
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2022

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 000-55740

**ELECTRONIC SERVITOR PUBLICATION
NETWORK INC.**

(FORMERLY CANNASSIST INTERNATIONAL CORP.)

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

82-1873116
(I.R.S. Employer
Identification No.)

**400 1ST AVE N., STE. 100
MINNEAPOLIS MN 55401**
(Address of principal executive offices)

Issuer's telephone number: **(833) 991-0800**

Securities Registered pursuant to Section 12(b) of the Act: **None**

Securities Registered pursuant to Section 12(g) of the Exchange Act: **Common Stock, \$.0001 par value per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|----------------------------------|---------------------------|----------------------------------|
| Large accelerated filer | <input type="radio"/> | Accelerated filer | <input type="radio"/> |
| Non-accelerated filer | <input checked="" type="radio"/> | Smaller reporting company | <input checked="" type="radio"/> |
| | | Emerging growth company | <input type="radio"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that require a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10(D)-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 24, 2023 was approximately \$368,925.05 based upon the closing price of the registrant's Common Stock on the OTCQB Venture Market on that date.

At March 24, 2023, there were 21,416,001 shares of the registrant's common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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Throughout this report, unless otherwise designated, the terms “we,” “us,” “our,” “the Company,” “our company” and “XESP” refer to Electronic Servitor Publication Network Inc. All amounts in this report are in U.S. Dollars, unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements.” The use of words such as “anticipates,” “estimates,” “expects,” “intends,” “plans” and “believes,” among others, generally identify forward-looking statements. These forward-looking statements are based on our management’s expectations and assumptions about future events as of the date of this Annual Report on Form 10-K, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Forward-looking statements include statements about our expectations, beliefs or intentions regarding our product offerings, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance. We undertake no obligation to update, and we do not have a policy of updating or revising, these forward-looking statements.

PART I

ITEM 1. BUSINESS.

THE BUSINESS

Corporate History and General Information

Electronic Servitor Publication Network Inc. (formerly CannAssist International Corp.) was incorporated on May 17, 2017, under the laws of the State of Delaware to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions.

The Company's corporate offices are located at 400 1ST Ave N., Ste. 100, Minneapolis, MN 55401. The Company's email website is www.xespn.com. The Company's telephone number is (833) 991-0800.

The Company's common stock trades on the OTCQB Venture Market under the stock ticker symbol XESP.

Background

Although the Company is no longer classified as a development-stage company, it has limited operating history and is expected to experience losses in the near term. The Company's independent auditors have issued a report raising substantial doubt about the Company's ability to continue as a going concern.

Technology License Agreement with Phitech Management, LLC

As initially reported on the Company's Current Form 8-K filed on July 28, 2021, the Company entered into a Technology License Agreement dated July 23, 2021 (the "License Agreement") with Phitech Management, LLC, an affiliate of the Company ("Licensor"), whereby the Licensor granted to the Company an exclusive worldwide license (the "License") to use, market, promote and distribute certain technology related to Electronic Sports Gaming, related patent applications, related trade-secrets and associated knowhow, including methods, techniques, specifications, procedures, information, systems, knowledge and business processes required to practice and carry on business in the field of data collection, security and management (the "Technology") at Closing (as defined in the License Agreement, which is incorporated herein by reference). The initial term of the License is 10-years (the "Initial Term") and shall automatically be renewed for successive 1-year terms (each, a "Renewal Term") unless the Company elects to terminate the License by giving 30 days' written notice prior to commencement of a Renewal Term. In exchange for the License of the Technology, the Company shall issue to the Licensor 10,000,000 restricted shares of its common stock (which is an amount equal to \$2,500,000 divided by \$0.25, which was the closing market price of the Company's common stock on the trading day prior to the effective date of the License Agreement).

On October 9, 2021, the Closing of the Technology License Agreement (as amended by that certain Bill of Sale and Acknowledgement of Closing of the Technology License Agreement attached as an exhibit to the Company's Current Report on Form 8-K filed on October 18, 2022 and incorporated herein by reference) occurred whereby the Licensor was authorized to be issued 10,000,000 restricted shares of the Company's common stock, at a cost basis of \$0.25 per share, and, in exchange, the Company received the License to the Technology.

Spin-Off Agreement

As initially reported on the Company's Current Form 8-K filed on July 28, 2021, the Company and Mark Palumbo entered into a Spin-Off Agreement dated July 23, 2021 (the "Spin-Off Agreement") whereby, at the Closing (as defined in the Spin-Off Agreement, which is incorporated by reference), the Company shall transfer 100% of the issued and outstanding membership units of Xceptor LLC, an entity that was a wholly-owned subsidiary of the Company, to Mark Palumbo for nominal consideration as a condition of the Change-in-Control of the Company (the "Spin-Off"). Furthermore, at the Closing, that certain Technology License Agreement entered into by and between the Company and Mark Palumbo dated April 29, 2019 (the "Palumbo License Agreement") shall be terminated and the Company shall assign all rights to the underlying Intellectual Property (as defined in the Palumbo License Agreement) to Mark Palumbo.

On October 9, 2021, the Closing of the Spin-Off Agreement (as amended by that certain Bill of Sale and Acknowledgement of Closing of the Spin-Off Agreement attached as an exhibit to the Company's Current Report on Form 8-K filed on October 18, 2022 and incorporated herein by reference) occurred whereby 100% of the issued and outstanding membership units of Xceptor LLC was transferred to Mark Palumbo along with the assets and liabilities associated with the prior business.

Changes to the Business in 2022

Electronic Servitor Publication Network Inc. is a managed services company providing digital activation and engagement solutions to established and developing companies that seek to optimize their digital customer engagement strategies. The Company's managed services are powered by a proven, proprietary tech stack – the Digital Engagement Engine (or DE²). This technology provides intelligent interaction management, dynamic content provisioning, and a logic-driven workflow which creates digital experiences that accelerate an audience from awareness to action, no matter what programs and processes that the client already has in place.

Suppliers, Distributors and Other Strategic Partners

We currently license our technology from PhiTech Management LLC, an entity which is an affiliate of the Company.

Employees

The Company currently has three employees.

Property

The Company's corporate offices are located at 400 1st Ave N., Ste. 100, Minneapolis MN 55401.

Intellectual Property

As initially reported on the Company's Current Form 8-K filed on July 28, 2021, the Company entered into a Technology License Agreement dated July 23, 2021 (the "License Agreement") with Phitech Management, LLC, an affiliate of the Company ("Licensor"), whereby the Licensor granted to the Company an exclusive worldwide license (the "License") to use, market, promote and distribute certain technology related to Electronic Sports Gaming and other markets, related patent applications, related trade-secrets and associated knowhow, including methods, techniques, specifications, procedures, information, systems, knowledge and business processes required to practice and carry on business in the field of data collection, security and management (the "Technology") at Closing (as defined in the License Agreement, which is incorporated herein by reference). The initial term of the License is 10-years (the "Initial Term") and shall automatically be renewed for successive 1-year terms (each, a "Renewal Term") unless the Company elects to terminate the License by giving 30 days' written notice prior to commencement of a Renewal Term. In exchange for the License of the Technology, the Company shall issue to the Licensor 10,000,000 restricted shares of its common stock (which is an amount equal to \$2,500,000 divided by \$0.25, which was the closing market price of the Company's common stock on the trading day prior to the effective date of the License Agreement).

In addition to the License described above, the Company will use, or intends to employ in the performance of its material contracts, intellectual property rights in relation to the design and development of its digital activation and engagement technology. The Company's intellectual property rights can be categorized broadly as proprietary know-how, technical databases and trade secrets, comprising concept designs, and economic models.

The Company may apply for patents for components of its intellectual property for its platform and other technologies. The Company cannot assure that any patents we seek will be granted.

The Company's intellectual property has been developed by its employees and is protected under employee agreements confirming that the rights in the inventions and developments made by the employees are its property. Confidential information is protected by nondisclosure agreements that the Company entered into with our prospective partners or other third parties with which we do business.

The Company has not received any notification from third parties that its processes or designs infringe any third-party rights, and it is not aware of any valid and enforceable third-party intellectual property rights that infringe its intellectual property rights.

Notwithstanding the foregoing, the Company does not currently hold any other intellectual property or trade secret protection on any other aspects of its business. The Company currently plans on attempting to obtain patents, copyright, trademarks and/or service marks on its products; provided, there can be no assurance that the Company can obtain effective protection against unauthorized duplication or the introduction of substantially similar products.

Legal Matters

On November 4, 2021, a lawsuit captioned CAMRON ELIZABETH v. MARK PALUMBO et al., Case No. CVPS2106116 was filed in the Superior Court of California, County of Riverside against the Company and certain of the former company's (CannAssist International Corp.) executive officers (collectively, the "Defendants"). The Plaintiff and the former company (CannAssist International Corp.) entered into a Consulting Agreement dated November 20, 2020 (the "Consulting Agreement"), pursuant to which Plaintiff was engaged to provide certain sales and marketing services to that Company. As a condition of this Consulting Agreement, Plaintiff was paid a monthly fee and was granted restricted shares of the common stock of the former company that were subject to certain vesting conditions tied to Plaintiff's service under the Consulting Agreement. The Consulting Agreement also contained provisions that enabled the former company to terminate the Consulting Agreement without cause after 10 days' written notice. In September 2021, the former company exercised its right to terminate the Consulting Agreement because management of the former company at the time of termination was dissatisfied with the quality of Plaintiff's services under the Consulting Agreement. Specifically, management of the former company at the time of termination received complaints from third parties that Plaintiff behaved inappropriately in meetings where Plaintiff made presentations to potential clients and vendors on behalf of the former company. In contrast, Plaintiff alleges, among other things, that the Defendants improperly misclassified Plaintiff as an independent contractor, that certain of the former company's executive officers committed sexual harassment and defamation and that Defendants unlawfully terminated Plaintiff. A jury trial has been set for May 26, 2023. The Company believes it should not be a party to the lawsuit since the former company, including its operations, officers, employees, contractors, assets, and liabilities were all spun out as part of or as a result of the Spin Out Agreement dated July 23, 2021, and the Plaintiff never contracted with or was employed by the current Company. The Company believes that the lawsuit is without merit and intends to defend the lawsuit vigorously; however, there can be no assurance regarding the ultimate outcome of this lawsuit.

Other than as described above, we know of no other material, existing or pending legal proceedings against the Company, nor is it involved as a plaintiff in any material proceeding or pending litigation. Other than as described above, we know of no other proceedings in which our directors, officers or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

THE COMPANY

Corporate History and General Information

Electronic Servitor Publication Network Inc. (formerly CannAssist International Corp.) was incorporated on May 17, 2017, under the laws of the State of Delaware. The Company's corporate offices are located at 400 1ST Ave N., Ste. 100, Minneapolis, MN 55401. The Company's email website is www.xespn.com. The Company's telephone number is (833) 991-0800. The Company's common stock trades on the OTCQB Venture Market under the stock ticker symbol XESP.

Neither the Company nor its predecessors have filed for bankruptcy, receivership or any similar proceedings nor are in the process of filing for bankruptcy, receivership or any similar proceedings.

Technology License Agreement with Phitech Management, LLC

As initially reported on the Company's Current Form 8-K filed on July 28, 2021, the Company entered into a Technology License Agreement dated July 23, 2021 (the "License Agreement") with Phitech Management, LLC, an affiliate of the Company ("Licensor"), whereby the Licensor granted to the Company an exclusive worldwide license (the "License") to use, market, promote and distribute certain technology related to Electronic Sports Gaming, related patent applications, related trade-secrets and associated knowhow, including methods, techniques, specifications, procedures, information, systems, knowledge and business processes required to practice and carry on business in the field of data collection, security and management (the "Technology") at Closing (as defined in the License Agreement, which is incorporated herein by reference). The initial term of the License is 10-years (the "Initial Term") and shall automatically be renewed for successive 1-year terms (each, a "Renewal Term") unless the Company elects to terminate the License by giving 30 days' written notice prior to commencement of a Renewal Term. In exchange for the License of the Technology, the Company shall issue to the Licensor 10,000,000 restricted shares of its common stock (which is an amount equal to \$2,500,000 divided by \$0.25, which was the closing market price of the Company's common stock on the trading day prior to the effective date of the License Agreement).

On October 9, 2021, the Closing of the Technology License Agreement (as amended by that certain Bill of Sale and Acknowledgement of Closing of the Technology License Agreement attached as an exhibit to the Company's Current Report on Form 8-K filed on October 18, 2022 and incorporated herein by reference) occurred whereby the Licensor was authorized to be issued 10,000,000 restricted shares of the Company's common stock, at a cost basis of \$0.25 per share, and, in exchange, the Company received the License to the Technology.

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On October 9, 2021, the Closing of the Spin-Off Agreement (as amended by that certain Bill of Sale and Acknowledgement of Closing of the Spin-Off Agreement attached as an exhibit to the Company's Current Report on Form 8-K filed on October 18, 2022 and incorporated herein by reference) occurred whereby 100% of the issued and outstanding membership units of Xceptor LLC was transferred to Mark Palumbo along with the assets and liabilities associated with the prior business.

