,000,000,000</u>	<u>as of date: December 31, 2022</u>
Total shares outstanding:	<u>73,916,072</u>	<u>as of date: December 31, 2022</u>
Total number of shareholders of record:	<u>132</u>	<u>as of date: December 31, 2022</u>

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

Trading symbol:	<u>Not applicable</u>	
Exact title and class of securities outstanding:	<u> </u>	
CUSIP:	<u> </u>	
Par or stated value:	<u> </u>	
Total shares authorized:	<u> </u>	<u>as of date: </u>
Total shares outstanding:	<u> </u>	<u>as of date: </u>
Total number of shareholders of record:	<u> </u>	<u>as of date: </u>

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>2021 Series A preferred stock</u>	
CUSIP (if applicable):	<u>not applicable</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>20</u>	<u>as of date: 12/31/2022</u>
Total shares outstanding (if applicable):	<u>20</u>	<u>as of date: 12/31/2022</u>
Total number of shareholders of record (if applicable):	<u>6</u>	<u>as of date: 12/31/2022</u>

Exact title and class of the security:	<u>Series B preferred stock</u>	
CUSIP (if applicable):	<u>not applicable</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>2</u>	<u>as of date: 12/31/2022</u>
Total shares outstanding (if applicable):	<u>2</u>	<u>as of date: 12/31/2022</u>
Total number of shareholders of record (if applicable):	<u>2</u>	<u>as of date: 12/31/2022</u>

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Common shares have the right to one vote per share and the right to receive dividends if the board of directors authorizes dividends.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Each share of the 2021 Series A preferred stock is convertible into 10,000,000 shares of common stock.

Each share of the Series B preferred stock is convertible into 4.99% of the common shares outstanding. As of December 31, 2022 there were 20 shares of 2021 Series A preferred stock and 2 shares of Series B preferred stock issued and outstanding, respectively. Preferred shares have voting rights equal to the number of common shares which they can convert into.

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2020</u> Common: <u>117,002,840</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
06/04/2021	New Issue	20	2021 Series A Preferred	0	NA	Synergy Management Group, LLC / Benjamin Berry	Services as a custodian	Restricted	4(a)(2)
06/04/2021	New Issue	2	Series B Preferred	0	NA	Synergy Management Group, LLC / Benjamin Berry	Services as a custodian	Restricted	4(a)(2)
10/26/2021	cancellation	(63,910,100)	common	NA	NA	NA	NA	NA	NA
03/14/2022	New Issue	500,000	common	\$0.02	Yes	The Beling Family Trust, David Beling	Cash	Restricted	4(a)(2)
07/11/2022	Cancellation	(6,676,668)	Common	NA	NA	Third District Court Order, Salt Lake County, Utah	NA	NA	NA
07/18/2022	New Issue	1,000,000	common	\$0.01	Yes	The Beling Family Trust, David Beling	Cash	Restricted	4(a)(2)
07/29/2022	New Issue	1,000,000	common	\$0.0275	Yes	The Beling Family Trust, David Beling	Cash	Restricted	4(a)(2)
08/03/2022	New Issue	1,100,000	common	\$0.0275	Yes	Malcolm Leissring	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	25,000	common	\$0.0275	Yes	Brent J. LaGrange	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	1,000,000	common	\$0.0275	Yes	Sumeet Arvind Kamat	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	1,500,000	common	\$0.0275	Yes	Mario Anthony Hernandez	Employment	Restricted	4(a)(2)
08/03/2022	New Issue	3,500,000	common	\$0.0275	Yes	Cesar Herrera	Employment	Restricted	4(a)(2)
08/03/2022	New Issue	2,500,000	common	\$0.0275	Yes	Paul Riss	Strategic Advisor	Restricted	4(a)(2)

