

Pennexx Foods Inc.

Pennsylvania
2824 Hamlin Place Palm
Harbor, FL 34684

www.pennexx.net
Info@pennexx.net

SIC 5141

“We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.”

Annual Report

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

The number of shares outstanding of our Common Stock is 56,911,625 as of December 31, 2022;

The number of shares outstanding of our Common Stock was 54,493,825 as of December 31, 2021.

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

Yes: ☐ No: ☒ X

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

Yes: ☐ No: ☒ X

Indicate by check mark whether a Change in Control⁴ of the company has occurred over this reporting period:

⁴ “Change in Control” shall mean any events resulting in:

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

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

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

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

Yes: ☐ No: X

Part A General Company Information

Item 1 The exact name of the issuer and its predecessor (if any).

Pinnacle Foods, Inc., a Pennsylvania corporation incorporated July 20, 1999, changed its name to the current name, Pennexx Foods Inc., in March 2002.

Item 2 The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business:

Pennexx Foods
www.pennexx.net
Vincent Risalvato/CEO
(866) 928-6409
2420 Enterprise Road, Suite 107
Clearwater, FL 33763

Check box if principal executive office and principal place of business are the same address: ☐

Item 3 The jurisdiction(s) and date of the issuer's incorporation or organization.

The Company and its predecessor(s) is a Pennsylvania company with "active" status.

Part B Share Structure

Item 4 The exact title and class of securities outstanding.

Trading symbol: PNNX
Exact title and class of securities outstanding: Common
CUSIP: 708125109

Item 5 Par or stated value and description of the security.

<u>Par or stated value:</u>	<u>\$0.01</u>
<u>Total shares authorized:</u>	<u>70,000,000 as of date: December 31, 2022</u>
<u>Total shares outstanding:</u>	<u>56,911,625 as of date: December 31, 2022</u>
<u>Total number of shareholders of record:</u>	<u>176 as of date: December 31, 2022</u>

In 2022, the Company's Board of Directors approved an amendment to its Articles of Incorporation to increase its authorized shares of common stock from 70,000,000 to 150,000,000 shares. The amendment was formally approved by the State of Pennsylvania in 2023.

A. Common or Preferred Stock.

1. For common equity, describe any dividend, voting and preemption rights.
 - There are no dividend awards for common shares. Each shareholder shall be entitled to one vote in person or by proxy for each share he or she holds having voting power. There are no preemption rights.
2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.
 - There are no preferred shares of the Company.
3. Describe any other material rights of common or preferred stockholders.
 - None.
4. Describe any provision in the issuer's charter or by-laws that would delay, defer or prevent a Change in Control of the issuer.
 - None.

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

(i)	Period end date;	December 31, 2022
(ii)	Number of shares authorized;	70,000,000
(iii)	Number of shares outstanding;	56,911,625
(iv)	Freely tradable shares (public float);	32,339,598
(v)	Number of beneficial shareholders owning at least 100 shares ⁵ ; and	176
(vi)	Total number of shareholders of record:	176

Trading symbol:	PNNX
Exact title and class of securities outstanding:	Common
CUSIP:	708125109
Par or stated value:	\$0.01
Total shares authorized:	70,000,000 as of date: December 31, 2022
Total shares outstanding:	56,911,625 as of date: December 31, 2022
Total number of shareholders of record:	176 as of date: December 31, 2022

Item 7 The name and address of the transfer agent*.

In answering this item, please also provide the telephone number of the transfer agent, indicate whether or not the transfer agent is registered under the Exchange Act, and state the appropriate regulatory authority of the transfer agent.

Name: Standard Registrar and Transfer Co., Inc.
Phone: 801-571-8844
Email: info@standardtransferco.com
Address: 440 East 400 South, Suite 200
 Salt Lake City, UT 84111

*To be included in OTCQX or OTCQB, the issuers whose securities are incorporated in the U.S. or Canada *must* have a transfer agent registered under the Exchange Act.

Part C Business Information

Item 8 The nature of the issuer's business.

Pennexx acquired Your Social offers in October 2019, a digital marketing company that specialized in social media advertisement. Over the past three years, Pennexx has been developing proprietary software that supports merchants in their marketing of their products while setting up a shopping network for consumers allowing them to shop with great savings.

Pennexx's focuses on three segments of the market.

- 1) A consumers savings website focusing on savings and rewards with coupons and other discounted shopping tools.
- 2) A Merchant dashboard allows merchants to enhance their digital advertising, issuing coupons and other rewards through the traditional channels and enhanced reach in the social media sites. Our platform allows the merchant to gather consumer shopping experiences and utilize AI to help targeted marketing advertising.
- 3) A platform that puts merchants, consumers and charities together to support the local non-profits and other community endeavors.

Pennexx uses a "Digital Word of Mouth" marketing approach, which allows the merchant to offer rewards to the consumers for Sharing merchant's offers through their own social media network of friends. Pennexx's software platform builds customer loyalty through rewards by offering both the consumers and merchants an automated way to simplify and promote ways to access a variety of automated vehicles for promoting and sharing offers and merchant information by both the consumers and the merchants.

Pennexx uses multiple ways of promoting businesses with a major emphasis on community relationships to build loyalty between merchants and their consumers while encouraging merchants and their customers to support their local communities, schools, and other non-profit organizations.

1. the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);
 - Pennexx Foods, Inc. is organized as a corporation.
2. the year that the issuer (or any predecessor) was organized;
 - Pinnacle Foods, Inc., a Pennsylvania corporation incorporated July 20, 1999, changed its name to the current name, Pennexx Foods Inc., in March 2002.
3. the issuer's fiscal year end date;
 - December, 31
4. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

⁵ Securities quoted on OTCQX U.S. must have at least 50 beneficial shareholders each owning at least 100 shares. Securities quoted on OTCQX U.S. Premier must have at least 100 beneficial shareholders each owning at least 100 shares.

NO

5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;
NO
6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;
NO
7. any change of control;
NO
8. any increase of 10% or more of the same class of outstanding equity securities;
NO
9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;
NO
10. any delisting of the issuer's securities by any securities exchange; and
 - None.
11. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.
 - None.

B. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it. To the extent material to an understanding of the issuer, please also include the following:

1. the issuer's primary and secondary SIC Codes;
 - 5141.
2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;
 - The Company is a fully operating company.
3. whether the issuer has at any time been a "shell company";⁶
 - Yes.

⁶ For the purpose of this section a "shell company" means an issuer, other than a business combination related shell company, as defined by Securities Act Rule 405, or an asset-backed issuer, as defined by Item 1101(b) of Regulation AB, that has:

- (1) No or nominal operations; and
- (2) Either:
 - (A) No or nominal assets;
 - (B) Assets consisting solely of cash and cash equivalents; or
 - (C) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

4. *the names and contact information of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;*
 - The Company is a fully operating company. Your Social Offers LLC ("YSO"), a subsidiary of the Company, is a Social Marketing Platform specializing in a coupon and rewards website for consumers, and a Merchant Platform that enables merchants to advertise their business through digital "Word of Mouth seamlessly" referrals. YSO shares the same address and contact information as the company.
5. *the effect of existing or probable governmental regulations on the business;*
 - None.
6. *an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities were borne directly by customers;*
 - Over the past two years, Pennexx has been creating and developing technology and software. That cost was not borne directly by customers.
7. *costs and effects of compliance with environmental laws (federal, state and local); and*
 - Due to the nature of the company's business as a software and digital marketing company, Pennexx does not have a requirement to comply with any environmental laws, nor has it ever been informed of being in any related violation.
8. *the number of total employees and number of full-time employees.*
 - 4.

Item 9 The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A. principal products or services, and their markets;
 - Pennexx, through its wholly owned subsidiary Your Social Offers LLC ("YSO") provides two main products: a consumer savings website to save consumers money; and a merchant dashboard that helps merchants increase their customer base through coupons, discounts, loyalty reward systems and word of mouth advertising through social media.
- B. distribution methods of the products or services;
 - Pennexx's products are all Internet based online operations of software. Consumers and Merchants Upload products and services online. All records, documentation and rewards are on servers in a shared private cloud base environment.
- C. status of any publicly announced new product or service;

- The company is in the process of integrating the iTouchNetwork.com platform on KIOSK's located and major hotels and entertainment hotspots around the Orlando area. This integration is anticipated to generate revenue and help grow the YSO consumer base. iTouchNetwork has more than 200 kiosks in operation;
- Our prepaid debit card is currently in redevelopment with a new vendor to reduce costs and make the program more desirable to our consumers. We look to be utilized in our relationship with iTouchOrlando with their current distribution relationships to a subscriber base that represents more than 50 million subscribers;
- A travel website was developed and is currently under consideration for launch. An evaluation of that site showed in general a 20% discount in comparison to its competitors, we believe this can be of great interest to our consumers;
- Cash back program in the process of integration by the vendor and at the same time the company is exploring additional programs to benefit our consumer who shop online;
- The company is continuing its development of the tablet, smartphone app to add additional features and benefits for the consumer; and notably,
- The company has canceled and abandoned all products associated with crypto currency, block chain and has no plans to enter this industry in the future.

- D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition;
- While there are many different companies providing a variety of digital marketing programs, we believe there is no one company that allows the variety of different tools incorporated into our software which allows the merchants a full comprehensive way of Building customers, increase frequency and supports the community in an automated process that rewards the consumer for "digital word of mouth referrals."
- E. sources and availability of raw materials and the names of principal suppliers;
- N/A: Our product is software based.
- F. dependence on one or a few major customers;
- NO: We work with national and local merchants, focusing on a diversity of customers.
- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and
- Provisional Patent Filed 2020-01-30, Formal Filing 2021-02-01 System for Running Social Media Marketing Campaigns
- Provisional Patent Filed 2020-02-20, Formal Filing 2021-02-22 System to Control the Redemption of Physical and Digital Coupons, In Order to Increase Coupon Effectiveness and Reduce Consumer Misuse
- H. the need for any government approval of principal products or services and the status of any requested government approvals.
- N/A.

Item 10 The nature and extent of the issuer's facilities.

Pennexx is a technology company that leases a small 1200 square foot office in Clearwater Florida with five desk and a shared conference room. A large portions of Pennexx's operations is virtual and it is not necessary to maintain a large facility.

The company had a two-year corporate office lease which began at \$1746.67 in February 2021. The monthly lease payment amount increased to \$1,860.20 per month for 2022. We are currently month to month on the lease of this facility effective February 1, 2023. The address of the leased property is: 2420 Enterprise Road, Suite 107, Clearwater, FL, 33763.

Part D Management Structure and Financial Information

Item 11 Company Insiders (Officers, Directors, and Control Persons).

A.

1. **Joseph P Candito Jr** is our President / member of the Pennexx Board of Directors. His business address

is: 2420 Enterprise Rd. unit 107 Clearwater, Florida 33763. Mr. Candito's employment history for the past five (5) years is as follows:

- i. 2019 to present Pennexx Foods, Inc. President – responsible for marketing and sales development. Administrative assistant to the CEO. Other duties – as a member of the Board of Directors.
- ii. 2015 – 2019 Mobile Payment Interchange Inc. President Officer of the company responsible for Planning and implementation of the business plan along with overall business management of the company.
- iii. 1997 – present General Contractors and Associates Inc. (my management company that is paid for my compensation for work as President of Pennexx) – this company is used for payment from Pennexx Foods Inc. for President's compensation.

Mr. Candito has no other board memberships or affiliations. His Compensation by the issuer is \$ 100,000.00 per year, plus 100,000 common shares, which were issued as compensation for being on the Board of Directors. The total number of shares owned by Mr. Candito is 3,182,221 Shares of Common Stock.

2. **Sunny Sweet** is a member of the Board of Directors. Her business address is: 2420 Enterprise Rd. unit 107 Clearwater, Florida 33763. Mrs. Sweet's employment history for the past five (5) years is as follows:

- i. Northfield Holding Company 6/23/2022 - 5/5/2023, Sales Representative, Sold replacement windows and doors for Florida residents.
- ii. Pennexx Foods (PNNX) January 2021 - August 2021, Chief Operations Officer (COO), responsible for social media and acted as liaison between OTC agent and shareholder meetings, assisted in the creation of a business plan, created other necessary documents needed.
- iii. Pennexx Foods (PNNX) November 2019 - January 2021, Chief Marketing Officer (CMO), responsible for social media and acted as liaison between OTC agent and shareholders meetings.

Mrs. Sweet has no other board memberships or affiliations. Her Compensation by the issuer was 100,000 common shares, which were issued as compensation for being on the Board of Directors. The total number of shares owned by Mrs. Sweet is 3,182,221 Shares of Common Stock.

3. **Joseph Louis Caruso** is a member of the Board of Directors. His business address is: 2420 Enterprise Rd. unit 107 Clearwater, Florida 33763. Mr. Caruso's employment history for the past five (5) years is as follows:

- i. Founder, Global Digital Forensics 2000 – Present. Responsible for the overall operation of Global Digital Forensics. Global Digital Forensics, Inc. creates and implements solutions which help ease the way through complicated legal and technical issues, from the initial collection of digital evidence to the full analysis of that digital information. GDF offers a wide range of services, including digital forensics analysis, commercial fraud analysis, electronic evidence discovery, cyber security solutions, cyber emergency incident response, e-policy consulting and auditing, and certification services, for both private industry and the government. Bio available at <https://einvestigate.com/joseph-caruso/>.

Mr. Caruso's compensation by the issuer was 100,000 common shares, which were issued as compensation for being on the Board of Directors. The total number of shares owned by Mr. Caruso is 100,000 Shares of Common Stock.

4. **Michael Richard LaBelle** is a member of the Board of Directors. His business address is: 2420 Enterprise Rd. unit 107 Clearwater, Florida 33763. Mr. LaBelle's employment history for the past five (5)

years is as follows:

- i. Ross Holdings, Senior VP – Financial Services, October 2021 – Present.
- ii. Corporate Controller, May 2013 – October 2021. Responsibilities include the overall supervision of the Student Accounts Department, Student Financial Aid Department and the Accounting Department, which includes Accounts Payable. Responsible for the preparation of the annual budget and annual board book. Also responsible for the monthly / quarterly forecasts of Revenue, Marketing Expenses and Bad Debt.

Mr. LaBelle's compensation by the issuer was 100,000 common shares, which were issued as compensation for being on the Board of Directors. The total number of shares owned by Mr. LaBelle is 100,000 Shares of Common Stock.

5. ***Vincent Risalvato*** is the CEO / and Chairman of the Board of Directors. His business address is: 2420 Enterprise Rd. unit 107 Clearwater, Florida 33763. Mr. Risalvato's employment history for the past five (5) years is as follows:

- i. Pennexx Foods Inc.: 2019 – Present, Chief Executive Officer.
Pennexx Foods Inc. acquired Your Social Offers, LLC, and subsequently developed and launched. YourSocialOffers.com is a beta merchant marketing portal and consumer savings websites. The company has released 'several versions of the website and had been audited three years running, 2019, 2021, 2022.
- ii. Product Design Experts: March 2018 – Present, Chief Technology Officer
Product Design Experts Corp. is a Computer Science consulting firm, which focuses on bringing inventions and products to life. This includes programming backends, smartphone applications, developing web portals, electrical engineering and mechanical prototyping. We have the experience to complete end-to-end development from brainstorming through prototyping and into production. Bridging the gap between business requirements and technological solutions to develop new products and services within budget, timeframe and on target for the business needs. If you have an idea for a product or service and require electronic engineering, programming, research, and development or manufacturing, Product Design Experts is ready to help you succeed.
- iii. Global Digital Forensics: 2004 – Present, Computer Scientist, Digital Forensics Analyst
Global Digital Forensics is a recognized leader in computer digital forensics for industry, corporate, criminal and private investigations. As a computer scientist I have been involved with a wide range of cases. Those include the recovery of data and analysis of backup tapes, expert witness testimony, patent claim analysis and testimony, source code analysis, web application analysis. I am an expert witness in support of legal counsel, hardening of computer systems in the enterprise environment, monitoring, intrusion detection systems, penetration testing, etc. Additionally, I produce software and applications for various clients' needs.
- iv. Digital Ingenuity Solutions: March 2010 – 2018, Senior Engineer
Digital Ingenuity Solutions was a consulting firm assisting clients with the design and development of various projects in the computer industry. This included software, hardware, datacenter services, cyber forensics, exp.

Mr. Risalvato has no other board memberships or affiliations. His Compensation by the issuer is \$ 120,000.00 per year, plus 100,000 common shares, which were issued as compensation for being on the Board of Directors. The total number of shares owned by Mr. Risalvato is 3,433,333 Shares of Common Stock.

B. Other Control Persons.

a. TC Special Investments

Janis Ralston

Lima OH

5,800,000 shares of common stock

10.1% of outstanding shares

Janis Ralston has no i) limitations on business or securities related activities; ii) no violations of securities or commodities laws; iii) no limitations on business, securities, commodities, or banking activities; iv) no criminal proceedings; and no FINRA or SEC registrations.

To the extent not otherwise disclosed, if any of the above shareholders share corporations or other legal entities rather than individuals, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agent of each corporate shareholder.

- None.

C. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

- None.

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

- None.

3. 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.

4. 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.

5. 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.

D. Disclosure of Family Relationships. Describe any family relationships⁷ among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

- Nearly 100% of the revenues were from Janis Ralston / TC Special Investments and WC Uniforms and Electronics LLC

E. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is related to the issuer;
 - Janis, Ted Ralston, TC Special Investments LLC, and WS Uniforms and Electronics LLC
2. The related person's interest in the transaction;
 - Ted Ralston is a consultant for Pennexx Foods, Inc
 - Janis Ralston and the two companies were clients of Pennexx contributing to the revenues generated.
3. The approximate dollar value involved in the transaction (in the case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness).

For the years ended December 31, 2022, and 2021, \$234,000 (98.95%) and \$462,000 (99.70%) of revenues were earned from a Company controlled by one of our majority stockholders, who is also our largest debt holder. These revenues are considered to be earned from a related party. During 2022, the agreement which generated revenues from the related party was terminated.

4. The approximate dollar value of the related person's interest in the transaction; and,

Ted re debt (not revenue) at 12/31/22 balance was principal of \$578,500 + accrued interest of \$19,153 for a total of \$597,653 at 6%. Advances began in 2021 and all come due July 31, 2025. in 2023 an additional \$73,900 in Q1 2023 and from 4/1/23 - today \$79,000 (\$152,900 in 2023).

5. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.
 - N/A.

⁷ The term "family relationship" means any relationship by blood, marriage or adoption, not more remote than first cousin.

⁸ "Immediate family members" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

6. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

- Ted and Janis are Husband and Wife

Item 12 **Financial information for the issuer's most recent fiscal period.**

Item 13 **Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.**

The Exhibits required under Item 12 and Item 13 of this report are incorporated by reference and may be found attached to the bottom of this disclosure. The Exhibits include:

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;
- 4) statement of changes in stockholders' equity (for Annual Reports only);
- 5) financial notes; and
- 6) audit letter if period ending is fiscal year.

Item 14 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jessica Haggard, Esq.
Anthony L.G., PLLC
Address 1: 625 N. Flagler Drive Suite 600
Address 2: West Palm Beach, FL 33401
Phone: Office: (561) 514-0936
Email: RAIverio@AnthonyPLLC.com
www.anthonypllc.com

Name: Jackson L. Morris, Esq.
Address 1: Office—3116 W. North A Street, Tampa, FL 33609
Address 2: Mailing—126 21st Avenue SE, St. Petersburg, Florida 33705
Phone: Office: (813) 892-5969
Email: jackson.morris@rule144solution.com

Name: Lewellen Law
Address 1: 2100 East Bay Drive, Suite 222
Address 2: Largo, FL 33771
Phone: Office: (727) 531-1796
Email: steve@lewellyn-law.com
www.Lewellyn-Law.com

Accountant or Auditor

Outside Provider: Accountant, CPA
Name: Elliot Berman
Firm: Berman Audit and Advisory, PA (“BAA”)
Address 1: 11756 Bayou Lane
Address 2: Boca Raton, FL 33498
Phone: (954) 729-3025
Email: eberman@bermanauditeadvisorycpa.com

1. (Describe if an outside accountant provides audit or review services) BAA provides only consulting CPA services to assist the company in preparing the financial statements and footnotes in connection with our periodic filings. All of BAA’s work is reviewed and approved both by Senior Management and the Board of Directors. In the case of the year-end financial statements which have been audited, our Independent Registered Public Accounting Firm (Assurance Dimensions – “AD”) provides the required certification of our annual financial statements. . BAA is not part of our AD, and BAA’s work product is not considered an audit or review service.
2. (State the work done by the outside accountant) BAA receives financial data such as bank statements, debt agreements, stock issuances, checks, wires, invoices, etc...directly from

OTC Markets Group Inc.

OTCQX U.S. and OTCQB Disclosure Guidelines (v 13 Updated May 2, 2023)

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management for processing into our general ledger software (QuickBooks). BAA assembles this financial data, prepares workpapers and ultimately the financial statements and footnotes for our periodic public filings.

3. (Describe the responsibilities of the accountant and the responsibilities of management (i.e., who audits, prepares, or reviews the issuer's financial statements, etc.). BAA prepares the financial statements and footnotes for each periodic filing (information provided by Company for processing). Additionally, BAA assists management with the required tables needed in the filing related to stock issuances and debt transactions. The Company's Senior Management reviews and approves the data. The Company uploads all necessary data to OTC Markets. Audited financial statements are done by AD in accordance with the Rules and Regulations of the Public Company Accounting Oversight Board ("PCAOB"). AD adheres to all required Securities Laws and Independence Rules in connection with their audit services. In all cases, for all filings, the Company's management and Board of Directors reviews and approves any data that will be shared publicly.

