

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines
1812 Brewing Company, Inc.



981 Waterman Drive
Watertown, NY 13601
315-788-1812
www.1812ale.com
contact@1812ale.com
SIC: 208201

Annual Report
For the Period Ended: December 31, 2022
(the "Reporting Period")

Outstanding Shares

As of December 31, 2022, the number of shares outstanding of our Common Stock was: 3,570,806,557

Shell Status

The company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934 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 Control of the company has occurred over this reporting period: Yes:

☐ No: ☒

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

Beginning November 21, 2016 - 1812 Brewing Company, Inc.* – Florida, currently "Active" status
Beginning April 27, 2015 – Seaway Valley Capital Corporation - Florida
Beginning August 16, 2007 – Seaway Valley Capital Corporation - Delaware
Beginning November 27, 2006 - GS Carbon Corporation
Beginning May 5, 2003 - DirectView, Inc. – Nevada moved to Delaware
Beginning July 30, 2002 - Boston Pacific Medical, Inc. – Nevada
Beginning April 12, 1996 - Boston Pacific Capital, Inc. – Nevada
Beginning February 7, 1992 - Boston Pacific Medical, Inc. – Massachusetts moved to Nevada
Beginning June 12, 1989 - The Boston & Pacific Company, Inc. Massachusetts

Neither we nor our predecessors have had any trading suspension orders issued by the SEC since inception.

We have not had any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months.

The address of our principal executive office:

Offices & Plant
PO Box 6192
981 Waterman Drive
Watertown, NY 13601

The addresses of our principal places of business:

<u>Offices & Plant</u> 981 Waterman Drive Watertown, NY 13601	<u>Pub & Restaurant</u> 212 West Main Street Sackets Harbor, NY 13685	<u>Vacant Lot</u> 210 West Main Street Sackets Harbor, NY 13685
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Neither we nor our predecessors have been in bankruptcy, receivership, or any similar proceeding in the past five years.

2) Security Information

Transfer Agent:

Name:	Pacific Stock Transfer
Phone:	702-361-3033
Email:	joslyn@pacificstocktransfer.com
Address:	6725 Via Austi Parkway Suite 300 Las Vegas, NV 89119

The Transfer Agent registered under the Exchange Act.

Publicly Quoted or Traded Securities:

Trading symbol:	KEGS
Exact title and class of securities outstanding:	Common Stock
CUSIP:	812815 504
Par or stated value:	\$0.0001
Total shares authorized:	10,000,000,000 at December 31, 2022
Total shares outstanding:	3,570,806,557 at December 31, 2022
Number of shares in the Public Float:	2,927,779,161 at December 31, 2022
Total number of shareholders of record:	236 at December 31, 2022

Other classes of authorized or outstanding equity securities:

Exact title and class of the security:	Series A Convertible Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.0001
Total shares authorized:	1,000,000 as of 12/31/2022
Total shares outstanding (if applicable):	None as of 12/31/2022
Total number of shareholders of record:	None as of 12/31/2022

Exact title and class of the security:	Series B Convertible Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.0001
Total shares authorized:	1,000,000 as of 12/31/2022
Total shares outstanding (if applicable):	None as of 12/31/2022
Total number of shareholders of record:	None as of date: 12/31/2022

Exact title and class of the security	Series C Convertible Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.0001
Total shares authorized:	1,000,000 as of 12/31/2022
Total shares outstanding (if applicable):	None as of 12/31/2022
Total number of shareholders of record:	None as of 12/31/2022

Exact title and class of the security:	Series D Convertible Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.0001
Total shares authorized:	1,000,000 as of 12/31/2022
Total shares outstanding (if applicable):	None as of 12/31/2022
Total number of shareholders of record:	None as of 12/31/2022

Exact title and class of the security:	Series E Convertible Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	\$0.0001
Total shares authorized:	100,000 as of 12/31/2022
Total shares outstanding (if applicable):	100,000 as of 12/31/2022
Total number of shareholders of record:	1 as of 12/31/2022

Security Description:

1. Common Equity: dividend, voting and preemption rights:

The holders of our common stock are entitled to one vote per share on all matters to be voted on by the stockholders. All shares of common stock are entitled to participate in any distributions or dividends that may be declared by the board of directors, subject to any preferential dividend rights of outstanding shares of preferred stock. Subject to prior rights of creditors, all shares of common stock are entitled, in the event of our liquidation, dissolution or winding up, to participate ratably in the distribution of all our remaining assets, after distribution in full of preferential amounts, if any, to be distributed to holders of preferred stock. There are no sinking fund provisions applicable to the common stock. Our common stock has no preemptive or conversion rights or other subscription rights.

2. Preferred Stock: dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions:

SERIES E CONVERTIBLE PREFERRED STOCK

Section 1. Designation and Amount. The shares of such series shall be designated as "Series E Convertible Preferred Stock" and the number of shares constituting such series shall be 100,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, however, that no decrease shall reduce the number of shares of Series E Convertible Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series E Convertible Preferred Stock.

Section 2. Voting. The holders of the Series E Preferred Stock shall have the following voting rights: Each share of Series E Preferred Stock shall entitle the holder thereof, on all matters submitted to a vote of the stockholders of the Corporation, to that number of votes as shall be equal to the aggregate number of shares of Common Stock into which such holder's shares of Series E Preferred Stock are convertible on the record date for the stockholder action.

Section 3. Dividends. In the event that the Corporation's Board of Directors declares a dividend payable to holders of any class of stock, each holder of shares of Series E Preferred Stock shall be entitled to receive a dividend equal in amount and kind to that payable to the holder of the number of shares of the Corporation's Common Stock into which that holder's Series E Preferred Stock could be converted on the record date for the dividend.

Section 4. Liquidation. Upon the liquidation, dissolution and winding up of the Corporation, the holders of the Series E Preferred Stock shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of Common Stock but after payment of distributions payable to the holders of the Series A Preferred Stock, the sum of one tenth of One Cent (\$0.001) per share, after which the holders of Series E Preferred Stock shall share in the distribution with the holders of the Common Stock on a pari passu basis, except that in determining the appropriate distribution of available cash among the shareholders, each share of Series E Preferred Stock shall be deemed to have been converted into the number of shares of the Corporation's Common Stock into which that holder's Series E Preferred Stock could be converted on the record date for the distribution.