Property

All operations occur at Company's corporate facilities in Minneapolis, MN, located at:

400 1ST Ave N., Ste. 100
Minneapolis, MN 55401

or in remote offices of the employees.

At this time management permits the Company to use these premises free of charge.

Intellectual Property

As initially reported on the Company's Current Form 8-K filed on July 28, 2021, the Company entered into a Technology License Agreement dated July 23, 2021 (the "License Agreement") with Phitech Management, LLC, an affiliate of the Company ("Licensor"), whereby the Licensor granted to the Company an exclusive worldwide license (the "License") to use, market, promote and distribute certain technology related patent applications, related trade-secrets and associated knowhow, including methods, techniques, specifications, procedures, information, systems, knowledge and business processes required to practice and carry on business in the field of data collection, security and management (the "Technology") at Closing (as defined in the License Agreement, which is incorporated herein by reference). The licensed territory includes the E-Gaming and E-Sports industry served by the Company or its parent and affiliates, in all geographic or geopolitical areas (worldwide) unless expressly prohibited by law. The initial term of the License is 10-years (the "Initial Term") and shall automatically be renewed for successive 1-year terms (each, a "Renewal Term") unless the Company elects to terminate the License by giving 30 days' written notice prior to commencement of a Renewal Term. In exchange for the License of the Technology, the Company shall issue to the Licensor 10,000,000 restricted shares of its common stock (which is an amount equal to \$2,500,000 divided by \$0.25, which was the closing market price of the Company's common stock on the trading day prior to the effective date of the License Agreement).

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Notwithstanding the foregoing, the Company does not currently hold any other intellectual property or trade secret protection on any other aspects of its business. The Company currently plans on attempting to obtain patents, copyright, trademarks and/or service marks on its products; provided, there can be no assurance that the Company can obtain effective protection against unauthorized duplication or the introduction of substantially similar products.

Employees

Currently, the Company has three employees.

Subsidiaries

The Company currently does not have any subsidiaries.

Jumpstart Our Business Startups Act

In April, 2012, the Jumpstart Our Business Startups Act ("JOBS Act") was enacted into law. The JOBS Act provides, among other things:

Exemptions for emerging growth companies from certain financial disclosure and governance requirements for up to five years and provides a new form of financing to small companies;

Amendments to certain provisions of the federal securities laws to simplify the sale of securities and increase the threshold number of record holders required to trigger the reporting requirements of the Securities Exchange Act of 1934;

Relaxation of the general solicitation and general advertising prohibition for Rule 506 offerings;

Adoption of a new exemption for public offerings of securities in amounts not exceeding \$50 million; and

Exemption from registration by a non-reporting company of offers and sales of securities of up to \$1,000,000 that comply with rules to be adopted by the SEC pursuant to Section 4(6) of the Securities Act and exemption of such sales from state law registration, documentation or offering requirements.

In general, under the JOBS Act a company is an emerging growth company if its initial public offering ("IPO") of common equity securities was effected after December 8, 2011 and the company had less than \$1 billion of total annual gross revenues during its last completed fiscal year. A company will no longer qualify as an emerging growth company after the earliest of

(i) the completion of the fiscal year in which the company has total annual gross revenues of \$1 billion or more,

(ii) the completion of the fiscal year of the fifth anniversary of the company' s IPO;

(iii) the company' s issuance of more than \$1 billion in nonconvertible debt in the prior three-year period, or

(iv) the company becoming a "larger accelerated filer" as defined under the Securities Exchange Act of 1934.

The JOBS Act provides additional new guidelines and exemptions for non-reporting companies and for non-public offerings. Those exemptions that impact the Company are discussed below.

Financial Disclosure. The financial disclosure in a registration statement filed by an emerging growth company pursuant to the Securities Act of 1933 will differ from registration statements filed by other companies as follows:

(i) audited financial statements required for only two fiscal years;

(ii) selected financial data required for only the fiscal years that were audited;

(iii) executive compensation only needs to be presented in the limited format now required for smaller reporting companies.

(A smaller reporting company is one with a public float of less than \$75 million as of the last day of its most recently completed second fiscal quarter)

However, the requirements for financial disclosure provided by Regulation S-K promulgated by the Rules and Regulations of the SEC already provide certain of these exemptions for smaller reporting companies. The Company is a smaller reporting company. Currently a smaller reporting company is not required to file as part of its registration statement selected financial data and only needs audited financial statements for its two most current fiscal years and no tabular disclosure of contractual obligations.

The JOBS Act also exempts the Company' s independent registered public accounting firm from complying with any rules adopted by the Public Company Accounting Oversight Board ("PCAOB") after the date of the JOBS Act' s enactment, except as otherwise required by SEC rule.

The JOBS Act also exempts an emerging growth company from any requirement adopted by the PCAOB for mandatory rotation of the Company' s accounting firm or for a supplemental auditor report about the audit.

Internal Control Attestation. The JOBS Act also provides an exemption from the requirement of the Company' s independent registered public accounting firm to file a report on the Company' s internal control over financial reporting, although management of the Company is still required to file its report on the adequacy of the Company' s internal control over financial reporting.

Section 102(a) of the JOBS Act exempts emerging growth companies from the requirements in §14A(e) of the Securities Exchange Act of 1934 for companies with a class of securities registered under the 1934 Act to hold shareholder votes for executive compensation and golden parachutes.

Other Items of the JOBS Act. The JOBS Act also provides that an emerging growth company can communicate with potential investors that are qualified institutional buyers or institutions that are accredited to determine interest in a contemplated offering either prior to or after the date of filing the respective registration statement. The Act also permits research reports by a broker or dealer about an emerging growth company regardless if such report provides sufficient information for an investment decision. In addition, the JOBS Act precludes the SEC and FINRA from adopting certain restrictive rules or regulations regarding brokers, dealers and potential investors, communications with management and distribution of a research reports on the emerging growth company IPO.

Section 106 of the JOBS Act permits emerging growth companies to submit 1933 Act registration statements on a confidential basis provided that the registration statement and all amendments are publicly filed at least 21 days before the issuer conducts any road show. This is intended to allow the emerging growth company to explore the IPO option without disclosing to the market the fact that it is seeking to go public or disclosing the information contained in its registration statement until the company is ready to conduct a roadshow.

Election to Opt Out of Transition Period. Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a 1933 Act registration statement declared effective or do not have a class of securities registered under the 1934 Act) are required to comply with the new or revised financial accounting standard.

The JOBS Act provides a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. The Company has elected not to opt out of the transition period.

Reports to Security Holders

In July 2017, the Company (as Iris Grove Acquisition Corporation) filed a Form 10-12G general registration of securities pursuant to the Exchange Act and is a reporting company pursuant such Act and files with the SEC quarterly and annual reports and management shareholding information. The Company will voluntarily send a copy of the annual report, including audited financial statements, to any registered shareholder who requests the same.

The Company's documents filed with the SEC may be inspected at the Commission's principal office in Washington, D.C. Copies of all or any part of the registration statement may be obtained from the Public Reference Section of the SEC, 100 F Street N.E., Washington, D.C. 20549. Call the Commission at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains a web site at <http://www.sec.gov> that contains reports, proxy statements and information regarding registrants that file electronically with the Commission. All of the Company's filings may be located under the CIK number 0001709542.

ITEM 1A. RISK FACTORS.

As a "smaller reporting company," we have elected not to provide the disclosure required by this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

All operations will occur at Company's corporate facilities in Minneapolis, MN, located at:

400 1st Ave N., Ste. 100
Minneapolis, MN 55401

or in remote offices of the employees.

Management permits the Company to use these premises at no cost to the Company. Currently, this space is sufficient to meet our needs, however, once we expand our business to a significant degree, we will have to find a larger space. We do not foresee any significant difficulties in obtaining any required additional space. We do not currently own any real property.

ITEM 3. LEGAL PROCEEDINGS.

On November 4, 2021, a lawsuit captioned CAMRON ELIZABETH v. MARK PALUMBO et al., Case No. CVPS2106116 was filed in the Superior Court of California, County of Riverside against the Company and certain of the former company's (CannAssist International Corp.) executive officers (collectively, the "Defendants"). The Plaintiff and the former company (CannAssist International Corp.) entered into a Consulting Agreement dated November 20, 2020 (the "Consulting Agreement"), pursuant to which Plaintiff was engaged to provide certain sales and marketing services to that Company. As a condition of this Consulting Agreement, Plaintiff was paid a monthly fee and was granted restricted shares of the common stock of the former company that were subject to certain vesting conditions tied to Plaintiff's service under the Consulting Agreement. The Consulting Agreement also contained provisions that enabled the former company to terminate the Consulting Agreement without cause after 10 days' written notice. In September 2021, the former company exercised its right to terminate the Consulting Agreement because management of the former company at the time of termination was dissatisfied with the quality of Plaintiff's services under the Consulting Agreement. Specifically, management of the former company at the time of termination received complaints from third parties that Plaintiff behaved inappropriately in meetings where Plaintiff made presentations to potential clients and vendors on behalf of the former company. In contrast, Plaintiff alleges, among other things, that the Defendants improperly misclassified Plaintiff as an independent contractor, that certain of the former company's executive officers committed sexual harassment and defamation and that Defendants unlawfully terminated Plaintiff. A jury trial has been set for May 26, 2023. The Company believes it should not be a party to the lawsuit since the former company, including its operations, officers, employees, contractors, assets and liabilities were all spun out as part of or as a result of the Spin Out Agreement dated July 23, 2021, and the Plaintiff never contracted with or was employed by the Company. The Company believes that the lawsuit is without merit and intends to defend the lawsuit vigorously; however, there can be no assurance regarding the ultimate outcome of this lawsuit.

Other than as described above, we know of no other material, existing or pending legal proceedings against the Company, nor is it involved as a plaintiff in any material proceeding or pending litigation. Other than as described above, we know of no other proceedings in which our directors, officers or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock trades on the OTCQB® Venture Market under the symbol "XESP." Unlike the Nasdaq Stock Market, companies cannot directly apply to be quoted on the OTCQB® Venture Market, only market makers can initiate quotes, and quoted companies do not have to meet any quantitative financial requirements. Any equity security of a reporting company not listed on the Nasdaq Stock Market or on a national securities exchange is eligible.

The following quotations reflect the high and low bids for our common shares based on inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

The high and low bid prices of our common stock for the periods indicated below are as follows:

| OTCQB® Venture Market ⁽¹⁾ ⁽²⁾ | | |
|---|---------|---------|
| Quarter Ended | High | Low |
| September 30, 2021 | \$0.50 | \$0.15 |
| December 31, 2021 | \$0.75 | \$0.16 |
| March 31, 2022 | \$0.39 | \$0.39 |
| June 30, 2022 | \$0.15 | \$0.15 |
| September 30, 2022 | \$0.165 | \$0.165 |
| December 30, 2022 | \$0.066 | \$0.066 |

(1) Over-the-counter market quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not represent actual transactions.

(2) The source of these quotations is OTCMarkets.com.

Stockholders

As of the date of this report, there were approximately 73 stockholders.

Dividends

We have not paid, nor declared, any cash dividends since our inception and do not intend to declare or pay any such dividends in the foreseeable future. Our ability to pay cash dividends is subject to limitations imposed by state law.

Securities Authorized for Issuance Under Equity Compensation Plans

As of the year ended December 31, 2022, the Company did not have any compensation plans under which our Common Stock was authorized for issuance; provided, however, the Company issued stock options to certain affiliates of the Company as follows:

In the first quarter of 2022, the Company entered into an Employment Agreement with Anthony Sanneh, a former officer of the Company. Under this Employment Agreement, the Company issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and have an expiry date of 10 years from the date of grant.

In the first quarter of 2022, the Company entered into an Employment Agreement with Thomas Spruce, an officer and sole director of the Company. Under this Employment Agreement, the Company issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and have an expiry date of 10 years from the date of grant. In the first quarter of 2023, the Company entered into a new Employment Agreement with Mr. Spruce. Under this new Employment Agreement, the Company issued options to purchase 1,750,000 restricted shares of the Company's common stock, at the commencement of his initial term of services, for an exercise price \$0.06 per share, vesting with respect to the first 250,000 shares on February 1, 2023 and vesting with respect to the remaining 1,500,000 shares in installments of 125,000 shares per fiscal quarter with the first vesting date of April 1, 2023 and 250,000 options to purchase restricted shares of the Company's common stock, at the commencement of his first renewal term of service. The options have an expiry date of 10 years from the date of grant.

In the last quarter of 2022, the Company entered into an Employment Agreement with Jim Kellogg, an officer of the Company. Under this Employment Agreement, the Company issued options to purchase 300,000 restricted shares of the Company's common stock at a strike price of \$0.10 per share, vesting with respect to 25% of the shares after 3 months of continuous service after November 16, 2022 and with respect to 25% of the shares every 3 months thereafter.

In the first quarter of 2023, the Company entered into an Employment Agreement with Peter Hager, an officer of the Company. Under this Employment Agreement, the Company issued options to purchase 6,400,000 restricted shares of the Company's common stock at a strike price of \$0.06 per share and options to purchase 1,000,000 restricted shares of the Company's common stock, at the commencement of his first renewal term of service. The options to purchase 6,400,000 restricted shares shall vest with respect to the first 400,000 shares on February 1, 2023, with the remaining 6,000,000 shares vesting in installments of 500,000 shares per fiscal quarter for each quarter of continuous service, beginning on April 1, 2023.