Outside Provider: Auditor, PCAOB, CPA
Name: Julian Sardinias, CPA
Firm: Assurance Dimensions
Address 1: 4920 W. Cypress Street, Suite 102
Address 2: Tampa, FL 33607
Phone: 813-443-5053
Email: julian.sardinias@aduscpa.com

1. (describe if an outside accountant provides audit or review services) AD is our Independent Registered Public Accounting Firm. AD currently provides our annual audit under PCAOB Rules and Regulations.
2. (state the work done by the outside accountant) AD follows the necessary audit requirements under U.S. Generally Accepted Auditing Standards ("US GAAS") as well as PCAOB audit requirements. The work entails planning, fieldwork, testing of details and transaction balances, supervision, review and approval as well as certification of the audit pursuant to U.S Generally Accepted Accounting Principles ("US GAAP") and PCAOB Rules and Regulations. AD is independent as defined by both the U.S. Securities and Exchange Commission as well as the American Institute of Certified Public Accountants. AD maintains proper objectivity and independence along with due care related to the scope and nature of their services.
3. (describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.) The Company's management provides a complete set of financial statements and footnotes to AD for audit. The Company delivers detailed workpapers and analyses and responds to any audit inquiry as requested. The Company also provides the general ledger, bank statements, bank reconciliations, roll forwards for: property and equipment, debt and equity. Also, a detail of journal entries, summaries of account, transfer agent reports, etc...AD's requested information is uploaded to their secured document portal. After reviewing the data, follow-up requests and inquiries are made. Once AD has satisfied itself regarding the relevance and reliability of the information provided, they will issue an unqualified audit opinion.
 - a. Public Relations Consultant
 - i. None.
 - b. Investor Relations Consultant
 - i. None.

- c. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the name, address, telephone number and email address of each advisor.
- i. None.

Item 15 Management's Discussion and Analysis or Plan of Operation.

A. Plan of operation

The company is in a process of changing operations from that of a focus on developing its products to commercializing them through multiple channels. This includes initiating direct sales, creating partnerships with sales agencies, and commissioned sales individuals and teams.

In parallel, the Company is white labeling the YSO merchant dashboard and consumer website product and as well as working on selling licensing agreements for the software.

The Company has continued with modest expenditures and has further streamlined operations and is working to build out its revenue model with plans to buy back whatever current outstanding convertible debt it can within the next 24 months. The buyback may consider cash or conversions of debt and related accrued interest to shares of common stock pending investor discussion. Currently, the Company does not anticipate the need to raise significant funds through debt or equity based funding from related parties or third parties, however, until the revenue model has been proven, certain borrowings may be needed. The Company would like to limit any further dilution as best as it can.

The company anticipates that it can continue operations through the next twelve months through the start of revenue generating activities and if needed modest levels of debt and equity financing.

Use of cash flows from operations and proceeds from debt or equity funding are expected to be used on building and support of our sales efforts, maintaining and completing existing product development and the evaluation of becoming SEC compliant through a potential securities offering intended to be used to accelerate the growth of revenues and potentially facilitate the acquisition of synergistic technology.

Although the Company may raise additional debt (third party and related party lenders) or equity capital, the Company expects to incur losses from operations and have negative cash flows from operating activities for the near-term. These losses could be significant as the Company further executes and implements its business plan.

Management's strategic plans include the following:

- Pursuing additional capital raising opportunities,
- Executing and commercializing its business operations,
- Continuing to explore and execute prospective partnering or distribution opportunities; and
- Identifying unique market opportunities that represent potential positive short-term cash flow.

The company does not anticipate purchase or sale of plant or significant equipment and does not anticipate a significant change in the number of employees from the previous years unless those employees hired are directly driven from a successful and profitable execution of operations (primarily successful sales efforts).

i. *Full fiscal years*

The Company has for the last two fiscal years had a financially stable condition. The Company has been funded through related party revenues but mostly a continuous fundraising effort. 2022 began a shift in the company from development to starting to work on creating sales. Accordingly, development and associated costs have been reduced in order to maximize our resources.

As with any company there are uncertainties that can have a material impact on operations. Management understands that without a repeatable business sales cycle, continuing negative cash flows and losses would continue. The Company plans to scale its sales efforts with both newly generated revenues as well as debt and/or equity capital. The Company's current payables and accrued expenses related primarily to professional services. The Company where possible pays third party providers in shares of common stock. Reduction of expenses are always considered, however, our success will be solely based on our ability to market and sell our service.

In order to sure up these uncertainties, the Company does not believe reliance of the sales cycle has to be solely dependent on individual merchant sales. The Company has had significant interest by enterprise customers, has inroads for deals with marketing companies and feels licensing the software can be successful alternatives to a direct to merchant approach.

The Company considers that even moderate success in bringing new merchants on the system can initiate significant growth of our consumer user base. The value of which is has been described by the company publicly through documented valuations of users in similar industry spaces.

The Company believes that its consumer users, being interested in digital coupons and discounts will be generally more valuable than that of the ordinary user bases associated with sites not oriented around marketing to consumers.

The Company does not anticipate susceptibility to seasonal changes. The results of our historic operations and expected future operations are driven by our revenue model and cost control.

The Company anticipates a material increase in business operations in the next 12 months. We believe that our revenue model will mature and operating efficiently in the marketplace. We also have plans to expand operations once we have the proper infrastructure in place to address all legal and regulatory oversight once becoming a fully reporting entity. In executing these plans, we expect profitability in 2024, and a return for our shareholders in the form of stock price increases or payment of dividends should cash flows be allowed.

ii. *Interim Periods*

Beginning in 2022 and continuing in 2023 there has been a reduction in expenditures in research and development which is to be expected given the Company's efforts to shift the focus from development to commercialization. The Company has successfully launched its fourth version of its consumer site product and made several major inroads into making the product more accessible and successful for its clients. These are important milestones for the success of the Company.

The Company showed no changes in receiving outside funding or the inability to meet its financial obligations as they come due.

The management team remains confident that 2023's continued operations will ramp-up and become sustainable through the use of an internal sales team as well as strategic partnerships and licensing

opportunities.

The industry the company participates in has remained stable, yet competitive, and the management team feels that its pipeline is robust for future sales.

The Company has no planned major commitments to expenses (contractual or otherwise) or changes in the costs of its business. The Company does not believe any risks or uncertainties exist that could be detrimental to its operations.

Part E Issuance History

Item 16 List of securities offerings and shares issued for services in the past two years.

- A. List below any events, in chronological order, that resulted in direct changes to the total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/2020 40,297,161 Common: Preferred: 0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/19/2021	Issue	2,000,000	Common	0.01	No	Sunny Sweet	Payment For acquisition of Your Social Offers LLC	Yes	4(a)(2)
1/19/2021	Issue	2,000,000	Common	0.01	No	Joseph Candito	Payment For acquisition of Your Social Offers LLC	Yes	4(a)(2)
1/19/2021	Issue	2,000,000	Common	0.01	No	Vincent Risalvato	Payment For acquisition of Your Social Offers LLC	Yes	4(a)(2)
1/19/2021	Issue	1,500,000	Common	0.35	No	TC Special Investment	Services Consulting	Yes	4(a)(2)

						s LLC Patricia Ralston	services / Sales & product developmen t		
1/19/2021	Issue	1,500,000	Common	0.2899	No	TC Special Investment s LLC Patricia Ralston	Services Consulting services / Sales & product developmen t	Yes	4(a)(2)
3/10/2021	Issue	56,250	Common	0.2899	No	George Anthony Bertucelli	Debt Conversion	Yes	4(a)(2)
3/10/2021	Issue	100,000	Common	0.44	No	OTC PR Group Douglas Baker	Services Consulting services – Public relations and press releases	Yes	4(a)(2)
4/20/2021	Issue	160,000	Common	0.269	No	Corporate Ads LLC Hank Zemla	Services Consulting services – Public relations and advertising	Yes	4(a)(2)
7/22/2021	Issue	168,058	Common	0.40	No	Hunt Road LLC Scott Caputo	Convertible Note	Yes	4(a)(2)
7/22/2021	Issue	112,356	Common	0.40	No	GDD Ventures LLC Gia Garrison	Convertible Note	Yes	4(a)(2)
7/22/2021	Issue	100,000	Common	0.40	No	OTC PR Group Douglas Baker	Services consulting marketing and press release firm	Yes	4(a)(2)
11/11/2021	Issue	100,000	Common	0.26	No	Sunny Sweet	Services Board of Directors compensati on	Yes	4(a)(2)
11/11/2021	Issue	100,000	Common	0.26	No	Joseph Candito	Services Board of Directors compensati on	Yes	4(a)(2)
11/11/2021	Issue	100,000	Common	0.26	No	Vincent Risalvato	Services Board of	Yes	4(a)(2)

							Directors compensati on		
11/11/2021	Issue	100,000	Common	0.26	No	Joseph Caruso	Services Board of Directors compensati on	Yes	4(a)(2)
11/11/2021	Issue	100,000	Common	0.26	No	Michael LaBelle	Services Board of Directors compensati on	Yes	4(a)(2)
11/11/2021	Issue	1,333,333	Common	0.26	No	Sunny Sweet	Payment For acquisition of Your Social Offers LLC	Yes	4(a)(2)
11/11/2021	Issue	1,333,334	Common	0.26	No	Joseph Candito	Payment For acquisition of Your Social Offers LLC	Yes	4(a)(2)
11/11/2021	Issue	1,333,333	Common	0.26	No	Vincent Risalvato	Payment For acquisition of Your Social Offers LLC	Yes	4(a)(2)
2/15/2022	Issue	250,000	Common	\$ 0.18	No	Ron Weinstock	Services Advisory Board /consulting	Yes	4(a)(2)
2/15/2022	Issue	250,000	Common	\$ 0.18	No	Jefferey Alan Moody	Services Advisory Board /consulting	Yes	4(a)(2)
2/15/2022	Issue	250,000	Common	\$ 0.18	No	Tom Coba	Services Advisory Board /consulting	Yes	4(a)(2)
2/15/2022	Issue	250,000	Common	\$ 0.18	No	Brian Jennings	Services Advisory Board /consulting	Yes	4(a)(2)
2/18/2022	Issue	417,800	Common	\$ 0.19	No	New To The Street Group, LLC Dror Tepper	Services /Consulting Advertising and video production and publication	Yes	4(a)(2)

Shares Outstanding on Date of This Report:	
<u>Ending Balance</u>	
<u>Ending Balance:</u>	
Date <u>12/31/2022</u> Common: <u>56,911,625</u>	
Preferred: <u>0</u>	

- B. List below and describe any issuance of Promissory Notes, Convertible Notes, or Convertible Debentures. In responding to this item, please provide the date of execution of the Note or the Agreement, a description of the reason for the issuance, the outstanding balance and any interest accrued. Provide the maturity dates for each Note or Agreement, their conversion terms, names of beneficial owners or holders and the exact class of security such Notes or Agreement may be converted to. Also, specify if the Note is Secured or Unsecured and whether or not it is in Default.

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
11/26/2019	137,187	100,000	37,187	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Steve Cramer	Loan / Unsecured
12/02/2019	136,989	100,000	36,989	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Alan Brook	Loan / Unsecured
1/28/2020	27,022	20,000	7,022	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Bruce Ghiloni	Loan / Unsecured
1/28/2020	10,809	8,000	2,809	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Rebecca Fitzpatrick	Loan / Unsecured
1/31/2020	67,504	50,000	17,504	3/31/2023	1 year, restricted shares at \$0.20 principal plus interest	Securities and Collateral Lending LLC Sean Fitzpatrick	Loan / Unsecured
2/06/2020	134,819	100,000	34,819	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Tim Frye	Loan / Unsecured
10/26/2020	33,875	26,850	7,025	3/31/2023	1 year, restricted shares at \$0.10 principal plus interest. Converted in March 2023.	Will Tynan	Loan / Unsecured
12/08/2020	16,031	12,850	3,181	3/31/2023	1 year, restricted shares at \$0.10 principal plus interest. Converted in March 2023.	Will Tynan	Loan / Unsecured
1/04/2021	\$597,653	578,500	19,153	1/31/2024	Ongoing through July 31, 2025, , convertible into 31,000,000 shares (all outstanding and continuing principal	TC Special Investments LLC Patricia Ralston	Loan / Unsecured

					advances and related accrued interest)		
7/01/2021	59,007	50,000	9,007	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Paul and Donatella Casali	Loan / Unsecured
7/02/2021	58,990	50,000	8,990	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Donna and Ronald David	Loan / Unsecured
7/09/2021	117,755	100,000	17,755	1/31/2024	1 year, restricted shares at \$0.20 principal plus interest	Steve Cramer	Loan / Unsecured

Part F Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

Item 17 Material Contracts.

- 1) Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;
 - Please see attached.
- 2) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or
 - None.
- 3) Any material lease under which a part of the property described in the disclosure statement is held by the issuer.
 - None.

B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

- None.

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or directors generally and provides for the same method of allocation of benefits between management and non-management participants
 - There are no contracts related to the above.

Item 18 Articles of Incorporation and Bylaws.

A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the articles of incorporation or certificate of organization as amended shall be filed.

B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Item 19 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

- None.

Item 20 Issuer's Certifications.

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other person with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Vincent Risalvato, certify that:

1. I have reviewed this annual report of Pennexx Foods, 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.

Date: May 15, 2023

/s/ Vincent Risalvato

Vincent Risalvato
CEO

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other person with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Vincent Risalvato certify that:

1. I have reviewed this annual report of Pennexx Foods, 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.

Date: May 15, 2023

/s/ Vincent Risalvato

Vincent Risalvato
CFO

Pennexx Foods, Inc.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Pennexx Foods, Inc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pennexx Foods, Inc. (the Company) as of December 31, 2022 and 2021, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company had a net loss and net cash used in operating activities of \$2,645,635 and \$523,425, respectively, for the year ended December 31, 2022, and a working capital deficit and accumulated deficit of approximately \$407,948 and \$41,162,241 respectively, as of December 31, 2022. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES

also d/b/a McNAMARA and ASSOCIATES, PLLC

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A S S U R A N C E D I M E N S I O N S

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

We did not identify any critical audit matters that need to be communicated.

Assurance Dimensions

We have served as the Company's auditor since 2021.
Margate, Florida
May 8, 2023

ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES

also d/b/a McNAMARA and ASSOCIATES, PLLC

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Pennexx Foods, Inc.
Balance Sheets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Assets</u>		
Current Assets		
Cash	\$ 2,823	\$ 7,748
Total Current Assets	<u>2,823</u>	<u>7,748</u>
Property and equipment - net	5,950	9,350
Operating lease - right-of-use asset - net	1,940	25,221
Total Assets	<u><u>\$ 10,713</u></u>	<u><u>\$ 42,319</u></u>
<u>Liabilities and Stockholders' Deficit</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 211,170	\$ 126,230
Accounts payable and accrued liabilities - related party	19,153	2,967
Common stock payable (300,000 shares and 717,800 shares, respectively)	146,790	230,350
Deposit liability	-	10,000
Convertible notes payable - net	39,700	515,645
Note payable - net - related party	-	59,342
Operating lease liability	1,848	24,310
Total Current Liabilities	<u>418,661</u>	<u>968,844</u>
Long Term Liabilities		
Convertible notes payable - net	578,000	-
Convertible note payable - net - related party	578,500	-
Operating lease liability - long term	-	1,848
Total Long Term liabilities	<u>1,156,500</u>	<u>1,848</u>
Total Liabilities	<u>1,575,161</u>	<u>970,692</u>
Commitments and Contingencies (Note 6)		
Stockholders' Deficit		
Common stock, \$0.01 par value, 150,000,000 shares authorized 56,911,625 and 54,493,825 shares issued and outstanding, respectively	569,116	544,938
Common stock issuable (520,000 and 1,270,000 shares)	5,200	12,700
Additional paid-in capital	39,023,477	37,030,595
Accumulated deficit	(41,162,241)	(38,516,606)
Total Stockholders' Deficit	<u>(1,564,448)</u>	<u>(928,373)</u>
Total Liabilities and Stockholders' Deficit	<u><u>\$ 10,713</u></u>	<u><u>\$ 42,319</u></u>

The accompanying notes are an integral part of these financial statements

Pennexx Foods, Inc.
Statements of Operations

	Year Ended December 31,	
	2022	2021
Sales		
Software applications - related party	\$ 134,000	\$ 462,000
License fee - related party	100,000	-
Consulting/Other	2,492	1,397
Total Sales	<u>236,492</u>	<u>463,397</u>
Operating Expenses		
General and administrative expenses	984,104	2,404,910
Research and development - related party	-	27,216
Total Operating Expenses	<u>984,104</u>	<u>2,432,126</u>
Loss from operations	<u>(747,612)</u>	<u>(1,968,729)</u>
Other Expense		
Interest expense	(90,310)	(66,741)
Loss on debt extinguishment - related party	(1,705,000)	-
Amortization of debt discount/issue costs	(102,713)	(181,128)
Total Other Expense	<u>(1,898,023)</u>	<u>(247,869)</u>
Net loss	<u>\$ (2,645,635)</u>	<u>\$ (2,216,598)</u>
Loss per share - basic and diluted	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>
Weighted average number of shares - basic and diluted	<u>56,477,455</u>	<u>54,010,112</u>

The accompanying notes are an integral part of these financial statements

Pennexx Foods, Inc.
Statement of Changes in Stockholders' Deficit
For the Year Ended December 31, 2022

	Common Stock		Common Stock Issuable		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
December 31, 2021	54,493,825	\$ 544,938	1,270,000	\$ 12,700	\$ 37,030,595	\$ (38,516,606)	\$ (928,373)
Conversion of common stock payable to common stock (\$0.20/share)	417,800	4,178	-	-	79,382	-	83,560
Common issued stock for services rendered (\$0.088/share)	-	-	250,000	2,500	19,500	-	22,000
Common issued stock for services rendered (\$0.199/share) - related parties	1,000,000	10,000	-	-	189,000	-	199,000
Issuance of common stock issuable	1,000,000	10,000	(1,000,000)	(10,000)	-	-	-
Loss on debt extinguishment	-	-	-	-	1,705,000	-	1,705,000
Net loss	-	-	-	-	-	(2,645,635)	(2,645,635)
December 31, 2022	56,911,625	\$ 569,116	520,000	\$ 5,200	\$ 39,023,477	\$ (41,162,241)	\$ (1,564,448)

The accompanying notes are an integral part of these financial statements

Pennexx Foods, Inc.
Statement of Changes in Stockholders' Deficit
For the Year Ended December 31, 2021

	Common Stock		Common Stock Issuable		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Deficit
December 31, 2020	40,297,161	\$ 402,971	10,270,000	\$ 102,700	\$ 35,261,166	\$ (36,300,008)	\$ (533,171)
Issuance of common stock previously issuable (\$0.01/share) - related parties	10,000,000	100,000	(10,000,000)	(100,000)	-	-	-
Stock issued in connection with conversion of convertible note (\$0.2899/share)	336,664	3,367	-	-	35,714	-	39,081
Debt discount recorded in connection with convertible note (beneficial conversion feature)	-	-	-	-	260,000	-	260,000
Common stock for services (\$0.2644 - \$0.44/share)	3,860,000	38,600	1,000,000	10,000	1,473,715	-	1,522,315
Net loss	-	-	-	-	-	(2,216,598)	(2,216,598)
December 31, 2021	54,493,825	\$ 544,938	1,270,000	\$ 12,700	\$ 37,030,595	\$ (38,516,606)	\$ (928,373)

The accompanying notes are an integral part of these financial statements

Pennexx Foods, Inc.
Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
Operating activities		
Net loss	\$ (2,645,635)	\$ (2,216,598)
Adjustments to reconcile net loss to net cash used in operations		
Common stock issued for services rendered	22,000	1,522,315
Common stock issued for services rendered - related parties	199,000	-
Amortization of debt discount/issue costs	102,713	181,128
Amortization of operating lease - right-of-use asset	23,281	21,340
Depreciation	3,400	3,400
Loss on debt extinguishment	1,705,000	-
Recognition of license fee income (deposit liability)	(10,000)	-
Changes in operating assets and liabilities		
Increase (decrease) in		
Accounts payable and accrued liabilities	84,940	43,379
Accounts payable and accrued liabilities - related party	16,186	2,967
Common stock payable	-	230,350
Operating lease liability	(24,310)	(20,404)
Net cash used in operating activities	(523,425)	(232,123)
Financing activities		
Proceeds from issuance of convertible note payable - related party	518,500	28,192
Proceeds from issuance of convertible note payable	-	200,000
Deposit liability	-	10,000
Net cash provided by financing activities	518,500	238,192
Net increase (decrease) in cash	(4,925)	6,069
Cash - beginning of year	7,748	1,679
Cash - end of year	\$ 2,823	\$ 7,748
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ -	\$ -
Cash paid for income tax	\$ -	\$ -
Supplemental disclosure of non-cash investing and financing activities		
Conversion of common stock payable to common stock	\$ 83,560	\$ -
Issuance of common stock previously issuable - net	\$ 7,500	\$ 100,000
Right-of-use asset obtained in exchange for finance lease liability	\$ -	\$ 46,561
Stock issued in connection with conversion of convertible notes	\$ -	\$ 39,081
Conversion of accounts payable into convertible note payable	\$ -	\$ 31,808
Debt discount recorded in connection with convertible notes	\$ -	\$ 260,000

The accompanying notes are an integral part of these financial statements

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Note 1 - Organization and Nature of Operations

Organization and Nature of Operations

Pennexx Foods, Inc. (collectively, “PTI,” “we,” “us,” “our” or the “Company”), was incorporated in Pennsylvania on July 20, 1999. The Company opened an office in Florida on December 5, 2019.

The Company was in the food industry through 2019. In 2020, the Company shifted its focus to technology related to software and the internet for the purpose of utilizing artificial intelligence to gather information for targeted marketing; specifically, the Company is developing websites and related smartphone apps.

Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Liquidity, Going Concern and Management’s Plans

These unaudited financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

As reflected in the accompanying unaudited financial statements, for the year ended December 31, 2022, the Company had:

- Net loss of \$2,645,635; and
- Net cash used in operations was \$523,425

Additionally, for the year ended December 31, 2022, the Company had:

- Accumulated deficit of \$41,162,241
- Stockholders’ deficit of \$1,564,448; and
- Working capital deficit of \$415,838

The Company has cash on hand of \$2,823 at December 31, 2022. Although the Company intends to raise additional debt (third party and related party lenders) or equity capital, the Company expects to incur losses from operations and have negative cash flows from operating activities for the near-term. These losses could be significant as the Company executes its business plan.