Section 5. Conversion. Subject to and in compliance with the provisions of this Section 5, any shares of Series E Preferred Stock may, at any time, at the option of the holder thereof, be converted into fully paid and non-assessable shares of Common Stock (a "Conversion"). The number of shares of Common Stock to which a holder of Series E Preferred Stock shall be entitled upon the Conversion shall equal the sum of (a) the product obtained by (A) multiplying the number of Fully-Diluted Common Shares by four (4), then (B) multiplying the result by a fraction, the numerator of which will be the number of shares of Series E Preferred Stock being converted and the denominator of which will be the number of issued and outstanding shares of Series E Preferred Stock, less (b) the number of shares of Common Stock beneficially owned by the holder prior to the Conversion, including Common Stock issuable on conversion of any convertible securities beneficially owned by the holder. The term "Fully-Diluted Common Shares" means the sum of the outstanding Common Stock plus all shares of Common Stock that would be outstanding if all securities that could be converted into Common Stock without additional consideration were converted on the Conversion Date, but shall not include Common Stock issuable on conversion of the Series E Preferred Stock.

(i) **Conversion Notice**. The holder of a share of Series E Preferred Stock ("Holder") may exercise its conversion right by giving a written conversion notice (the "Conversion Notice") (A) by facsimile to the Corporation confirmed by a telephone call or (B) by overnight delivery service, with a copy by facsimile to the Corporation's transfer agent for its Common Stock, as designated by the Corporation from time to time (the "Transfer Agent") and to its counsel, as designated by the Corporation from time to time. If such conversion will result in the conversion of all of the Holder's Series E Preferred Stock, the Holder shall also surrender the certificate for its Series E Preferred Stock to the Corporation at its principal office (or such other office or agency of the Corporation which it may designate by notice in writing to the Holder) at any time during its usual business hours on the date set forth in the Conversion Notice.

(ii) **Issuance of Certificates; Time Conversion Effected.**

A. Promptly, but in no event more than three (3) "Trading Days," (defined herein as a day on which the New York Stock Exchange is open for the trading of securities) after the receipt of the Conversion Notice referred to in Subsection 5 (i) and surrender of the Series E Preferred Stock certificate (if required), the Corporation shall issue and deliver, or the Corporation shall cause to be issued and delivered to the Holder, registered in such name or names as the Holder may direct, a certificate or certificates for the number of whole shares of Common Stock into which the Series E Preferred Stock has been converted. In the alternative, if the Corporation's Transfer Agent is a participant in the electronic book transfer program, the Transfer Agent shall credit such aggregate number of shares of Common Stock to which the Holder shall be entitled to the Holder's or its designee's balance account with The Depository Trust Corporation. Such Conversion shall be deemed to have been effected, and the

“Conversion Date” shall be deemed to have occurred, on the date on which such Conversion Notice shall have been received by the Corporation and at the time specified stated in such Conversion Notice, which must be during the calendar day of such notice. The rights of the Holder of the Series E Preferred Stock shall cease, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such Conversion shall be deemed to have become the holder or holders of record of the shares represented thereby, on the Conversion Date. Issuance of shares of Common Stock issuable upon conversion that are requested to be registered in a name other than that of the registered Holder shall be subject to compliance with all applicable federal and state securities laws.

B. The Corporation understands that a delay in the issuance of the shares of Common Stock beyond three (3) Trading Days after the Conversion Date could result in economic loss to the Holder of the Series E Preferred Stock. As compensation to the Holder for such loss, the Corporation agrees to pay the Holder’s actual losses occasioned by any “buy-in” of Common Stock necessitated by such late delivery. Furthermore, in addition to any other remedies that may be available to the Holder, if the Corporation fails for any reason to effect delivery of such shares of Common Stock within five (5) Trading Days after the Conversion Date, the Holder will be entitled to revoke the relevant Conversion Notice by delivering a notice to such effect to the Corporation. Upon delivery of such notice of revocation, the Corporation and the Holder shall each be restored to their respective positions immediately prior to delivery of such Conversion Notice, except that the Holder shall retain the right to receive the actual cost of any “buy-in.”

(iii) **Fractional Shares.** The Corporation shall not, nor shall it cause the Transfer Agent to, issue any fraction of a share of Common Stock upon any Conversion. All shares of Common Stock (including fractions thereof) issuable upon a Conversion of shares of Series E Preferred Stock by the Holder shall be aggregated for purposes of determining whether the Conversion would result in the issuance of a fraction of a share of Common Stock. If, after such aggregation, the issuance would result in the issuance of a fraction of a share of Common Stock, the Corporation shall round, or cause the Transfer Agent to round, such fraction of a share of Common Stock up to the nearest whole share.

(iv) **Reorganization, Reclassification, Consolidation, Merger or Sale.** Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Corporation’s assets or other transaction which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as an “Organic Change.” Prior to the consummation of any Organic Change, the Corporation will make appropriate provision (in form and substance reasonably satisfactory to the Holder) to insure that the Holder will thereafter have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock otherwise acquirable and receivable upon the conversion of its Series E Preferred Stock, such shares of stock, securities or assets as would have been issued or payable in such Organic Change with respect to or in exchange for the number of shares of Common Stock that would have been acquirable and receivable had this Series E Preferred Stock been converted into shares of Common Stock immediately prior to such Organic Change (without taking into account any limitations or restrictions on the timing of conversions). In any such case, the Corporation will make appropriate provision (in form and substance reasonably satisfactory to the Holder) with respect to the Holder’s rights and interests to insure that the provisions of this Section 5 (iv) will thereafter be applicable to the Series E Preferred Stock. The Corporation will not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Corporation) resulting from consolidation or merger or the entity purchasing such assets assumes, by written instrument (in form and substance reasonably satisfactory to the holders of a more than sixty-six and two-thirds percent (66-2/3%) of Series E Preferred Stock then outstanding), the obligation to deliver to each holder of Series E Preferred Stock such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire.

