UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2021

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 Number: 001-40869

EZFILL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	98-1580669 (I.R.S. Employer Identification No.)
417 5th Street Corbin, Kentucky (Address of principal executive offices)	40701 (Zip Code)

Registrant's telephone number, including area code: (606) 754-1249

Securities registered pursuant to Section 12(b) of the Act:		
Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.0001 per share	EZFL	The Nasdaq Stock Market LLC

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 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, smaller reporting company, or an emerging growth company. See the 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of August 13, 2021, there were 10,000,000 shares of Common Stock, $0.0001 par value, outstanding.

EZFILL HOLDINGS, INC.
FORM 10-Q INDEX

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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EZFILL HOLDINGS, INC. (unaudited)
CONDENSED BALANCE SHEETS

	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 600,013	$ 250,000
Prepaid expenses	50,000	50,000
Deferred offering costs	1,000,000	1,000,000
Total Current Assets	1,650,013	1,300,000
Deferred offering costs	1,000,000	1,000,000
Total Assets	$ 2,650,013	$ 2,300,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,000,000	$ 1,000,000
Accrued expenses - related parties	1,000,000	1,000,000
Notes payable - related party	1,000,000	1,000,000
Convertible promissory note	1,000,000	1,000,000
Total Current Liabilities	4,000,000	4,000,000
Long Term Liabilities		
Convertible promissory note	1,000,000	1,000,000
Total Liabilities	5,000,000	5,000,000
Stockholders' Deficit		
Preferred stock, $0.0001 par value; 5,000,000 shares authorized none issued and outstanding, respectively		
Common stock, $0.0001 par value; 100,000,000 shares authorized; 10,000,000 shares issued and outstanding, respectively	1,000	1,000
Additional paid in capital	249,000	249,000
Accumulated deficit	(2,599,987)	(2,950,000)
Total Stockholders' Deficit	(2,349,987)	(2,700,000)
Total Liabilities and Stockholders' Deficit	$ 2,650,013	$ 2,300,000

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

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EZFILL HOLDINGS, INC. (unaudited)
CONDENSED STATEMENTS OF OPERATIONS

	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	2021	2020	2021	2020
Sales, net	$ 2,000,000	$ 1,500,000	$ 3,500,000	$ 1,500,000
Cost of sales				
Cost of sales - unaffiliated	1,687,500	1,250,000	2,937,500	1,250,000
Cost of sales - affiliated	250,000	250,000	500,000	250,000
Total cost of sales	1,937,500	1,500,000	3,437,500	1,500,000
Gross profit (loss)	62,500	-	62,500	-
Gross profit (loss) - unaffiliated	62,500	-	62,500	-
Gross profit (loss) - affiliated	-	-	-	-
Other income (expense)				
Interest expense	(1,487)	-	(2,487)	-
Total other income (expense)	(1,487)	-	(2,487)	-
Net income (loss)	$ 61,013	$ -	$ 60,013	$ -
Net income (loss) - unaffiliated	$ 61,013	$ -	$ 60,013	$ -
Net income (loss) - affiliated	$ -	$ -	$ -	$ -
Weighted average number of shares, basic and diluted	10,000,000	10,000,000	10,000,000	10,000,000
Weighted average number of shares - unaffiliated	10,000,000	10,000,000	10,000,000	10,000,000
Weighted average number of shares - affiliated	-	-	-	-
Net income (loss) per share, basic and diluted	$ 0.00	$ -	$ 0.00	$ -
Net income (loss) per share - unaffiliated	$ 0.00	$ -	$ 0.00	$ -
Net income (loss) per share - affiliated	$ -	$ -	$ -	$ -

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

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EZFILL HOLDINGS, INC. (unaudited)
CONDENSED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Preferred Stock		Common Stock		Common Stock Subscribed		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
December 31, 2020	-	$ -	1,000,000	$ 100	900,000	$ 90	$ 249,810	$ (2,950,000)	$ (2,700,000)
Net income (loss)								(1,000)	(1,000)
Balance, March 31, 2021	-	-	1,000,000	100	900,000	90	249,810	(2,951,000)	(2,701,000)
Net income (loss)								61,013	61,013
June 30, 2021	-	$ -	1,000,000	$ 100	900,000	$ 90	$ 249,810	$ (2,889,987)	$ (2,639,987)