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These factors create substantial doubt about the Company's ability to continue as a going concern within the twelve-month period subsequent to the date that these financial statements are issued. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Accordingly, the financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Management's strategic plans include the following:

- Pursuing additional capital raising opportunities,
- Executing and commercializing its business operations,
- Continuing to explore and execute prospective partnering or distribution opportunities; and
- Identifying unique market opportunities that represent potential positive short-term cash flow.

Note 2 - Summary of Significant Accounting Policies

Business Segments and Concentrations

The Company uses the "management approach" to identify its reportable segments. The management approach requires companies to report segment financial information consistent with information used by management for making operating decisions and assessing performance as the basis for identifying the Company's reportable segments. The Company has identified one single reportable operating segment. The Company manages its business on the basis of one operating and reportable segment.

Customers in the United States accounted for 100% of our revenues. The significant majority of our revenues generated in 2022 and 2021 were earned from one customer (see revenue recognition policy below). We do not have any property or equipment outside of the United States.

Use of Estimates

Preparing financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates, and those estimates may be material.

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Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and other assumptions, which include both quantitative and qualitative assessments that it believes to be reasonable under the circumstances.

Fair Value of Financial Instruments

The Company accounts for financial instruments under Financial Accounting Standards Board ("FASB") ASC 820, *Fair Value Measurements*. ASC 820 provides a framework for measuring fair value and requires disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, based on the Company's principal or, in absence of a principal, most advantageous market for the specific asset or liability.

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value.

The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

The determination of fair value and the assessment of a measurement's placement within the hierarchy requires judgment. Level 3 valuations often involve a higher degree of judgment and complexity. Level 3 valuations may require the use of various cost, market, or income valuation methodologies applied to unobservable management estimates and assumptions. Management's assumptions could vary depending on the asset or liability valued and the valuation method used. Such assumptions could include estimates of prices, earnings, costs, actions of market participants, market factors, or the weighting of various valuation methods. The Company may also engage external advisors to assist us in determining fair value, as appropriate.

Although the Company believes that the recorded fair value of our financial instruments is appropriate, these fair values may not be indicative of net realizable value or reflective of future fair values.

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The Company's financial instruments, including cash, and accounts payable and accrued expenses, are carried at historical cost. At December 31, 2022 and December 31, 2021, respectively, the carrying amounts of these instruments approximated their fair values because of the short-term nature of these instruments.

ASC 825-10 "*Financial Instruments*" allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value ("fair value option"). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding financial instruments.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less at the purchase date and money market accounts to be cash equivalents. At December 31, 2022 and 2021, respectively, the Company did not have any cash equivalents.

The Company is exposed to credit risk on its cash and cash equivalents in the event of default by the financial institutions to the extent account balances exceed the amount insured by the FDIC, which is \$250,000. At December 31, 2022 and 2021, respectively, there were no accounts in excess of this insured limit.

Accounts Receivable

Accounts receivable are due thirty (30) days from the date a customer has downloaded the software application ("App") to a hardware device.

The allowance for doubtful accounts is determined based on the Company's previous loss history. The Company has not experienced any significant credit losses. Allowance for doubtful accounts was \$0 on December 31, 2022 and 2021, respectively.

Currently, the Company sells its App to one customer. One of our current equity investors who is also a lender to the Company has an affiliation with our sole customer, however, this entity is not a control person or related party of either the Company or its sole customer.

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Impairment of Long-lived Assets

Management evaluates the recoverability of the Company's identifiable intangible assets and other long-lived assets when events or circumstances indicate a potential impairment exists, in accordance with the provisions of ASC 360-10-35-15 "*Impairment or Disposal of Long-Lived Assets*." Events and circumstances considered by the Company in determining whether the carrying value of identifiable intangible assets and other long-lived assets may not be recoverable include but are not limited to: significant changes in performance relative to expected operating results; significant changes in the use of the assets; significant negative industry or economic trends; and changes in the Company's business strategy. In determining if impairment exists, the Company estimates the undiscounted cash flows to be generated from the use and ultimate disposition of these assets.

If impairment is indicated based on a comparison of the assets' carrying values and the undiscounted cash flows, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

There were no impairment losses taken during the years ended December 31, 2022 and 2021, respectively.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets.

Expenditures for repair and maintenance which do not materially extend the useful lives of property and equipment are charged to operations. When property or equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts with the resulting gain or loss reflected in operations.

Management reviews the carrying value of its property and equipment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

There were no impairment losses taken during the years ended December 31, 2022 and 2021, respectively.

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Derivative Liabilities

The Company analyzes all financial instruments with features of both liabilities and equity under FASB ASC Topic No. 480, ("ASC 480"), "Distinguishing Liabilities from Equity" and FASB ASC Topic No. 815, ("ASC 815") "Derivatives and Hedging". Derivative liabilities are adjusted to reflect fair value at each reporting period, with any increase or decrease in the fair value recorded in the results of operations (other income/expense) as a gain or loss on the change in fair value of derivative liabilities. The Company uses a binomial pricing model to determine fair value of these instruments.

Upon conversion or repayment of a debt instrument in exchange for shares of common stock, where the embedded conversion option has been bifurcated and accounted for as a derivative liability (generally convertible debt and/or warrants), the Company records the shares of common stock at fair value, relieves all related debt, derivatives, and debt discounts, and recognizes a net gain or loss on debt extinguishment. In connection with the debt extinguishment, the Company typically records an increase to additional paid-in capital for any remaining liability balance.

Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liabilities at the fair value of the instrument on the reclassification date.

At December 31, 2022 and 2021, respectively, the Company did not have any derivative liabilities.

Original Issue Debt Discount

For certain notes issued, the Company provides the debt holder with an original issue discount. The original issue discount is recorded as a debt discount, reducing the face amount of the note, and is amortized to interest expense in the statement of operations, over the life of the debt.

Debt Issue Cost

Debt issuance cost paid (in cash or stock) to lenders, or third parties are recorded as debt discounts and amortized to interest expense in the statement of operations, over the life of the underlying debt.

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Common Stock Payable

The Company from time to time enters into agreements for the issuance of common stock for services. When the related shares are due, but have not been authorized for issuance, the Company records these amounts as a liability. These shares are excluded from earnings (loss) per share.

Valuation of common stock payable is based upon the fair value of services rendered, which is determined based upon the quoted closing trading price of the Company's common stock. At the time services are rendered, the stock is due for payment.

During the year ended December 31, 2021, the Company owed 717,800 shares of common stock for services rendered having a fair value of \$230,500, based upon the quoted closing trading prices (\$0.20 - \$0.6899/share). During 2022, 417,800 shares were issued to the service provider, as a result, 300,000 shares remain as common stock issuable at December 31, 2022.

The following is a summary of the Company's common stock payable:

	<u>Shares</u>	<u>Amount</u>
Balance - December 31, 2020	-	\$ -
Services rendered for common stock	717,800	230,350
Balance - December 31, 2021	717,800	230,350
Conversion of common stock payable to common stock	(417,800)	(83,560)
Balance - December 31, 2022	<u>300,000</u>	<u>\$146,790</u>

See Note 5.

Common Stock Issuable

Shares classified as common stock issuable represent those shares which have been authorized for issuance but are not reflected as issued by the transfer agent. These shares are included in earnings (loss) per share.

License Fee Revenue and Deposit Liability

In 2021, the Company had received an advance of \$10,000 towards a future licensing agreement from a third party which included the potential for additional consideration related to the issuance of common stock.

During 2022, the Company finalized and executed an agreement for \$100,000, related to a non-exclusive, non-assignable software license to use the yoursocialoffers.com coupon discount reward software system.

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In connection with the sale of the license, the Company recognized \$10,000 as revenues from the amount previously received in 2021 as well as the balance of \$90,000 in 2022.

The sale of the license did not require any additional performance obligations.

See disaggregation of revenues below.

Revenue Recognition

Pursuant to ASC 606, we recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration or payment the Company expects to be entitled to receive in exchange for those goods or services. Our revenue is recognized by applying the following five steps: 1) identify the contracts with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) we satisfy a performance obligation.

We apply judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience or, in the case of a new customer, published credit or financial information pertaining to the customer.

If a contract includes multiple promised goods or services, we apply judgment to determine whether the promised goods or services are capable of being distinct and are distinct within the context of the contract. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation. We determine the transaction price based on the consideration which we will be entitled to receive in exchange for transferring goods or services to our customer.

We recognize revenue at the time that the related performance obligation is satisfied by transferring the promised goods or services to our customer.

Software Application Revenues

The Company recognizes revenue from the sale of software application downloads to hardware devices. Upon download (delivery) of the app, which is at the point of sale, the Company has satisfied its performance obligation under contractual arrangement. All arrangements are non-cancellable and contain a single performance obligation. There are no warranties, rebates or refunds associated with the sale of the product. Customer payment is due 30 days from sale.

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Licensing Fee Revenues

The Company recognizes revenues from its licensing fees related to its sole customer. The fee allows the customer a non-exclusive right to use the Company's technology. All arrangements are non-cancellable. Revenue is recognized at a point in time (sale of license) as no further performance obligations are required.

Consulting Revenues

The Company recognizes revenues from consulting services (including merchant fees paid for social media advertising) related to assisting companies with targeted marketing. Revenue is recognized at a point in time when services are rendered. All arrangements are non-cancellable and contain a single performance obligation. Customers pay by credit card.

The following represents the Company's disaggregation of revenues for the years ended December 31, 2022 and 2021, respectively:

	Year Ended December 31,			
	2022		2021	
<u>Revenue Type</u>	<u>Revenue</u>	<u>% of Revenues</u>	<u>Revenue</u>	<u>% of Revenues</u>
Software application	\$134,000	57%	\$462,000	100%
License fee	100,000	42%	-	0%
Consulting	2,492	1%	1,397	0%
Total Revenues	<u>\$236,492</u>	<u>100%</u>	<u>\$463,397</u>	<u>100%</u>

Concentrations

For the years ended December 31, 2022 and 2021, \$234,000 (98.95%) and \$462,000 (99.70%) of revenues were earned from a Company controlled by one of our majority stockholders, who is also our largest debt holder. These revenues are considered to be earned from a related party. During 2022, the agreement which generated revenues from the related party was terminated.

Also see Note 4 for Convertible Note – Related Party.

Research and Development

Research and development costs are charged to expense as incurred.

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Stock-Based Compensation

The Company accounts for our stock-based compensation under ASC 718 “*Compensation – Stock Compensation*” using the fair value-based method. Under this method, compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. This guidance establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity’s equity instruments or that may be settled by the issuance of those equity instruments.

The Company uses the fair value method for equity instruments granted to non-employees and use the Black-Scholes model for measuring the fair value of options.

The fair value of stock-based compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

When determining fair value, the Company considers the following assumptions in the Black-Scholes model:

- Exercise price,
- Expected dividends,
- Expected volatility,
- Risk-free interest rate; and
- Expected life of option

Income Taxes

The Company accounts for income tax using the asset and liability method prescribed by ASC 740, “*Income Taxes*”. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the year in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

The Company follows the accounting guidance for uncertainty in income taxes using the provisions of ASC 740 “*Income Taxes*”. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. As of December 31, 2022 and 2021, respectively, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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The Company recognizes interest and penalties related to uncertain income tax positions in other expense. No interest and penalties related to uncertain income tax positions were recorded for the years ended December 31, 2022 and 2021, respectively.

Basic and Diluted Earnings (Loss) per Share

Pursuant to ASC 260-10-45, basic loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the periods presented. Diluted loss per share is computed by dividing net loss by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

Potentially dilutive common shares may consist of common stock issuable for stock options and warrants, convertible notes and common stock issuable (using the treasury stock method or the if-converted method, as applicable). These common stock equivalents may be dilutive in the future.

At December 31, 2022 and 2021, respectively, the Company had convertible notes and related accrued interest that were convertible at fixed conversion ratios ranging from \$0.10 - \$0.20 per share.

Potential common stock equivalents at December 31, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Convertible notes payable and accrued interest	<u>35,249,468</u>	<u>4,902,495</u>
Total common stock equivalents	<u><u>35,249,468</u></u>	<u><u>4,902,495</u></u>

These common stock equivalents were not included in diluted earnings per share as they would be anti-dilutive due to the Company's net loss for the years ended December 31, 2022 and 2021, respectively.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs are included as a component of general and administrative expense in the statements of operations.

The Company recognized \$39,114 and \$121,766 in marketing and advertising costs during the year December 31, 2022 and 2021, respectively.

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Related Parties

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Recent Accounting Standards

Changes to accounting principles are established by the FASB in the form of Accounting Standards Updates ("ASU's") to the FASB's Codification. We consider the applicability and impact of all ASU's on our financial position, results of operations, stockholders' deficit, cash flows, or presentation thereof. Management has evaluated all recent accounting pronouncements as issued by the FASB in the form of Accounting Standards Updates ("ASU") through the date these financial statements were available to be issued and found no recent accounting pronouncements issued, but not yet effective accounting pronouncements, when adopted, will have a material impact on the financial statements of the Company.

In August 2020, FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity; Own Equity ("ASU 2020-06"), as part of its overall simplification initiative to reduce costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. Among other changes, the new guidance removes from GAAP separation models for convertible debt that require the convertible debt to be separated into a debt and equity component, unless the conversion feature is required to be bifurcated and accounted for as a derivative or the debt is issued at a substantial premium. As a result, after adopting the guidance, entities will no longer separately present such embedded conversion features in equity and will instead account for the convertible debt wholly as debt. The new guidance also requires use of the "if-converted" method when calculating the dilutive impact of convertible debt on earnings per share, which is consistent with the Company's current accounting treatment under the current guidance. The guidance is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption permitted, but only at the beginning of the fiscal year.

We adopted this pronouncement on January 1, 2022; however, the adoption of this standard did not have a material effect on the Company's financial statements.

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In May 2021, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2021-04, Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options. This new standard provides clarification and reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (such as warrants) that remain equity classified after modification or exchange. This standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Issuers should apply the new standard prospectively to modifications or exchanges occurring after the effective date of the new standard. Early adoption is permitted, including adoption in an interim period. If an issuer elects to early adopt the new standard in an interim period, the guidance should be applied as of the beginning of the fiscal year that includes that interim period.

We adopted this pronouncement on January 1, 2022; however, the adoption of this standard did not have a material effect on the Company’s financial statements.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the results of operations, stockholders’ equity (deficit), or cash flows.

Note 3 – Property and Equipment

Property and equipment consisted of the following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>Estimated Useful Lives (Years)</u>
Office equipment	\$ 10,000	\$ 10,000	5
Furniture	3,500	3,500	5
Computers	3,500	3,500	5
	<u>17,000</u>	<u>17,000</u>	
Less: accumulated depreciation	11,050	7,650	
Property and equipment - net	<u>\$ 5,950</u>	<u>\$ 9,350</u>	

Depreciation expense for the years ended December 31, 2022 and 2021 was \$3,400 and \$3,400, respectively.

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Note 4 – Convertible Notes Payable, Convertible Notes Payable – Related Party, Notes Payable, Debt Discount and Debt Issue Costs

The Company has issued several unsecured convertible notes. Certain of these convertible notes contained beneficial conversion features due to the existence of fixed conversion rates (\$0.10 or \$0.20/share), which at the time of issuance were lower than the quoted closing trading price of the Company's common stock, resulting in the recording of a beneficial conversion feature ("BCF") at the commitment date. In connection with the adoption of ASC 2020-06, the Company no longer records BCF's on similar debt instruments.

In January 2021, the Company converted accounts payable of \$31,808 (recorded at December 31, 2020), and received an additional \$28,192, combining the total into a \$60,000, one (1) year convertible note. The note is unsecured, bears interest at 5% and is convertible at \$0.10/share.

Additionally, the Company paid common stock to a third party as debt issuance costs related to certain of these notes issued in 2020, at a rate of 1 share of common stock for each \$1 raised.

The debt issuance costs were calculated based upon the quoted closing trading price of the common stock on the issue date. These costs are a direct reduction of the related convertible note, and the related costs are amortized over the life of the note.

In July 2021, the Company extended all notes that had due dates on or before July 1, 2021 to December 31, 2021. As noted below, certain of these notes are in default. As a result of these defaults, there were no penalties or interest incurred.

As a result of the extension of the due date, and in accordance with ASC 470, a modification or an exchange of debt instruments that adds or eliminates a conversion option that was substantive at the date of the modification or exchange is considered a substantive change and is measured and accounted for as extinguishment of the original instrument along with the recognition of a gain or loss. Additionally, under ASC 470, a substantive modification of a debt instrument is deemed to have been accomplished with debt instruments that are substantially different if the present value of the cash flows under the terms of the new debt instrument is at least 10 percent different from the present value of the remaining cash flows under the terms of the original instrument. A substantive modification is accounted for as an extinguishment of the original instrument along with the recognition of a gain or loss. The Company has determined that the change in terms did not result in a debt modification or extinguishment.

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In July 2021, and prior to the adoption of ASC 2020-06, the Company issued several one (1) year, 12%, unsecured, convertible notes for \$200,000. These convertible notes contained beneficial conversion features due to the existence of fixed conversion prices of \$0.20/share, which at the time of issuance were lower than the quoted closing trading price of the Company's common stock, resulting in the recording of a beneficial conversion feature at the commitment date.

In 2021, the Company issued 336,664 shares of common stock in connection with the conversion of previously issued convertible notes and related accrued interest of \$39,081. Accordingly, there was no gain or loss debt extinguishment.

The following represents a summary of these convertible notes, key terms, and outstanding balances at December 31, 2022 and 2021, respectively:

Terms	2019/2020 Convertible Notes Payable	2021 Convertible Notes Payable		
Issuance date of notes	Various 2019/2020	July 2021		
Maturity dates	December 31, 2021	March 31, 2023/ ** January 31, 2024 **		
Interest rate	12%	12%		
Collateral	Unsecured	Unsecured		
Conversion rate	\$0.10 - \$0.20/share	\$0.20/share		
Common stock issued as debt issuance costs	220,000 shares	None		
			Total	In-Default
Balance - December 31, 2020	\$ 428,859	\$ -	\$428,859	<u>\$ 200,000</u>
Proceeds	-	200,000	200,000	
Debt discount	-	(200,000)	(200,000)	
Amortization of original issue debt discount	23,841	97,945	121,786	
Stock issued in connection with debt settlement	(35,000) *	-	(35,000)	
Balance - December 31, 2021	417,700	97,945	515,645	\$ 417,700
Amortization of original issue debt discount	-	102,055	102,055	
Balance - December 31, 2022	<u>\$ 417,700</u>	<u>\$ 200,000</u>	<u>\$617,700</u>	<u>\$ -</u>

* See note 5 regarding conversion of debt to equity.

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** During 2023, the Company's convertible note holders agreed to extend the maturity date of these notes to March 31, 2023 (\$39,700) and January 31, 2024 (\$578,000), respectively. The maturity date extensions were not substantive, and as a result of the change in terms, did not result in debt modification or extinguishment, which did not have any impact on the financial statements. The \$39,700 of notes plus accrued interest of \$10,206 (aggregate \$49,906) was converted into 473,955 shares of common stock. Accordingly, there was no gain or loss upon debt conversion.

The following represents a summary of the convertible note payable – related party, key terms, and outstanding balances at December 31, 2022 and 2021, respectively:

Terms	Convertible Note Payable Related Party
Issuance date of notes	2021 - 2022
Maturity dates	July 31, 2025
Interest rate	6%
Collateral	Unsecured
Balance - December 31, 2020	\$ -
Proceeds	28,192
Conversion of accounts payable into convertible note	31,808
Debt discount	(60,000)
Amortization of original issue debt discount	59,342
Balance - December 31, 2021	59,342
Amortization of original issue debt discount	658
Proceeds	518,500
Balance - December 31, 2022	\$ 578,500

On December 30, 2022, the Company executed an agreement with this lender which added a conversion option allowing for the conversion of \$578,500 of principal and \$19,153 of related accrued interest totaling \$597,653 into 31,000,000 shares of common stock (\$0.1928/share), at the option of the holder. On the date of modification, the Company determined that the present value of the cash flows of the modified debt instrument (including accrued interest) was greater than 10% different from the present value of the remaining cash flows under the original debt instruments.

This lender has been classified as a related party as it represents the Company's largest debt holder, is a significant stockholder and controls a company from which the Company derives the significant majority of its revenues (99.7% - year ended December 31, 2022).

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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Additionally, the Company determined that the addition of the conversion option was substantive on the date of modification, resulting in a loss on debt extinguishment of \$1,705,000 as follows:

Debt - prior to modification	\$ 597,653
Debt - after modification	<u>2,302,653</u>
Loss on debt extinguishment	<u><u>\$ (1,705,000)</u></u>

Since this note became convertible in 2022, classification terminology on the accompanying balance sheets for this note changed from note payable – net – related party (year end 2021) to convertible note payable – net – related party (year end 2022).

Note 5 – Stockholders’ Deficit

The Company has one (1) class of stock:

Common Stock

- 70,000,000 shares authorized
- \$0.01 par value
- Voting at 1 vote per share

Authorized Shares of Common Stock

In 2021, the Company’s Board of Directors approved an amendment to its Articles of Incorporation to increase its authorized shares of common stock from 50,000,000 to 70,000,000 shares, the amendment was formally approved by the State of Pennsylvania in 2021.

In 2022, the Company’s Board of Directors approved an amendment to its Articles of Incorporation to increase its authorized shares of common stock from 70,000,000 to 150,000,000 shares. The amendment was formally approved by the State of Pennsylvania in 2023.