Section 6. Vote to Change the Terms of or Issue Series E Preferred Stock. The affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting, of the holders of not less than sixty-six and two-thirds percent (66 2/3%) of the then outstanding shares of Series E Preferred Stock shall be required for (i) any change to the Corporation's Certificate of Incorporation that would amend, alter, change or repeal any of the preferences, limitations or relative rights of the Series E Preferred Stock, or (ii) any issuance of additional shares of Series E Preferred Stock.

Section 7. Notices. In case at any time:

- (i) the Corporation shall declare any dividend upon its Common Stock payable in cash or stock or make any other pro rata distribution to the holders of its Common Stock; or
- (ii) the Corporation shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights; or
- (iii) there shall be any Organic Change;

then, in any one or more of such cases, the Corporation shall give, by first class mail, postage prepaid, or by facsimile or by recognized overnight delivery service to non-U.S. residents, addressed to the Registered Holders of the Series E Preferred Stock at the address of each such Holder as shown on the books of the Corporation, (i) at least twenty (20) Trading Days' prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such Organic Change and (ii) in the case of any such Organic Change, at least twenty (20) Trading Days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto, and such notice in accordance with clause (ii) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such Organic Change.

Section 8. Record Owner. The Corporation may deem the person in whose name shares of Series E Preferred Stock shall be registered upon the registry books of the Corporation to be, and may treat him as, the absolute owner of the Series E Preferred Stock for the purposes of conversion or redemption and for all other purposes, and the Corporation shall not be affected by any notice to the contrary. All such payments and such conversion shall be valid and effective to satisfy and discharge the liabilities arising hereunder to the extent of the sum or sums so paid or the conversion so made.

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

A. Changes to the Number of Outstanding Shares

In January 2022, the Company filed with the Securities and Exchange Commission to effectuate a Regulation A equity offering at a price of \$0.002 per share. Upon approval by the Securities and Exchange Commission, the Company issued on March 1st and 3rd an aggregate of 200,000,000 shares of common equity for proceeds of \$400,000. Additionally, as part of a previous bridge loan financing that the Company received for \$220,000 face

value (\$195,000 net proceeds), the Company issued warrants for conversion into 110,000,000 shares of common stock at a strike price of \$0.002 per share. In May 2022, the Company refiled the Regulation A Offering at the then market price of \$0.0008. The Company received subscriptions for 687,500,000 shares for gross proceeds of \$550,000. The Company used certain of the proceeds of that raise to repay in full the above-mentioned convertible debentures. In September 2022, the company refiled a Regulation A with the Securities and Exchange Commission at the then market price of \$0.00015 and issued 333,333,333 million shares in September and 500,000,000 shares in October and 200,000,000 shares in November for gross proceeds to the Company of \$155,000. In November and December 2022, the Company issued 625,000,000 restricted shares at a value of \$0.0002 or \$125,000 for marketing and consulting services. In December 2022, the Company filed with the Securities and Exchange Commission to effectuate a Regulation A equity offering at a price of \$0.00015 per share. Upon approval by the Securities and Exchange Commission, the Company issued an aggregate of 690,106,667 shares of common equity for proceeds of \$103,516.

In December 2022, the Company's Chairman and CEO retired 3,400,000,000 shares of common stock in exchange for a note. For information on the Company's existing 3(a)10 debt restructuring plan with its creditors and a third party, please see below "Note 6" to the Financial Statements. To date, Trillium has repaid approximately \$500,000 of the balance of the note with 353,363,000 shares of common stock of the Company having been issued.

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date: 12/31/20 Common: 3,734,866,557 Preferred: 100,000 (Series E)									
Transaction Date	Transaction type	Number Issued or Cancelled	Class of Securities	Value at Issuance	Discount to market price at issuance	Issued To	Reason for share issuance	Restricted or Unrestricted	Exemption or Registration Type.
03/07/2022	New Issuance	100,000,000	Common	\$0.0020	No	Trillium Partners LP	Cash	Unrestricted	Regulation A
03/07/2022	New Issuance	100,000,000	Common	\$0.0020	No	JP Carey LP	Cash	Unrestricted	Regulation A
06/09/2022	New Issuance	100,000,000	Common	\$0.0008	No	Trillium Partners LP	Cash	Unrestricted	Regulation A
06/21/2022	New Issuance	300,000,000	Common	\$0.0008	No	Trillium Partners LP	Cash	Unrestricted	Regulation A
06/28/2022	New Issuance	287,500,000	Common	\$0.0008	No	JP Carey LP	Cash	Unrestricted	Regulation A
09/29/2022	New Issuance	333,333,333	Common	\$0.00015	Yes	Kings Wharf	Cash	Unrestricted	Regulation A
10/18/2022	New Issuance	500,000,000	Common	\$0.00015	No	Scottsdale Capital	Cash	Unrestricted	Regulation A
11/10/2022	New Issuance	125,000,000	Common	\$0.00015	No	Brian McLain	Consulting	Restricted	N/A
11/16/2022	New Issuance	200,000,000	Common	\$0.00015	No	Scottsdale Capital	Cash	Unrestricted	Regulation A
12/12/2022	New Issuance	500,000,000	Common	\$0.00015	No	Brian McLain	Consulting	Restricted	N/A
12/19/2022	New Issuance	690,106,667	Common	\$0.00015	Np	Scottsdale Capital	Cash	Unrestricted	Regulation A
12/28/2022	Share Cancellation	(400,000,000)	Common	N/A	N/A	Seaway Capital	N/A	Restricted	N/A
12/28/2022	Share Cancellation	(3,000,000,000)	Common	N/A	N/A	Seaway Capital	N/A	Restricted	N/A
02/07/2023	New Issuance	300,000,000	Common	\$0.0005	No	Scottsdale Capital	Cash	Unrestricted	Regulation A
02/15/2023	New Issuance	376,000,000	Common	\$0.0005	No	Scottsdale Capital	Cash	Unrestricted	Regulation A
03/16/2023	New Issuance	353,363,000	Common	N/A	No	Trillium Partners LP	Debt Repayment	Unrestricted	3(a)10
Shares Outstanding on Date of This Report: Ending Balance Date: 03/26/2023 Common: 4,600,169,557 Preferred: 100,000 (Series E)			* Control Persons: Trillium Partners, LP – Stephen Hicks JP Carey Limited Partners, LP – Joseph Canouse Kings Wharf Opportunity Fund LP - Chad Nelson Scottsdale Capital Advisors Corp – Christopher Shufeldt Seaway Capital, Inc. – Thomas Scozzafava						