In the first quarter of 2023, the Company entered into an Advisor Agreement with Greg Shockey, an advisor of the Company. Under this Advisor Agreement, the Company issued options to purchase 3,660,000 restricted shares of the Company's common stock at a strike price of \$0.06 per share. The options shall vest with respect to the first 60,000 shares on February 1, 2023, with the remaining 3,600,000 shares vesting in installments of 300,000 shares per fiscal quarter for each quarter of continuous service, beginning on April 1, 2023.

The Company's management will review the adoption of an equity compensation plan in the future.

Recent Sales of Unregistered Securities

In the fourth quarter of 2021, the Company issued a total of 10,000,000 shares of its restricted common stock, at a cost basis of \$0.25 per share, to Phitech Management LLC in connection with a Licensing Agreement. The shares were issued in reliance on the exemption from registration under Section 4(a)(2) of the Securities Act.

In the first quarter of 2022, the Company entered into an Employment Agreement with Anthony Sanneh, a former officer of the Company. Under this Employment Agreement, the Company issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and have an expiry date of 10 years from the date of grant. The options were issued in reliance on the exemption from registration under Section 4(a)(2) of the Securities Act.

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ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our audited financial statements and notes to our financial statements included elsewhere in this report. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors discussed elsewhere in this report.

Certain information included herein contains statements that may be considered forward-looking statements, such as statements relating to our anticipated revenues, gross margin and operating results, future performance and operations, plans for future expansion, capital spending, sources of liquidity, and financing sources. This forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ from those expressed in any forward-looking statements made herein. These risks and uncertainties include those relating to our liquidity requirements, the continued growth of the Company's industry, the success of our product development, marketing and sales activities, vigorous competition in the construction industry, dependence on existing management, leverage and debt service (including sensitivity to fluctuations in interest rates), domestic or global economic conditions, the inherent uncertainty and costs of prolonged arbitration or litigation, and changes in federal or state tax laws or the administration of such laws.

Overview

Electronic Servitor Publication Network Inc. (formerly CannAssist International Corp.) was incorporated on May 17, 2017, under the laws of the State of Delaware to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. The Company is a managed services company providing digital activation and engagement solutions to established and developing companies that seek to optimize their digital customer engagement strategies. The Company's managed services are powered by a proven, proprietary tech stack – the Digital Engagement Engine (or DE²). This technology provides intelligent interaction management, dynamic content provisioning, and a logic-driven workflow which creates digital experiences that accelerate an audience from awareness to action, no matter what programs and processes that the client already has in place.

The Company's corporate offices are located at 400 1ST Ave N., Ste. 100, Minneapolis, MN 55401. The Company's email website is www.xespn.com. The Company's telephone number is (888) 991-0800.

The Company's common stock trades on the OTCQB Venture Market under the stock ticker symbol XESP.

On July 1, 2021, Mark Palumbo, a former officer and director of the Company, and Forty 7 Select Holdings LLC, an entity controlled by Greg Shockey (who was an existing shareholder of the Company), entered into an agreement pursuant to which Mark Palumbo transferred all of his 1,000 shares of Series A Preferred Stock (representing 100% of the Company's issued and outstanding Series A Preferred Stock), of the Company to Forty 7 Select Holdings LLC in a private transaction. The Series A Preferred Stock provides the holder thereof the right to vote 60% of the Company's voting shares on any and all shareholder matters and thereby constituted a change of control of the Company. Further, Mark Palumbo contributed 7,500,000 shares of common stock held by him to the treasury of the Company for cancellation at no cost (the "Contribution").

On July 23, 2021, the Company entered into a Technology License Agreement with Phitech Management, LLC, an entity controlled by Peter Hager ("Licensor"), whereby, at Closing, the Company shall be granted a license (the "License") to use, market, promote and distribute certain technology related to Electronic Sports Gaming, related patent applications, related trade-secrets and associated knowhow, including methods, techniques, specifications, procedures, information, systems, knowledge and business processes required to practice and carry on business in the field of data collection, security and management (the "Technology"). The initial term of the License is 10-years (the "Initial Term") and shall automatically be renewed for successive 1-year terms (each, a "Renewal Term") unless the Company elects to terminate the License by giving 30 days' written notice prior to commencement of a Renewal Term. In exchange for the License of the Technology, the Company shall issue to the Licensor 10,000,000 restricted shares of its common stock (which is an amount equal to \$2,500,000 divided by \$0.25, which was the closing market price of the Company's common stock on the trading day prior to the effective date of the License Agreement).

On July 23, 2021, the Company and Mark Palumbo entered into an agreement (the "Spin-Off Agreement") whereby, at the Closing, the Company shall transfer 100% of the issued and outstanding membership units of Xceptor LLC, an entity that was a wholly-owned subsidiary of the Company, to Mark Palumbo (along with the assets and liabilities associated with the prior business) for nominal consideration as a condition of the Change-in-Control (the "Spin-Off"). Furthermore, at the Closing, that certain Technology License Agreement entered into by and between the Company and Mark Palumbo dated April 29, 2019 (the "Palumbo License Agreement") shall be terminated and the Company shall assign all rights to the underlying Intellectual Property (as defined in the Palumbo License Agreement) to Mark Palumbo.

On September 28, 2021, the Certificate of Incorporation of the Company was amended to effect a change in the Company's name from "CannAssist International Corp." to "The Electronic Servitor Publication Network, Inc." (the "Name Change").

On October 9, 2021, the Closing of the Technology License Agreement occurred whereby the Company received the License to the Technology and the Licensors shall be 10,000,000 restricted shares of the Company's common stock, at a cost basis of \$0.25 per share.

On October 9, 2021, the Closing of the Spin-Off Agreement occurred whereby 100% of the issued and outstanding membership units of Xceptor LLC was transferred to Mark Palumbo (along with the assets and liabilities associated with the prior business) in exchange for nominal consideration and the Palumbo License Agreement was terminated.

Effective October 9, 2021, as a result of the transactions described above, the business of the Company changed to focus on Electronic Sports Gaming technology and the development of related infrastructure, specifically the development and commercialization of a technology platform specifically designed for the Electronic Sports and Electronic Gaming markets. The platform will provide an omni-channel publishing tool, with talent identity protection and monetization tools provided in line with interaction and media creation services. Further publication and monetization products and services will be developed and acquired to support these efforts.

On November 20, 2022, the Board approved the Company's amended and restated By-laws. On and after the effective date of the By-laws, the annual meeting of the Company's stockholder, shall be held annually on a date and at a time, and via a format (in person, conference call, video conference etc.) designated by the board of directors and stated in a notice of the meeting. Prior to the amendment, the annual meeting was held on the third Thursday of May of each calendar year at 10:30 am. Pursuant to the amended and restated By-laws, notice of the meeting may now be served to stockholders by electronic transmission, upon receipt of confirmation. Further, notice for special meetings of the Company's board of directors may now be given with no less than 24 hours by email or text, in addition to notice in person, by letter or telephone call. The Company's officers, pursuant to the amended and restated By-laws will be comprised of a chief executive officer, a president, a chief operating officer, a chief financial officer, a secretary, a treasurer, a controller, and/or such other officers as may from time to time be elected or appointed by the board of directors. Consequently, new descriptions for the offices of chief operations officer and chief financial officer have been included to the By-laws under Sections 4.7 and 4.8, respectively. The amended and restated By-laws also include an indemnification provision to indemnify the Company's officers and directors to the maximum extent and in the manner permitted by the General Corporation Law of Delaware.

The Company anticipates that it would need approximately \$1,500,000 over the next 12 months to continue as a going concern, satisfy its capital commitments and continue its operations in accordance with its current business plan. In addition to revenues generated from sales, the Chief Operating Officer and several shareholders may fund the Company's operations, if needed, during the next 12 months or until the Company can generate an ongoing source of capital sufficient to independently continue its operations.

As of December 31, 2022, the Company had generated revenues of \$0. At December 31, 2022, the Company had a total net loss of \$447,250 and had an accumulated deficit of \$6,362,481.

For the period ended December 31, 2022, the Company's independent auditors issued a report raising substantial doubt about the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon financial support from its principal stockholders, its ability to obtain necessary equity financing, or its ability to sell its services to generate consistent profitability.

Revenues and Losses

During the year ended December 31, 2022, the Company posted revenues of \$0. For that same year ended, total operating expenses were \$441,761, consisting of general and administrative expenses of \$19,672, professional fees of \$73,800 and stock-based compensation fees of \$348,289. Loss from operations and before income taxes totaled \$441,761. Other expenses consisted of \$5,489 in interest expense. After income tax expense of \$0, the Company generated a net loss from continuing operations of \$447,250, and a total net loss of \$447,250.

Liquidity and Capital Resources

The Company had total assets of \$17,139.

Since its inception, the Company has devoted most of its efforts to business planning, research and development, recruiting management and staff and raising capital. Accordingly, the Company was considered to be in the development stage until it recently began formal operations. The Company generated limited revenues since its inception and there is no assurance of future revenues.

The Company's proposed activities will necessitate significant uses of capital beyond 2022.

There is no assurance that the Company's activities will generate sufficient revenues to sustain its operations without additional capital, or if additional capital is needed, that such funds, if available, will be obtainable on terms satisfactory to the Company. Accordingly, given the Company's limited cash and cash equivalents on hand, the Company will be unable to implement its business plans and proposed operations unless it obtains additional financing or otherwise is able to generate revenues and profits. The Company may raise additional capital through sales of debt or equity, obtain loan financing or develop and consummate other alternative financial plans. In the interim, the Company plans to rely on its primary shareholder to continue his commitment to fund the Company's continuing operating requirements. Management anticipates a total capital raise of \$1,500,000 over the course of the following four consecutive quarters through private placements; provided, however, that the Company will require a minimum of \$1,500,000 for the next 12 months to fund its operations, which will be used to fund expenses related to Platform Finalization Costs, Initial Marketing, Furniture, Fixtures, and Equipment, Working Capital, Professional Fees and Licensure and Miscellaneous Development Costs. Management believes that this capital would allow the Company to meet its operating cash requirements and would facilitate the Company's business of selling and distributing its products. Management also believes that the acquisition of such assets would generate revenue to cover overhead cost and general liabilities of the Company and allow the Company to achieve overall sustainable profitability.

Discussion of the Year Ended December 31, 2022, as compared to the Year Ended December 31, 2021

For the years ended December 31, 2022 and 2021, all of revenue and cost of revenue have been included in the loss from discontinued operations (refer to Note 10).

During the year ended December 31, 2022, the Company posted operating expenses from continuing operations of \$441,761, consisting of general and administrative expenses of \$19,672, professional fees of \$73,800 and stock-based compensation of \$348,289. For the year ended December 31, 2021, all operating expense have been included in the loss from discontinued operations (refer to Note 10).

During the year ended December 31, 2022, the Company posted a net loss of \$447,250 from continuing operations for a total net loss for the year of \$447,250, compared to a net loss of \$166,077 from discontinued operations for the year ended December 31, 2021.

During the year ended December 31, 2022, the Company used \$63,134 of cash in operating activities and generated \$80,273 in cash from financing activities. The Company did not use or generate any cash in investing activities.

Plan of Operations

For the next few months, the Company will be focusing on developing and launching its platform, marketing and identifying customers.

There is no assurance that the Company's activities will generate sufficient revenues to sustain its operations without additional capital, or if additional capital is needed, that such funds, if available, will be obtainable on terms satisfactory to the Company. Accordingly, given the Company's limited cash and cash equivalents on hand, the Company will be unable to implement its business plans and proposed operations unless it obtains additional financing or otherwise is able to generate revenues and profits. The Company may raise additional capital through sales of debt or equity, obtain loan financing or develop and consummate other alternative financial plans. In the interim, the Company plans to rely on its primary shareholder to continue his commitment to fund the Company's continuing operating requirements. Management anticipates a total capital raise of \$1,500,000 over the course of the following four consecutive quarters through private placements; provided, however, that the Company will require a minimum of \$1,500,000 for the next 12 months to fund its operations, which will be used to fund expenses related to Platform Finalization Costs, Initial Marketing, Furniture, Fixtures, and Equipment, Working Capital, Professional Fees and Licensure and Miscellaneous Development Costs. Management believes that this capital would allow the Company to meet its operating cash requirements and would facilitate the Company's business of selling and distributing its products. Management also believes that the acquisition of such assets would generate revenue to cover overhead cost and general liabilities of the Company and allow the Company to achieve overall sustainable profitability.

Equipment Financing

The Company has no existing equipment financing arrangements.

Potential Revenue

The Company has developed a technology platform that is specifically designed for digital activation and engagement. The platform's functionality will allow its clients to better engage with their audiences on a global level. The platform will also provide in depth engagement analytics.

The Company plans to generate its profits via several revenue streams that will generate recurring streams of revenue for the business on a defined periodic basis.

Alternative Financial Planning

As of December 31, 2022, the Company had cash available of \$17,139.