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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Equity Transactions for the Year Ended December 31, 2022

Conversion of Common Stock Payable to Common Stock

The Company issued 417,800 shares of common stock having a fair value of \$83,560, in connection with amounts previously owed to a third-party service provider. See Note 2.

Stock Issued for Services and related Common Stock Issuable – Consulting Agreement

In September 2022, the Company authorized for issuance 250,000 shares of common stock for services rendered, having a fair value of \$22,000 (\$0.088/share), based upon the quoted closing trading price of the Company's common stock, which was expensed, and included as a component of general and administrative expenses on the statements of operations.

At December 31, 2022, these shares had been approved for issuance by the Board of Directors, however, these shares had not been issued by the transfer agent and remain a component of common stock issuable as reflected in the accompanying balance sheets. These shares were issued in 2023. See table summary below.

The issuance of these shares is pursuant to a joint marketing and technology licensing agreement. The Company and this third party have agreed to cross advertise and market each other's services. The Company will license its technology (dashboard) to be integrated into the service providers digital network. The service provider will assume various responsibilities such as: identifying strategic distribution with existing relationships, generate sales to existing Company customers as well as new business development, promoting the Company and its products within its existing network. Each party is responsible for its own costs and expenses related to supporting their standalone technology and marketing materials. Under this agreement, each party has granted to the other a non-exclusive, non-transferrable, royalty free license to use each other's trade names, trademarks, logos and service marks. The agreement has an initial term of five (5) years, with an option for additional five (5) year renewals.

Compensation

Stock

In accordance with the agreement, shares of common stock will be issued when the Company's stock price exceeds certain pricing over a thirty (30) day period (in the first year of the agreement only – through September 2023) as follows:

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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<u>Shares Earned</u>	<u>Price per Share</u>	<u>Date Earned</u>
250,000	Upon issuance	September 2022
250,000	\$ 0.35	N/A
250,000	\$ 0.55	N/A
250,000	\$ 0.75	N/A
250,000	\$ 1.00	N/A
250,000	\$ 1.25	N/A
250,000	\$ 1.50	N/A
250,000	\$ 2.00	N/A
<u>2,000,000</u>		

Shared Revenues

The Company and the service provider are entitled to a commission of 35% of the gross revenues for selling each other's products/services. At December 31, 2022, no amounts have been earned or are due.

Other

15% processing fee of all kiosk/advertising revenues from the service provider. Specifically, the integration of our YSO wallet into the service providers kiosk technology. At December 31, 2022, no amounts have been earned or are due.

Stock Issued for Services – Related Parties

The Company issued 1,000,000 shares of common stock for services rendered by its Board of Directors, having a fair value of \$199,000 (\$0.199/share), based upon the quoted closing trading price of the Company's common stock, which was expensed, and included as a component of general and administrative expenses on the statements of operations.

Equity Transactions for the Year Ended December 31, 2021

Stock Issued for Services

The Company issued 3,860,000 shares of common stock for services rendered, having a fair value of \$1,223,315 (\$0.2644-\$0.44/share), based upon the quoted closing trading price of the Company's common stock, which was expensed, and included as a component of general and administrative expenses on the statements of operations.

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Conversion of Debt into Common Stock

In March 2021, the Company issued 56,250 shares of common stock to settle the conversion of a convertible note and related accrued interest of \$11,125. Accordingly, there was no gain or loss on debt extinguishment.

In July 2021, the Company issued 280,414 shares of common stock to settle the conversion of convertible notes and related accrued interest of \$27,956. Accordingly, there was no gain or loss on debt extinguishment.

Stock Issued related to Common Stock Issuable

The Company owed common stock to various parties. These shares were issued separately for cash, services rendered, and research and development expenses. These shares of common stock were never issued yet remained due to the vendor. These shares are considered issuable and are included as a component of earnings (loss) per share. Once the related common stock is issued, the common stock issuable is reduced accordingly at par value and reclassified to common stock.

In 2021, the Company issued 10,000,000 shares of common stock, having a fair value of \$100,000 (\$0.01/share) that were previously issuable to officers and directors. The issuance of these shares resulted in a net effect on stockholders' deficit of \$0.

Common stock issuable at December 31, 2022 and December 31, 2021 was as follows:

	<u>Shares</u>	<u>Amount</u>
Balance - December 31, 2020	10,270,000	\$102,700
Issuance of common stock previously issuable	(10,000,000)	(100,000)
Issuance of common stock for services	1,000,000 *	10,000
Balance - December 31, 2021	1,270,000	12,700
Issuance of common stock previously issuable	(1,000,000) *	(10,000)
Issuance of common stock for services	250,000 **	2,500
Balance - December 31, 2022	<u>520,000</u>	<u>\$ 5,200</u>

*The Company authorized for issuance 1,000,000 shares of common stock for services rendered by a third party, having a fair value of \$299,000 (\$0.299/share), based upon the quoted closing trading price. These shares were issued in 2022.

**The Company authorized for issuance 250,000 shares of common stock for services rendered by a third party, having a fair value of \$22,000 (\$0.0880/share), based upon the quoted closing trading price.

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 6 – Commitments

2021 Transactions

General Business Advisory and Public Relations

In January 2021, the Company entered into a six (6) month agreement to issue up to 400,000 shares of common stock, payable as follows:

100,000 shares at the inception of the agreement (earned January 2021),
100,000 shares when the stock price equals \$0.25 (earned January 2021),
100,000 shares when the stock price equals \$0.35 (earned January 2021); and
100,000 shares when the stock price equals \$0.50 (earned July 2021).

During 2021, the Company issued 200,000 shares of common stock having a fair value of \$88,000 based upon the quoted closing trading price (\$0.44/share) and owed 100,000 shares of common stock having a fair value of \$44,000, based upon the quoted closing trading price (\$0.44/share). These unissued 100,000 shares and related value of \$44,000 has been included as a component of common stock payable as they have not yet been approved for issuance.

The final 100,000 shares were earned on July 1, 2021, as this represented the first day where the stock closed above \$0.50. On this date, the stock had a quoted closing trading price of \$0.6899/share, resulting in a fair value of \$68,990. At December 31, 2021, these unissued shares are due and considered a component of common stock payable as they have not yet been approved for issuance.

The Company also was required to pay \$2,750/month over the term of the agreement. At December 31, 2021, \$1,250 remained due, which was paid in 2022.

Website and Application Product Development

In March 2021, the Company entered into a one (1) year agreement to issue up to 500,000 shares of common stock, payable as follows:

100,000 shares at the inception of the agreement (earned March 2021),
400,000 shares when all services have been rendered in full (not yet earned).

The Company owed 100,000 shares of common stock having a fair value of \$33,800, based upon the quoted closing trading price (\$0.338/share). These shares have not yet been issued to the consultant and are a component of common stock payable.

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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In 2022, at the one (1) year anniversary, the Company terminated the agreement with the service provider for nonperformance. As a result, the remaining 400,000 shares are unable to be earned.

Media Services

In May 2021, the Company entered into a six (6) month agreement to issue 417,800 shares of common stock, payable upon the completion of services. All services were earned in November 2021.

At December 31, 2021, the Company owed 417,800 shares of common stock having a fair value of \$83,560, based upon the quoted closing trading price (\$0.20/share). These shares were issued in 2022.

Note 7 – Right of Use Operating Lease

We determine if an arrangement is a lease, or contains a lease, at inception and record the leases in our financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor.

We have a lease agreement with lease and non-lease components and have elected to utilize the practical expedient to account for lease and non-lease components together as a single combined lease component, from both a lessee and lessor perspective with the exception of direct sales-type leases and production equipment classes embedded in supply agreements. From a lessor perspective, the timing and pattern of transfer are the same for the non-lease components and associated lease component and, the lease component, if accounted for separately, would be classified as an operating lease.

We have elected not to present short-term leases on the balance sheet as these leases have a lease term of 12 months or less at lease inception and do not contain purchase options or renewal terms that we are reasonably certain to exercise. All other lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Because our lease does not provide an implicit rate of return, we used our incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments.

In general, leases, where we are the lessee, may include options to extend the lease term. These leases may include options to terminate the lease prior to the end of the agreed upon lease term. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise such options.

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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Lease expense for operating leases is recognized on a straight-line basis over the lease term as cost of revenues or operating expenses depending on the nature of the leased asset. Certain operating leases provide for annual increases to lease payments based on an index or rate. We calculate the present value of future lease payments based on the index or rate at the lease commencement date.

Differences between the calculated lease payment and actual payment are expensed as incurred. Amortization of finance lease assets is recognized over the lease term as cost of revenues or operating expenses depending on the nature of the leased asset.

Interest expense on finance lease liabilities is recognized over the lease term in interest expense.

In February 2021, the Company executed a two (2) year operating lease agreement for its office space. Gross payments over the term of the lease are as follows:

<u>Payments Year Ended December 31,</u>	
2023	<u>1,860</u>
	<u>\$ 1,860</u>

The lease has an option to renew for 3 additional one (1) year periods with an increase of 4% in annual rent. At lease inception, based on historical operations, the Company does not believe the renewal options will be executed.

Effective January 31, 2023, the lease expired and the one (1) year option was not executed. The Company is currently leasing its office space on a month-to-month basis.

The tables below present information regarding the Company's operating lease assets and liabilities at December 31, 2022 and 2021, respectively;

PENNEXX FOODS, INC.
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	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Assets</u>		
Operating lease - right-of-use asset - non-current	\$ 1,940	\$ 25,221

<u>Liabilities</u>		
Operating lease liability	\$ 1,848	\$ 26,158
Weighted-average remaining lease term (years)	0.00	1.00
Weighted-average discount rate	8%	8%

The components of lease expense were as follows:

Operating lease costs

Amortization of right-of-use operating lease asset	\$ 23,281	\$ 21,340
Lease liability expense in connection with obligation repayment	1,110	2,931
Total operating lease costs	\$ 24,391	\$ 24,272

Supplemental cash flow information related to operating leases was as follows:

Operating cash outflows from operating lease (obligation payment)	\$ 24,310	\$ 20,404
Right-of-use asset obtained in exchange for new operating lease liability	\$ -	\$ 46,561

Future minimum lease payments required under leases that have initial or remaining non-cancelable lease terms in excess of one year at December 31, 2022:

2023	1,860
Total undiscounted cash flows	1,860
Less: amount representing interest	(12)
Present value of operating lease liability	1,848
Less: current portion of operating lease liability	(1,848)
Long-term operating lease liability	\$ -

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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Note 8 – Income Taxes

The Company's tax expense differs from the "expected" tax expense for the period (computed by applying the blended corporate and state tax rates of 28.89% to loss before taxes), are approximately as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Federal income tax benefit - 18.9%	\$ (500,000)	\$ (419,000)
State income tax benefit - 9.99%	(264,000)	(221,000)
Non-deductible items	493,000	6,000
Subtotal	(271,000)	(634,000)
Change in valuation allowance	271,000	634,000
Income tax benefit	<u>\$ -</u>	<u>\$ -</u>

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities at December 31, 2022 and 2021, respectively, are approximately as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Amortization of ROU lease	\$ (7,000)	\$ -
Amortization of debt discount	22,000	52,000
Share based payments	376,000	440,000
Net operating loss carryforwards	10,607,000	10,436,000
Total deferred tax assets	10,998,000	10,928,000
Less: valuation allowance	(10,998,000)	(10,928,000)
Net deferred tax asset recorded	<u>\$ -</u>	<u>\$ -</u>

Deferred tax assets and liabilities are computed by applying the federal and state income tax rates in effect to the gross amounts of temporary differences and other tax attributes, such as net operating loss carryforwards. In assessing if the deferred tax assets will be realized, the Company considers whether it is more likely than not that some or all of these deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period in which these deductible temporary differences reverse.

During the year ended December 31, 2022, the valuation allowance increased by approximately \$70,000. The total valuation allowance results from the Company's estimate of its uncertainty in being unable to recover its net deferred tax assets.

PENNEXX FOODS, INC.
NOTES TO FINANCIAL STATEMENTS
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At December 31, 2022, the Company has federal and state net operating loss carryforwards, which are available to offset future taxable income, of approximately \$36,714,000 (gross total) (approximately \$10,607,000 at the blended tax rate). The Company is in the process of analyzing their NOL and has not determined if the Company has had any change of control issues that could limit the future use of these NOL's. NOL carryforwards that were generated after 2017 of approximately \$10,607,000 may only be used to offset 80% of taxable income and are carried forward indefinitely. NOL's generated prior to December 31, 2017 expire through 2037.

These carryforwards may be subject to an annual limitation under Section 382 and 383 of the Internal Revenue Code of 1986, and similar state provisions if the Company experienced one or more ownership changes which would limit the amount of NOL and tax credit carryforwards that can be utilized to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382 and 383, results from transactions increasing ownership of certain stockholders or public groups in the stock of the corporation by more than 50 percentage points over a three-year period. The Company has not completed an IRC Section 382/383 analysis. If a change in ownership were to have occurred, NOL and tax credit carryforwards could be eliminated or restricted.

If eliminated, the related asset would be removed from the deferred tax asset schedule with a corresponding reduction in the valuation allowance. Due to the existence of the valuation allowance, limitations created by future ownership changes, if any, will not impact the Company's effective tax rate.

The Company files corporate income tax returns in the United States and State of Pennsylvania jurisdictions. Due to the Company's net operating loss posture, all tax years are open and subject to income tax examination by tax authorities. The Company's policy is to recognize interest expense and penalties related to income tax matters as tax expense. At December 31, 2022 and 2021, respectively, there are no unrecognized tax benefits, and there were no significant accruals for interest related to unrecognized tax benefits or tax penalties.

Note 9 – Subsequent Events

Subsequent to December 31, 2022, the Company had the following subsequent events:

Convertible Debt

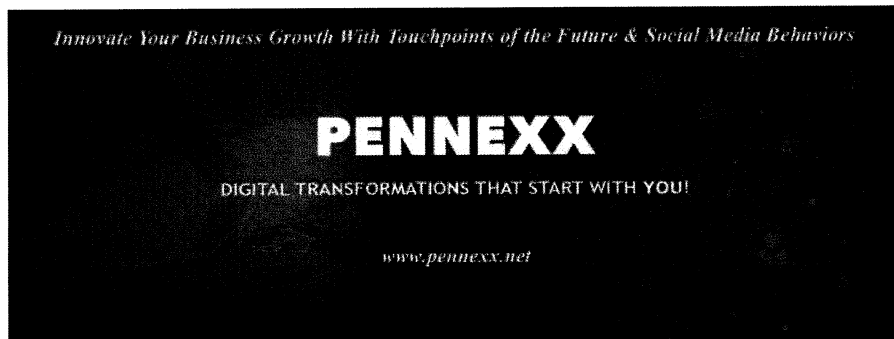
In January 2023, the Company executed a convertible promissory note for \$100,000. The notes bears at 8%, is due January 2024 and is unsecured. At the option of the holder, the debt is convertible at \$0.0375/share.

PENNEXX FOODS, INC.
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Convertible Debt – Related Party

During 2023, the Company received additional advances of \$73,500 under the same terms as the existing convertible note.

PENNEXX FOODS, INC.



2420 Enterprise Rd, Suite 107, Clearwater, FL 33763

Minutes of Meeting of Board of Directors September 19, 2022

A special meeting of the Board of Directors of Pennexx Foods, Inc. was held today, September 19, 2022, at the Pennexx Foods office at 2420 Enterprise Rd Suite 107, Clearwater FL. 33763. Present were the following CEO: Vincent Risalvato, Joseph Candito President, and by proxy vote, Board of Directors, Joseph Caruso, and Sunny Sweet..

Vincent Risalvato, CEO, Called the meeting to order at 2:30 pm.

Whereas the CEO and President of the company stated for the record the following matters.

Joseph Candito presented to the Board of Directors an agreement for a Joint Marketing / Licensing agreement with I Touch Network LLC.

The agreement includes, amongst other joint marketing and licensing terms, the issuance of stock up to 2,000,000 shares of 144 restricted common stock based on stock price point performances of the stock per the attached agreement to be issued to I Touch Network LLC.

Therefore, be it Resolved

- 1) The Board of Directors of Pennexx Foods, Inc. approves and execute the Joint Marketing / Licensing agreement with I Touch Network, LLC.
- 2) There being no further business to come before the meeting, the meeting was adjourned at approximately 3:15.

Vincent Risalvato, CEO / Secretary
Pennexx Foods, Inc.

JOINT MARKETING AND TECHNOLOGY LICENSING AGREEMENT

THIS JOINT MARKETING AND LICENSING AGREEMENT ("Agreement") is made as of September 16, 2022 (the "Effective Date"), by and between **ITouchNetwork, LLC or assigned network "ITN"**, a Florida Limited Liability Company with its principal business address at 7512 Dr. Phillips Blvd Suite 200 Orlando, FL 32819 ("ITN" or "ITouch Digital Locations"), and **Pennexx Foods Inc. or their assigned network, ("Pnnx")**, a Pennsylvania corporation with a principal business address of 2450 Enterprise Rd. suite 107 Clearwater Florida 33763.

RECITALS

WHEREAS, ITN is in the business of providing various marketing, advertising, ticketing (collectively, the "Services"); and other services, including through digital kiosks and concierge desks located at hotels, resorts and other sites (collectively, the Location),

WHEREAS, each Location is capable of advertising and marketing to attract an end-user consumer ("Consumer") to offer discount coupons or to purchase a product, service or ticket.

WHEREAS, "Pnnx" offers various advertising and online marketing services to Consumers and businesses through landing pages, , Merchant Dashboards for digital and social media marketing and websites to various discount shopping networks and other related markets across the U.S.A. (collectively, "Pnnx" Services"); and

WHEREAS, "Pnnx", has developed propriety software utilized in digital marketing through social media and other forms of digital and internet advertising along with a merchant dashboard designed around merchant utilization in digital and Social Media advertising which will be integrated within the ITN software to provide a digital wallet and other features which will be licensed to TransFirst, and

WHEREAS, "Pnnx" offers to engage its existing and potential customers ("Advertisers" or "Locations," respectively) and solicit placement of the ITN Locations with such Advertisers and Locations, through written agreements between ITN and such parties, and agrees to share advertising and other technology revenue from, and pay compensation to ITN based on qualifying advertising revenue and ticket sales resulting from use of the technology and other related marketing services, under the terms and conditions set forth in this Agreement;

WHEREAS, ITN is developing a mobile app and an Internet web site that will be integrated with the Location so that a Consumer can utilize a Location or the Internet to download content similar to that on a physical Location and receive the Location Services from and after the Consumer leaves the Orlando area. ITN and "Pnnx" will market the ITN digital platform to advertisers, Location site owners, and Consumers on a best-efforts basis and share revenue therefrom in accordance with Exhibit A;

WHEREAS, "Pnnx" will license technology to ITN, including but not limited to a mobile wallet, Internet web site discount shopping network, Gifting/Donations platform and a merchant dashboard that will be integrated with the ITN digital Network to provide a

JOINT MARKETING AND TECHNOLOGY LICENSING AGREEMENT

wallet and other additional technology features and will market the digital network to advertisers, Location site owners, merchants and Consumers on a best-efforts basis and share revenue therefrom in accordance, and

WHEREAS, the Parties agree to a compensation arrangement in accordance with the commission schedules set forth on Exhibit A.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ITN and "Pnnx" ("Parties") agree as follows:

1. **Scope of Engagement.** Except as otherwise specifically set forth herein, each Party agrees to fulfill its responsibilities under this Agreement at its own cost and expense. During the term of this Agreement, "Pnnx" shall assist ITN in the placement of its Locations and solicit advertisers and Consumers for the above stated purposes.

(a). Further Activities of ITouchNetwork: i). Utilizing either full size (over 6 ft w/43" screen), or countertop sized digital Locations that adhere to both Parties' specifications, ITN shall provide, at its sole cost and expense, hardware for each designated Location, so long as the location owner signs a KLA; ii). Each Location may be programmed to include category advertising, B roll video advertising, attraction and event ticket sales, vacation options, etc.; iii). Consumer transaction data, as permitted by applicable law, shall be shared by the Parties providing analytics and customer data. Notwithstanding the foregoing, the Consumer data resulting directly from Location, mobile app, or web site transactions shall be owned by ITN but may be shared with "Pnnx" in accordance with the foregoing. If either party is notified or becomes aware of a Consumer's opt-out marketing election, it shall inform the other Party and immediately cease any marketing or advertising activities in accordance with applicable laws. The Parties agree that all marketing efforts will comply with applicable consumer and privacy laws. ITN will market the ITN Location, ITN digital Network, mobile app, and web site address to provide the Location Services in direct mail, display, and Internet marketing material. Additionally, ITN shall, on a best-efforts basis:

- i. Develop its mobile app and web site to deliver the Location Services.
- ii. Be responsible for timely supply and installation of Locations.
- iii. Provide customer service support for Locations.
- iv. And all other future hardware and software

(b). Further Activities of both parties: "Pnnx" and "ITN" shall, on a best efforts basis:

- i. Introduce ITN to Advertisers and Locations acceptable to TransFirst, , and materially participate in the solicitation of such Advertisers and Locations,

JOINT MARKETING AND TECHNOLOGY LICENSING AGREEMENT

whereby ITN may provide such Advertisers and Locations with Location Services for which "Pnnx" shall be entitled to compensation as set forth in Exhibit A. It is agreed that all Advertisers and Locations brought to ITN by "Pnnx" will remain accounts of both ITN and "Pnnx" during the term of this Agreement and after the termination of this Agreement.