B. Debt Securities, Including Promissory and Convertible Notes

<u>Dates</u>	<u>Outstanding Balance</u>	<u>Principal Amount at Issue</u>	<u>Interest Accrued</u>	<u>Maturity Date</u>	<u>Conversion Terms</u>	<u>Noteholder</u>	<u>Reason for Issuance</u>
2009-2012	10,552,644	3,805,974	6,746,670	2015	8% interest rate. Conversion at 50% of trailing price.	Seaway Capital Partners, LLC*	Loans
2007-2021	3,436,645	1,417,000	2,019,645	6/30/22	8% interest rate. Conversion at 50% of trailing price.	Paul Graham	Loans
2007-2015	193,000	250,000	0	various	0% interest rate. Conversion: none	Nam Ashcraft	Loans
2022	340,000	340,000	0	none	0% interest rate. Conversion: Par	Tom Scozzafava	Share Cancellation

* *Managing Member, Ronald McDougall*

4) Issuer's Business, Products and Services

A. Business Operations

Through its subsidiaries, the Company's current business operations consist of restaurant operations and beverages production, including beer and other non-alcoholic beverages. The company is currently constructing a 13,000 square foot "scale" beverages production plant, in which it intends to produce alcoholic beverages such as beer, hard seltzer, hard cider, and kombucha as well as non-alcoholic beverages such as teas and sodas. The company is currently exploring other opportunities such as those in the spirits industry.

B. Subsidiaries and affiliated companies.

North Country Operating Corp.	1812 Acquisition Company, Inc.
Sackets Harbor Brew Pub, LLC	SHBP Realty Holdings, LLC
Sackets Harbor Spirits and Wine, LLC	Alteri Bread Company, Inc.
Alteri Bakery, Inc.	Sackets Harbor Anchor, Inc.
Seaway Realty Holdings, LLC	Central Florida Bakery Enterprises, Inc.
Pastry Product Producers, LLC	Bad Apple Brewing Company, Inc.

C. 1812 Brewing Company (f/k/a Sackets Harbor Brewing Company)

1812 Brewing Company develops, produces, and markets micro brewed beers such as the award winning "War of 1812 Amber Ale" and "Malicious Intent XXIPA" as well as "Thousand Island IPA", "1812 Amber Ale Light" and other premium craft beers. Its "1812 Amber Ale" is the company's flagship brand and was the winner of a Gold Medal and Country Winner in the 2022 World Beer Awards, the Gold Medal Winner in the 2023 World Beer Championships, the Gold Medal in the 2022 Great International Beer, Cider, Mead & Sake Competition, the Silver Medal at the 2022 Annual Brewski Awards, and a Silver Medal and "New York Amber Ale Brewery of the Year" at the 2023 New York International Beer Competition. War of 1812 Amber Ale has been aggressively marketed to command a significant retail presence in the regional marketplace. Management estimates 1812 Ale is distributed to over 3,000 retail locations in New York and Florida. The Company's bottled and canned products are sold through wholesale distributors to consumers at supermarkets, warehouse stores, liquor stores, taverns and bars, restaurants, and convenience stores. Currently two of the Company's brands are also available on draft. The Company's products are delivered to retail outlets by independent distributors whose principal business is the distribution of beer and in some cases other alcoholic beverages, and who typically also distribute one or more national beer brands. Together with its distributors, the Company markets its products to retail outlets and relies on its distributors to provide regular deliveries, to maintain retail shelf space, and to oversee timely rotation of inventory. Production of the Company's beverages requires quantities of various agricultural products, including barley, hops, malt, and malted wheat for

beer. The Company fulfills its commodities requirements through purchases from various sources, some through contractual arrangements and others on the open market.



5) Issuer's Facilities

981 Waterman Drive, Watertown, NY (owned) –

13,000 square foot production and bottling plant and offices. The Company is currently building out its commercial-scale brewery in which it shall keg and bottle and eventually can its own products as well as “contract” produce for third parties. 1812 Brewing Company recently



acquired larger-scale brewing systems, fermentation vessels and an automated bottling and labeling line for installation in its own 13,000 square foot plant located in the heart of the City of Watertown, NY, which is also 20 minutes from the Canadian border. This location will also have food and beverages for consumption on site.



212 West Main Street, Sackets Harbor, NY (owned) - 1812 Brewing Company operates one of New York State's oldest continuing microbreweries featuring what has been both a working brewery as well as



3,200 square full-service restaurant. Formed in 1995, Sackets Harbor Brewing Company has slowly grown to become a household name throughout the region and Northeast beer industry. Located in historic



Sackets Harbor, NY and situated directly on the shore of Lake Ontario, the pub occupies the former New York Central Railroad Station building. The

dining room and outside decks boast expansive views of the lake and sunsets. The restaurant offers fine dining and upscale pub fare that is paired with a rotating selection of over fifteen original craft beers brewed by 1812 Brewing Company.

210 West Main Street, Sackets Harbor, NY (owned) – Adjacent Lot

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

<u>Name</u>	<u>Affiliation</u>	<u>Residential Address</u>	<u>Shares owned</u>	<u>Type/class</u>	<u>Percentage</u>	<u>Note</u>
Thomas W. Scozzafava	Chairman, CEO, CFO	Stuart, FL	100,000	Series E Preferred	100%	Votes as 80% of fully diluted outstanding stock

7) **Legal/Disciplinary History**

No person or entities listed above has, 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);
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;
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
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.