Management anticipates a total capital raise of \$1,500,000 over the course of the following four consecutive quarters through private placements. Other than as stated herein, the Company has no alternative financial plans at the moment. If the Company is not able to successfully raise monies as needed through a private placement or other securities offering (including, but not limited to, a primary public offering of securities), the Company's ability to operate effectively will be severely jeopardized.

The Company does not anticipate that it will generate revenue sufficient to cover its planned operating expenses, and the Company must obtain additional financing in order to develop and implement its business plan and proposed operations. If the Company is not successful in generating sufficient revenues and/or obtaining additional funding to develop its business plan and proposed operations, this could have a material adverse effect on its business, results of operations liquidity and financial condition.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies

Refer to Note 2 of our financial statements contained elsewhere in this Form 10-K for a summary of our critical accounting policies and recently adopted and issued accounting standards.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a “smaller reporting company”, we have elected not to provide the disclosure required by this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The required financial statements are included following the signature page of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our prior principal executive and financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 15d-15(e) of the Securities Exchange Act of 1934, as amended, the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial officer concluded that our disclosure controls and procedures as of the end of the period covered by this report (based on the evaluation of these controls and procedures required by Rule 15d-15(b) of the Exchange Act) were not effective in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, and (ii) is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As of the end of the period covered by the Report, we had failed to adequately invest in personnel and systems to accumulate, record and properly report on our results of operations.

We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of our company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Management assessed our internal control over financial reporting as of December 31, 2022, the end of our fiscal year. Management based its assessment on criteria established in *Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO 2013 Criteria)*. Management's assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on our assessment, management has concluded that our internal control over financial reporting was not effective, as of the end of the fiscal year, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles, due to the material weaknesses set forth below.

The following is a summary of our material weaknesses as of December 31, 2022:

Lack of Thorough Controls and Segregation of Duties

The Company has not designed nor maintained effective controls over review of financial information, including cut-off, and there is also a lack of segregation of duties with regard to key treasury and accounting functions. These items contribute to a material weakness in internal control over financial reporting. The Company needs to develop an appropriate control environment, perform a risk assessment, develop control activities, and information, as well as monitoring activities, which we hope to implement over the next 12 months.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Inherent Limitations on Effectiveness of Controls

Internal control over financial reporting has inherent limitations which include but is not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 15d-15(f) of the Exchange Act) that occurred during the year ended December 31, 2022, that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth information regarding the members of the Company's board of directors and its executive officers:

| Name | Age | Position | Year Commenced |
|---------------|-----|--|----------------|
| Peter Hager | 53 | Chief Executive Officer and President | 2023 |
| | | | |
| Thomas Spruce | 67 | Chief Operations Officer, Secretary, and sole Director | 2022 |
| | | | |
| Jim Kellogg | 64 | Chief Financial Officer | 2022 |

Peter Hager

Chief Executive Officer and President

Peter Hager, age 53, is a seasoned business executive with 30 years of cross industry leadership experience in executive management, sales, marketing, and technology. He has a track record of success in providing services to Fortune 500 companies, such as United Health Group, Boston Scientific, Johnson & Johnson, Medtronic, Wells Fargo, 3M, Target, Cargill, Land O' Lakes, and General Mills. Since 2003, Peter Hager served in various roles including as President, CEO, and Chairman of Pointward, Inc. which is a MedTech Customer Engagement Agency. Mr. Hager has also served as past or current director and founding member for multiple technology, professional services, and MedTech organizations, including PhiTech Management, iSight Therapeutics, TeamNet Systems, and Bluestem Technologies. Mr. Hager holds a Bachelor of Arts degree in economics and psychology from Macalester College in Saint Paul, Minnesota.

Thomas Spruce

Chief Operating Officer, Secretary, and sole Director

Thomas Spruce, age 67, is the Chief Operations Officer, Secretary, and sole Director. Mr. Spruce has decades of experience in large corporations, small companies, and start-ups in a variety of sales management, operations management, business development, and consulting roles with product and service businesses. From 2008 to the present, Mr. Spruce has served as the President and CEO of His Speed, Inc., a company that specializes in business management, development, and consulting. Prior to 2008, Mr. Spruce served in management positions at the Principle Pharmacy Group, MediqPRN/Hill-Rom and Owen Healthcare/Cardinal Health, where he managed sales, operations management, business transition, integrated sales, and enterprise account management. Mr. Spruce has a Bachelor of Sciences in Pharmacy from the University of Arkansas, is a licensed pharmacist, is a Board Member at The Victory Way, has served as Board Chairman of the Dean's Advisory Council- Western University School of Pharmacy and was a Fellow at the American College of Healthcare Executives.

Jim Kellogg

Chief Financial Officer

Since its inception in January of 2005, Mr. Kellogg, age 64, has served as the principal of J. Kellogg & Company, Inc., a business and tax consultant for business entities with annual gross sales of up to \$10,000,000. Mr. Kellogg has provided legal support to clients' business valuations, business interruption and divorce property valuations. He personally interviews, prepares and reviews approximately 1,000 personal, business, and fiduciary tax returns on an annual basis. Mr. Kellogg has been working as a professional tax adviser since 1983. Mr. Kellogg obtained his JD from the Western State University College of Law in Fullerton, California, with an emphasis on taxation in 1995, and was certified as a financial planner by the College for Financial Planning in Denver, Colorado in 1990.

Director Independence

The Board of Directors has determined that it does not have any independent directors as that term is defined by NASDAQ Marketplace Rule 5605(a)(2). In assessing the independence of the directors, the Board considers any transactions, relationships and arrangements between our Company and our independent directors or their affiliated companies. This review is based primarily on responses of the directors to questions in a director and officer questionnaire regarding employment, business, familial, compensation and other relationships with our Company or our management.

Director Compensation

Aside from stock options disclosed above, directors do not receive any compensation for serving on the Board of Directors.

Committees and Terms

The Board of Directors has not established any committees. The Company will notify its shareholders for an annual shareholder meeting and that they may present proposals for inclusion in the Company's proxy statement to be mailed in connection with any such annual meeting; such proposals must be received by the Company at least 90 days prior to the meeting. No other specific policy has been adopted in regard to the inclusion of shareholder nominations to the Board of Directors.

Legal Proceedings

On November 4, 2021, a lawsuit captioned CAMRON ELIZABETH v. MARK PALUMBO et al., Case No. CVPS2106116 was filed in the Superior Court of California, County of Riverside against the Company and certain of the Company's former executive officers (collectively, the "Defendants"). The Plaintiff and the Company (as CannAssist International Corp.) entered into a Consulting Agreement dated November 20, 2020 (the "Consulting Agreement"), pursuant to which Plaintiff was engaged to provide certain sales and marketing services to the Company. As a condition of this Consulting Agreement, Plaintiff was paid a monthly fee and was granted restricted shares of the common stock of the Company that were subject to certain vesting conditions tied to Plaintiff's service under the Consulting Agreement. The Consulting Agreement also contained provisions that enabled the Company to terminate the Consulting Agreement without cause after 10 days' written notice. In September 2021, the Company exercised its right to terminate the Consulting Agreement because management of the Company at the time of termination was dissatisfied with the quality of Plaintiff's services under the Consulting Agreement. Specifically, management of the Company at the time of termination received complaints from third-parties that Plaintiff behaved inappropriately in meetings where Plaintiff made presentations to potential clients and vendors on behalf of the Company. In contrast, Plaintiff alleges, among other things, that the Defendants improperly misclassified Plaintiff as an independent contractor, that certain of the Company's former executive officers committed sexual harassment and defamation and that Defendants unlawfully terminated Plaintiff. A jury trial has been set for May 26, 2023. The Company believes that the lawsuit is without merit and intends to defend the lawsuit vigorously; however, there can be no assurance regarding the ultimate outcome of this lawsuit.

Other than as described above, we know of no other material, existing or pending legal proceedings against the Company, nor is it involved as a plaintiff in any material proceeding or pending litigation. Other than as described above, we know of no other proceedings in which our directors, officers or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Code of Ethics

Our Board of Directors has not adopted a code of ethics. We anticipate that we will adopt a code of ethics when we increase either the number of our Directors or the number of our employees.

Indemnification of Officers, Directors, Employees and Agents

The Certificate of Incorporation and bylaws of the Company provide that the Company shall, to the fullest extent permitted by applicable law, as amended from time to time, indemnify all directors of the Company, as well as any officers or employees of the Company to whom the Company has agreed to grant indemnification.

Section 145 of the Delaware General Corporation Law empowers a corporation to indemnify its directors and officers and to purchase insurance with respect to liability arising out of their capacity or status as directors and officers provided that this provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) arising under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

The Delaware General Corporation Law provides further that the indemnification permitted thereunder shall not be deemed exclusive of any other rights to which the directors and officers may be entitled under the corporation's by-laws, any agreement, vote of shareholders or otherwise.

The effect of the foregoing is to require the Company to indemnify the officers and directors of the Company for any claim arising against such persons in their official capacities if such person acted in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

INSOFAR AS INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE SECURITIES ACT OF 1933, AS AMENDED, MAY BE PERMITTED TO DIRECTORS, OFFICERS OR PERSONS CONTROLLING THE COMPANY PURSUANT TO THE FOREGOING PROVISIONS, IT IS THE OPINION OF THE SECURITIES AND EXCHANGE COMMISSION THAT SUCH INDEMNIFICATION IS AGAINST PUBLIC POLICY AS EXPRESSED IN THE ACT AND IS THEREFORE UNENFORCEABLE.

Identification of Significant Employees

The Company currently has three employees, not including independent consultants.

Involvement in Certain Legal Proceedings

None of our current directors or executive officers have, during the past ten years:

- Been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- Had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- Been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- Been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- Been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- Been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any
- Registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in “Certain Relationships and Related Transactions, none of our directors, director nominees or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Committees of the Board

Our Company currently does not have nominating, compensation or audit committees or committees performing similar functions nor does our Company have a written nominating, compensation or audit committee charter. Our Directors believe that it is not necessary to have such committees, at this time, because the Board of Directors can adequately perform the functions of such committees.

Our Company does not have any defined policy or procedural requirements for shareholders to submit recommendations or nominations for Directors. The Board of Directors believes that, given the stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our Company does not currently have any specific or minimum criteria for the election of nominees to the Board of Directors and we do not have any specific process or procedure for evaluating such nominees. The Board of Directors will assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

A shareholder who wishes to communicate with our Board of Directors may do so by directing a written request addressed to our President and Director, at the address appearing on the first page of this filing.

Risk Oversight

Effective risk oversight is an important priority of the Board of Directors. Because risks are considered in virtually every business decision, the Board of Directors discusses risk throughout the year generally or in connection with specific proposed actions. The Board of Directors’ approach to risk oversight includes understanding the critical risks in the Company’s business and strategy, evaluating the Company’s risk management processes, allocating responsibilities for risk oversight among the full Board of Directors, and fostering an appropriate culture of integrity and compliance with legal responsibilities.

Corporate Governance

The Company promotes accountability for adherence to honest and ethical conduct; endeavors to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with the SEC and in other public communications made by the Company; and strives to be compliant with applicable governmental laws, rules and regulations. The Company has not formally adopted a written code of business conduct and ethics that governs the Company’s employees, officers and Directors as the Company is not required to do so.

In lieu of an Audit Committee, the Company’s Board of Directors is responsible for reviewing and making recommendations concerning the selection of outside auditors, reviewing the scope, results and effectiveness of the annual audit of the Company’s financial statements and other services provided by the Company’s independent public accountants. The Board of Directors reviews the Company’s internal accounting controls, practices and policies.

Code of Ethics

Our Board of Directors has not adopted a code of ethics. We anticipate that we will adopt a code of ethics when we increase either the number of our Directors or the number of our employees.

ITEM 11. EXECUTIVE COMPENSATION

At December 31, 2021, the Company had not paid compensation to any executive officer or director; provided, however, the Company entered into the following employment agreements with certain affiliates of the Company as follows:

In the first quarter of 2022, the Company entered into an Employment Agreement with Anthony Sanneh, an affiliate of the Company, for services as an officer of the Company. This agreement has a term of 2 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of \$1.00 per year and issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and have an expiry date of 10 years from the date of grant. In the event that the agreement is renewed, an additional 125,000 options to purchase restricted shares of the Company's common stock shall be issued for each 6-month renewal term at a strike price equal to the fair market value of the Company's common stock on the trading day prior to the grant of the options.

In the first quarter of 2022, the Company entered into an Employment Agreement with Thomas Spruce, an affiliate of the Company, for services as an officer of the Company. This agreement has a term of 2 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of \$1.00 per year and issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and have an expiry date of 10 years from the date of grant. In the event that the agreement is renewed, an additional 125,000 options to purchase restricted shares of the Company's common stock shall be issued for each 6-month renewal term at a strike price equal to the fair market value of the Company's common stock on the trading day prior to the grant of the options.

In the last quarter of 2022, the Company entered into an Employment Agreement with Jim Kellogg, an officer of the Company. The agreement has a term of 1 year and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of \$1.00 per year and the Company issued options to purchase 300,000 restricted shares of the Company's common stock at a strike price of \$0.10 per share, vesting with respect to 25% of the shares after 3 months of continuous service after November 16, 2022, and with respect to 25% of the shares every 3 months thereafter. The options have an expiry date of 10 years from the date of grant.