08/03/2022	New Issue	1,000,000	common	\$0.0275	Yes	Iron Sight Industries, Daniel Ball	Advisory Services	Restricted	4(a)(2)
08/03/2022	New Issue	2,500,000	common	\$0.0275	Yes	Kyong Lae Kim	Employment	Restricted	4(a)(2)
08/03/2022	New Issue	2,500,000	common	\$0.0275	Yes	Brian Holden	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	3,000,000	common	\$0.0275	Yes	Jonathan Endman	Legal Counsel	Restricted	4(a)(2)
08/03/2022	New Issue	50,000	common	\$0.0275	Yes	Kelin Balian	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	3,500,000	common	\$0.0275	Yes	Nicholas Sprung	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	25,000	common	\$0.0275	Yes	United Catalyst Inc., Manjeet Kaur	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	250,000	common	\$0.0275	Yes	JP Michael LLC, Michael Reynolds	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	150,000	common	\$0.0275	Yes	David Victorson	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	250,000	common	\$0.0275	Yes	Martinez Lara and Associates Inc., Victor Martinez	Bookkeeping Services	Restricted	4(a)(2)
08/03/2022	New Issue	150,000	common	\$0.0275	Yes	Luis F Ramirez	Strategic Advisor	Restricted	4(a)(2)
08/03/2022	New Issue	100,000	common	\$0.0275	Yes	Corey Carbone	Strategic Advisor	Restricted	4(a)(2)
08/16/2022	New Issue	100,000	Common	\$0.0275	Yes	Here to Serve Holding Corp., Paul Riss	Purchase of a Subsidiary	Restricted	4(a)(2)
09/22/2022	New Issue	1,000,000	Common	\$0.010	Yes	The Beling Family Trust, David Beling	Cash	Restricted	4(a)(2)
09/22/2022	New Issue	800,000	Common	\$0.015	Yes	The Beling Family Trust, David Beling	Cash	Restricted	4(a)(2)
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u> <u>Ending</u>									
<u>Balance:</u>									
<u>Date 12/31/2022</u>									
Common: 73,916,072									
Preferred: 22									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

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

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

KRTL Holding Group Inc. operates its wholly owned subsidiaries, KRTL Biotech, Inc. and KRTL International Corp. Each company has its focus on specific industries including bio and Agri-Technology, to International Trade and Distribution of these technologies and services.

B. List any subsidiaries, parent company, or affiliated companies.

KRTL Biotech Inc and KRTL International Corp. are subsidiaries

C. Describe the issuers' principal products or services.

The principal issuer is a holding company with its subsidiaries focused on different technologies and services including biotechnology, agricultural technology and distribution of specific products and services.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company rents office space at 14143 Denver W Pkwy #100 Golden, CO 80401.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Cesar Herrera	CEO	Van Nuys, CA	1	Special 2021 Series B Preferred	50%	Cesar Herrera
Kyong Lae Kim	CSO	Golden, CO	1	Special 2021 Series B Preferred	50%	Kyong Lae Kim
Cesar Herrera	CEO	Van Nuys, CA	7	Special 2021 Series A Preferred	35%	Cesar Herrera
Kyong Lae Kim	CSO	Golden, CO	6	Special 2021 Series A Preferred	30%	Kyong Lae Kim
Here To Serve Holding Corp. Paul Riss	>5%	Rye Brook, NY	3	Special 2021 Series A Preferred	15%	Paul Riss
Justin Waiau	>5%	Centennial, CO	2	Special 2021 Series A Preferred	10%	Justin Waiau

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

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

None

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

None

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

None

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

None

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

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jonathan L. Endman
Firm: Jonathan L. Endman, Esq.
Address 1: 2759 Burkshire Ave.
Address 2: Los Angeles, CA 90064-3513
Phone: 818-481-7829
Email: jendman@msn.com

Accountant or Auditor

Name: Paul Riss
Firm: ICF Industries Inc.
Address 1: 800 Westchester Ave Suite 641N
Address 2: Rye Brook, NY 10573
Phone: 914-750-9339
Email: paul@heretoserve.tech

Investor Relations

Name: none
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

Twitter: <https://twitter.com/KRTLHolding>
Discord: not used
LinkedIn: <https://www.linkedin.com/company/krtl-holding/mycompany/verification/?viewAsMember=true>
Facebook: not used
[Other] not used

Other Service Providers

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

Name: None
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Financial Statements

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

- ☐ IFRS
- ☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Paul Riss

Title: Accountant

Relationship to Issuer: Independent consultant

Describe the qualifications of the person or persons who prepared the financial statements: CPA and MBA in accounting with distinction from New York University Stern School of Business. Member of the AICPA.