- ii. Assist ITouch Digital Locations in setting up strategic distribution with "Pnnx" existing print distribution relationships as well as leverage other "Pnnx" relationships and locations.
 - iii. Generate sales as part of "Pnnx"'s current online advertising offering to its existing Advertisers as well as new business development.
 - iv. Promote ITouch Digital Locations
 - v. Jointly launch ITouch Digital Locations into (TBD)of "Pnnx"'s future hotel locations. Jointly promote the ITouch Digital Locations advertising platform to "Pnnx" active advertisers (TBD)
 - vi. Jointly promote each other's product as appropriate.
 - vii. Share information, as permitted by applicable law, regarding existing advertising partners with the intent to jointly market to such Client and Locations.
 - viii. Facilitate attraction and other ticket sales utilizing TransFirst's Locations, mobile app, and online portals to be linked to "Pnnx" fulfillment portal
 - ix. ITN will actively promote "Pnnxs marketing and digital services as appropriately with new and existing clients.
 - x. Each party shall maintain and support their integrated and standalone technology at their own cost.
 - xi. Each party will be responsible for marketing materials and pricing structure of their products.
2. **Tracking of Users and Reporting.** Within five (5) business days after the end of each calendar month during the Term, the Parties will provide each other with (or provide access to) a monthly report of analytics, data, and transactions supporting the compensation due under Exhibit A and a net payment calculation which shall be paid by ACH or wire transfer, initiated within ten (10) calendar days after payment received by advertiser by the appropriate Party who owes the other a positive net monthly payment. If there is a dispute as to the monthly net payment amount, the undisputed net monthly payment shall be made and the Parties agree to work quickly and amicably to resolve the disputed amount.
- (a). Right to Audit. Each Party shall authorize the other to make such reasonable inquiry and obtain such summary reports directly from the Parties or any third party (Client, Prospect, or advertiser) as are necessary to periodically audit and verify the accuracy of the compensation due and paid under this Agreement.
3. **Confidentiality of Information.**

JOINT MARKETING AND TECHNOLOGY LICENSING AGREEMENT

Non-Circumvention. Unless otherwise set forth in this Agreement, the Parties agree that trade secret or confidential information obtained from either of them ("Owner") shall not be used for the enrichment, directly or indirectly, of the other Party or its affiliates ("Recipient"), without the express written consent of Owner. The Parties further agree that following the receipt of any trade secret or confidential information from its Owner, the Recipient shall not contract or attempt to sell to, transact with, sell to or through, or purchase from Owner-provided sources based on such trade secrets or confidential information, without the written permission from Owner unless (i) a business relationship between recipient and Owner-provided source predated this Agreement; and (ii) Recipient can substantiate ongoing business negotiations documented by exchanges specific to the Owner-disclosed information between Recipient and the Owner-provided source prior to the date of the signing of this Agreement; or (iii) proper compensation is paid as due under Exhibit A hereof.

It is the expressed intent of the Parties that "Pnnx" freely and openly disclose and introduce potential and existing Advertisers of "Pnnx" to ITN knowing that this Agreement prohibits ITN from using such introduction or disclosure of "Pnnx" Confidential Information to provide Location Services to the disclosed or introduced Advertisers or Locations of "Pnnx" in such a manner as would intentionally circumvent "Pnnx". It is also the expressed intent of the Parties that ITN freely and openly disclose its trade secrets and confidential information about its Location Services, knowing that this Agreement prohibits "Pnnx", and its affiliates, from using that information to circumvent this Agreement or the rights of ITN in such information, including the prohibition against developing a competing Location using trade secrets or confidential information gained through this relationship.

Injunctive Relief. Each Party acknowledges and agrees that any use or disclosure of Confidential Information by the Party in a manner inconsistent with the provisions of this Agreement may cause another Party harm which will not be compensable by monetary damages alone and, accordingly, such other Party will, in addition to other available legal or equitable remedies, be entitled to seek an immediate injunction restraining the disclosing Party from committing or continuing to commit a breach. A Party may avail itself of injunctive relief in addition and without prejudice to any other remedies available to it.

Survival. This Section 3 will survive the termination or expiration of this Agreement.

4. "Pnnx" and ITN Obligations.

(a). "Pnnx" Covenants. Unless otherwise approved in writing by "ITN", "Pnnx" will, and will cause its employees and agents to: (a) act at all times in connection with the Location Services in accordance with all applicable governmental laws, rules and regulations and in a manner that reflects favorably at all times on the Location Services and the good name, goodwill and reputation of "ITN"; avoid deceptive, misleading or unethical practices that are or might be detrimental to ITN; (c) make no false or misleading representations with regard to ITN or the Location Services; (d) not publish or employ, or cooperate in the publication or employment of, any misleading or deceptive advertising material with regard to ITN or the Location Services; and (e) make no

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representations, warranties or guarantees with respect to the Location Services that are inconsistent with marketing material distributed or approved by ITN or the KLA between ITN and customers of the Location Services ("Location Service Customers").

(b). ITNCovenants. Unless otherwise approved in writing by "Pnnx", ITN will, and will cause its employees and agents to: (a) act at all times in connection with the Location Services in accordance with all applicable governmental laws, rules and regulations and in a manner that reflects favorably at all times on the Location Services and the good name, goodwill and reputation of "Pnnx"; (b) avoid deceptive, misleading or unethical practices that are or might be detrimental to "Pnnx"; (c) make no false or misleading representations with regard to "Pnnx" or the "Pnnx" Services; (d) not publish or employ, or cooperate in the publication or employment of, any misleading or deceptive advertising material with regard to "Pnnx" or the "Pnnx" Services; and (e) make no representations, warranties or guarantees with respect to the "Pnnx" Services that are inconsistent with marketing material distributed or approved by "Pnnx" or the written "Pnnx" Services agreement between "Pnnx" and customers of the "Pnnx" Services ("Pnnx" Services Customers").

(c). ITouchNetwork Intellectual Property and Location Service Customer Information. It is expressly understood and agreed that, as between ITN and "Pnnx", all right, title and interest owned by ITN in any trademarks, service marks, trade names, logos, commercial symbols, copyrights, patent rights, trade secret rights or any other intellectual property rights, or in licenses of any such rights (collectively, "ITN Intellectual Property"), and all rights to the Location Service Customer Information, not otherwise set forth in this Agreement, shall be and remain the sole and exclusive property of ITN. All rights not expressly granted to "Pnnx" in this Agreement with respect to ITN Intellectual Property or the Location Service Customer information are reserved to ITN.

(d). "Pnnx" Intellectual Property and "Pnnx" Services Customer Information. It is expressly understood and agreed that, as between "Pnnx" and "ITN", all right, title and interest owned by "Pnnx" in any trademarks, service marks, trade names, logos, commercial symbols, copyrights, patent rights, trade secret rights or any other intellectual property rights, or in licenses of any such rights (collectively, "'Pnnx" Intellectual Property"), and all rights to the "Pnnx" Service Customer information, not otherwise set forth in this Agreement, shall be and remain the sole and exclusive property of "Pnnx". All rights not expressly granted to ITN in this Agreement with respect to "Pnnx" Intellectual Property or the "Pnnx" Services Customer information are reserved to "Pnnx".

(e). Right to Use the Other Party's Intellectual Property. Notwithstanding the foregoing, each Party grants to the other a non-exclusive, non-transferable, royalty-free license to use each other's trade names, trademarks, logos and service marks (collectively Marks) in connection with the performance of this Agreement. Neither Party shall use any of the other Party's Marks for any purpose not set forth herein without first obtaining the prior written advance consent of the Party whose Marks are to be used. Neither Party will alter or permit alteration of, or remove or modify or permit removal or modification of, any of the other Party's, or other identifying marks placed by the other Party or its agents on the products or associated documentation or literature, without the other Party's prior written approval.

5. **Liability and Indemnification.**

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(a). **"Pnnx" Indemnification.** "Pnnx" shall indemnify and hold harmless ITN against and from any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by ITN by reason of a third party claim, demand, action, suit or charge seeking damages or other remedies or compensation based on or arising out of: (a) any willful breach by "Pnnx" of this Agreement; (b) the intentional inaccuracy of any warranty or representation made by "Pnnx" in this Agreement; or (c) "Pnnx"'s willful violation of any law, rule or regulation in connection with its duties under this Agreement or the promotion of the Location Services or the "Pnnx" Services.

(b). **ITN Indemnification.** ITN shall indemnify and hold harmless "Pnnx" against and from any and all damages, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by "Pnnx" by reason of a third party claim, demand, action, suit or charge seeking damages or other remedies or compensation based on or arising out of: (a) any willful breach by ITN of this Agreement; (b) the intentional inaccuracy of any warranty or representation made by ITN in this Agreement; or (c) ITouchNetwork's willful violation of any law, rule or regulation in connection with its duties under this Agreement or promotion of the "Pnnx" Services or the Location Services.

(c). **LIMITATION OF LIABILITY.** THE PARTIES AGREE THAT IN NO EVENT SHALL "Pnnx" OR ITN BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, CONSEQUENTIAL, PUNITIVE, OR OTHER INDIRECT DAMAGES OF ANY NATURE, FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, THE BREACH OF THIS AGREEMENT OR ANY EXPIRATION OR TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL EITHER PARTY (I) BE LIABLE FOR LOST PROFITS OR LOST BUSINESS OPPORTUNITIES ARISING OUT OF THE TERMINATION OF THIS AGREEMENT, OR (II) BE LIABLE FOR DAMAGES OR ALLEGED DAMAGES HEREUNDER, WHETHER IN CONTRACT, TORT OR ANY OTHER LEGAL THEORY, THAT EXCEED THE AMOUNTS REQUIRED TO BE PAID BY EITHER PARTY TO THE OTHER HEREUNDER.

6. Term and Termination. Subject to earlier termination by either Party as set forth in this Agreement, the term of this Agreement shall be for) Five year for the first agreement and then to be updated for a longer term. ("Term") with automatic 5 year renewals without notice, unless a 30-day prior written notice of termination at maturity is provided by either Party.

(a). **Termination for Cause.** If either Party materially defaults in the performance of any provision of this Agreement, and such default is not cured within 60 days after the non-defaulting Party gives the defaulting Party written notice of such default, then the non-defaulting Party shall be entitled to terminate the Agreement immediately upon written notice of termination to the defaulting Party.

(b). **Effect of Termination.** Termination shall not relieve either Party of any obligations incurred prior to the termination. Upon termination, each Party agrees to (i) cease all promotions of the other Party's services; (ii) cease all use of the other Party's technology and Marks; and (iii) cease making the Other Party's services available in or through a mobile app, website, Location or otherwise, and upon request, to promptly

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destroy or return all copies (electronic or written) of the content, technology, and any other confidential or proprietary information in that Party's possession or control. Without limiting the foregoing in any way, the Parties agree that following termination, each Party may continue to make their products/services available directly to users subscribing to the product/service prior to termination and advertisers with whom they have written agreements, without any liability or obligation to the other Party.

7. **Non-Solicitation.** Each Party is specifically prohibited from engaging in any attempt whatsoever, to hire as employee, engage as independent contractor, or in any other way secure the services of the employees or independent contractors of the other Party during the term of this Agreement and for a period of twelve (12) months following expiration or termination of this Agreement, unless otherwise agreed by both Parties in writing.
8. **Publicity.** The Parties will cooperate to create appropriate public and promotional announcements or press releases relating to the relationship set forth in this Agreement. All public announcements by one Party which mention the other Party, but specifically excluding announcements which simply mention one Party as a customer or strategic marketer of the other Party, shall be subject to prior review and approval, which shall not be unreasonably withheld or delayed.
9. **Compliance with Law.** "Pnnx" and ITN shall comply with all applicable laws, ordinances, rules, regulations, and orders of any public authority bearing on the request for, and the performance of the Location Services and "Pnnx" Services hereunder, including without limitation, any applicable US state or federal laws.
10. **Independent Contractors.** The Parties to this Agreement are independent contractors. Neither Party is an agent, representative, or partner of the other Party. Neither Party shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other Party. This Agreement shall not be interpreted or construed to create an association, joint venture, partnership, franchise, sales, representative or employment relationship between the Parties or to impose any partnership obligation or liability upon either Party. Unless otherwise agreed in writing, each Party shall bear its own costs and expenses in performing this Agreement.
11. **Representations of Each Party.** Each Party represents and warrants to the other Party as follows:
 - (a) such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and has full corporate power and authority to enter into and perform all of its obligations under this Agreement and to grant to the other Party the rights granted herein;
 - (b) this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms.
 - (c) the execution, delivery and performance of this Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a Party or by which it may be bound, nor violate any material, applicable law; and
 - (d) each Party warrants that its services do not infringe upon the intellectual property or other rights of any third party.

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(e). Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, NEITHER PARTY MAKES AND EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PRODUCTS AND SERVICES CONTEMPLATED BY THIS AGREEMENT, INCLUDING ANY IMPLIED WARRANTY OF NONINFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

12. **No Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer on any person or entity, other than the parties to this Agreement, any right or benefit of any nature whatsoever.
13. **Non-waiver.** The waiver by any Party of a breach or violation of any provision of this Agreement shall not operate or be construed as a waiver of any other provision or any subsequent breach of the same provision. No waiver shall be binding unless executed in writing by the Party making the waiver.
14. **Governing Law.** The parties will endeavor to settle all disputes amicably. However, if no amicable settlement can be reached, all disputes arising out of or in connection with this Agreement shall be decided by binding arbitration. This Agreement shall be governed by, and construed in accordance with, the procedural and substantive law of the state of Florida. The proper jurisdiction and venue forum for disputes regarding this Agreement shall be the Federal and State courts of general jurisdiction in the state of Florida. By signing this Agreement, each Party does hereby consent to the personal and subject matter jurisdiction of the State and Federal courts of general jurisdiction in Orange County, Florida. Each Party also hereby agrees to accept service of process by mail at the notice address as provided in this Agreement for proceedings brought by the other regarding this Agreement.
15. **Arbitration.** The Parties will first try to resolve any conflict by mandatory mediation before a single, independent mediator mutually agreeable to the Parties. If a resolution cannot be achieved through such mediation, any controversy or claim arising out of or related to this Agreement shall be settled by binding arbitration. Unless otherwise agreed, the arbitration shall be conducted in Orange County, Florida, in accordance with the then current Commercial Rules of the American Arbitration Association, this Agreement and the substantive law of the State of Florida. Unless otherwise agreed, the arbitration shall be held before a single arbitrator at a mutually agreeable location in Orange County, Florida. If the parties cannot within thirty (30) days agree on the selection of the arbitrator, the arbitrator will be appointed by the Circuit Court of Orange County, Florida, in an action commenced to enforce this section. The arbitrator shall be chosen from a panel of attorneys knowledgeable in the field of business law in accordance with the then current Commercial Rules of the American Arbitration Association. Subject to the provisions of Section 16, the costs of the arbitration, including the fees to be paid to the arbitrator, shall be shared equally by the parties. The parties agree to permit discovery proceedings of the type provided by the Florida Rules of Civil Procedure both in advance of, and during recesses of, the arbitration hearings. The Parties agree that the arbitrator shall have no jurisdiction to consider evidence with respect to or render an award or judgment for punitive, consequential, incidental or exemplary damages (or any other amount awarded for the purpose of imposing a penalty). The Parties agree that all facts and other

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information relating to any arbitration arising under this Agreement shall be kept confidential to the fullest extent permitted by law. The Parties acknowledge that they have voluntarily agreed to arbitrate their disputes in accordance with the foregoing.

16. **Attorney's Fees.** Notwithstanding any interim allocation of fees pursuant to Section 15, in the event of litigation or arbitration arising out of, or in any way related to any term set forth in this Agreement, including, but not limited to, any proceeding brought under the United States Bankruptcy Code, the prevailing Party shall be entitled to recover from the losing Party, in addition to any other relief awarded, its reasonable attorney's fees, costs and expenses incurred at arbitration, at trial, on appeal and on petition for review.

17. **Force Majeure.** Neither Party will be liable to the other for any delay or interruption in performance as to any obligation hereunder resulting from governmental emergency orders, judicial or governmental action, emergency regulations, sabotage, riots, vandalism, labor strikes or disputes, terrorist acts, acts of God, fires, acts of third parties, or delays or interruptions in performance beyond its reasonable control.

18. **Miscellaneous.** Any inconsistencies or ambiguities shall not be interpreted for or against either Party. Should any provision of this Agreement be found for any reason to be illegal or unenforceable, the same shall not affect the validity of the remainder. This Agreement constitutes the entire understanding between the parties hereto and supersedes any and all prior or contemporaneous oral and written statements, representations or agreements from or between the parties, including, without limitation, any prior agreement between "Pnnx" and "ITN", except for the terms of the parties Mutual Non-Disclosure Agreement which shall remain in force and effect in accordance with its terms. If any provision of this Agreement is declared invalid by a court or arbitrator, then and in that event this Agreement shall be deemed to have been terminated only as to the portion thereof which relates to the provision invalidated by the judicial or arbitral decision, but this Agreement, in all other respects, shall remain in force. Neither the rights nor obligations arising under this Agreement are assignable or transferable by either Party without the prior written consent of the other Party, provided, however, that either Party may transfer all of its rights and obligations hereunder to an affiliated or successor company, and the other Party hereby consents to such transfer. This Agreement may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same agreement. All notices that either Party is required or may desire to serve upon the other Party shall be in writing and addressed to the Party to be served at the respective addresses set forth herein and shall be sent via U.S. Express Mail or private express courier service with confirmed receipt and will be effective upon receipt at the addresses listed herein (unless the Parties are notified in writing of a change in address, in which case notice will be sent to the new address). No waiver of any provision of this Agreement or any rights or obligations of either Party hereunder shall be effective, except pursuant to a written instrument signed by the Party waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing.

19. **Signatories.** This Agreement shall be signed on behalf of ITouchNetwork, LLC. by Scott Matthews, Managing Member, and on behalf of "Pnnx" by Joesph Candito / President.

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IN WITNESS WHEREOF, each of ITN. and "Pnnx" has caused this agreement to be signed and delivered by its duly authorized representative.

ITN., 1700 N. NETWORK, LLC "Pnnx", Pennexx Foods, Inc.

By (Sign)

Name Scott Matthews Title Manager Date 9/9/22

By (sign)

Joseph Candito Title: President Date 9/9/22

ITN Initials:

Pennexx Foods Inc.

Initials:

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Exhibit A

Compensation

As compensation for the services provided to the Parties under this Agreement:

ITN

Three Phase joint marketing and licensing agreement

Phase I

Licensing agreement:

The integration of "Pnnx" technology into the "ITN" Kiosk and marketing software, including but not limited to the Mobile Wallet and other features as designed by both party's integration:

Integration of "Pnnx" wallet into ITouchNetwork's Kiosk / digital marketing programs software (each party cover their own cost of integration)

15% equity fee to "Pnnx" for all business from all kiosk / advertising gross revenues / wallet issuing offers

Joint Marketing Compensation:

Each party will actively market each other's products and share revenues as follows:

35 % commission of gross revenue for selling each other's products and services. Each party will designate on how the commission is to be applied within their own network and sales force.

All revenues will continue through the life of this agreement and after the agreement is terminated, as long as the current customers utilizes each other services.

Stock incentive to utilize and integrate services of all the sponsorship agreements of the ITouchNetwork base of Clients:

Multiple Press Releases utilizing the agreements both parties have with clients and advertisers:

ITouchNetwork will assist "Pnnx" in communicating with the public, press release and other forms of communication to inform the Public of "Pnnx" and ITouchNetwork' of operations and partnerships with the joint partnership and client list.

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For the first three mutual Press Release informing the Public of the relationships of "Pnnx" and ITouchNetwork agreements with the Major parks, "Pnnx", will issue "144" restricted shares of 250,000 of common Stock at each of the following achievement levels of performance to ITouchNetwork, LLC:

250,000 at the signing of this Joint Marketing and Licensing Agreement

Milestones to receive additional "144" restricted shares of 250,000 common stock with a 12 month exercisable date from issue for each milestone reached over the first 12 months of this agreement (must maintain stock price over a thirty day period):

Stock price performance at:

\$ 0.35 per share

\$ 0.55 per share

\$ 0.75 per share

\$ 1.00 per share

\$ 1.25 per share

\$ 1.50 per share

\$ 2.00 per share

Some of the properties included but not limited to the following:

Jurassic Park exhibit

Dali exhibit

Da Vinci Exhibit

SeaWorld

Disney

ICON Park

DezerLand

Busch Gardens

Tampa Zoo

Enterprise / Alamo / Budget Rental Car

Expedia

Tripster

Mango's

And more

Phase II and III are expected follow up programs and this agreement is not contingent on the execution of the following.

Phase II Issuance of Stock for FirsTrans Market Makers / operations combination

Phase III Acquisition of I Touch into Pennexx ITN

LICENSE AGREEMENT

THIS AGREEMENT is made effective as of the date of execution below by and between Retail Benefits Inc., having a principal place of business at 36 Windward Isle, Palm Beach Gardens, Florida 33418 (hereinafter "RBI"), and Pennexx Foods, Inc, having its principal place of business at 2420 Enterprise Rd.suite 107 Clearwater, Florida 33763 (hereinafter "Licensee"):

WHEREAS, certain internet merchants offer on a restricted basis cashback, rebates, and other incentives; and

AND WHEREAS, such incentives are only available on an aggregated basis and not to individual shoppers; and

AND WHEREAS, RBI has developed unique and proprietary processes through which it can match individual purchasers to such incentives; and

AND WHEREAS, Licensee wishes to include RBI's services in the services Licensee offers to its own existing and prospective clients;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. Private Label Portal: RBI will make available to Licensee a private label version of RBI's portal as specified in the Statement of Work ("SOW") below.
2. Non-Guarantor: Neither Party is responsible for, controls, or guarantees: (a) any incentives (including the valuation, duration, or continuance thereof), that may be offered by an internet merchant or portal; (b) the website content, accuracy, pricing, or any other term (including warranties) offered by an internet merchant or portal; or (c) the nature, quality, availability, delivery, return, or adjustment of any transaction, item, service, or good purchased from an internet merchant or portal. Use of RBI's services by Clients is on an "as is" and "as available" basis without any warranty or condition expressed or implied by RBI.
3. Transactions and Financial Records: Neither Party is responsible for transactions made between a shopper and an internet merchant or portal, or for any financial or data intermediary services associated with such transactions. Neither Party will be in possession of shopper credit card data nor engage in any transaction subject to laws regulating banking or credit, including the Gramm-Leach-Bliley Act. RBI will use commercially reasonable efforts to maintain all purchase and cashback records in a secure environment.
4. Taxes: Neither Party is responsible for the collection, remittance or payment of any local, state or federal taxes (including but not limited to use taxes, sales taxes, or tariffs). RBI has not been requested to provide, is not responsible for, and has not provided legal, accounting, or tax advice to Licensee or to any shopper or client.
5. Indemnification by RBI: RBI will indemnify Licensee from and against any claims, suits, or damages resulting from the use of RBI's services by shoppers. In particular, RBI agrees to indemnify Licensee from any disputes by shoppers regarding cashback. As a condition to this, Licensee agrees not to make any representations or promises to

shoppers or clients outside of or contrary to RBI's marketing materials or this Agreement.