In the first quarter of 2023, the Company entered into an Advisor Agreement with Greg Shockey, which supersedes his previous Advisor Agreement with the Company, whereby, in exchange for business development and strategy consulting, investor relations, and facilitating meetings with targeted investors, as well as other services, the Company agreed to issue Greg Shockey options to purchase 60,000 restricted shares of common stock at signing and an additional 1,200,000 shares of restricted common stock every year thereafter. The 3,660,000 restricted shares of the Company's common stock, for an exercise price of \$0.06 per share, shall vest as follows: 60,000 shares on February 1, 2023, and the remaining 3,600,000 shall vest in installments of 300,000 shares per fiscal quarter with the first vesting date of April 1, 2023. The options have an expiry date of 10 years from the date of grant.

In the first quarter of 2023, Peter Hager was appointed as the Company's President and Chief Executive Officer. The Company entered into an Employment Agreement with Mr. Hager. The agreement has a term of 3 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of 2.5% of the Company's revenue up to a maximum of \$480,000.00 per year and granted Mr. Hager options to purchase 6,400,000 restricted shares of the Company's common stock, at the commencement of his initial term of services, for an exercise price \$0.06 per share, vesting with respect to the first 400,000 shares on February 1, 2023 and vesting with respect to the remaining 6,000,000 shares in installments of 500,000 shares per fiscal quarter with the first vesting date of April 1, 2023 and 1,000,000 options to purchase restricted shares of the Company's common stock, at the commencement of his first renewal term of service. The options have an expiry date of 10 years from the date of grant. In addition, Mr. Hager may be entitled to an annual bonus if the Company's EBITDA exceeds the forecasted EBITDA approved by the board at the beginning of the year.

In the first quarter of 2023, Thomas Spruce, an officer and director of the Company, entered into an Employment Agreement with the Company, which supersedes his previous Employment Agreement with the Company. The agreement has a term of 3 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of 1.25% of the Company's revenue up to a maximum of \$240,000.00 per year and Mr. Spruce was granted options to purchase 1,750,000 restricted shares of the Company's common stock, at the commencement of his initial term of services, for an exercise price \$0.06 per share, vesting with respect to the first 250,000 shares on February 1, 2023 and vesting with respect to the remaining 1,500,000 shares in installments of 125,000 shares per fiscal quarter with the first vesting date of April 1, 2023 and 250,000 options to purchase restricted shares of the Company's common stock, at the commencement of his first renewal term of service. The options have an expiry date of 10

years from the date of grant. In addition, Mr. Spruce may be entitled to an annual bonus if the Company' s EBITDA exceeds the forecasted EBITDA approved by the board at the beginning of the year.

The Company may choose to pay additional salary or fees to its executive management in the future. Other than the foregoing, there have been no changes in the Company's compensation policy since the end of the Company's last fiscal year.

Narrative Disclosure to Summary Compensation Table

Other than as disclosed above, there are no other employment agreements between the Company and its executive officers. The compensation discussed herein addresses all compensation awarded to, earned by, or paid to our named executive officers. There are no other stock option plans, retirement, pension, or profit-sharing plans for the benefit of our officers and directors other than as described herein.

Outstanding Equity Awards at Fiscal Year-End

The aforementioned equity awards were outstanding as of fiscal year-end.

Committees of the Board

Our Company currently does not have nominating, compensation or audit committees or committees performing similar functions nor does our Company have a written nominating, compensation or audit committee charter. Our sole Director believes that it is not necessary to have such committees, at this time, because he can adequately perform the functions of such committees.

Our Company does not have any defined policy or procedural requirements for shareholders to submit recommendations or nominations for Directors. The sole Director believes that, given the stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our Company does not currently have any specific or minimum criteria for the election of nominees to the Board of Directors and we do not have any specific process or procedure for evaluating such nominees. The Board of Directors will assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

A shareholder who wishes to communicate with our Board of Directors may do so by directing a written request addressed to our President and Director, at the address appearing on the first page of this filing.

Risk Oversight

Effective risk oversight is an important priority of the Company. Because risks are considered in virtually every business decision, the Director's approach to risk oversight includes understanding the critical risks in the Company's business and strategy, evaluating the Company's risk management processes, allocating responsibilities for risk oversight among the future full Board of Directors, and fostering an appropriate culture of integrity and compliance with legal responsibilities.

Corporate Governance

The Company promotes accountability for adherence to honest and ethical conduct; endeavors to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with the SEC and in other public communications made by the Company; and strives to be compliant with applicable governmental laws, rules and regulations. The Company has not formally adopted a written code of business conduct and ethics that governs the Company's employees, officers and Directors as the Company is not required to do so.

In lieu of an Audit Committee, the Company's sole Director is responsible for reviewing and making recommendations concerning the selection of outside auditors, reviewing the scope, results and effectiveness of the annual audit of the Company's financial statements and other services provided by the Company's independent public accountants. The Company's sole Director reviews the Company's internal accounting controls, practices and policies.

Code of Ethics

The Company has not adopted a code of ethics. We anticipate that we will adopt a code of ethics when we increase either the number of our Directors or the number of our employees.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act may require our executive officers and Directors, and persons who own more than ten percent of our common stock to file reports of ownership and change in ownership with the SEC and the exchange on which the common stock is listed for trading. Executive officers, Directors and more than ten percent (10%) stockholders are required by regulations promulgated under the Exchange Act to furnish us with copies of all Section 16(a) reports filed. Based solely on our review of copies of the Section 16(a) reports filed for the fiscal year ended December 31, 2022, we believe that our executive officers, Directors and ten percent (10%) stockholders complied with all reporting requirements applicable to them, aside from Mr. Jim Kellogg, who has yet to file his initial Section 16(a) report after his appointment as Chief Financial Officer of the Company.

Director Compensation

Our sole Director does not currently receive any consideration for his services as a Director. The Company reserves the right in the future to award future members of the Board of Directors cash or stock-based consideration for their services to the Company, which awards, if granted shall be in the sole determination of the Board of Directors.

Executive Compensation Philosophy

Our sole Director determines the compensation given to our executive officers in his sole determination. Our sole Director also reserves the right to pay our executives a salary, and/or issue them shares of common stock issued in consideration for services rendered and/or to award incentive bonuses which are linked to our performance, as well as to the individual executive officer's performance. This package may also include long-term stock-based compensation to certain executives, which is intended to align the performance of our executives with our long-term business strategies. Additionally, our sole Director reserves the right to grant stock options in the future, if he, in his sole determination, believes such grants would be in the best interests of the Company.

Incentive Bonus

The Board of Directors may grant incentive bonuses to our executive officers in its sole discretion, if the Board of Directors believes such bonuses are in the Company's best interest, after analyzing our current business objectives and growth, if any, and the amount of revenue we are able to generate each month, which revenue is a direct result of the actions and ability of such executives.

Long-term, Stock Based Compensation

In order to attract, retain and motivate executive talent necessary to support the Company's long-term business strategy we may award certain executives with long-term, stock-based compensation in the future, in the sole discretion of our sole Director, which we do not currently have any immediate plans to award other than as described herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth information as of the date of this prospectus regarding the beneficial ownership of the Company's common stock by each of its executive officers and directors, individually and as a group and by each person who beneficially owns in excess of five percent of the common stock after giving effect to any exercise of warrants or options held by that person.

COMMON STOCK

| | Common Shares Owned | Percentage of Class (1) |
|--|------------------------|----------------------------|
| Peter Hager (1) (2) (5) <i>Chief Executive Officer</i> | 0 | 0.00% |
| Thomas Spruce (1) (2) (3) (6) (7) <i>Chief Operations Officer, Secretary and sole Director</i> | 15,000 | 0.07% |
| Jim Kellogg (1) (2) (4) <i>Chief Financial Officer</i> | 0 | 0.00% |
| Mark Palumbo (1) (8) (9) <i>Former Chief Executive Officer, Former Treasurer and Former Secretary</i> | 2,300,000 | 10.73% |
| Marla Palumbo (1) (8) (9) <i>Former President</i> | 1,200,000 | 5.60% |
| Phitech Management LLC (1) (2) (10) <i>>5% Common Stock Shareholder</i> | 10,000,000 | 46.69% |
| Spruce Solutions LLC (1) (2) (11) <i>Held by Affiliate</i> | 522,500 | 2.43% |

- (1) Based on 21,416,001 common stock shares issued and outstanding as of the date of this Annual Report.
- (2) This individual and/or entity's address is 400 1st Ave N., Ste. 100, Minneapolis MN 55401.
- (3) This individual owns options to acquire 500,000 shares of the common stock of the Company at a strike price of \$0.39 per share. The options have an expiry date of 10 years from the date of grant and are subject to certain vesting conditions related to length of service.
- (4) This individual owns options to acquire 300,000 shares of the common stock of the Company at a strike price of \$0.10 per share. The options have an expiry date of 10 years from the date of grant and are subject to certain vesting conditions related to length of service.
- (5) This individual owns options to acquire 6,400,000 shares of the common stock of the Company at a strike price of \$0.06 per share. The options have an expiry date of 10 years from the date of grant and are subject to certain vesting conditions related to length of service.
- (6) This individual owns options to acquire 1,750,000 shares of the common stock of the Company at a strike price of \$0.06 per share. The options have an expiry date of 10 years from the date of grant and are subject to certain vesting conditions related to length of service.

- (7) These shares are owned by the Spruce Family Trust, which is controlled by Mr. Spruce.
- (8) This individual' s address is 855 South Mission Avenue, Suite #K400, Fallbrook, CA 92028.
- (9) These individuals are married.
- (10) Peter Hager is the controlling affiliate of this entity.
- (11) Thomas Spruce is the controlling affiliate of this entity.

SERIES A PREFERRED STOCK

| | Series A Preferred Shares Owned | Percentage of Class (1) |
|--|------------------------------------|-------------------------|
| Forty 7 Select Holdings LLC (1) (2) (3) (4) | 1,000 | 100% |
| <i>>5% Series A Preferred Stock Shareholder</i> | | |

- (1) Based on 1,000 Series A Preferred Stock shares outstanding.
- (2) Consists of 1,000 shares of Series A Preferred Stock, purchased at par value, which, voting together as a class, have the right to vote 60% of the Company's voting shares on any and all shareholder matters (the "Majority Voting Rights"). Additionally, the Company shall not adopt any amendments to the Company's Bylaws, Articles of Incorporation, as amended, make any changes to the Certificate of Designations establishing the Series A Preferred Stock, or effect any reclassification of the Series A Preferred Stock, without the affirmative vote of at least a majority of the outstanding shares of Series A Preferred Stock. However, the Company may, by any means authorized by law and without any vote of the holders of shares of Series A Preferred Stock, make technical, corrective, administrative or similar changes to such Certificate of Designations that do not, individually or in the aggregate, adversely affect the rights or preferences of the holders of shares of Series A Preferred Stock. Other than the Majority Voting Rights, the Series A Preferred Stock does not have any other dividend, liquidation, conversion, or redemption rights, whatsoever.
- (3) This entity's address is 31878 Del Obispo 118-331, San Juan Capistrano, CA 92675.
- (4) Greg Shockey is the controlling affiliate of this entity.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, DIRECTOR INDEPENDENCE.

Transactions with Related Persons

Marla Palumbo, an affiliate of the Company, had advanced the Company a limited amount of funds to cover some general operating expenses and travel costs. These advances are unsecured, due on demand and non-interest bearing. Liability for any amounts due were transferred to Mark Palumbo as a condition of the Spin-Off Agreement. Ms. Palumbo was the President of the Company and wife of the former CEO, Mark Palumbo.

On July 1, 2021, Mark Palumbo, an officer and director of the Company, and Forty 7 Select Holdings LLC, an entity controlled by an existing shareholder of the Company, entered into an agreement pursuant to which Mark Palumbo transferred all of his 1,000 shares of Series A Preferred Stock (representing 100% of the Company's issued and outstanding Series A Preferred Stock), of the Company to Forty 7 Select Holdings LLC in a private transaction. The Series A Preferred Stock provides the holder thereof the right to vote 60% of the Company's voting shares on any and all shareholder matters and thereby constituted a change of control of the Company. Further, Mark Palumbo contributed 7,500,000 shares of common stock then held by him to the treasury of the Company for cancellation at no cost (the "Contribution").

On July 23, 2021, the Company entered into a Technology License Agreement (the "License Agreement") with Phitech Management, LLC, an affiliate of the Company ("Licensor"), whereby the Licensor granted to the Company an exclusive worldwide license (the "License") to use, market, promote and distribute certain technology related to Electronic Sports Gaming, related patent applications, related trade-secrets and associated knowhow, including methods, techniques, specifications, procedures, information, systems, knowledge and business processes required to practice and carry on business in the field of data collection, security and management (the "Technology") at Closing (as defined in the License Agreement, which is incorporated herein by reference). The initial term of the License is 10-years (the "Initial Term") and shall automatically be renewed for successive 1-year terms (each, a "Renewal Term") unless the Company elects to terminate the License by giving 30 days' written notice prior to commencement of a Renewal Term. In exchange for the License of the Technology, the Company shall issue to the Licensor 10,000,000 restricted shares of its common stock (which is an amount equal to \$2,500,000 divided by \$0.25, which was the closing market price of the Company's common stock on the trading day prior to the effective date of the License Agreement). On October 9, 2021, the Closing of the Technology License Agreement (as amended by that certain Bill of Sale and Acknowledgement of Closing of the Technology License Agreement attached as an exhibit to the Company's Current Report on Form 8-K filed on October 18, 2022 and incorporated herein by reference) occurred whereby the Licensor was authorized to be issued 10,000,000 restricted shares of the Company's common stock, at a cost basis of \$0.25 per share, and, in exchange, the Company received the License to the Technology.