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

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

KRTL HOLDING GROUP, INC.
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

KRTL Holding Group, Inc.
Consolidated Balance Sheets
(Unaudited)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash	\$ 39,974	\$ -
Accounts receivable	25,000	-
Prepaid expenses	53,143	-
Total current assets	118,117	-
Equity securities at fair value	300,000	
Goodwill	4,500	-
Total assets	<u>\$ 422,617</u>	<u>\$ -</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Due to related party	\$ 300	\$ -
Deposits	15,000	-
Deferred revenue	12,500	-
Total current liabilities	27,800	-
Long-term deferred revenue	57,083	
Total liabilities	84,883	-
Commitments and contingencies	-	-
Special 2021 Series A Preferred Stock par value \$0.001, 20 shares authorized, 20 shares issued and outstanding in 2022 and 2021	-	-
Special 2021 Series B Preferred Stock par value \$0.001, 2 shares authorized, 2 shares issued and outstanding in 2022 and 2021	-	-
Common stock, par value \$0.0001; 1,000,000,000 shares authorized, 73,916,072 and 53,092,740 issued and outstanding in 2022 and 2021	7,391	5,309
Paid-in-capital	1,381,122	361,694
Accumulated deficit	(1,050,779)	(367,003)
Total shareholders' equity	337,734	-
Total liabilities and shareholders' equity	<u>\$ 422,617</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.

KRTL Holding Group, Inc.
Consolidated Statements of Income
(Unaudited)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue	\$ 165,417	\$ -
Expenses:		
Consulting services	757,867	250,000
General and administrative costs	27,326	
Total expenses	785,193	250,000
Income (loss) from operations	(619,776)	(250,000)
Other income (expenses):		
Unrealized gain (loss) on investments	(64,000)	-
Total other income (expenses):	(64,000)	-
Net income (loss) before income taxes	(683,776)	
Income tax expense	-	-
Net income (loss)	\$ (683,776)	\$ -
Basic net income (loss) per share	\$ (0.01)	\$ 0.00
Diluted income (loss) per share	\$ (0.01)	\$ 0.00
Weighted average number of shares outstanding		
Basic	61,006,124	117,002,840
Diluted	61,006,124	117,002,840

See accompanying notes to the consolidated financial statements.

KRTL Holding Group, Inc.
Consolidated Statements of Changes in Shareholders' Equity
Years Ended December 31, 2022 and 2021
(Unaudited)

	Common Stock		Preferred Stock		Paid-in-Capital	Accumulated Deficit	Shareholders' Equity
	Shares	Amount	Shares	Amount			
Balance, December 31, 2020	117,002,840	\$ 11,700	-	\$ -	\$ 105,303	\$ (117,003)	\$ -
2021 Series A Preferred Stock			20		227,273		227,273
Series B Preferred Stock			2		22,727		22,727
Cancellation of common shares	(63,910,100)	(6,391)			6,391		-
Net loss 2021						(250,000)	(250,000)
Balance, December 31, 2021	53,092,740	5,309	22	-	361,694	(367,003)	-
Sale of common stock	4,300,000	430	-	-	51,570		52,000
Merger with KRTL Biotech Inc.					154,000		154,000
Stock-based compensation	23,100,000	2,310			808,700		811,010
Purchase of subsidiary	100,000	10			4,490		4,500
Cancellation of common shares	(6,676,668)	(668)			668		-
Net loss 2022	-	-	-	-	-	(683,776)	(683,776)
Balance, December 31, 2022	<u>73,916,072</u>	<u>\$ 7,391</u>	<u>22</u>	<u>\$ -</u>	<u>\$ 1,381,122</u>	<u>\$ (1,050,779)</u>	<u>\$ 337,734</u>

See accompanying notes to the consolidated financial statements.