There are no material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which we or any of our subsidiaries is a party or of which any of our property is the subject.

8) **Third Party Providers**

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

Securities Counsel

Jackson L. Morris, Esq.
126 21st Avenue SE, St. Petersburg, Florida 33705
Phone: 813-892-5969
Email: jackson.morris@rule144solution.com

Investor Communications

World Wide Web: <https://www.kegsnetwork.com/>
World Wide Web: <https://www.1812ale.com/>
Facebook: <https://www.facebook.com/kegsnetwork/>
Facebook: <https://www.facebook.com/1812brewingcompany/>
Instagram: <https://www.instagram.com/kegsnetwork/>
Instagram: <https://www.instagram.com/1812brewingcompany/>
Twitter: <https://twitter.com/kegsnetwork>
Twitter: <https://twitter.com/1812Brewing>
Linkedin: <https://www.linkedin.com/company/1812brewingcompany/>

9) Financial Statements

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

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared:

Name:	Thomas W. Scozzafava
Title:	CEO, CFO, Chairman
Relationship to Issuer:	Director and executive officer

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Balance Sheet
Statement of Income
Statement of Cash Flows
Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
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1812 BREWING COMPANY, INC.

Consolidated Balance Sheet

	As of:	
	31-Dec-22	31-Dec-21
ASSETS		
Current Assets		
Total Cash	\$ 147,704	\$ 82,529
Other Current Assets	14,700	21,888
Total Current Assets	162,404	104,417
Fixed Assets	3,129,402	2,659,734
Other Assets	(168,845)	(168,845)
Investment Assets	-	-
Investment Returns		3,043
TOTAL ASSETS	\$ 3,122,960	\$ 2,598,349
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities	\$ 22,795	\$ 24,723
Long-Term Liabilities (Parent)	14,522,289	13,407,045
Long-Term Liabilities (Subs)	1,484,201	1,565,505
Total Liabilities	\$ 16,029,286	\$ 14,997,273
Equity		
Paid In Capital	\$ 15,603	\$ (10)
Retained Earnings (Sub)	193,902	(112,268)
Retained Earnings (Parent)	(13,890,890)	(12,592,916)
Common Stock	963,333	100
Net Income Op Co	(188,274)	306,170
Total Equity	\$ (12,906,325)	\$ (12,398,923)
TOTAL LIABILITIES AND EQUITY	\$ 3,122,960	\$ 2,598,349

1812 BREWING COMPANY, INC.
Consolidated Income Statement
12-Month Period Ended December 31st

	<u>2022</u>	<u>2021</u>
Revenues	\$ 908,700	\$ 1,535,860
Cost of Goods Sold	351,509	363,859
Gross Profit	\$ 557,192	\$ 1,172,001
Expenses		
Payroll	\$ 265,002	\$ 265,989
Workers Compensation & Disability	9,321	10,124
Professional Fees	56,823	23,536
Utilities	96,663	57,499
Insurance	19,791	24,638
Property Taxes	24,221	35,004
Other Expenses	153,732	134,398
Parent Expenses	308,701	15,827
Interest Expense (Subs)	<u>79,898</u>	<u>36,720</u>
Total Expenses	\$ 1,014,153	\$ 603,735
Net Operating Income	\$ (456,962)	\$ 568,266
Other Income / (Expense)	-	374,150
Depreciation Expense	38,768	38,768
Accrued Interest (Non-cash)	802,244	1,015,329
Prior Investment Write-Offs		(7,500)
Net Income	<u><u>\$ (1,297,974)</u></u>	<u><u>\$ (104,182)</u></u>

1812 BREWING COMPANY, INC.
Consolidated Statement of Cash Flows
12-Month Period Ended December 31st:

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Net Income	\$ (1,297,974)	\$ (104,182)
Adjustments to reconcile Net Income to Net Cash provided by operations:		
Accrued Interest	\$ 38,768	\$ 31,069
	\$ 802,244	\$ 1,015,329
Net cash provided by operating activities	\$ (456,962)	\$ 942,216
INVESTING ACTIVITIES		
Property, Plant & Equipment	\$ (612,140)	\$ (1,080,496)
Related Company Investment	(21,664)	(641,276)
Parent Company Write-Offs	-	3,447
Net cash provided by investing activities	\$ (633,804)	\$ (1,718,325)
FINANCING ACTIVITIES		
Operating Company Financings	\$ 52,472	\$ 569,570
Parent Company Financings	1,103,469	190,000
Net cash provided by financing activities	\$ 1,155,941	\$ 759,570
Net cash increase for period	\$ 65,175	\$ (16,539)
Cash at end of period	\$ 147,704	\$ 82,529

1812 BREWING COMPANY, INC.
Condensed Statement of Shareholder Equity
January - December 2022

	\$\$ Amount	Shares
Balance: December 31, 2021		
Common Stock	\$ 341,816	3,734,866,557
Preferred Stock	\$ -	100,000
New Issuances	\$ 68,626	-
Net Income	\$ (104,182)	
Accumulated Deficit	<u>\$ (12,705,183)</u>	
Total Shareholder Equity (Deficit)	\$ (12,398,923)	
 Balance: December 31, 2022		
Common Stock	\$ 1,535,608	3,570,806,557
Preferred Stock	\$ -	100,000
New Issuances	\$ 553,028	-
Net Income	\$ (1,297,974)	
Accumulated Deficit	<u>\$ (13,696,987)</u>	
Total Shareholder Equity (Deficit)	\$ (12,906,325)	

1812 Brewing Company, Inc.
Notes to Financial Statements
For the 12 Months Ended December 31, 2022
(unaudited)

Note 1 - Organization and Basis of Presentation

Organization

1812 Brewing Company, Inc. (the “Company”) is a Florida Corporation that was established in June 1989 as The Boston & Pacific Company, Inc. and commenced operations seeking acquisitions in a variety of medical-related industries. In 2003, the company changed its name to Directview, Inc. and focused its operations on providing full-service video conferencing services and products. In August 2006, the Company entered into an agreement with GS Energy Corporation to acquire 100% of the outstanding capital stock of GS Carbon Trading, Inc., and in November 2006, the Company merged into GS Carbon Corporation. GS Carbon’s business model was based on the trading of renewable energy and energy efficiency certificates, carbon credits, and other similar attributes. In August 2007, the Company changed its name to Seaway Valley Capital Corporation, whose operating strategy was to invest in companies in a variety of industries including those in food and beverages and hospitality. In June 2008, the Company acquired Sackets Harbor Brewing Company, which operated a microbrewery and restaurant, and in 2016 the Company changed its name to 1812 Brewing Company, Inc.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company’s wholly owned subsidiaries. All significant intercompany transactions have been eliminated.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable/Other Receivable

Accounts Receivable are amounts due to the Company from sales or services rendered.