6. Term and Termination: This Agreement will remain in effect for two full years from the effective date below and will thereafter automatically renew for successive full year periods unless terminated. Licensee may, on sixty days written notice, terminate this Agreement effective as of any renewal date. RBI may terminate this Agreement at any time on sixty days written notice.
7. Advertising Rules: Licensee may not use the name of RBI or any of its trademarks, service marks, copyrights, logos, or websites, without RBI's prior written consent. Licensee may not create, publish, or disseminate any items from RBI's website, or materials representing RBI or its services, other than those from or approved in writing by RBI in advance. Licensee understands that these rules are essential to maintaining the integrity of RBI's services to all clients and shoppers, and that violation of these rules is therefore cause for immediate suspension or termination.
8. Non-Interference:
 - a. In order to protect the security and integrity of RBI's website, portal and services (collectively, the "Website"), Licensee agrees not to interfere with, or attempt to interfere with, RBI's Website (including the presence and function of website robot exclusion headers).
 - b. Licensee acknowledges that the information and processes encompassed by RBI's website are proprietary and may be licensed to RBI by third parties. As a result, Licensee agrees not to copy, reproduce, alter, modify, publicly display, or produce derivative works of any content or processes, without the prior written consent of RBI.
 - c. Licensee acknowledges that any manual or automatic device, robot, spider, software, or routine to copy or monitor RBI's website or content is strictly prohibited.
 - d. Licensee will use best efforts to ensure that all transmissions will be free of any viruses, worms, Trojan horses, and other harmful computer programming.
 - e. Licensee will not cause any disproportionate, unreasonable, or unusual load upon RBI's infrastructure, or bypass, or attempt to bypass, any measure employed by RBI to prevent or restrict Website access.
 - f. Licensee understands that these rules are essential to maintaining the integrity of RBI's services to all clients and shoppers, and that violation of these rules is therefore cause for immediate suspension or termination.
9. Cross Marketing Prohibited: Aside from information already in Licensee's possession independent of RBI, or within the public domain, all information gained through Licensee's use of RBI's Website, portal, and services are deemed confidential. Any use or disclosure of this information by Licensee for marketing opportunities outside of this Agreement, whether direct or indirect, is strictly prohibited. Such information includes any individually identifiable shopper information and any RBI provided names, addresses, or contact information. Licensee understands that these rules are essential to maintaining the integrity of RBI's services to all clients and shoppers, and that violation of these rules is therefore cause for immediate suspension or termination.
10. Discretionary Enforcement: In order to protect the opportunities presented to all clients and their shoppers, and the confidentiality of all users of RBI's Website, portal,

and services, RBI has the right to monitor and discipline the activity of all users, clients, and shoppers. A consultant, user, client, or shopper that violates any of RBI's posted terms, conditions, policies, or procedures, that exist now or that are subsequently put in place, or who engages in illegal or unethical conduct, may be suspended or terminated at RBI's sole discretion.

11. Disputes Between the Parties: This Agreement will be construed and enforced in accordance with the laws of the State of New York, without respect to conflict of laws provisions, to the extent not preempted by federal law. If any provision is held to be unenforceable in any respect, this will not affect the validity of the remainder of this Agreement. All actions must be brought and maintained in Supreme Court, Suffolk County, New York. All actions must be instituted within one year of the event giving rise thereto, whether or not either Party knew of such event. Failure to do so within such a period will constitute an absolute bar and waiver to any such action. The Parties will not be entitled to any damages (such as indirect, special, incidental, punitive, exemplary, or statutory damages) other than actual compensatory damages.
12. Entire Agreement: This Agreement constitutes the entire agreement of the Parties relating to the subject matter herein and supersedes any prior understandings, representations, promises, or conditions, whether oral or written. There are no understandings, representations, promises, or conditions, outside of this Agreement that have induced either Party to enter into this Agreement. This Agreement may be executed in counterparts or by facsimile.
13. Modification/Amendment: The cashback industry is very competitive and ever changing. As a result, RBI reserves the exclusive right to change the terms of this Agreement as may be required, in RBI's sole discretion, to adapt to changing market conditions. RBI will post any changes to RBI's Website or portal before they take effect.

[STATEMENT OF WORK FOLLOWS]

STATEMENT OF WORK

1. Statement of Work: This Statement of Work ("SOW") is a part of and is specifically incorporated into the License Agreement between the Parties. Subject to and in accordance with the terms of this SOW, RBI will provide Licensee with the services specified in Exhibit A below.
2. Project Management: RBI will appoint a qualified member of its staff to act as project manager with respect to any services provided hereunder. The project manager will manage the completion of the services and act as liaison between RBI and Licensee. RBI will provide reasonably adequate staff to successfully complete the services specified in Exhibit A below.
3. Term: This SOW will remain in full force and effect until expiration or termination pursuant to the terms set forth below.
4. Invoicing and Payment: All fees, costs, and other authorized expenses related to the services will be set forth in Exhibit A below, along with payments terms. Invoices will be paid by Licensee in accordance with the payment terms set forth in Exhibit A below.
5. Termination by Licensee: If RBI materially breaches this SOW and fails to remedy such breach within thirty days of Licensee's written notice thereof, Licensee may terminate this SOW immediately by providing RBI with written notice of such termination. In addition, Licensee may immediately terminate this SOW if RBI (a) terminates or suspends its business; (b) becomes subject to any bankruptcy or insolvency proceeding, or (c) is wound up or liquidated, voluntarily or otherwise.
6. Termination by RBI: If Licensee materially breaches this SOW and fails to remedy such breach within thirty days of RBI's written notice thereof, RBI may terminate this SOW immediately by providing Licensee with written notice of such termination; provided, however, that RBI may immediately suspend services and/or terminate this Agreement without further notice for more than one failure by Licensee to strictly comply with the Payment Schedule in Exhibit A, such Schedule itself serving as Licensee's sole notice. In addition, RBI may immediately terminate this SOW if Licensee (a) terminates or suspends its business; (b) becomes subject to any bankruptcy or insolvency proceeding, or (c) is wound up or liquidated, voluntarily or otherwise. In addition, RBI's obligations under this SOW will automatically expire upon its delivery to Licensee of a product that complies with the requirements of Exhibit A below.
7. Effect of Termination: Upon the termination or expiration of this SOW for any reason, RBI will perform a final accounting, after which Licensee will pay any outstanding balance due RBI within ten days of the date such accounting is provided to Licensee.
8. Ownership of Work Product: All work product created by RBI and its agents under the terms of this SOW will remain the property of RBI and Licensee will be granted a limited nonexclusive nontransferable license to use such work product for purposes of the License Agreement between the Parties.
9. Duties of Licensee: Licensee will furnish RBI with all instructions, explanations, information, specifications, and documentation deemed necessary by RBI in the performance of its services, and will give RBI prompt notice of any changes thereto. Licensee will give timely instructions to RBI in regard to matters affecting the

performance of the services. Such instructions may be in writing, signed by an authorized person of Licensee, or may be sent via e-mail or fax or by such other means as may be agreed upon by the Parties, including oral instructions. All oral instructions, to the extent permitted, will be promptly confirmed in writing. RBI will be entitled to rely fully on the accuracy and validity of any and all instructions, explanations, information, specifications, and documentation furnished to it by Licensee and will have no duty to review the accuracy, validity, or propriety of such.

10. Disclaimer: Except as expressly set forth in this SOW, neither Party makes any representation, warranty, or condition with respect to the equipment, software, or services, and each Party expressly disclaims all other representations, warranties, and conditions, express or implied, including any implied warranties of merchantability, fitness for a particular purpose, and any representations, warranties, or conditions that arise by statute, operation of law, course of dealing, or performance or usage of trade.
11. Limitation of Liability: Neither Party will be liable to the other for any indirect, consequential, punitive, incidental, exemplary or similar damages arising out of or related to this SOW, regardless of whether such Party has been advised of, or otherwise should have been aware of, the possibility of such damages, and regardless of the legal theory or basis for such claim. Each Party's liability for damages arising under this SOW will in no event exceed the aggregate amount of fees paid or payable under this SOW.
12. Entire Agreement: This SOW constitutes the entire SOW between the Parties and supersedes all prior SOWs, discussions, understandings, and writings by and between the Parties relating to the subject matter herein. None of the terms of this SOW will be deemed waived by either Party or amended or supplemented unless such waiver, amendment, or supplement is in writing and signed by both Parties.
13. Third Party Beneficiaries: Except as expressly stated herein, this SOW is not intended to benefit, and will not convey any rights to persons other than, the Parties hereto.

[EXHIBIT A FOLLOWS]

EXHIBIT A
FOR
WEBSITE, BROWSER, IOS AND ANDROID APPLICATIONS

1. Nature of Project: This Exhibit A is a part of and is specifically incorporated into the License Agreement between the Parties. Pursuant to this Exhibit A, RBI will design, develop, and deliver private label versions of: (a) RBI's web portal, (b) RBI's browser shopping assistant, and (c) RBI's mobile shopping assistant for iOS and Android, as specifically detailed below:
2. Private Label Features: The private label version will include the following:
 - a. Custom Branding: Licensee's logo, copy, and colors (primary and secondary) will be customizable to fit Licensee's overall branding. Portal copy will be customizable up to a maximum of five changes; additional changes will require a new SOW.
 - b. Merchant Discovery: Ability for shoppers to discover merchants through browsing by category, featured, and/or searching by name, with rewards easily visible. Contextual discovery via location is available through mobile applications. (Some merchants are only available on specific platforms.)
 - c. Offer Discovery: Ability for shoppers to discover additional merchant offers such as coupons and promo codes which can be used in addition to the rewards they normally receive.
 - d. Product Search: Ability for shoppers to search products by name and compare pricing from supported merchants.
 - e. Favoriting: Ability for shoppers to save merchants, offers, and products of interest for future use.
 - f. Sharing/Referrals: Ability for shoppers to share products, merchants, and deals with co-workers, friends, family, and others.
 - g. Dashboard: Ability for Licensee to view statistics of shopper activity, such as shopping volume and click rates, by using an administrator login through the web portal.
 - h. API: Ability for Licensee to import/extract information from the RBI system such as users, purchase history, and payment history of Licensee's shoppers.
3. Licensee's Responsibilities: The following items must be provided by Licensee for launch:
 - a. Branding: Logos, stock photography, colors, reward phrasing, and copy for the website and mobile applications. Licensee must also provide a cashback phrase and symbol.
 - b. Contact Information: including a contact name, mailing address, phone number, and email address.
 - c. SSL Certificate: If a white label domain is requested, DNS must be pointed to RBI's name servers. Licensee must also provide an SSL certificate and its private key.
 - d. RBI will not be responsible for any delays caused by Licensee's failure to provide these items in a timely, complete, and usable manner.
4. Support Phase: RBI will provide support as follows:

- a. Priority 1 Bugs ("P1") are defined as bugs that prevent the application from operating or cause it to crash. RBI will address all P1 bugs during the Support Phase of the project, without charge. Bugs as a result of any change in Licensee's services or requirements are not included. P1 bugs relate solely to the design and functionality of the features specified in the Exhibit A. Any additional design, functionality, or features requested by Licensee, and any P1 bugs related to such requests, will be charged at the rate of \$200 per hour or, if significant in scope, will at RBI's option be the subject of a separate SOW.
- b. The Support Phase will last until RBI delivers a private label version that has the features specified in this Exhibit A and that is free of P1 bugs.
- c. RBI will have the right to discontinue support for any operating systems or browsers that are no longer supported by their vendors.

5. Payment Schedule:

- a. Licensee will pay a one-time setup fee of \$20,000.00. This payment of \$ 20,000.00 will be paid over three months with three payments of \$ 6,667.00 per month. This setup fee is due upon execution of this Agreement unless other payment arrangements are made by the Parties by a written, signed amendment to this Agreement. Licensee understands that in order to provide it with the services agreed to in this Exhibit A, RBI will be required upfront to devote significant time and resources. Because of this, the entire setup fee is neither refundable nor subject to cancelation under any circumstances. Licensee agrees that it will be liable for any portion of this setup fee that may remain unpaid at the termination of this Agreement.
- b. Licensee will also pay a monthly fee of \$2,000.00 or the 20 % of the licensor's part of the commission as noted in Exhibit A, section 6 d, whichever is higher. Monthly fees will begin as of the 1st day of the forth month following the integration, the month in which RBI delivers to Licensee a product that complies with the requirements of this Exhibit A. In the event the 20% commission due the licensor is less than \$ 2,000.00, the balance of the monthly fees are due by the 1st of the month and must be received by RBI no later than the 15th of the month and will be deducted for fees .
- c. All payments must be made by wire to the following account:

Name of Bank: Bank of America
City and State: Waxhaw, NC
ABA Routing Number: 026009593
Account Number: 237033261061
Beneficiary: Retail Benefits Inc.

6. Commissions:

- a. Based upon the shopping activity of Licensee's enrolled shoppers, cashback may be offered by an internet merchant.
- b. The Parties are not responsible for the availability, continuity, or rate of cashback set by any internet merchant.
- c. The availability of the cashback is set by the internet merchants, which includes rules regarding returns, adjustments, and timeframes to qualify and process same.
- d. Based upon the rate of rebate set by the internet merchant, as reported to RBI, and as actually funded by the internet merchant to RBI, Licensee will be paid a commission equal to 80% of the cashback payable to its enrolled shoppers.

- e. The commission period begins at 12:00:00 am on the first day of the month and ends on the last day of the month at 11:59:59 pm. Commissions earned in a given month will be paid by the 10th of the following month.
 - f. Licensee will have the right to audit its shopping, cash back, and commission data upon reasonable notice and during normal business hours at RBI's office or such other place as the Parties may agree upon. Any such audit will be at the sole expense of Consultant. The auditor and scope of audit will be agreed upon by the Parties in advance.
7. Locations for Performance of Services: The services required under this Exhibit A will be performed at RBI's offices or at such other place as RBI in its sole discretion may determine.
8. RBI Will Report Directly To:
Name of Licensee Contact: Joseph Candito
Email Address of Licensee Contact: j.candito@pennexx.net
Phone Number of Licensee Contact: (239) 398-8349

[SIGNATURE PAGE FOLLOWS]

ACCORDINGLY, the Parties have executed this Agreement effective as of the date indicated below:

RBI

Signature

Name

Title

Date

Licensee: Pennexx Foods, Inc.



Signature

Joseph Candito

Name

President

Title

November 2, 2021

Date

LICENSE AGREEMENT

THIS AGREEMENT is made effective as of the date of execution below by and between Retail Benefits Inc., having a principal place of business at 36 Windward Isle, Palm Beach Gardens, Florida 33418 (hereinafter "RBI"), and Pennexx Foods, Inc, having its principal place of business at 2420 Enterprise Rd.suite 107 Clearwater, Florida 33763 (hereinafter "Licensee"):

WHEREAS, certain internet merchants offer on a restricted basis cashback, rebates, and other incentives; and

AND WHEREAS, such incentives are only available on an aggregated basis and not to individual shoppers; and

AND WHEREAS , RBI has developed unique and proprietary processes through which it can match individual purchasers to such incentives; and

AND WHEREAS, Licensee wishes to include RBI's services in the services Licensee offers to its own existing and prospective clients;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. Private Label Portal: RBI will make available to Licensee a private label version of RBI's portal as specified in the Statement of Work ("SOW") below.
2. Non-Guarantor: Neither Party is responsible for, controls, or guarantees: (a) any incentives (including the valuation, duration, or continuance thereof), that may be offered by an internet merchant or portal; (b) the website content, accuracy, pricing, or any other term (including warranties) offered by an internet merchant or portal; or (c) the nature, quality, availability, delivery, return, or adjustment of any transaction, item, service, or good purchased from an internet merchant or portal. Use of RBI's services by Clients is on an "as is" and "as available" basis without any warranty or condition expressed or implied by RBI.
3. Transactions and Financial Records: Neither Party is responsible for transactions made between a shopper and an internet merchant or portal, or for any financial or data intermediary services associated with such transactions. Neither Party will be in possession of shopper credit card data nor engage in any transaction subject to laws regulating banking or credit, including the Gramm-Leach-Bliley Act. RBI will use commercially reasonable efforts to maintain all purchase and cashback records in a secure environment.
4. Taxes: Neither Party is responsible for the collection, remittance or payment of any local, state or federal taxes (including but not limited to use taxes, sales taxes, or tariffs). RBI has not been requested to provide, is not responsible for, and has not provided legal, accounting, or tax advice to Licensee or to any shopper or client.
5. Indemnification by RBI: RBI will indemnify Licensee from and against any claims, suits, or damages resulting from the use of RBI's services by shoppers. In particular, RBI agrees to indemnify Licensee from any disputes by shoppers regarding cashback. As a condition to this, Licensee agrees not to make any representations or promises to

shoppers or clients outside of or contrary to RBI's marketing materials or this Agreement.

6. Term and Termination: This Agreement will remain in effect for two full years from the effective date below and will thereafter automatically renew for successive full year periods unless terminated. Licensee may, on sixty days written notice, terminate this Agreement effective as of any renewal date. RBI may terminate this Agreement at any time on sixty days written notice.
7. Advertising Rules: Licensee may not use the name of RBI or any of its trademarks, service marks, copyrights, logos, or websites, without RBI's prior written consent. Licensee may not create, publish, or disseminate any items from RBI's website, or materials representing RBI or its services, other than those from or approved in writing by RBI in advance. Licensee understands that these rules are essential to maintaining the integrity of RBI's services to all clients and shoppers, and that violation of these rules is therefore cause for immediate suspension or termination.
8. Non-Interference:
 - a. In order to protect the security and integrity of RBI's website, portal and services (collectively, the "Website"), Licensee agrees not to interfere with, or attempt to interfere with, RBI's Website (including the presence and function of website robot exclusion headers).
 - b. Licensee acknowledges that the information and processes encompassed by RBI's website are proprietary and may be licensed to RBI by third parties. As a result, Licensee agrees not to copy, reproduce, alter, modify, publicly display, or produce derivative works of any content or processes, without the prior written consent of RBI.
 - c. Licensee acknowledges that any manual or automatic device, robot, spider, software, or routine to copy or monitor RBI's website or content is strictly prohibited.
 - d. Licensee will use best efforts to ensure that all transmissions will be free of any viruses, worms, Trojan horses, and other harmful computer programming.
 - e. Licensee will not cause any disproportionate, unreasonable, or unusual load upon RBI's infrastructure, or bypass, or attempt to bypass, any measure employed by RBI to prevent or restrict Website access.
 - f. Licensee understands that these rules are essential to maintaining the integrity of RBI's services to all clients and shoppers, and that violation of these rules is therefore cause for immediate suspension or termination.
9. Cross Marketing Prohibited: Aside from information already in Licensee's possession independent of RBI, or within the public domain, all information gained through Licensee's use of RBI's Website, portal, and services are deemed confidential. Any use or disclosure of this information by Licensee for marketing opportunities outside of this Agreement, whether direct or indirect, is strictly prohibited. Such information includes any individually identifiable shopper information and any RBI provided names, addresses, or contact information. Licensee understands that these rules are essential to maintaining the integrity of RBI's services to all clients and shoppers, and that violation of these rules is therefore cause for immediate suspension or termination.
10. Discretionary Enforcement: In order to protect the opportunities presented to all clients and their shoppers, and the confidentiality of all users of RBI's Website, portal,

and services, RBI has the right to monitor and discipline the activity of all users, clients, and shoppers. A consultant, user, client, or shopper that violates any of RBI's posted terms, conditions, policies, or procedures, that exist now or that are subsequently put in place, or who engages in illegal or unethical conduct, may be suspended or terminated at RBI's sole discretion.

11. Disputes Between the Parties: This Agreement will be construed and enforced in accordance with the laws of the State of New York, without respect to conflict of laws provisions, to the extent not preempted by federal law. If any provision is held to be unenforceable in any respect, this will not affect the validity of the remainder of this Agreement. All actions must be brought and maintained in Supreme Court, Suffolk County, New York. All actions must be instituted within one year of the event giving rise thereto, whether or not either Party knew of such event. Failure to do so within such a period will constitute an absolute bar and waiver to any such action. The Parties will not be entitled to any damages (such as indirect, special, incidental, punitive, exemplary, or statutory damages) other than actual compensatory damages.
12. Entire Agreement: This Agreement constitutes the entire agreement of the Parties relating to the subject matter herein and supersedes any prior understandings, representations, promises, or conditions, whether oral or written. There are no understandings, representations, promises, or conditions, outside of this Agreement that have induced either Party to enter into this Agreement. This Agreement may be executed in counterparts or by facsimile.
13. Modification/Amendment: The cashback industry is very competitive and ever changing. As a result, RBI reserves the exclusive right to change the terms of this Agreement as may be required, in RBI's sole discretion, to adapt to changing market conditions. RBI will post any changes to RBI's Website or portal before they take effect.