KRTL Holding Group, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash flows from operating activities:		
Net income	\$ (683,776)	\$ (250,000)
Adjustment to reconcile net income to net cash used in operating activities:		
Stock-based compensation	757,867	250,000
Non-cash revenue from the receipt of equity	(165,417)	-
Unrealized loss on investments	64,000	-
Changes in working capital items:		
Deposits	15,000	-
Due to related party	300	-
Net cash used in operating activities	<u>(12,026)</u>	<u>-</u>
Cash flows from investing activities	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Sale of common stock	52,000	-
Net cash provided by financing activities	<u>52,000</u>	<u>-</u>
Net cash increase for period	39,974	-
Cash at beginning of year	-	-
Cash at end of year	<u>\$ 39,974</u>	<u>\$ -</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ -</u>	<u>\$ -</u>
Supplemental Non-Cash Financing Information:		
Common stock issued for acquisitions	<u>\$ 158,500</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.

KRTL Holding Group, Inc.
Notes to the Consolidated Financial Statements
December 31, 2022
Unaudited

Note 1 – Organization of Business

On August 2, 1984, KRTL Holding Group, Inc. (the “Company”) was incorporated in the State of Utah as Big Pony Gold, Inc. The Company’s name was changed to Pan American Motorsports, Inc. in April of 1998. The name was changed to Queench, Inc. in November 2002. Effective December 31, 2021, the Company’s focus is on research and development of psychedelic inspired medicines. In March of 2022, KRTL Biotech Inc. (“KRTL”) merged into a newly formed subsidiary of Queench, Inc., and KRTL was the surviving corporation. KRTL’s primary business centers around psilocybin research and the creation and distribution of non-regulated terpene products. In July 2022, the Company changed its name to KRTL Holding Group, Inc.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Company has a December 31 year end.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to income tax valuation allowance. On a continual basis, management reviews its estimates, utilizing currently available information, changes in facts and circumstances, historical experience, and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company has no cash equivalents. The Company has not maintained cash balances that exceed federally insured limits.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." Topic 606 established that the Company recognize revenue using the following five-step model:

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

One contract received in the year ended December 31, 2022 requires the Company to perform services over a five-year period and a second contract requires the Company to perform services over a ten-year period. In conjunction with these contracts, the Company has recorded current deferred revenue of \$12,500 and long-term deferred revenue of \$57,083.

Fair Value of Financial Instruments

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on 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. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

Impairment of long-lived assets

The Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. During the years ended December 31, 2022, and 2021, the Company did not record any impairment losses.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible. A valuation allowance has been established to eliminate the Company's deferred tax assets as it is more likely than not that any of the deferred tax assets will be realized.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Based on the Company's history of losses, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company may in the future become subject to foreign, federal, state, and local income taxation though it has not been since inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net income applicable to common shareholders by the weighted average number of common shares during the period. A diluted earnings per share is calculated by dividing the Company's net income 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 for any potentially dilutive debt or equity. As of December 31, 2022 and 2021, the Company had dilutive equity securities outstanding, see Note 5.

Recent Accounting Pronouncements

In March 2017 the FASB issued ASU 2017-04 Intangibles—Goodwill and Other (Topic 350) Simplifying the Test for Goodwill Impairment. This amendment simplifies the measurement of goodwill by eliminating Step 2 from the goodwill impairment test. This update is effective for fiscal years beginning after December 15, 2021. The adoption of ASU No. 2017-04 did not have a material impact on the Company's financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

Note 3 – Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, the Company has limited working capital, an accumulated deficit, and incurred operating losses in the years ended December 31, 2022 and 2021. The Company believes that its existing cash resources may not be sufficient to fund its working capital requirements.

The Company may not be able to raise sufficient additional debt, equity, or other cash on acceptable terms, if at all. Failure to generate sufficient revenues, raise sufficient funds, or achieve certain other business plan objectives could have a material adverse effect on the Company's results of operations, cash flows and financial position, including its ability to continue as a going concern, and may require it to significantly reduce, reorganize, discontinue, or shut down its operations.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in its existence.

Management's plans include the pursuit of financing from known lenders, family members and business friends.