Notes Receivable

Accounts Receivable are executed contractual obligations to the Company reflecting amounts due for sales or services rendered by the Company.

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the straight-line method over their useful lives.

Property and equipment consists of the following at December 31, 2022 & December 31, 2021:

		<u>12/31/2022</u>		<u>12/31/2021</u>
Land	\$	150,000	\$	150,000
Buildings		1,216,521		1,216,521
New Brewery		2,050,085		1,541,649
Property, Plant, Equipment & Autos		556,173		556,173
Less: Accumulated depreciation		<u>(843,377)</u>		<u>(804,609)</u>
Property and equipment, net	\$	3,129,402	\$	2,659,734

Depreciation expense related to property and equipment was \$38,768 each for the periods ended December 31, 2022 & December 31, 2021.

Inventory

Inventory has been recorded at the lower of cost or fair market value. Revenue Recognition the Company's revenue recognition policies are in compliance with SEC Staff Accounting Bulletin ("SAB") 104.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with SFAS No. 123R, "Share Based Payment, an Amendment of FASB Statement no. 123." The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and nonemployees. There has been not stock-based compensation in the past 24 months.

Income Taxes

The Company utilizes the SFAS No. 109, "Accounting for Income Taxes," which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in the future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period and based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Basic and Diluted Earnings per Share

Earnings per share are calculated in accordance with the SFAS No. 128 ("SFAS No. 128"), "Earnings per Share." Basic earnings per share is based upon the weighted average number of common shares outstanding.

Note 3 - Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplates continuation of the Company as a going concern.

Note 4 - Accounts Payable

Accounts payable represent amounts owed to vendors for products and/or services rendered but not yet paid for in full.

Note 5 – Commitments and Contingencies

Risks and Uncertainties

The Company's operations are subject to significant risks and uncertainties including financial, operational and regulatory risks, including the potential risk of business failure. The Company does not have employment contracts with its key employees, including the controlling shareholders who are officers of the Company.

Legal and other matters

In the normal course of business, the Company may become a party to litigation matters involving claims against the Company, which includes matters relating to the Company's operating activities as well as past debts owed to creditors. The Company's management is aware of potentially pending or threatened assertions that could have a material effect on the Company's capital table but not its operations. The Company is currently working with creditors to resolve these issues.

Note 6 – Convertible Notes Payable

The Company has several outstanding convertible notes as follows:

<u>Dates</u>	<u>Outstanding Balance</u>	<u>Principal Amount at Issue</u>	<u>Interest Accrued</u>	<u>Maturity Date</u>	<u>Conversion Terms</u>	<u>Noteholder</u>	<u>Reason for Issuance</u>
2009-2012	10,552,644	3,805,974	6,746,670	2015	8% interest rate. Conversion at 50% of trailing price.	Seaway Capital Partners, LLC*	Loans
2007-2021	3,436,645	1,417,000	2,019,645	6/30/22	8% interest rate. Conversion at 50% of trailing price.	Paul Graham	Loans
2007-2015	193,000	250,000	0	various	0% interest rate. Conversion: none	Nam Ashcraft	Loans
2022	340,000	340,000	0	none	0% interest rate. Conversion: Par	Tom Scozzafava	Share Cancellation

* Managing Member, Ronald McDougall

As previously announced, the Company has been in discussions with its two convertible debenture ("CD") holders and a third-party Trillium Partners LP ("Trillium") to restructure and eventually eliminate convertible debt, plus accrued interest, that totaled \$13,712,779 as of the period ended June 30, 2022. Ultimately, Trillium and the CD holders entered into an agreement to transfer this debt to Trillium. As part of the Company's plan, on October 17, 2022, the Company entered into a Settlement Agreement and Stipulation with Trillium ("Settlement Agreement"), subject to court review and approval, whereby the Company agreed to issue shares of common stock to Trillium pursuant to the Section 3 (a) 10 exemption at a discount of 35% to the market price (versus a 50% discount that the Company was contractually obliged with the former Convertible Noteholders). Full satisfaction of the Settlement Agreement would discharge the Company's convertible debenture liabilities for \$8,486,342 of proceeds to the former CD holders, which represents a reduction of approximately \$5 million (or approximately 37% of the outstanding obligations) to the original CD holders. The District Court of Maryland conducted a fairness hearing on October 25, 2022 and approved the Settlement Agreement. Elimination of this debt is a top priority for the Company. In 2020 and 2021 alone, the accrued interest on these CDs generated interest expense of \$1.9 million. The Settlement Agreement temporarily caps the CD obligations by staying further interest accrual, and if satisfied in full, the Settlement Agreement will satisfy the obligations altogether. The Company plans to exercise with care the satisfaction of the CD obligations, in gradual tranches over time.

To date, Trillium has repaid approximately \$500,000 of the balance of the note with shares of common stock of the Company having been issued or approved in the aggregate amount of 808,595,000.

Note 7 - Equity

The Company has 10,005,000,000 shares of capital stock authorized, consisting of 10,000,000,000 shares of Common Stock, par value \$0.0001, 1,000,000 shares of Series A Preferred Stock, par value \$0.0001; 1,000,000 shares of Series B Preferred Stock, par value \$0.0001; 1,000,000 shares of Series C Preferred Stock, par value \$0.0001; 1,000,000 shares of Series D Preferred Stock, par value \$0.0001; 100,000 shares of Series E Preferred Stock, par value \$0.0001; and 900,000 shares of undesignated Preferred Stock, \$0.0001 par value.