[STATEMENT OF WORK FOLLOWS]

STATEMENT OF WORK

1. Statement of Work: This Statement of Work ("SOW") is a part of and is specifically incorporated into the License Agreement between the Parties. Subject to and in accordance with the terms of this SOW, RBI will provide Licensee with the services specified in Exhibit A below.
2. Project Management: RBI will appoint a qualified member of its staff to act as project manager with respect to any services provided hereunder. The project manager will manage the completion of the services and act as liaison between RBI and Licensee. RBI will provide reasonably adequate staff to successfully complete the services specified in Exhibit A below.
3. Term: This SOW will remain in full force and effect until expiration or termination pursuant to the terms set forth below.
4. Invoicing and Payment: All fees, costs, and other authorized expenses related to the services will be set forth in Exhibit A below, along with payments terms. Invoices will be paid by Licensee in accordance with the payment terms set forth in Exhibit A below.
5. Termination by Licensee: If RBI materially breaches this SOW and fails to remedy such breach within thirty days of Licensee's written notice thereof, Licensee may terminate this SOW immediately by providing RBI with written notice of such termination. In addition, Licensee may immediately terminate this SOW if RBI (a) terminates or suspends its business; (b) becomes subject to any bankruptcy or insolvency proceeding, or (c) is wound up or liquidated, voluntarily or otherwise.
6. Termination by RBI: If Licensee materially breaches this SOW and fails to remedy such breach within thirty days of RBI's written notice thereof, RBI may terminate this SOW immediately by providing Licensee with written notice of such termination; provided, however, that RBI may immediately suspend services and/or terminate this Agreement without further notice for more than one failure by Licensee to strictly comply with the Payment Schedule in Exhibit A, such Schedule itself serving as Licensee's sole notice. In addition, RBI may immediately terminate this SOW if Licensee (a) terminates or suspends its business; (b) becomes subject to any bankruptcy or insolvency proceeding, or (c) is wound up or liquidated, voluntarily or otherwise. In addition, RBI's obligations under this SOW will automatically expire upon its delivery to Licensee of a product that complies with the requirements of Exhibit A below.
7. Effect of Termination: Upon the termination or expiration of this SOW for any reason, RBI will perform a final accounting, after which Licensee will pay any outstanding balance due RBI within ten days of the date such accounting is provided to Licensee.
8. Ownership of Work Product: All work product created by RBI and its agents under the terms of this SOW will remain the property of RBI and Licensee will be granted a limited nonexclusive nontransferable license to use such work product for purposes of the License Agreement between the Parties.
9. Duties of Licensee: Licensee will furnish RBI with all instructions, explanations, information, specifications, and documentation deemed necessary by RBI in the performance of its services, and will give RBI prompt notice of any changes thereto. Licensee will give timely instructions to RBI in regard to matters affecting the

performance of the services. Such instructions may be in writing, signed by an authorized person of Licensee, or may be sent via e-mail or fax or by such other means as may be agreed upon by the Parties, including oral instructions. All oral instructions, to the extent permitted, will be promptly confirmed in writing. RBI will be entitled to rely fully on the accuracy and validity of any and all instructions, explanations, information, specifications, and documentation furnished to it by Licensee and will have no duty to review the accuracy, validity, or propriety of such.

10. Disclaimer: Except as expressly set forth in this SOW, neither Party makes any representation, warranty, or condition with respect to the equipment, software, or services, and each Party expressly disclaims all other representations, warranties, and conditions, express or implied, including any implied warranties of merchantability, fitness for a particular purpose, and any representations, warranties, or conditions that arise by statute, operation of law, course of dealing, or performance or usage of trade.
11. Limitation of Liability: Neither Party will be liable to the other for any indirect, consequential, punitive, incidental, exemplary or similar damages arising out of or related to this SOW, regardless of whether such Party has been advised of, or otherwise should have been aware of, the possibility of such damages, and regardless of the legal theory or basis for such claim. Each Party's liability for damages arising under this SOW will in no event exceed the aggregate amount of fees paid or payable under this SOW.
12. Entire Agreement: This SOW constitutes the entire SOW between the Parties and supersedes all prior SOWs, discussions, understandings, and writings by and between the Parties relating to the subject matter herein. None of the terms of this SOW will be deemed waived by either Party or amended or supplemented unless such waiver, amendment, or supplement is in writing and signed by both Parties.
13. Third Party Beneficiaries: Except as expressly stated herein, this SOW is not intended to benefit, and will not convey any rights to persons other than, the Parties hereto.

[EXHIBIT A FOLLOWS]

EXHIBIT A
FOR
WEBSITE, BROWSER, IOS AND ANDROID APPLICATIONS

1. Nature of Project: This Exhibit A is a part of and is specifically incorporated into the License Agreement between the Parties. Pursuant to this Exhibit A, RBI will design, develop, and deliver private label versions of: (a) RBI's web portal, (b) RBI's browser shopping assistant, and (c) RBI's mobile shopping assistant for iOS and Android, as specifically detailed below:
2. Private Label Features: The private label version will include the following:
 - a. Custom Branding: Licensee's logo, copy, and colors (primary and secondary) will be customizable to fit Licensee's overall branding. Portal copy will be customizable up to a maximum of five changes; additional changes will require a new SOW.
 - b. Merchant Discovery: Ability for shoppers to discover merchants through browsing by category, featured, and/or searching by name, with rewards easily visible. Contextual discovery via location is available through mobile applications. (Some merchants are only available on specific platforms.)
 - c. Offer Discovery: Ability for shoppers to discover additional merchant offers such as coupons and promo codes which can be used in addition to the rewards they normally receive.
 - d. Product Search: Ability for shoppers to search products by name and compare pricing from supported merchants.
 - e. Favoriting: Ability for shoppers to save merchants, offers, and products of interest for future use.
 - f. Sharing/Referrals: Ability for shoppers to share products, merchants, and deals with co-workers, friends, family, and others.
 - g. Dashboard: Ability for Licensee to view statistics of shopper activity, such as shopping volume and click rates, by using an administrator login through the web portal.
 - h. API: Ability for Licensee to import/extract information from the RBI system such as users, purchase history, and payment history of Licensee's shoppers.
3. Licensee's Responsibilities: The following items must be provided by Licensee for launch:
 - a. Branding: Logos, stock photography, colors, reward phrasing, and copy for the website and mobile applications. Licensee must also provide a cashback phrase and symbol.
 - b. Contact Information: including a contact name, mailing address, phone number, and email address.
 - c. SSL Certificate: If a white label domain is requested, DNS must be pointed to RBI's name servers. Licensee must also provide an SSL certificate and its private key.
 - d. RBI will not be responsible for any delays caused by Licensee's failure to provide these items in a timely, complete, and usable manner.
4. Support Phase: RBI will provide support as follows:

- a. Priority 1 Bugs ("P1") are defined as bugs that prevent the application from operating or cause it to crash. RBI will address all P1 bugs during the Support Phase of the project, without charge. Bugs as a result of any change in Licensee's services or requirements are not included. P1 bugs relate solely to the design and functionality of the features specified in the Exhibit A. Any additional design, functionality, or features requested by Licensee, and any P1 bugs related to such requests, will be charged at the rate of \$200 per hour or, if significant in scope, will at RBI's option be the subject of a separate SOW.
- b. The Support Phase will last until RBI delivers a private label version that has the features specified in this Exhibit A and that is free of P1 bugs.
- c. RBI will have the right to discontinue support for any operating systems or browsers that are no longer supported by their vendors.

5. Payment Schedule:

- a. Licensee will pay a one-time setup fee of \$20,000.00. This payment of \$20,000.00 will be paid over three months with three payments of \$6,667.00 per month. The first installment of this setup fee is due upon execution of this Agreement unless other payment arrangements are made by the Parties by a written, signed amendment to this Agreement. Licensee understands that in order to provide it with the services agreed to in this Exhibit A, RBI will be required upfront to devote significant time and resources. Because of this, the entire setup fee is neither refundable nor subject to cancellation under any circumstances. Licensee agrees that it will be liable for any portion of this setup fee that may remain unpaid at the termination of this Agreement.
- b. Licensee will also pay a monthly fee of \$2,000.00 or the 20% of the Licensor's part of the commission as noted in Exhibit A, section 6d, whichever is higher. Monthly fees will begin as of the 1st day of the 4th month following execution of this Agreement. In the event the 20% commission due from Licensor is less than \$2,000.00, the full \$2,000 monthly fees is due by the 1st of the month and must be received by RBI no later than the 15th of the month. Once the 20% exceeds \$2,000, RBI will deduct its full \$2,000 monthly fee directly from Licensor's commission.
- c. All payments must be made by wire to the following account:

Name of Bank: Bank of America
City and State: Waxhaw, NC
ABA Routing Number: 026009593
Account Number: 237033261061
Beneficiary: Retail Benefits Inc.

6. Commissions:

- a. Based upon the shopping activity of Licensee's enrolled shoppers, cashback may be offered by an internet merchant.
- b. The Parties are not responsible for the availability, continuity, or rate of cashback set by any internet merchant.
- c. The availability of the cashback is set by the internet merchants, which includes rules regarding returns, adjustments, and timeframes to qualify and process same.
- d. Based upon the rate of rebate set by the internet merchant, as reported to RBI, and as actually funded by the internet merchant to RBI, Licensee will be paid a commission equal to 80% of the cashback payable to its enrolled shoppers.

- e. The commission period begins at 12:00:00 am on the first day of the month and ends on the last day of the month at 11:59:59 pm. Commissions earned in a given month will be paid by the 10th of the following month.
 - f. Licensee will have the right to audit its shopping, cash back, and commission data upon reasonable notice and during normal business hours at RBI's office or such other place as the Parties may agree upon. Any such audit will be at the sole expense of Consultant. The auditor and scope of audit will be agreed upon by the Parties in advance.
7. Locations for Performance of Services: The services required under this Exhibit A will be performed at RBI's offices or at such other place as RBI in its sole discretion may determine.
8. RBI Will Report Directly To:
Name of Licensee Contact: Joseph Candito
Email Address of Licensee Contact: j.candito@pennexx.net
Phone Number of Licensee Contact: (239) 398-8349

[SIGNATURE PAGE FOLLOWS]

ACCORDINGLY, the Parties have executed this Agreement effective as of the date indicated below:

RBI



Signature

Anthony M. Ward, Esq.

Name


In-House Counsel

Title

11/3/2021

Date

Licensee : Pennexx Foods, Inc.



Signature

Joseph Candito

Name

President

Title

November 2, 2021

Date

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE

04/27/2021

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

PENNEXX FOODS, INC.

I, Veronica Degraffenreid, Acting Secretary of the Commonwealth of Pennsylvania, do hereby certify that the foregoing and annexed is a true and correct copy of

Creation Filing filed on Jul 20, 1999 - Pages (3)
Amendment filed on Aug 12, 1999 - Pages (2)
Change of Address filed on Aug 25, 1999 - Pages (2)
Amendment filed on Feb 11, 2002 - Pages (2)
Change of Address filed on Jan 30, 2003 - Pages (2)
Amendment filed on Jan 29, 2020 - Pages (1)

which appear of record in this department.



IN TESTIMONY WHEREOF, I have hereunto set
my hand and caused the Seal of the Secretary's
Office to be affixed, the day and year above written

A handwritten signature in cursive script, reading 'Veronica W. Degraffenreid'.

Acting Secretary of the Commonwealth

Certification Number: TSC210427111185-1

Verify this certificate online at <http://www.corporations.pa.gov/orders/verify>

9954-180

Microfilm Number _____

Filed with the Department of State on

JUL 20 1999

Entity Number 2888 377

Secretary of the Commonwealth

ARTICLES OF INCORPORATION

DSCB:15-1305 (Rev 89)

Indicate type of domestic corporation (check one):

☒ Business-stock (15 Pa. C.S. § 1306)☐ Professional (15 Pa. C.S. § 2903)☐ Business-nonstock (15 Pa. C.S. § 2102)☐ Management (15 Pa. C.S. § 2701)☐ Business-statutory close (15 Pa. C.S. § 2304a is applicable)☐ Cooperative (15 Pa. C.S. § 7701)1. The name of the corporation is: Pinnacle Foods, Inc.This corporation is incorporated under the provisions of the Business Corporation Law of 1988.

2. The (a) address of this corporation's initial registered office in this Commonwealth or (b) commercial registered office provider and the county of venue is:

(a) Suite 850, One Oxford Valley, Langhorne, PA 19047Bucks

Number and Street

City

State

Zip

County

(b) Name of Commercial Registered Office Provider

County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The aggregate number of shares authorized is: 12,000,000 @ 1¢ par (other provisions, if any, attach 8 1/2 x 11 sheet)

4. The name and address, including street and number, if any, of each incorporator is:

Name

Address

Signature

Date

Lowell E. MannOne Oxford Valley, Ste 850Langhorne, PA 190476/2/99

5. The specified effective date, if any, is: _____

month day year hour, if any

6. Any additional provisions of the articles, if any, attach an 8 1/2 x 11 sheet.

7. Statutory close corporation only: Neither the corporation nor any shareholder shall make an offering of any of its shares of any class that would constitute a "Public Offering" within the meaning of the Securities Act of 1933 (15U.S.C. § 77A et seq.).

8. Business cooperative corporations only: (Complete and strike out inapplicable term) The common bond of membership among its members/shareholders is: _____

Microfilm No. _____

Filed with the Department of
State on AUG 12 1989Entity No. 2888377Kim [Signature]
Secretary of the Commonwealth JK

ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev. 91)

In compliance with the requirements of 15 Pa. C.S. Section 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: Pinnacle Foods, Inc.
2. The address of this corporation's current registered office in this Commonwealth is: 934 North 8th Street, Philadelphia, PA 19123.
3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law of 1988, as amended.
4. The date of its incorporation is: July 20, 1999
5. The amendment shall be effective upon filing these Articles of Amendment in the Department of State.
6. The amendment was adopted by the Board of Directors pursuant to 15 Pa. C.S. Section 1914(c).
7. The amendments adopted by the corporation, set forth in full, are as follows:

(a) The Articles of Incorporation of this Corporation are hereby amended to include the following provision:

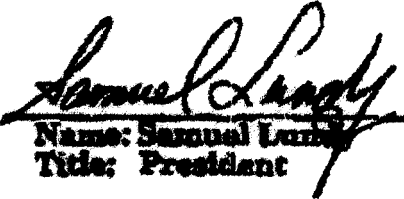
"In all elections for directors, each shareholder entitled to vote shall be entitled to only one vote for each share held, it being intended hereby to deny to shareholders the right of cumulative voting in the election of directors."

(b) ARTICLE 3 of the Articles of Incorporation of this Corporation is hereby amended to read as follows:

"The aggregate number of shares authorized is 30,000,000 shares of common stock, par value \$0.01 per share."

IN TESTIMONY WHEREOF, the undersigned has caused these Articles of Amendment to be signed as of this 9th day of August, 1999.

Pinnacle Foods, Inc.

By: 
Name: Samuel Lundy
Title: President

Microfilm No. _____

Filed with the Department of
State on AUG 12 1989Entity No. 2888377Don
Secretary of the Commonwealth JK**ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION**
DSCB:15-1915 (Rev. 91)

In compliance with the requirements of 15 Pa. C.S. Section 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:


1. The name of the corporation is: Pinnacle Foods, Inc.
2. The address of this corporation's current registered office in this Commonwealth is: 934 North 8th Street, Philadelphia, PA 19128.
3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law of 1988, as amended.
4. The date of its incorporation is: July 20, 1999
5. The amendment shall be effective upon filing these Articles of Amendment in the Department of State.
6. The amendment was adopted by the Board of Directors pursuant to 15 Pa. C.S. Section 1914(c).
7. The amendments adopted by the corporation, set forth in full, are as follows:
 - (a) The Articles of Incorporation of this Corporation are hereby amended to include the following provision:

"In all elections for directors, each shareholder entitled to vote shall be entitled to only one vote for each share held, it being intended hereby to deny to shareholders the right of cumulative voting in the election of directors."
 - (b) ARTICLE 8 of the Articles of Incorporation of this Corporation is hereby amended to read as follows:

"The aggregate number of shares authorized is 30,000,000 shares of common stock, par value \$0.01 per share."

IN TESTIMONY WHEREOF, the undersigned has caused these Articles of Amendment to be signed as of this 9th day of August, 1999.

Pinnacle Foods, Inc.

By: 
Name: Samuel Lundberg
Title: President

Microfilm Number

9962-377

Filed with the Department of State on

AUG 25 1999

Entity Number

2888377

Secretary of the Commonwealth

STATEMENT OF CHANGE OF REGISTERED OFFICE

DSCB:15-1507/4144/5507/5144/5506 (Rev 91)

Indicate type of entity (check one):

☒ Domestic Business Corporation (15 Pa.C.S. § 1507)☐ Foreign Nonprofit Corporation (15 Pa.C.S. § 6144)☐ Foreign Business Corporation (15 Pa.C.S. § 4144)☐ Domestic Limited Partnership (15 Pa.C.S. § 8506)☐ Domestic Nonprofit Corporation (15 Pa.C.S. § 5507)

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name of the corporation or limited partnership is: Pinnacle Foods, Inc.

2. The (a) address of this corporation's or limited partnership's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is: (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Suite 850, One Oxford Valley, Langhorne, PA 19047

Number and Street

City

State

Zip

County

(b) c/o: n/a

Name of Commercial Registered Office Provider

County

For a corporation or a limited partnership represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation or limited partnership is located for venue and official publication purposes.

3. (Complete part (a) or (b)):

(a) The address to which the registered office of the corporation or limited partnership in this Commonwealth is to be changed is:

934 North 3rd Street, Philadelphia, PA 19123

Number and Street

City

State

Zip

County

Philadelphia

(b) The registered office of the corporation or limited partnership shall be provided by:

c/o: n/a

Name of Commercial Registered Office Provider

County

For a corporation or a limited partnership represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation or limited partnership is located for venue and official publication purposes.

DSCB:15-1607/4144/5507/6144/8506 (Rev. 2-89) 378

4. ~~(Sole Proprietorship)~~ Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned corporation or limited partnership has caused this statement to be signed by a duly authorized officer this 20th day of August, 1999.

PINNACLE FOODS, INC.

(Name of Corporation/Limited Partnership)

BY:

Samuel Lundy

(Signature)

TITLE:

Samuel Lundy, President

**PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU**

**Articles of Amendment-Domestic Corporation
(15 Pa.C.S.)**

Entity Number
2888377

☒ Business Corporation (§ 1915)
☐ Nonprofit Corporation (§ 5915)

Name

Address

City

Zip Code

ESQUIRE ASSIST
COUNTEE PICKUP

Document will be returned to the
name and address you enter to
the left.

Fee: \$52

Filed in the Department of State on **FEB 11 2002**

C. Michael Shantz
ACTING Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions (relating to articles of amendment), the undersigned, desiring to amend its articles, hereby states that:

1 The name of the corporation is:
Pinnacle Foods, Inc.

2 The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
934 North 3 rd Street	Philadelphia	PA	19123	Philadelphia

(b) Name of Commercial Registered Office Provider _____ County _____

3 The statute by or under which it was incorporated: Pennsylvania Business Corporation Law of 1988, as amended

4 The date of its incorporation: July 20, 1999

5 Check, and if appropriate complete, one of the following:

☒ The amendment shall be effective upon filing these Articles of Amendment in the Department of State

The amendment shall be effective on _____ at _____
Date Hour

DSCB:15-1915/5915-2

2002008-1502

6. Check one of the following:

☐ The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. § 1914(a) and (b) or § 5914(a).

☒ The amendment was adopted by the board of directors pursuant to 15 Pa. C.S. § 1914(c) or § 5914(b).

7. Check, and if appropriate, complete one of the following:

☒ The amendment adopted by the corporation, set forth in full, is as follows

ARTICLE 1 of the Articles of Incorporation of this Corporation is hereby amended to read as follows:

1. The name of the corporation is: Pennexx Foods, Inc.

☐ The amendment adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

8. Check if the amendment restates the Articles:

☐ The restated Articles of Incorporation supersede the original articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this

15th day of January

2002

Pinnacle Foods, Inc.

Name of Corporation

Michael D. Queen

Signature

Michael Queen, President

Title

**PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU**

Statement of Change of Registered Office (15 Pa.C.S.)

Entity Number
2888377

- ☒ Domestic Business Corporation (§ 1507)
☐ Foreign Business Corporation (§ 4144)
☐ Domestic Nonprofit Corporation (§ 5507)
☐ Foreign Nonprofit Corporation (§ 6144)
☐ Domestic Limited Partnership (§ 8506)

**ESQUIRE ASSIST
COUNTER PICKUP**

Document will be returned to the
name and address you enter to
the left.

Fee: \$52

Filed in the Department of State on JAN 30 2003

ACTING

Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name is:
PENNEXX FOODS, INC.

2. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
934 N. 3 rd Street	Philadelphia	PA	19123	Philadelphia

(b) Name of Commercial Registered Office Provider _____ County _____
c/o: _____

3. Complete part (a) or (b):

(a) The address to which the registered office of the corporation or limited partnership in this Commonwealth is to be changed is:

5501 Tabor Avenue	Philadelphia	PA	19120	Philadelphia
Number and street	City	State	Zip	County

(b) The registered office of the corporation or limited partnership shall be provided by:

c/o: _____
Name of Commercial Registered Office Provider _____ County _____

2003003-643

DSCB:15-1507/4144/5507/6144/8506-2

4. *Strike out if a limited partnership:*

Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer thereof this

26 day of January 1993

PENNEXX FOODS, INC.

Name of Corporation/Limited Partnership

Michael D. Quinn

Signature

President

Title

PENNSYLVANIA DEPARTMENT OF STATE
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS

☒ Return document by mail to:

Name **PENNCORP**
SERVICEGROUP (02265)
Address
COUNTER PICK-UP
City State Zip Code

☐ Return document by email to:

Change of Registered Office
DSCB 15-1507/5507/8625/8825
(rev 2/2017)



TCO200130DD1440

Read all instructions prior to completing. This form may be sub

Fee: \$5 The type of domestic association (check only one):

- ☒ Business Corporation ☐ Limited Liability Company ☐ Limited Liability Limited Partnership
☐ Nonprofit Corporation ☐ Limited Partnership

In compliance with the requirements of the applicable provisions of 15 Pa C.S. § 1507/5507/8625/8825 (relating to change of registered office), the undersigned domestic corporation, limited liability company, limited partnership or limited liability limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name of the association is: PENNEXX FOODS, INC
2. The current registered office address as on file with the Department of State. *Complete part (a) OR (b) – not both:*

(a)	Number and street	City	State	Zip	County
	5501 Tabor Ave	Philadelphia	PA	19120	Philadelphia

(b) c/o: _____
Name of Commercial Registered Office Provider County

3. New address. *Complete part (a) OR (b) – not both:*

(a) The address in this Commonwealth to which the registered office of the corporation, limited partnership, limited liability limited partnership or limited liability company is to be changed is:

Number and street	City	State	Zip	County
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(b) The registered office of the corporation, limited partnership, limited liability partnership, limited liability limited partnership or limited liability company shall be provided by:

c/o: National Registered Agents, Inc. Dauphin
Name of Commercial Registered Office Provider County

4. *For corporations only:* Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned has caused this Statement or Certificate of Change of Registered Office to be signed by a duly authorized officer, general partner, member or manager thereof this 24th day of January, 2020.