On July 23, 2021, the Company and Mark Palumbo entered into a Spin-Off Agreement (the "Spin-Off Agreement") whereby, at the Closing (as defined in the Spin-Off Agreement, which is incorporated by reference), the Company shall transfer 100% of the issued and outstanding membership units of Xceptor LLC, an entity that was a wholly-owned subsidiary of the Company, to Mark Palumbo for nominal consideration as a condition of the Change-in-Control of the Company (the "Spin-Off"). Furthermore, at the Closing, that certain Technology License Agreement entered into by and between the Company and Mark Palumbo dated April 29, 2019 (the "Palumbo License Agreement") shall be terminated and the Company shall assign all rights to the underlying Intellectual Property (as defined in the Palumbo License Agreement) to Mark Palumbo. On October 9, 2021, the Closing of the Spin-Off Agreement (as amended by that certain Bill of Sale and Acknowledgement of Closing of the Spin-Off Agreement attached as an exhibit to the Company's Current Report on Form 8-K filed on October 18, 2022, and incorporated herein by reference) occurred whereby 100% of the issued and outstanding membership units of Xceptor LLC was transferred to Mark Palumbo.

In the first quarter of 2022, the Company entered into an Employment Agreement with Anthony Sanneh, a former officer of the Company. This Employment Agreement has a term of 2 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this Employment Agreement, the Company pays a base salary of \$1.00 per year and issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and have an expiry date of 10 years from the date of grant. In the event that the agreement is renewed, an additional 125,000 options to purchase restricted shares of the Company's common stock were to be issued for each 6-month renewal term at a strike price equal to the fair market value of the Company's common stock on the trading day prior to the grant of the options, however, Mr. Sanneh is no longer an officer of the Company.

In the first quarter of 2022, the Company entered into an Employment Agreement with Thomas Spruce, an officer and director of the Company. This Employment Agreement has a term of 2 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this Employment Agreement, the Company pays a base salary of \$1.00 per year and issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and have an expiry date of 10 years from the date of grant. In the event that the agreement is renewed, an additional 125,000 options to purchase restricted shares of the Company's common stock shall be issued for each 6-month renewal term at a strike price equal to the fair market value of the Company's common stock on the trading day prior to the grant of the options.

In the last quarter of 2022, the Company entered into an Employment Agreement with Jim Kellogg, an officer of the Company. The agreement has a term of 1 year and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of \$1.00 per year and the Company issued options to purchase 300,000 restricted shares of the Company's common stock at a strike price of \$0.10 per share, vesting with respect to 25% of the shares after 3 months of continuous service after November 16, 2022 and with respect to 25% of the shares every 3 months thereafter. The options have an expiry date of 10 years from the date of grant.

In the first quarter of 2023, the Company entered into an Advisor Agreement with Greg Shockey, which supersedes his previous Advisor Agreement with the Company, whereby, in exchange for business development and strategy consulting, investor relations, and facilitating meetings with targeted investors, as well as other services, the Company agreed to issue Greg Shockey options to purchase 60,000 restricted shares of common stock at signing and an additional 1,200,000 shares of restricted common stock every year thereafter. The 3,660,000 restricted shares of the Company's common stock, for an exercise price of \$0.06 per share, shall vest as follows: 60,000 shares on February 1, 2023 and the remaining 3,600,000 shall vest in installments of 300,000 shares per fiscal quarter with the first vesting date of April 1, 2023. The options have an expiry date of 10 years from the date of grant.

In the first quarter of 2023, Peter Hager was appointed as the Company's President and Chief Executive Officer. The Company entered into an Employment Agreement with Mr. Hager. The agreement has a term of 3 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of 2.5% of the Company's revenue up to a maximum of \$480,000.00 per year and granted Mr. Hager options to purchase 6,400,000 restricted shares of the Company's common stock, at the commencement of his initial term of services, for an exercise price \$0.06 per share, vesting with respect to the first 400,000 shares on February 1, 2023 and vesting with respect to the remaining 6,000,000 shares in installments of 500,000 shares per fiscal quarter with the first vesting date of April 1, 2023 and 1,000,000 options to purchase restricted shares of the Company's common stock, at the commencement of his first renewal term of service. The options have an expiry date of 10 years from the date of grant. In addition, Mr. Hager may be entitled to an annual bonus if the Company's EBITDA exceeds the forecasted EBITDA approved by the board at the beginning of the year.

In the first quarter of 2023, Thomas Spruce, an officer and director of the Company, entered into an Employment Agreement with the Company, which supersedes his previous Employment Agreement with the Company. The agreement has a term of 3 years and automatically renews for additional 6-month terms unless earlier terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this agreement, the Company pays a base salary of 1.25% of the Company's revenue up to a maximum of \$240,000.00 per year and Mr. Spruce was granted options to purchase 1,750,000 restricted shares of the Company's common stock, at the commencement of his initial term of services, for an exercise price \$0.06 per share, vesting with respect to the first 250,000 shares on February 1, 2023 and vesting with respect to the remaining 1,500,000 shares in installments of 125,000 shares per fiscal quarter with the first vesting date of April 1, 2023 and 250,000 options to purchase restricted shares of the Company's common stock, at the commencement of his first renewal term of service. The options have an expiry date of 10 years from the date of grant. In addition, Mr. Spruce may be entitled to an annual bonus if the Company's EBITDA exceeds the forecasted EBITDA approved by the board at the beginning of the year.

Our officers and director are now and may in the future become a stockholder, officer or director of other companies that may be engaged in business activities similar to those conducted by us. Accordingly, direct conflicts of interest may arise in the future with respect to such individuals acting on our behalf or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individual in the performance of his duties or otherwise. Although we do not currently have a right of first refusal pertaining to opportunities that come to management's attention insofar as such opportunities may relate to our business operations, we have established a conflict-of-interest policy intended to ensure timely disclosure and avoidance of activities and relationships that conflict with the interests of the Company.

Our officers and director are subject to the restriction that all opportunities contemplated by our business plan which come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to our Company. A breach of this requirement will be a breach of the fiduciary duties of the officer or director.

All future affiliated transactions will be made or entered into on terms that are no less favorable to us than those that can be obtained from any unaffiliated third party. To the extent possible, a majority of the independent, disinterested members of our board of directors will approve future affiliated transactions.

Review, Approval and Ratification of Related Party Transactions

Given our small size and limited financial resources, we have not adopted formal policies and procedures for the review, approval or ratification of transactions, such as those described above, with our executive officers, Directors and significant stockholders. However, all of the transactions described above were approved and ratified by our Board of Directors. In connection with the approval of the transactions described above, our Board of Directors, took into account several factors, including their fiduciary duties to the Company; the relationships of the related parties described above to the Company; the material facts underlying each transaction; the anticipated benefits to the Company and related costs associated with such benefits; whether comparable products or services were available; and the terms the Company could receive from an unrelated third party.

We intend to establish formal policies and procedures in the future, once we have sufficient resources and have appointed additional Directors, so that such transactions will be subject to the review, approval or ratification of our Board of Directors, or an appropriate committee thereof. With regard to any future related party transaction, we plan to fully disclose any and all related party transactions in the following manner:

- Disclosing such transactions in reports where required;
- Disclosing in any and all filings with the SEC, where required;
- Obtaining disinterested directors consent; and
- Obtaining shareholder consent where required.

Director Independence

Quotations for the Company's common stock are entered on the Over-the-Counter Bulletin Board inter-dealer quotation system, which does not have director independence requirements. For purposes of determining director independence, the Company applied the definitions set out in NASDAQ Rule 4200(a)(15). Under NASDAQ Rule 4200(a)(15), a director is not considered to be independent if he or she is also an executive officer or employee of the corporation. As a result, the Company does not have any independent directors. Our sole director, Thomas Spruce, is also an executive officer of the Company.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

Audit Fees

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of our annual financial statement and review of financial statements included in our 10-Q reports and services normally provided by the accountant in connection with statutory and regulatory filings or engagements were \$43,000 for fiscal year ended December 31, 2022, and \$35,000 for fiscal year ended December 31, 2021.

Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of our financial statements that are not reported above were nil for fiscal years ended December 31, 2022 and 2021, respectively.

Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning were nil for fiscal years ended December 31, 2022 and 2021, respectively.

All Other Fees

The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above were nil for fiscal years ended December 31, 2022 and 2021, respectively.

Audit Committee

As of the date of this Annual Report, the Company did not have a standing audit committee serving, and as a result our board of directors performs the duties of an audit committee. Our board of directors will evaluate and approve in advance, the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services. We do not rely on pre-approval policies and procedures.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Financial Statements Index

The following financial statements are filed with this report:

Report of Independent Registered Public Accounting Firm

Balance Sheets at December 31, 2022 and 2021

Statements of Operations for the years ended December 31, 2022 and December 31, 2021

Statements of Cash Flows for the years ended December 31, 2022 and December 31, 2021

Statements of Changes in Stockholders' Equity (Deficit) for the years ended December 31, 2022 and December 31, 2021

Notes to Financial Statements

EXHIBITS

- | | |
|------|---|
| 3.1 | <u>Certificate of Incorporation (previously filed on Form 10-12G on January 18, 2017 as the same exhibit number as the exhibit number listed here, and incorporated herein by this reference.)</u> |
| 3.2 | <u>By-laws (previously filed on Form 10-12G on January 18, 2017 as the exhibit number listed here, and incorporated herein by this reference.)</u> |
| 3.3 | <u>Amendment to Certificate of Incorporation (previously filed on Form S-1 on October 22, 2018 as the same exhibit number listed here, and incorporated herein by this reference.)</u> |
| 3.4 | <u>Series A Certificate of Designation filed with the Secretary of State of Delaware on May 6, 2019 (previously filed on Form 8-K on March 30, 2020 as Exhibit 3.4, and incorporated herein by this reference.)</u> |
| 3.5 | <u>Amendment to Certificate of Incorporation (previously filed on Form 8-K on October 12, 2021 as an exhibit and incorporated herein by this reference.)</u> |
| 3.6 | <u>First Amended and Restated By-laws (previously filed on Form 8-K on November 21, 2022 as Exhibit 99.3, and incorporated herein by this reference.)</u> |
| 10.1 | <u>Technology License Agreement between the Company and Phitech Management LLC (previously filed on Form 8-K on July 28, 2021 as the same exhibit number listed here, and incorporated herein by this reference.)</u> |
| 10.2 | <u>Spin Off Agreement between the Company and Mark Palumbo (previously filed on Form 8-K on July 28, 2021 as the same exhibit number listed here, and incorporated by this reference.)</u> |
| 10.3 | <u>Employment Agreement with Jim Kellogg (previously filed on Form 8-K on November 21, 2022 as Exhibit 99.1, and incorporated herein by this reference.)</u> |
| 10.4 | <u>Stock Option Grant and Stock Option Agreement with Jim Kellogg (previously filed on Form 8-K on November 21, 2022 as Exhibit 99.2, and incorporated herein by this reference.)</u> |
| 10.5 | <u>Advisor Agreement with Greg Shockey (previously filed on Form 8-K on February 7, 2023 as Exhibit 99.1, and incorporated herein by this reference.)</u> |

- 10.6 [Stock Option Grant and Stock Option Agreement with Greg Shockey \(previously filed on Form 8-K on February 7, 2023 as Exhibit 99.2, and incorporated herein by this reference.\)](#)
- 10.7 [Employment Agreement with Peter Hager \(previously filed on Form 8-K on February 7, 2023 as Exhibit 99.3, and incorporated herein by this reference.\)](#)
- 10.8 [Stock Option Grant and Stock Option Agreement with Peter Hager \(previously filed on Form 8-K on February 7, 2023 as Exhibit 99.4, and incorporated herein by this reference.\)](#)
- 10.9 [Employment Agreement with Thomas Spruce \(previously filed on Form 8-K on February 7, 2023 as Exhibit 99.5, and incorporated herein by this reference.\)](#)
- 10.10 [Stock Option Grant and Stock Option Agreement with Thomas Spruce \(previously filed on Form 8-K on February 7, 2023 as Exhibit 99.6, and incorporated herein by this reference.\)](#)
- 31.1* [Rule 15d-14\(a\) Certification by Principal Executive Officer](#)
- 31.2* [Rule 15d-14\(a\) Certification Principal Financial Officer](#)
- 32.1* [Section 1350 Certification of Principal Executive Officer and Principal Financial Officer](#)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in Minneapolis, MN, thereunto duly authorized, on March 29, 2023.

ELECTRONIC SERVITOR PUBLICATION NETWORK INC.