SERIES A CONVERTIBLE PREFERRED STOCK

There are no shares of Series A Convertible Preferred Stock outstanding.

SERIES B CONVERTIBLE PREFERRED STOCK

There are no shares of Series B Convertible Preferred Stock outstanding.

SERIES C CONVERTIBLE PREFERRED STOCK

There are no shares of Series C Convertible Preferred Stock outstanding.

SERIES D CONVERTIBLE PREFERRED STOCK

There are no shares of Series D Convertible Preferred Stock outstanding.

SERIES E CONVERTIBLE PREFERRED STOCK

Section 1. Designation and Amount. The shares of such series shall be designated as "Series E Convertible Preferred Stock" and the number of shares constituting such series shall be 100,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, however, that no decrease shall reduce the number of shares of Series E Convertible Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series E Convertible Preferred Stock.

Section 2. Voting. The holders of the Series E Preferred Stock shall have the following voting rights: Each share of Series E Preferred Stock shall entitle the holder thereof, on all matters submitted to a vote of the stockholders of the Corporation, to that number of votes as shall be equal to the aggregate number of shares of Common Stock into which such holder's shares of Series E Preferred Stock are convertible on the record date for the stockholder action.

Section 3. Dividends. In the event that the Corporation's Board of Directors declares a dividend payable to holders of any class of stock, each holder of shares of Series E Preferred Stock shall be entitled to receive a dividend equal in amount and kind to that payable to the holder of the number of shares of the Corporation's Common Stock into which that holder's Series E Preferred Stock could be converted on the record date for the dividend.

Section 4. Liquidation. Upon the liquidation, dissolution and winding up of the Corporation, the holders of the Series E Preferred Stock shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of Common Stock but after payment of distributions payable to the holders of the Series A Preferred Stock, the sum of one tenth of One Cent (\$0.001) per share, after which the holders of Series E Preferred Stock shall share in the distribution with the holders of the Common Stock on a pari passu basis, except that in determining the appropriate distribution of available cash among the shareholders, each share of Series E Preferred Stock shall be deemed to have been converted into the number of shares of the Corporation's Common Stock into which that holder's Series E Preferred Stock could be converted on the record date for the distribution.

Section 5. Conversion. Subject to and in compliance with the provisions of this Section 5, any shares of Series E Preferred Stock may, at any time, at the option of the holder thereof, be converted into fully paid and non-assessable shares of Common Stock (a "Conversion"). The number of shares of Common Stock to which a holder of Series E Preferred Stock shall be entitled upon the Conversion shall equal the sum of (a) the product obtained by (A) multiplying the number of Fully-Diluted Common Shares by four (4), then (B) multiplying the result by a fraction, the

numerator of which will be the number of shares of Series E Preferred Stock being converted and the denominator of which will be the number of issued and outstanding shares of Series E Preferred Stock, less (b) the number of shares of Common Stock beneficially owned by the holder prior to the Conversion, including Common Stock issuable on conversion of any convertible securities beneficially owned by the holder. The term “Fully-Diluted Common Shares” means the sum of the outstanding Common Stock plus all shares of Common Stock that would be outstanding if all securities that could be converted into Common Stock without additional consideration were converted on the Conversion Date, but shall not include Common Stock issuable on conversion of the Series E Preferred Stock.

(i) **Conversion Notice.** The holder of a share of Series E Preferred Stock (“Holder”) may exercise its conversion right by giving a written conversion notice (the “Conversion Notice”) (A) by facsimile to the Corporation confirmed by a telephone call or (B) by overnight delivery service, with a copy by facsimile to the Corporation’s transfer agent for its Common Stock, as designated by the Corporation from time to time (the “Transfer Agent”) and to its counsel, as designated by the Corporation from time to time. If such conversion will result in the conversion of all of the Holder’s Series E Preferred Stock, the Holder shall also surrender the certificate for its Series E Preferred Stock to the Corporation at its principal office (or such other office or agency of the Corporation which it may designate by notice in writing to the Holder) at any time during its usual business hours on the date set forth in the Conversion Notice.

(ii) **Issuance of Certificates; Time Conversion Effected.**

A. Promptly, but in no event more than three (3) “Trading Days,” (defined herein as a day on which the New York Stock Exchange is open for the trading of securities) after the receipt of the Conversion Notice referred to in Subsection 5 (i) and surrender of the Series E Preferred Stock certificate (if required), the Corporation shall issue and deliver, or the Corporation shall cause to be issued and delivered to the Holder, registered in such name or names as the Holder may direct, a certificate or certificates for the number of whole shares of Common Stock into which the Series E Preferred Stock has been converted. In the alternative, if the Corporation’s Transfer Agent is a participant in the electronic book transfer program, the Transfer Agent shall credit such aggregate number of shares of Common Stock to which the Holder shall be entitled to the Holder’s or its designee’s balance account with The Depository Trust Corporation. Such Conversion shall be deemed to have been effected, and the “Conversion Date” shall be deemed to have occurred, on the date on which such Conversion Notice shall have been received by the Corporation and at the time specified stated in such Conversion Notice, which must be during the calendar day of such notice. The rights of the Holder of the Series E Preferred Stock shall cease, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such Conversion shall be deemed to have become the holder or holders of record of the shares represented thereby, on the Conversion Date. Issuance of shares of Common Stock issuable upon conversion that are requested to be registered in a name other than that of the registered Holder shall be subject to compliance with all applicable federal and state securities laws.

B. The Corporation understands that a delay in the issuance of the shares of Common Stock beyond three (3) Trading Days after the Conversion Date could result in economic loss to the Holder of the Series E Preferred Stock. As compensation to the Holder for such loss, the Corporation agrees to pay the Holder’s actual losses occasioned by any “buy-in” of Common Stock necessitated by such late delivery. Furthermore, in addition to any other remedies that may be available to the Holder, if the Corporation fails for any reason to effect delivery of such shares of Common Stock within five (5) Trading Days after the Conversion Date, the Holder will be entitled to revoke the relevant Conversion Notice by delivering a notice to such effect to the Corporation. Upon delivery of such notice of revocation, the Corporation and the Holder shall each be restored to their respective positions immediately prior to delivery of such Conversion Notice, except that the Holder shall retain the right to receive the actual cost of any “buy-in.”