Note 4 – Income Taxes

The Company did not have any material unrecognized tax benefits as of December 31, 2022 and 2021. The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the years ended

December 31, 2022, and 2021. The Company is subject to United States federal income tax, as well as taxes by various state jurisdictions.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company has established a full valuation allowance for any deferred taxes.

The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the years ended December 31, 2022, and 2021. The Company is subject to U.S. federal income tax, as well as taxes by various state jurisdictions. The Company recorded no income tax expense for the years ended December 31, 2022, and 2021 due to a tax loss carryforward in 2022 and the lack of net income in each year.

Note 5 – Stockholders’ Equity

The Company is authorized to issue 1,000,000,000 shares of common stock, par value \$0.0001 per share and an aggregate of 25 shares of preferred stock, par value \$0.001 per share. As of December 31, 2022 and 2021, there were 73,916,072 and 53,092,740 shares of common stock issued and outstanding, respectively. As of December 31, 2022 and 2021, there were 20 shares of Special 2021 Series A Preferred Stock (“Series A Preferred”) and 2 shares of Special 2021 Series B Preferred Stock (“Series B Preferred”) issued and outstanding.

During the year ended December 31, 2022, the company sold 4,300,000 shares of common stock, accompanied by common stock purchase warrants to purchase an additional 4,300,000 shares of common stock, for gross proceeds of \$52,000. In addition, the company issued 23,100,000 shares of common stock, at an aggregate value of \$811,010, as stock-based compensation, issued 100,000 shares of common stock to purchase a subsidiary, now known as KRTL International Corp., and canceled 6,676,668 shares of common stock in conjunction with a court order from the Third District, Salt Lake County, Utah.

Effective October 26, 2021, 63,910,100 shares of outstanding common stock were canceled by a court order from the Third District, Salt Lake County, Utah.

The Series A Preferred shareholders are entitled to 60% of all votes entitled to vote at each meeting of stockholders of the Company. Each share of Series A Preferred is convertible into common shares at a conversion rate of 1 preferred share to 10,000,000 common shares. The holder of the Series A Preferred can affect the conversion at any time. The conversion is a right and conversion is not required.

The Series A Preferred shareholders shall not be entitled to any dividends and shall not participate in any proceeds available to the Company’s shareholders upon the liquidation, dissolution or winding up of the Company.

The Series B Preferred shareholders have no rights regarding voting, dividends, liquidation, or dissolution. Each share of Series B Preferred is convertible, at the option of the holder, into 4.99% of the outstanding common shares at the date of conversion. The holder can affect the conversion into common stock at any time.

Warrants

The table below presents the warrants outstanding and exercisable with summary data as to the exercise price per share and the average exercise price.

Range of Exercise Prices	Warrants Outstanding			Warrants Exercisable	
	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Outstanding	Weighted-Average Exercise Price
As of December 31, 2022					
\$0.01 - \$0.02	4,300,000	3.57	\$ 0.014	4,300,000	\$ 3.57
As of December 31, 2021	-	-	\$ -	-	\$ -

	Number of Shares	Exercise Price Per Share	Average Exercise Price
Warrants outstanding December 31, 2020	-	-	\$ -
Issued during the year ended December 31, 2021	-	-	\$ -
Exercised/canceled during the year ended December 31, 2021	-	-	\$ -
Warrants outstanding December 31, 2021	-	-	\$ -
Issued during the year ended December 31, 2022	4,300,000	\$0.01 - \$0.02	\$ 0.014
Exercised/canceled during the year ended December 31, 2022	-	-	\$ -
Warrants outstanding December 31, 2022	4,300,000	\$0.01 - \$0.02	\$ 0.014
Warrants exercisable, December 31, 2022	4,300,000	\$0.01 - \$0.02	\$ 0.014

Note 6 – Fair Value

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Financial assets measured at fair value on a recurring basis are summarized below as of December 31, 2022 and December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2022				
Equity securities at fair value	\$ —	\$ 300,000	\$ —	\$ 300,000
December 31, 2021				
Equity securities at fair value	\$ —	\$ —	\$ —	\$ —

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, we base fair value on 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. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows that could significantly affect the results of current or future value.