By: /s/ Peter Hager
Title: Chief Executive Officer (Principal
Executive Officer)

By: /s/ Jim Kellogg
Title: Chief Financial Officer (Principal
Financial Officer)

By: /s/ Jim Kellogg
Title: Chief Financial Officer (Principal
Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 29, 2023.

By: /s/ Peter Hager
Title: Chief Executive Officer (Principal
Executive Officer)

By: /s/ Jim Kellogg
Title: Chief Financial Officer (Principal
Financial Officer)

By: /s/ Jim Kellogg
Title: Chief Financial Officer (Principal
Accounting Officer)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons, constituting all of the members of the board of directors, in the capacities and on the dates indicated.

| <u>Signature</u> | <u>Capacity</u> | <u>Date</u> |
|--------------------------|-----------------|----------------|
| <u>/s/ Thomas Spruce</u> | Director | March 29, 2023 |

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(d) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT

We will furnish to the Securities and Exchange Commission, at the same time that it is sent to stockholders, any proxy or information statement that we send to our stockholders in connection with any annual stockholders' meeting.

FINANCIAL STATEMENTS

| | |
|---|-----|
| Report of Independent Registered Public Accounting Firm (PCAOB ID 5041) | F-1 |
| Balance Sheets as of December 31, 2022 and 2021 | F-2 |
| Statements of Operations for the years ended December 31, 2022 and 2021 | F-3 |
| Statements of Changes in Stockholders' Deficit for the years ended December 31, 2022 and 2021 | F-4 |
| Statements of Cash Flows for the years ended December 31, 2022 and 2021 | F-5 |
| Notes to Financial Statements | F-6 |

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Electronic Servitor Publication Network, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Electronic Servitor Publication Network, Inc. (the "Company") as of December 31, 2022 and 2021 and the related consolidated statements of operations, shareholders' equity, and cash flows for the two years in the period ended December 31, 2022, and the related notes and schedules (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 the two years in the period ended December 31, 2022 and 2021, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. 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 audit. 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 audit 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 audit, 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 audit 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 audit 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 audit provide a reasonable basis for our opinion.

Critical Audit Matter

Critical audit matters 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.

We determined that there are no critical audit matters.

/S/ BF Borgers CPA PC **(PCAOB ID 5041)**

We have served as the Company's auditor since 2018

Lakewood, CO

March 29, 2023

ELECTRONIC SERVITOR PUBLICATION NETWORK, INC.
BALANCE SHEETS

| | December 31, 2022 | December 31, 2021 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 17,139 | \$ — |
| Total assets | \$ 17,139 | \$ — |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable and accruals | \$ 49,680 | \$ 13,853 |
| Loans payable | 52,630 | — |
| Due to a related party | 50,268 | 22,625 |
| Total current liabilities | 152,578 | 36,478 |
| Commitments and contingencies | — | — |
| Stockholders' Deficit: | | |
| Preferred stock, \$0.0001 par value 19,999,000 shares authorized; no shares issued and outstanding | — | — |
| Series A Preferred stock, \$0.0001 par value 1,000 shares authorized; 1,000 shares issued and outstanding | — | — |
| Common Stock, \$0.0001 par value, 100,000,000 shares authorized; 21,416,001 shares issued and outstanding | 2,142 | 2,142 |
| Additional paid in capital | 6,224,900 | 5,876,611 |
| Accumulated deficit | (6,362,481) | (5,915,231) |
| Total Stockholders' deficit | (135,439) | (36,478) |
| Total Liabilities and Stockholders' Deficit | \$ 17,139 | \$ — |

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

ELECTRONIC SERVITOR PUBLICATION NETWORK, INC.
STATEMENTS OF OPERATIONS

| | For the Years Ended December 31, | |
|---|-------------------------------------|-----------------------|
| | 2022 | 2021 |
| Operating expenses: | | |
| General and administrative | \$ 19,672 | \$ 11,033 |
| Professional fees | 73,800 | 25,445 |
| Licensing expense | — | 2,500,000 |
| Stock based compensation | 348,289 | — |
| Total operating expenses | <u>441,761</u> | <u>2,536,478</u> |
| Loss from operations | <u>(441,761)</u> | <u>(2,536,478)</u> |
| Other expense: | | |
| Interest expense | (5,489) | — |
| Gain from spinoff of assets and liabilities | — | 120,725 |
| Total other expense | <u>(5,489)</u> | <u>120,725</u> |
| Loss before provision for income taxes | (447,250) | (2,415,753) |
| Provision for income taxes | <u>—</u> | <u>—</u> |
| Net loss from continuing operations | <u>(447,250)</u> | <u>(2,415,753)</u> |
| Net loss from discontinued operations | <u>—</u> | <u>(166,076)</u> |
| Net loss | <u>\$ (447,250)</u> | <u>\$ (2,581,829)</u> |
| Loss per share, basic and diluted, from continuing operations | <u>\$ (0.00)</u> | <u>\$ (0.14)</u> |
| Loss per share, basic and diluted, from discontinued operations | <u>\$ —</u> | <u>\$ (0.01)</u> |
| Loss per share, basic and diluted | <u>\$ (0.00)</u> | <u>\$ (0.15)</u> |
| Weighted average shares outstanding, basic and diluted | <u>21,416,001</u> | <u>17,719,642</u> |

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

ELECTRONIC SERVITOR PUBLICATION NETWORK, INC.
STATEMENT OF CHANGES OF STOCKHOLDERS' DEFICIT
For the Years Ended December 31, 2022 and 2021

| | Preferred Stock | | Common Stock | | Additional | Accumulated | Total |
|---|-----------------|-------------|-------------------|-----------------|---------------------|-----------------------|--------------------------|
| | Shares | Amount | Shares | Amount | Paid-in Capital | Deficit | Stockholders' Deficit |
| Balance, December 31, 2020 | 1,000 | \$ — | 18,775,000 | \$ 1,878 | \$ 3,253,525 | \$ (3,333,402) | \$ (77,999) |
| Common stock issued for services | — | — | 75,000 | 7 | 6,743 | — | 6,750 |
| Common stock issued for debt conversion | — | — | 58,000 | 6 | 14,494 | — | 14,500 |
| Common stock units sold for cash | — | — | 8,001 | 1 | 1,999 | — | 2,000 |
| Shares cancelled - related party | — | — | (7,500,000) | (750) | 750 | — | — |
| Contributed capital - related party | — | — | — | — | 100,100 | — | 100,100 |
| Common stock issued for licensing agreement | — | — | 10,000,000 | 1,000 | 2,499,000 | — | 2,500,000 |
| Net loss | — | — | — | — | — | (2,581,829) | (2,581,829) |
| Balance, December 31, 2021 | 1,000 | — | 21,416,001 | 2,142 | 5,876,611 | (5,915,231) | (36,478) |
| Stock option expense | — | — | — | — | 348,289 | — | 348,289 |
| Net loss | — | — | — | — | — | (447,250) | (447,250) |
| Balance, December 31, 2022 | <u>1,000</u> | <u>\$ —</u> | <u>21,416,001</u> | <u>\$ 2,142</u> | <u>\$ 6,224,900</u> | <u>\$ (6,362,481)</u> | <u>\$ (135,439)</u> |

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

ELECTRONIC SERVITOR PUBLICATION NETWORK, INC.
STATEMENTS OF CASH FLOWS

| | For the Years Ended December 31, | |
|--|-------------------------------------|----------------|
| | 2022 | 2021 |
| Cash flows from operating activities: | | |
| Net loss | \$ (447,250) | \$ (2,581,829) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock based compensation | 348,289 | — |
| Stock issued for licensing agreement | — | 2,500,000 |
| Loss from discontinued operations | — | 166,076 |
| Changes in Operating Assets and Liabilities: | | |
| Accounts payable and accruals | 35,827 | 13,853 |
| Operating activities from discontinued operations | — | (198,613) |
| Net cash used by operating activities | (63,134) | (100,513) |
| Cash flows from Investing activities: | — | — |
| Cash flows from Financing activities: | | |
| Proceeds from loans - related party | 27,643 | 22,625 |
| Contributed capital - related party | — | 100,100 |
| Proceeds from sale of common stock | — | 2,000 |
| Proceeds from loans payable | 52,630 | — |
| Financing activities from discontinued operations | — | (24,212) |
| Net cash provided by financing activities | 80,273 | 100,513 |
| Net change in cash | 17,139 | — |
| Cash, beginning of year | — | — |
| Cash, end of year | \$ 17,139 | \$ — |
| Cash Paid For: | | |
| Cash paid for interest | \$ — | \$ — |
| Cash paid for taxes | \$ — | \$ — |

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

ELECTRONIC SERVITOR PUBLICATION NETWORK INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - DESCRIPTION OF BUSINESS AND HISTORY

Description of business

The Company was originally incorporated on May 17, 2017, under the laws of the State of Delaware to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. On May 23, 2018, the Certificate of Incorporation of the Company was amended to effect a change in the Company's name from "Iris Grove Acquisition Corporation" to "CannAssist International Corporation". On September 28, 2021, the Certificate of Incorporation of the Company was amended a second time to effect a change in the Company's name from "CannAssist International Corporation" to the name "Electronic Servitor Publication Network, Inc." The Company's common stock trades on the OTCQB Venture Market under the stock ticker symbol "XESP," previously from "CNCS," effective January 26, 2022. The Company's corporate office is located at 400 1ST Ave N., Ste. 100, Minneapolis, MN 55401. The URL of the Company's website is <https://www.xespn.com>.

The Company's business focuses on driving growth for Brands through effective digital interactions within current and new communities. The Company's proprietary technology, the Digital Engagement Engine, utilizes a combination of automation, unique data management, and a modern workflow built on a microservices architecture to achieve greater reach and lift for content providers.

On July 1, 2021, and effective on October 9, 2021, Mark Palumbo, a former officer and director of the Company, and Forty 7 Select Holdings LLC, an entity controlled by Greg Shockey (who was an existing shareholder of the Company), entered into an agreement pursuant to which Mark Palumbo transferred all of his 1,000 shares of Series A Preferred Stock (representing 100% of the Company's issued and outstanding Series A Preferred Stock), of the Company to Forty 7 Select Holdings LLC in a private transaction. The Series A Preferred Stock provides the holder thereof the right to vote 60% of the Company's voting shares on any and all shareholder matters and thereby constituted a change of control of the Company. Further, Mark Palumbo contributed 7,500,000 shares of common stock held by him to the treasury of the Company for cancellation at no cost (the "Contribution").

On July 23, 2021, the Company entered into a Technology License Agreement with Phitech Management, LLC, an entity controlled by Peter Hager ("Licensor"), to use, market, promote and distribute certain technology relating to content provisioning including the related patent applications, trade-secrets and associated knowhow, including methods, techniques, specifications, procedures, information, systems, knowledge and business processes required to practice and carry on business in the field of data collection, security and management (the "Technology"). The initial term of the License is 10-years (the "Initial Term") and shall automatically be renewed for successive 1-year terms (each, a "Renewal Term") unless the Company elects to terminate the License by giving 30 days' written notice prior to commencement of a Renewal Term. In exchange for the License of the Technology, the Company issues to the Licensor 10,000,000 restricted shares of its common stock (which is an amount equal to \$2,500,000 divided by \$0.25, which was the closing market price of the Company's common stock on the trading day prior to the effective date of the License Agreement). On October 9, 2021, at the Closing of the Technology License Agreement, the Company received the License to the Technology and issued Licensor 10,000,000 restricted shares of the Company's common stock, at a cost basis of \$0.25 per share.

On July 23, 2021, the Company and Mark Palumbo entered into an agreement (the "Spin-Off Agreement") whereby, at the Closing, the Company shall transfer 100% of the issued and outstanding membership units of Xceptor LLC, an entity that was a wholly-owned subsidiary of the Company, to Mark Palumbo (along with the assets and liabilities associated with the prior business) for nominal consideration as a condition of the Change-in-Control (the "Spin-Off"). Furthermore, at the Closing, that certain Technology License Agreement entered into by and between the Company and Mark Palumbo dated April 29, 2019 (the "Palumbo License Agreement") shall be terminated and the Company shall assign all rights to the underlying Intellectual Property (as defined in the Palumbo License Agreement) to Mark Palumbo. On October 9, 2021, at the Closing of the Spin-Off Agreement, the Company transferred 100% of the issued and outstanding membership units of Xceptor LLC to Mark Palumbo (along with the assets and liabilities associated with the prior business) in exchange for nominal consideration, and the Palumbo License Agreement was terminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements

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

Concentrations of Credit Risk

We maintain our cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. We continually monitor our banking relationships and consequently have not experienced any losses in our accounts. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation insurable amount ("FDIC").

Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents for the years ended December 31, 2022 and 2021.

Basic and Diluted Earnings Per Share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average number of common shares outstanding and potentially outstanding common shares assumes that the Company incorporated as of the beginning of the first period presented. As of December 31, 2022 and 2021, there are no dilutive shares.

Stock-based Compensation

In June 2018, the FASB issued ASU 2018-07, *Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. ASU 2018-07 allows companies to account for nonemployee awards in the same manner as employee awards. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those annual periods. We adopted this ASU on January 1, 2019.

Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data.

The carrying amount of the Company' s financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments.