(iii) **Fractional Shares.** The Corporation shall not, nor shall it cause the Transfer Agent to, issue any fraction of a share of Common Stock upon any Conversion. All shares of Common Stock (including fractions thereof) issuable upon a Conversion of shares of Series E Preferred Stock by the Holder shall be aggregated for purposes of determining whether the Conversion would result in the issuance of a fraction of a share of Common Stock. If, after such aggregation, the issuance would result in the issuance of a fraction of a share of Common Stock, the Corporation shall round, or cause the Transfer Agent to round, such fraction of a share of Common Stock up to the nearest whole share.

(iv) **Reorganization, Reclassification, Consolidation, Merger or Sale.** Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Corporation's assets or other transaction which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as an "Organic Change." Prior to the consummation of any Organic Change, the Corporation will make appropriate provision (in form and substance reasonably satisfactory to the Holder) to insure that the Holder will thereafter have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock otherwise acquirable and receivable upon the conversion of its Series E Preferred Stock, such shares of stock, securities or assets as would have been issued or payable in such Organic Change with respect to or in exchange for the number of shares of Common Stock that would have been acquirable and receivable had this Series E Preferred Stock been converted into shares of Common Stock immediately prior to such Organic Change (without taking into account any limitations or restrictions on the timing of conversions). In any such case, the Corporation will make appropriate provision (in form and substance reasonably satisfactory to the Holder) with respect to the Holder's rights and interests to insure that the provisions of this Section 5 (iv) will thereafter be applicable to the Series E Preferred Stock. The Corporation will not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Corporation) resulting from consolidation or merger or the entity purchasing such assets assumes, by written instrument (in form and substance reasonably satisfactory to the holders of a more than sixty-six and two-thirds percent (66-2/3%) of Series E Preferred Stock then outstanding), the obligation to deliver to each holder of Series E Preferred Stock such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire.

Section 6. Vote to Change the Terms of or Issue Series E Preferred Stock. The affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting, of the holders of not less than sixty-six and two-thirds percent (66 2/3%) of the then outstanding shares of Series E Preferred Stock shall be required for (i) any change to the Corporation's Certificate of Incorporation that would amend, alter, change or repeal any of the preferences, limitations or relative rights of the Series E Preferred Stock, or (ii) any issuance of additional shares of Series E Preferred Stock.

Section 7. Notices. In case at any time:

- (i) the Corporation shall declare any dividend upon its Common Stock payable in cash or stock or make any other pro rata distribution to the holders of its Common Stock; or
- (ii) the Corporation shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights; or
- (iii) there shall be any Organic Change;

then, in any one or more of such cases, the Corporation shall give, by first class mail, postage prepaid, or by facsimile or by recognized overnight delivery service to non-U.S. residents, addressed to the Registered Holders of the Series E Preferred Stock at the address of each such Holder as shown on the books of the Corporation, (i) at least twenty (20) Trading Days' prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such Organic Change and (ii) in the case of any such Organic Change, at least twenty (20) Trading Days' prior written

notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto, and such notice in accordance with clause (ii) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such Organic Change.

Section 8. Record Owner. The Corporation may deem the person in whose name shares of Series E Preferred Stock shall be registered upon the registry books of the Corporation to be, and may treat him as, the absolute owner of the Series E Preferred Stock for the purposes of conversion or redemption and for all other purposes, and the Corporation shall not be affected by any notice to the contrary. All such payments and such conversion shall be valid and effective to satisfy and discharge the liabilities arising hereunder to the extent of the sum or sums so paid or the conversion so made.

Note 8 – Subsequent Events

As previously announced, the Company has been in discussions with its two convertible debenture (“CD”) holders and a third-party Trillium Partners LP (“Trillium”) to restructure and eventually eliminate convertible debt, plus accrued interest, that totaled \$13,712,779 as of the period ended June 30, 2022. Ultimately, Trillium and the CD holders entered into an agreement to transfer this debt to Trillium. As part of the Company’s plan, on October 17, 2022, the Company entered into a Settlement Agreement and Stipulation with Trillium (“Settlement Agreement”), subject to court review and approval, whereby the Company agreed to issue shares of common stock to Trillium pursuant to the Section 3 (a) 10 exemption at a discount of 35% to the market price (versus a 50% discount that the Company was contractually obliged with the former Convertible Noteholders). Full satisfaction of the Settlement Agreement would discharge the Company’s convertible debenture liabilities for \$8,486,342 of proceeds to the former CD holders, which represents a reduction of approximately \$5 million (or approximately 37% of the outstanding obligations) to the original CD holders. The District Court of Maryland conducted a fairness hearing on October 25, 2022 and approved the Settlement Agreement. Elimination of this debt is a top priority for the Company. In 2020 and 2021 alone, the accrued interest on these CDs generated interest expense of \$1.9 million. The Settlement Agreement temporarily caps the CD obligations by staying further interest accrual, and if satisfied in full, the Settlement Agreement will satisfy the obligations altogether. The Company plans to exercise with care the satisfaction of the CD obligations, in gradual tranches over time.

To date, Trillium has repaid approximately \$500,000 of the balance of the note with shares of common stock of the Company having been issued or approved for issuance in the aggregate amount of 808,595,000.

End of Notes to the Financial Statements.

10) Issuer Certification

Principal Executive Officer:

I, Thomas W. Scozzafava, certify that:

1. I have reviewed this Annual Disclosure Statement of 1812 Brewing Company, 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.

March 28, 2023



Thomas W. Scozzafava

Principal Financial Officer:

I, Thomas W. Scozzafava, certify that:

1. I have reviewed this Annual Disclosure Statement of 812 Brewing Company, 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.

March 28, 2023



Thomas W. Scozzafava