PENNEXX FOODS, INC.
Name of Corporation / Limited Partnership / Limited Liability Limited Partnership / Limited Liability Company

Signature
CEO
Title

2020 JAN 29 PM 3:44

PA. DEPT. OF STATE



0012902318



COMMONWEALTH OF PENNSYLVANIA
Department of State
Bureau of Corporations and Charitable Organizations
PO Box 8722
Harrisburg, Pennsylvania 17105-8722
ARTICLES OF AMENDMENT - DOMESTIC CORPORATION
Fee: \$70

Pennsylvania Department of State

-FILED-

Amendment #: 0012902318
Date Filed: 3/9/2023

B0541-8277 03/09/2023 10:28 AM Received by Pennsylvania Department of State

DSCB:15-1915/2104/2305/2704/2904/3304/5915/7104/7105/7106/7107 (rev. 7/2015)

In compliance with the requirements of 15 Pa.C.S. § [1915](#) / § [2104](#) / § [2305](#) / § [2704](#) / § [2904](#) / § [3304](#) / § [5915](#) / § [7104](#) / § [7105](#) / § [7106](#) / § [7107](#) (relating to articles of amendment/election/termination), the undersigned, desiring to amend its articles, hereby states that:

Record Information

File number	0002888377
Current name	PENNEXX FOODS, INC.
Date of incorporation	07/20/1999
Filing type	Domestic Business Corporation
For profit filing subtype	Business

Business Subtype Change

Change business filing subtype?	I do not want to change the filing subtype of the corporation
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Current Registered Office or Commercial Registered Office Provider

Search for Commercial Registered Office Provider (CROP)	National Registered Agents, Inc. Commercial Registered Office Provider
Venue and Publication County	Dauphin

New Registered Office

I do not want to change the registered office

Stock

The corporation is organized on a stock share basis and the aggregate number of shares authorized is:

Number of shares of stock authorized	150,000,000
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Formation Statute

Profit corporation - select one	Business Corporation Law of 1988
---------------------------------	----------------------------------

Effective Date

The filing shall be effective when filed with the Department of State

Amendment adoption statement

Select one of the following	The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. § 1914(a) and (b) or § 5914(a).
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Additional changes to the articles, if any

Additional changes	There are no additional changes
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Restated Articles

☐ The restated Articles of Incorporation supersede the original articles and all amendments thereto.

Electronic Signature

IN TESTIMONY WHEREOF, the undersigned Corporation has caused these Articles of Amendment to be signed by a duly authorized officer.

Board of Director

Sunny Sweet

03/09/2023

Signer's Capacity

Sign Here

Date

PENNEXX TECHNOLOGY, INC.
Amended and Restated

By-laws

(Last revised April 2021)

ARTICLE I - OFFICES

1.1 Registered Office. The registered office of the corporation shall be at such place within the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine.

1.2 Other Offices. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of the corporation may require.

ARTICLE II - SEAL

2.1 Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its incorporation, and the words "Corporate Seal, Pennsylvania".

ARTICLE III - SHAREHOLDERS' MEETINGS

3.1 Annual Meeting. There shall be at least one meeting of the shareholders per calendar year, at such time and place as the Board of Directors may determine. At such meeting, the shareholders shall elect directors, if appropriate, and transact such other business as may properly be brought before the meeting. The Board of Directors may permit any or all Shareholders to participate in any meeting of the shareholders through the use of any means of communication by which all shareholders participating may simultaneously hear each other during the meeting. A shareholder participating in a meeting by this means is deemed to be present in person at the meeting.

3.2 Special Meetings. Special meetings of the shareholders may be called at any time for any purpose not prohibited by law or the Articles of Incorporation by the President, the Board of Directors, or the holders of at least 20% of the shares outstanding and entitled to vote at the meeting, by submitting a written request therefore, stating the object of the meeting, to the Secretary. The Secretary shall fix the time and place of the meeting, which shall be not later than 60 days after the receipt of the request. If the Secretary shall neglect or fail so to set the time and place of the meeting, the persons or entities calling the meeting may do so. Business transacted at all special meetings shall be confined to the objects stated in the request therefore and matters directly related and germane thereto.

3.3 Notice. Written notice of every meeting of the shareholders, stating the place, time and hour thereof, shall be given to each shareholder not later than five days prior to the date of the meeting or ten days prior to the day named for a meeting called to consider a fundamental change. Notice of a special meeting shall state the nature of the business to be transacted.

3.4 Quorum. At all meetings of the shareholders, the holders of a majority of the issued and outstanding shares entitled to vote, present in person or represented by proxy, shall constitute a quorum. If a meeting of shareholders cannot be organized because of the absence of a quorum, the shareholders present in person or by proxy may adjourn the meeting to such time and place as they may determine, and in the case of a meeting called for the election of directors, those who attend the second such adjourned meeting shall constitute a quorum for the purpose of electing directors. Except as otherwise provided in these By-Laws, the Articles of Incorporation, or applicable law, the acts of the holders of a majority of shares entitled to vote, present in person or by proxy, and voting at a meeting having a quorum shall be the acts of the shareholders.

3.5 Voting. Each shareholder shall be entitled to one vote in person or by proxy for each share he or she holds having voting power. An unrevoked proxy which is not coupled with interest shall not be voted on after 11 months after its execution, unless the proxy expressly provides for a longer time of not more than three years.

3.6 Voting List. The officer having charge of the transfer books for shares of the corporation shall prepare, at least five days before each meeting of shareholders, an alphabetical list of the names and addresses of and shares held by the shareholders entitled to vote at the meeting. The list shall be kept on file at the registered office of the corporation and be produced and kept open for inspection by shareholders throughout the meeting for purposes of the meeting.

3.7 Voting List. The officer having charge of the transfer books for shares of the corporation shall prepare, at least five days before each meeting of shareholders, an alphabetical list of the names and addresses of and shares held by the shareholders entitled to vote at the meeting. The list shall be kept on file at the registered office of the corporation and be produced and kept open for inspection by shareholders throughout the meeting for purposes of the meeting.

3.8 Judges of Elections. The Board of Directors may, before a meeting of shareholders, appoint one or three Judges (who need not be shareholders) for such meeting. If no such Judges of Election are appointed, the chairman of the meeting may, and on the request of any shareholder or his proxy shall, make such appointment. If Judges are appointed at the request of one or more shareholders or proxies, the shareholders present and entitled to vote shall determine whether there will be one or three Judges. The Judges of Election shall take such action as may be necessary or proper fairly to conduct the election or vote and shall report in writing on any matter they determine, executing a certificate of any fact they find, if requested by the chairman of the meeting or any shareholder. No person who is a candidate for office shall act as a Judge.

ARTICLE IV - SHARE CERTIFICATES

4.1 Form of Certificate. The certificates of shares of the corporation shall state that the corporation is incorporated under the laws of this Commonwealth; the name of the person to whom issued; the number, class, and designation of series (if any) of the shares represented and the par value of each share or the absence of par value, as appropriate. Each certificate shall be numbered and registered in a share register in the order issued.

4.2 Signature. Each share certificate shall be signed, by the President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer and sealed with the corporate seal. When a certificate is signed by a transfer agent or registrar, the signature of an authorized officer may be facsimile. If an officer who has signed a certificate, personally or by facsimile, ceases to be an officer before the certificate is delivered, the certificate may be issued as if the signatory remained in office.

4.3 Lost Certificates. The Board of Directors shall cause the issuance of a new certificate as a replacement for a certificate claimed to have been lost, destroyed or wrong fully taken, upon submission of an affidavit of the person making the claim of the loss, destruction, or wrongful taking. The Board of Directors may, in its discretion, require as a condition to the issuance of a replacement certificate that the owner of the certificate advertise the loss in such manner as the Board may determine and/or give the corporation a bond in such sum and with such sureties as the Board may direct as indemnity against any claim that may be made against the corporation with respect to the certificate claimed to have been lost, destroyed or wrongfully taken.

4.4 Transfer of Shares. Upon surrender to the corporation or its transfer agent of a share certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the corporation shall issue a new certificate to the person entitled thereto. cancel the old certificate and record the transaction in its books.

4.5 Determination of Shareholders of Record. The Board of Directors may fix a record date for the determination of the shareholders entitled to notice of and to vote at a meeting, to receive payment of a dividend or distribution, to receive an allotment of rights, or to exercise rights in respect to a change, conversion or exchange of shares. In such case, only the shareholders of record on the record date shall be entitled to notice of or to vote at or participate in such meeting or activity or event, notwithstanding any transfer of any shares on the books of the corporation after the record date. If the Board of Directors closes the transfer books during such period, it shall so notify each shareholder in writing. The record date may not be more than 50 days prior to the meeting, activity, or event to which it relates.

4.6 Registered Shareholders. The corporation shall be entitled to treat the holder of record of any shares as the holder in fact for all purposes and shall not be bound to recognize any claim to or interest in such share on the part of any other person. The corporation shall not be liable for any improper or impermissible registration or transfer of shares which are or to be registered in the name of a fiduciary or its nominee unless the corporation had actual knowledge that the fiduciary or nominee are committing a breach of trust in requesting such registration or transfer, or the corporation had knowledge of such facts that its participation in the registration or transfer amounts to bad faith.

4.7 Partial Written Consent. Any action required or permitted to be taken at a meeting of the shareholders or of a class of shareholders may be taken without a meeting upon the written consent of the shareholders who would have been entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. The consents shall be filed with the Secretary of the corporation. The action shall not become effective until after at least ten days. Written notice of the action has been given to each shareholder entitled to vote thereon who has not consented thereto. This Section shall not be construed to restrict the right of the shareholder s or any class of shareholders to act without a meeting by unanimous written consent.

ARTICLE V - BOARD OF DIRECTORS

5.1 General Powers. The business and affairs of the corporation shall be managed by the Board of Directors, and all powers of the corporation are hereby granted to and vested in the Board of Directors, except as otherwise expressly provided in these By-Laws, the Articles of Incorporation, or by law.

5.2 Composition and Selection. There shall be no fewer than five (5) and up to seven (7) members of the Board of Directors, and members of the Board shall be elected by the shareholders at the annual meeting of the shareholders, or at any special meeting called for that purpose.

5.3 Staggered Board; Term. The Board of Directors shall be divided into three (3) classes, as nearly equal in number as the then total number of Directors constituting the entire Board shall permit, with a term of office of one class expiring each year. If not already designated by the Incorporator, the Board shall initially designate which Directors are to be in which class, with one class holding office until the Annual Meeting of Shareholders in the year 2000, one class holding office until the Annual Meeting of Shareholders in the year 2001, and one class holding office until the Annual Meeting of Shareholders in the year 2002. Subject to the foregoing, at each Annual Meeting of Shareholders, the successor to each Director whose term shall then expire shall be elected to hold office for a term expiring at the third succeed in g Annual Meeting of the Company.

5.4 Regular Meetings. The Board may hold regular meetings at such times and places as it may determine.

5.5 Special Meetings. Special meetings of the Board of Directors may be called, at any time, by the President, or a majority of the members of the Board, by submitting a written request therefore, stating the object of the meeting, to the Secretary. The Secretary shall set the time and place of the meeting, which shall be held not later than 30 days after the receipt of the request. If the Secretary shall neglect or refuse to set the time and place of the meeting, the person or persons calling the meeting may do so. Business transacted at all special meetings shall be confined to the subjects stated in the request therefor and matters directly related and germane thereto.

5.6 Annual Meeting. There shall be an annual meeting of the Board of Directors following each annual meeting of the shareholders. At the annual meeting, the Board of Directors shall elect officers and transact such other business as may be properly brought before the meeting.

5.7 Notices. Written notice of regular and annual meetings of the Board of Directors, stating the time and place thereof shall be given to all directors at least five days prior to the date of the meeting. Written notice of special meetings of the Board of Directors shall be given to each director at least 48 hours prior to the time of the meeting and shall state the business to be transacted at the meeting.

5.8 Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business, and the acts of a majority of directors present and voting at a meeting at which a quorum is present shall be the acts of the Board of Directors. In the event that a quorum is not present at any meeting of the Board of Directors, the directors present may adjourn the meeting without any notice of the time and place of the adjourned meeting except for announcement at the meeting at which adjournment is taken.

5.9 Vacancies. If the office of a director shall become vacant for any reason, including an increase in the number of directors, the remaining directors shall elect a successor, who shall hold office for the unexpired term for which the vacancy occurred or until his or her successor is duly qualified and seated. A majority of the remaining directors shall constitute a quorum for purposes of filling the vacancy on the Board of Directors.

5.10 Alternate Directors. A shareholder or group of shareholders entitled to elect, appoint, designate or otherwise select one or more directors may select an alternate for each such director. In the absence of a director from a meeting of the Board, his or her alternate may, in the manner and upon the notice provided in these By-Laws, attend the meeting or execute a written consent and exercise at the meeting or in such consent all of the powers of the absent director.

ARTICLE VI - COMMITTEES

6.1 Establishment. The Board of Directors may establish one or more standing or special committees, including without limitation an executive committee. Except as otherwise provided in these By-Laws, the Articles of Incorporation, or applicable law, any committee may exercise such powers and functions as the Board of Directors may from time to time determine.

6.2 Committee Members. The President shall appoint all committee members and committee chairpersons and may appoint alternates for any member or chairperson of any committee. Members of a committee need not be directors.

ARTICLE VII - OFFICERS

7.1 Officers. The officers of the corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer (CEO), a Chief Operating Officer (COO), a Chief Technology Officer (CTO), a Chief Financial Officer (CFO), a President, a Treasurer, a Secretary, and such Vice Presidents and assistant officers as the Board of Directors may determine that the needs of the corporation require. All officers shall be natural persons of full age, and any two or more offices may be held by the same person.

7.2 Election and Term.

7.3 Each CEO, COO, CTO, CFO, The President, each Vice President, Treasurer and Secretary shall be elected by the Board of Directors at its annual meeting or at an appropriate special meeting and shall serve for a term of one year, or until their successors are duly elected and qualified. All assistant officers shall be elected or appointed at such times and for such terms as the Board of Directors may determine.

7.4 Any vacancy in any office shall be filled by the Board.

7.5 Chief Executive Officer – The CEO shall preside at all meetings of the Board of Directors and at all meetings of the shareholders. He or she has overall responsibility for creating, planning, implementing, and integrating the strategic direction of an organization. This includes responsibility for all components and departments of a business. It is also the responsibility of the CEO to ensure that the organization's leadership maintains a constant awareness of both the external and internal competitive landscape, opportunities for expansion, customer base, markets, new industry developments and standards, and so forth.

7.6 Chief Operating Officer – The COO shall handle the day-to-day administration and operation of a business. The COO typically has overall supervisory responsibility for all of the entity's operations. He or she is second in command to the CEO, providing leadership, management, and vision to ensure that the business has effective people, operational controls, and administrative and reporting procedures in place. The COO must help effectively grow the company and ensure its financial strength and operating efficiency.

7.7 Chief Technology Officer – The CTO shall make all executive decisions with regards to the technological interests of a company. They are responsible for outlining the company's technological vision, implementing technology strategies, and ensuring that the technological resources are aligned with the company's business needs.

7.8 Chief Financial Officer – The CFO shall manage the company or organization's finances and are responsible for financial reporting. They assess financial risks and opportunities and oversee and manage lower level financial managers. They also help set and track financial goals, objectives, and budgets.

7.9 President. The President shall have the general direction of the affairs of the corporation except as otherwise determined by the Board. He or she may execute on behalf of the corporation all bonds, mortgages, contracts, and other documents, except where such documents are required by law to be otherwise executed or when the execution thereof shall be delegated by the Board of Directors to another officer.

7.10 Vice Presidents. The Vice Presidents, if any, in such order as the Board may determine, shall act in all cases for and as the President in the President's absence, disability, or incapacity, and shall perform such other duties as may be delegated to any of them by the Board of Directors or the President.

7.11 Treasurer. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects of the corporation in separate accounts or depositories in the name of and to the credit of the corporation as shall be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors for such disbursements and shall render to the Board of Directors, whenever it may so require it, an account of all his or her transactions as Treasurer and of the financial condition of the corporation. The Treasurer may be a corporation.

7.12 Secretary. The Secretary shall attend all meetings of the Board of Directors and record all votes of the corporation and the minutes of all transactions in a book to be kept for that purpose and perform like duties for committees of the Board of Directors, if and when required. He or she shall give, or cause to be given, notice of all meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President. He or she shall keep, or cause to be kept, in safe custody the corporate seal and, when authorized to do so by the Board of Directors, affix the same to any instrument requiring it and attest to it by his or her signature.

7.13 Assistant Officers. Assistant officers shall perform such functions and have such responsibilities as the Board of Directors may determine.

ARTICLE VIII - LIMITATION OF LIABILITY AND INDEMNIFICATION

8.1 Limitation of Liability. Directors of this corporation shall not be personally liable for monetary damage s as such for any action other than as expressly provided in 15 Pa. CSA Section 513 of the Associations Code and 15 Pa. CSA Sections 1713 and 1721 of the Pennsylvania Business Corporation Law of 1988. It is the intention of this Section 8.1 to limit the liability of directors of this corporation to the fullest extent permitted by 15 Pa. CSA Sections 513, 1713 and 1721, and any other present or future provision of Pennsylvania law.

8.2 Indemnification. The corporation shall indemnify every director and officer, and may indemnify any employee or agent, to the full extent permitted by the Pennsylvania Business Corporation Law of 1988, the Pennsylvania Directors' Liability Act and any other present or future provision of Pennsylvania law. The corporation shall pay and advance expenses to directors and officers for matters covered by indemnification to the full extent permitted by such law and may similarly pay and advance expenses for employees and agents. This Section 8.2 shall not exclude any other indemnification or other rights to which any party may be entitled in any manner.

8.3 Effect of Amendment. Notwithstanding any other provision of these By-laws, no repeal or amendment of these By-laws shall affect any or all of this Article VIII so as either to reduce the limitation of Directors' liability or limit indemnification or the advancement of expenses in any manner unless adopted by (a) the unanimous vote of the Directors of the corporation then serving, or (b) the affirmative vote of shareholders entitled to cast not less than seventy-five percent (75%) of the votes that all shareholders are entitled to cast in the election of Directors; and provided that no such amendment shall have retroactive effect inconsistent with the preceding sentence.

ARTICLE IX - NOTICES

9.1 Manner of Giving Notice. Whenever written notice is required or permitted, by these By-Laws or otherwise, to be given to any person or entity, it may be given either personally or by sending a copy thereof by first class mail, postage prepaid, or by telegram, (with messenger service specified), telex or TWX (with answer back received) or courier service, charges prepaid, or by telecopier, to the address of the appropriate person or entity (or to the telex, TWX, telecopier or telephone number) as it appears on the books of the corporation. If notice is sent by telecopier, notice shall be deemed to have been given upon receipt. If the notice is sent by mail or telegraph, it shall be deemed to have been given when deposited in the United States Mail or with a telegraph office for transmission.

9.2 Waiver of Notice. Whenever a written notice is required, by these By-Laws or otherwise, a waiver of such notice in writing, signed by the person or persons or on behalf of the entity or entities entitled to receive the notice shall be deemed equivalent to the giving of such notice, whether the waiver is signed before or after the time required for such notice. Except as otherwise required by law, the waiver of notice need not state the business to be transacted at nor the purpose of the meeting, except that the waiver of notice of a special meeting of the shareholders or the Board of Directors shall specify the general nature of the business to be transacted at the meeting.

9.3 Waiver by Attendance. Attendance at any meeting shall constitute waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting was not called or convened upon proper notice.

ARTICLE X - MISCELLANEOUS PROVISIONS

10.1 Fiscal Year. The fiscal year of the corporation shall be as the Board of Directors may determine from time to time.

10.2 Participation by Telecommunications. One or more persons may participate in a meeting of the Board of Directors or of any committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear one another. Participation in a meeting pursuant to this section shall constitute the presence in person at such meeting.

10.3 Dividends. The Board of Directors may, at any meeting, declare dividends upon the shares of the corporation to be paid in cash, property or shares, subject to any limitations in the Articles of Incorporation or applicable law. Before payment of any dividend, the Board may set aside out of any funds of the corporation available for dividends such sum as the Board, in its absolute discretion, thinks proper to meet contingencies, equalize dividends, repair or maintain corporate property, or serve such other purpose as the Board thinks in the best interest of the corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

10.4 Financial Reports to Shareholders. Unless otherwise agreed by a shareholder, the Board shall send to each shareholder financial statements of the corporation which include a balance sheet as of the end of each fiscal year and a statement of income and expenses for the fiscal year, which may be consolidated statements of the corporation and one or more of its subsidiaries (if any). The financial statements shall be mailed to each shareholder entitled thereto within 120 days after close of each fiscal year and, after the mailing and upon written request, to any shareholder or beneficial owner entitled thereto to whom a copy of the most recent annual financial statements has not previously been mailed.

ARTICLE XI - AMENDMENTS

11.1 Amendments. These By-Laws may be adopted, amended or repealed, in whole or in part, by the shareholders or by the Board of Directors, subject to the power of the shareholders to change such action.