Income Taxes

Income taxes are provided for the tax effects of the transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to tax net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of these differences, which will either be taxable or deductible when assets and liabilities are recovered or settled, as well as operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established against deferred tax assets when in the judgment of management, it is more likely than not that such deferred tax assets will not become available. Because the judgment about the level of future taxable income is dependent to a great extent on matters that may, at least in part, be beyond the Company' s control, it is at least reasonably possible that management' s judgment about the need for a valuation allowance for deferred taxes could change in the near term.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company' s tax returns that do not meet these

recognition and measurement standards. As of December 31, 2022, and 2021, no liability for unrecognized tax benefits was required to be reported.

Recently issued accounting pronouncements

The Company has implemented all new applicable accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 - GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has no current source of revenue and an accumulated deficit of \$6,362,481 as of December 31, 2022. The Company's continuation as a going concern is dependent upon its ability to generate revenue to satisfy its obligations on a timely basis and ultimately to attain profitability. There is no guarantee that the Company's activities will generate sufficient revenues to sustain its operations, or its ability to sell its services to generate consistent profitability. In order to maintain operations, the Company may have to raise additional capital from equity financing and/or from its officers, directors, or principal stockholders, subject to terms obtainable and satisfactory to the Company. There is no guarantee that the Company will be able to raise additional funds or to do so at an advantageous price. The financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

NOTE 4 - NOTE PAYABLE

On May 19, 2022, the Company issued a note payable for \$10,000 to a third party. The note matures in one year and bears interest at 6% per annum. As of December 31, 2022, there is \$372 of interest accrued on this note.

On May 20, 2022, the Company issued a note payable for \$10,000 to a third party. The note matures in one year and bears interest at 6% per annum. As of December 31, 2022, there is \$370 of interest accrued on this note.

On June 10, 2022, the Company issued a note payable for \$7,630 to a third party. The note matures in 6 months and bears interest at 10% per annum. As of December 31, 2022, there is \$426 of interest accrued on this note.

On October 18, 2022, the Company issued a note payable for \$25,000 to a third party. The note matures in one year and bears interest at 8% per annum. As of December 31, 2022, there is \$405 of interest accrued on this note.

NOTE 5 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2022, Forty 7 Select Holdings LLC ("Forty 7") advanced the Company \$27,643, to pay for general operating expenses. Forty 7 is controlled by Greg Shockey, an existing shareholder of the Company. As of December 31, 2022, the balance due to Forty 7 is \$50,268.

Refer to Note 7 for options to purchase shares of common stock issued to related parties.

NOTE 6 - PREFERRED STOCK

The Company has designated 1,000 shares of Series A Preferred Stock. The shares of Series A Preferred Stock have a par value of \$0.0001 per share. The Series A Preferred Shares do not have a dividend rate or liquidation preference and are not convertible into shares of common stock. Series A Preferred Stock, voting together as a class, have the right to vote 60% of the Company's voting shares on any and all shareholder matters (the "Majority Voting Rights"). Additionally, the Company shall not adopt any amendments to the Company's Bylaws, Articles of Incorporation, as amended, make any changes to the Certificate of Designations establishing the Series A Preferred Stock, or effect any reclassification of the Series A Preferred Stock, without the affirmative vote of at least a majority of the outstanding shares of Series A Preferred Stock. However, the Company may, by any means authorized by law and without any vote of the holders of shares of Series A Preferred Stock, make technical, corrective, administrative or similar changes to such Certificate of Designations that do not, individually or in the aggregate, adversely affect the rights or preferences of the holders of shares of Series A Preferred Stock. Other than the Majority Voting Rights, the Series A Preferred Stock does not have any other dividend, liquidation, conversion, or redemption rights, whatsoever.

NOTE 7 - OPTIONS

In the first quarter of 2022, the Company entered into an Employment Agreement with Anthony Sanneh, a former officer and director of the Company, for a term of 2 years that automatically renews for additional 6-month terms unless terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this Employment Agreement, the Company pays a base salary of \$1.00 per year and issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1.5 years contingent upon service and expire 10 years from the date of grant. On April 18, 2022, Mr. Sanneh voluntarily resigned all positions with the Company, without disagreement between the parties, thereby terminating this Employment Agreement and forfeiting 250,000 unvested options, effective May 15, 2022.

In the first quarter of 2022, the Company entered into an Employment Agreement with Thomas Spruce, an officer and director of the Company. This Employment Agreement has a term of 2 years and automatically renews for additional 6-month terms unless terminated earlier. This agreement is terminable by each of the parties upon written notice. Under this Employment Agreement, the Company pays a base salary of \$1.00 per year and issued options to purchase 500,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of two years and expire 10 years from the date of grant. If the Employment Agreement is renewed, an additional 125,000 options to purchase restricted shares of the Company's common stock shall be issued for each 6-month renewal term at a strike price equal to the fair market value of the Company's common stock on the trading day prior to the grant of the options.

Effective April 12, 2022, the Company entered into an Advisory Agreement with Greg Shockey, an affiliate of the Company and service provider. Under this Advisory Agreement, the Company issued options to purchase 240,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1 year contingent upon service and expire 10 years from the date of grant.

Effective April 12, 2022, the Company entered into an Advisory Agreement with Danijella Dragas, a third-party service provider. Under this Advisory Agreement, the Company issued options to purchase 240,000 restricted shares of the Company's common stock at a strike price of \$0.39 per share. The options vest over a period of 1 year contingent upon service and expire 10 years from the date of grant.

Options issued with the following inputs:

| | |
|-------------------------|------------------|
| Options | 1,480,000 |
| Share price | \$ 0.39 |
| Exercise Price | \$ 0.39 |
| Term | 10 years |
| Volatility | 209.96 - 213.52% |
| Risk Free Interest Rate | 2.38 - 2.72% |
| Dividend rate | — |

On May 27, 2022, the Company entered into an Addendum to Employment Agreement with Thomas Spruce, which granted Mr. Spruce options to purchase an additional 250,000 restricted shares of the Company's common stock at a strike price of \$0.15 per share. The options vest immediately from the date of the grant and expire 10 years from the date of grant.

Options issued with the following inputs:

| | |
|-------------------------|----------|
| Options | 250,000 |
| Share price | \$ 0.15 |
| Exercise Price | \$ 0.15 |
| Term | 10 years |
| Volatility | 214.15% |
| Risk Free Interest Rate | 2.74% |
| Dividend rate | — |

On November 16, 2022, the Company entered into an Employment Agreement with Jim Kellogg, which granted Mr. Kellogg options to purchase 300,000 restricted shares of the Company's common stock at a strike price of \$0.10 per share. The options vest over a period of 1 year contingent upon service and expire 10 years from the date of grant.

Options issued with the following inputs:

| | |
|-------------------------|----------|
| Options | 300,000 |
| Share price | \$ 0.10 |
| Exercise Price | \$ 0.10 |
| Term | 10 years |
| Volatility | 197.68% |
| Risk Free Interest Rate | 3.67% |
| Dividend rate | — |

A summary of the status of the Company's outstanding stock options and changes during the year is presented below:

Activity for the year ended December 31, 2022, is as follows:

| | Number of Warrants | Weighted Average Exercise Price | Weighted Average Remaining Contract Term | Aggregate Intrinsic Value |
|----------------------------------|--------------------|---------------------------------|--|---------------------------|
| Outstanding at December 31, 2021 | — | \$ — | — | \$ — |
| Granted | 2,030,000 | \$ 0.36 | 10 | \$ — |
| Expired | (250,000) | \$ — | — | \$ — |
| Exercised | — | \$ — | — | \$ — |
| Outstanding at December 31, 2022 | 1,780,000 | \$ 0.35 | 9.81 | \$ — |
| Exercisable at December 31, 2022 | 1,190,000 | \$ 0.32 | 9.81 | \$ — |

| Range of Exercise Prices | Number Outstanding 12/31/2022 | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price |
|--------------------------|-------------------------------|---|---------------------------------|
| \$0.10 - 0.39 | 1,780,000 | 9.38 years | \$0.31 |

NOTE 8 - WARRANTS

A summary of the status of the Company's outstanding stock warrants and changes during the year is presented below:

| | Number of Warrants | Weighted Average Exercise Price | Weighted Average Remaining Contract Term | Aggregate Intrinsic Value |
|----------------------------------|--------------------|---------------------------------|--|---------------------------|
| Outstanding at December 31, 2020 | 150,836 | \$ 0.25 | 7.97 | \$ — |
| Granted | 2,667 | \$ 0.25 | 5.00 | \$ — |
| Expired | — | \$ — | — | \$ — |
| Exercised | — | \$ — | — | \$ — |
| Outstanding at December 31, 2021 | 153,503 | \$ 0.25 | 6.92 | \$ — |
| Granted | — | \$ — | —0 | \$ — |
| Expired | — | \$ — | — | \$ — |
| Exercised | — | \$ — | — | \$ — |
| Outstanding at December 31, 2022 | 153,503 | \$ 0.25 | 6.43 | \$ — |
| Exercisable at December 31, 2022 | 153,503 | \$ 0.25 | 6.17 | \$ — |

| Range of Exercise Prices | Number Outstanding 12/31/2022 | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price |
|--------------------------|-------------------------------|---|---------------------------------|
| \$0.25 | 153,503 | 5.92 years | \$0.25 |

NOTE 9 - INCOME TAXES

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has evaluated Staff Accounting Bulletin No. 118 regarding the impact of the decreased tax rates of the Tax Cuts & Jobs Act. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The U.S. federal income tax rate of 21% is being used due to the new tax law recently enacted.

Net deferred tax assets consist of the following components as of December 31:

| | 2022 | 2021 |
|---|-----------|------------|
| Federal income tax benefit attributable to: | | |
| Current operations | \$ 94,000 | \$ 529,000 |
| Less: valuation allowance | (94,000) | (529,000) |
| Net provision for Federal income taxes | \$ — | \$ — |

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the period ended December 31, due to the following:

| | 2022 | 2021 |
|--------------------------|--------------|--------------|
| Deferred Tax Assets: | | |
| NOL Carryover | \$ 1,336,000 | \$ 1,242,000 |
| Less valuation allowance | (1,336,000) | (1,242,000) |
| Net deferred tax assets | \$ — | \$ — |

At December 31, 2022, the Company had net operating loss carry forwards of approximately \$2,776,000 that may be offset against future taxable income. NOLs from tax years up to 2017 can be carried forward twenty years. Under the CARES Act, the Company can carry forward NOLs indefinitely for NOLs generated in a tax year beginning after 2017, that remain after they are carried back to tax years in the five-year carryback period. No tax benefit has been reported in the December 31, 2022, financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal Income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2016.

NOTE 10 - DISCONTINUED OPERATIONS

In accordance with the provisions of ASC 205-20, we have not included the results of operations from discontinued operations in the results of continuing operations in the statements of operations. The results of operations from discontinued operations for the year ended December 31, 2021, have been reflected as discontinued operations in the statements of operations, and consist of the following.

| | For year ended December 31, 2021 |
|---|-------------------------------------|
| Revenue - discontinued operations | \$ 515,500 |
| Cost of revenue - discontinued operations | 322,820 |
| Gross margin | 192,680 |
| Expenses of discontinued operations: | |
| General and administrative | 268,206 |
| Professional fees | 63,730 |
| Interest expense | 26,821 |
| Total expenses of discontinued operations | 358,757 |
| Net loss from discontinued operations | \$ (166,077) |

NOTE 11 - SUBSEQUENT EVENTS

In accordance with SFAS 165 (ASC 855-10) management has performed an evaluation of subsequent events through the date that the financial statements were issued and has determined that there are no material subsequent events to disclose in these financial statements other than the following.

On February 1, 2023, the Company entered into an Advisor Agreement with Greg Shockey, which supersedes his previous Advisor Agreement with the Company, whereby, in exchange for business development and strategy consulting, investor relations, and facilitating meetings with targeted investors, as well as other services, the Company agreed to issue Greg Shockey options to purchase 60,000 restricted shares of common stock at signing and an additional 1,200,000 shares of restricted common stock every year thereafter.

On February 1, 2023, Peter Hager was appointed as the Company's President and Chief Executive Officer. Mr. Hager was granted options to purchase 6,400,000 restricted shares of the Company's common stock, at the commencement of his initial term of services, for an exercise price \$0.06 per share, vesting with respect to the first 400,000 shares on February 1, 2023 and vesting with respect to the remaining 6,000,000 shares in installments of 500,000 shares per fiscal quarter with the first vesting date of April 1, 2023 and 1,000,000 options to purchase restricted shares of the Company's common stock, at the commencement of his first renewal term of service.

On February 1, 2023, Thomas Spruce was appointed as the Company's Secretary and Chief Operations Officer. Mr. Spruce was granted options to purchase 1,750,000 restricted shares of the Company's common stock, at the commencement of his initial term of services, for an exercise price \$0.06 per share, vesting with respect to the first 250,000 shares on February 1, 2023, and vesting with respect to the remaining 1,500,000 shares in installments of 125,000 shares per fiscal quarter with the first vesting date of April 1, 2023 and 250,000 options to purchase restricted shares of the Company's common stock, at the commencement of his first renewal term of service.

On March 23, 2023, the Company terminated an Advisory Agreement dated April 12, 2022 with Danijella Dragas, a third-party service provider.