Note 7 – Earnings Per Common Share

Earnings per common share data for the years ended December 31, 2022, and 2021 was computed as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Net income attributable to common stockholders - basic	\$ (683,776)	\$ 0
Adjustments to net income	-	-
Net income attributable to common stockholders - diluted	<u>\$ (683,776)</u>	<u>\$ 0</u>
Weighted average common shares outstanding - basic	61,006,124	117,002,840
Effect of dilutive securities	-	-
Weighted average common shares outstanding - diluted	<u>61,006,124</u>	<u>117,002,840</u>
Earnings per share - basic	<u>\$ (0.01)</u>	<u>\$ 0.00</u>
Earnings per share - diluted	<u>\$ (0.01)</u>	<u>\$ 0.00</u>

In the years ended December 31, 2022 and 2021, convertible preferred stock and warrants amounting to 209,093,491 and 205,298,655 shares of common stock, respectively, were excluded in the diluted earnings per share calculation because they were antidilutive.

Note 8 – Related Party Transactions

On June 4, 2021, Benjamin Berry became a court appointed receiver of the Company by the Third District Court, Salt Lake County, Utah under case No.: 210900266. On June 4, 2021, Benjamin Berry was elected and consented to serve as Chief Executive Officer and Director of the Company.

On June 4, 2021, a board resolution authorized the creation of 20 shares of 2021 Series A Preferred Stock and 2 shares of Special 2021 Series B Preferred Stock. The shares were issued to Synergy Management Group, LLC controlled by Benjamin Berry for services rendered. The 22 preferred shares were valued at a total amount of \$250,000 and recorded as stock-based compensation in the year ended December 31, 2021.

On December 31, 2021, Benjamin Berry resigned from the Company and sold all outstanding preferred stock to KRTL Biotech Inc. New officers were appointed to the positions of Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer.

As of December 31, 2022, the Company owes \$300 to a related party for a cash advance. For the year ended December 31, 2022, officers of the Company received stock-based compensation of a total of 7,500,000 shares of common stock, valued at \$262,500. No cash compensation has been paid to officers or directors.

Note 9 – Investments

During the year ended December 31, 2022, the Company received 5 million shares of Agri-Dynamics, Inc. (OTC:AGDY), valued at \$50,000, in conjunction with a 5-year consulting agreement. As of December 31, 2022, \$5,000 of the consulting agreement is recorded as revenue and \$45,000 of the contract is recorded as a component of deferred revenue and long-term deferred.

During the year ended December 31, 2022, the Company provided services to and received 16 million shares of Agri-Dynamics, Inc. (OTC:AGDY), valued at \$160,000, for marketing and consulting services with regard to a hemp farming project.

Upon the completion of the merger of KRTL Biotech Inc. into a subsidiary of the Company, the Company received 50,000,000 shares of common stock of Pervasip Corp. (OTC:PVSP), valued at \$107,500 and 1,000,000 shares of Here To Serve Holding Corp. (OTC:HTSC), valued at \$46,500. As of December 31, 2022, the total of all equity investments had a value of \$300,000 consisting of the following:

	<u>December 31, 2022</u>
Agri-Dynamics, Inc.	\$ 189,000
Pervasip Corp.	52,500
Here To Serve Holding Corp.	58,500
Total fair value of equity securities	<u>\$ 300,000</u>

The net decrease in the value of investments during the year ended December 31, 2022 amounted to \$64,000 and is recorded in the income statement as an unrealized loss on investments.

The above investments in equity securities is within the scope of ASC 321. The Company monitors the investments for any changes in observable prices from orderly transactions. All investments are initially measured at cost and evaluated for changes in estimated fair value.

Note 10 – Subsequent Events

The company evaluated all subsequent events through the date this report was issued.

There were no material subsequent events that required recognition or additional disclosure in these financial statements.

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Cesar Herrera certify that:

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

03/15/2023

/s/ Cesar Herrera

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

Principal Financial Officer:

I, Mario Hernandez certify that:

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

03/15/2023

/s/ Mario Hernandez

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