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

EZFILL HOLDINGS, INC. (unaudited)
CONDENSED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Preferred Stock		Common Stock		Common Stock Subscribed		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
December 31, 2019	-	$ -	1,000,000	$ 100	900,000	$ 90	$ 249,810	$ (2,950,000)	$ (2,700,000)
Net income (loss)								-	-
Balance, March 31, 2020	-	-	1,000,000	100	900,000	90	249,810	(2,950,000)	(2,700,000)
Net income (loss)								-	-
June 30, 2020	-	$ -	1,000,000	$ 100	900,000	$ 90	$ 249,810	$ (2,950,000)	$ (2,700,000)

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

EZFILL HOLDINGS, INC. (unaudited)
CONDENSED STATEMENTS OF CASH FLOWS

	For The Six Months Ended June 30,	
	2021	2020
Operating activities:		
Net income (loss)	$ 60,013	$ -
Adjustments to reconcile net loss to net cash used in operations:		
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	250,000	(250,000)
Accounts receivable and other receivables - affiliated	250,000	(250,000)
Prepaid expenses and other current assets	(50,000)	(50,000)
Prepaid expenses and other current assets - affiliated	(50,000)	(50,000)
Accounts payable and accrued expenses	1,000,000	1,000,000
Accounts payable and accrued expenses - affiliated	1,000,000	1,000,000
Net cash provided by operating activities	2,500,000	1,500,000
Cash flows from investing activities:		
Deferred offering costs	(1,000,000)	(1,000,000)
Deferred offering costs - affiliated	(1,000,000)	(1,000,000)
Net cash used in investing activities	(2,000,000)	(2,000,000)
Cash flows from financing activities:		
Proceeds from notes payable	1,000,000	1,000,000
Proceeds from notes payable - affiliated	1,000,000	1,000,000
Proceeds from convertible promissory note	1,000,000	1,000,000
Proceeds from convertible promissory note - affiliated	1,000,000	1,000,000
Net cash provided by financing activities	4,000,000	4,000,000
Net increase (decrease) in cash and cash equivalents	350,013	-
Cash and cash equivalents, beginning of period	250,000	-
Cash and cash equivalents, end of period	$ 600,013	$ -
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 2,487	$ -
Cash paid for income taxes	$ -	$ -
Supplemental disclosure of non-cash investing and financing activities:		
Deferred offering costs included in accounts payable and accrued expenses	$ 2,000,000	$ 2,000,000
Deferred offering costs included in accounts payable and accrued expenses - affiliated	$ 2,000,000	$ 2,000,000

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

EZFILL HOLDINGS, INC. (UNAUDITED)
NOTES TO CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Presentation and Nature of Operations

Nature of Operations

EZFILL HOLDINGS, INC. (the "Company", "EZFILL", "we", or "our") was formed on April 8, 2020 under the laws of the State of Delaware and operates in Florida providing on-site mobile fueling services, on-demand mobile gas delivery services, the sale of fuel, and other related services.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with the rules and regulations promulgated by the United States of America for interim financial information in U.S. GAAP and with the instructions to Form 10-Q of Regulation S-X. Accordingly, they do not contain all information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of management, the unaudited condensed financial statements for the interim periods presented reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial position and results of operations for the interim periods presented. The results of operations for the six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the entire fiscal year.

These condensed consolidated financial statements should be read in conjunction with the financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on April 5, 2021.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred net losses since inception of $2,889,987 and has an accumulated deficit of $2,889,987 as of June 30, 2021. These factors raise substantial doubt about the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on the basis of accounting for a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for a reasonable period of time. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company's operating activities have not generated revenues in sufficient amounts to fund its operations. The Company has opened a number of locations in the Corbin, Kentucky area and has begun to generate revenues from its mobile fuel services. The Company's ability to continue as a going concern is dependent on its ability to generate sufficient revenues from its operations and to obtain additional financing as may be required. The Company is currently seeking funds for operations and plans to continue to finance operations and develop its business through the issuance of equity and debt securities. There can be no assurance that such financing will be available on acceptable terms or at all. If such financing is not available at adequate levels, the Company will need to reduce its operations to the extent of the funds available. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Use of Estimates and Assumptions

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

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less. The Company maintains its cash and cash equivalent balances with financial institutions in the United States of America. Such balances may exceed federally insured limits at times. The Company has not experienced any losses in such accounts.

Deferred Offering Costs

Deferred offering costs consist of legal, accounting, and other fees and costs incurred through the balance sheet date that are directly related to the offering. Upon completion of the offering, the deferred offering costs will be offset against the proceeds from the offering. If the offering is abandoned, the deferred offering costs will be expensed in the period in which the offering is abandoned. The Company has capitalized $2,000,000 and $2,000,000 of deferred offering costs as of June 30, 2021 and December 31, 2020, respectively.

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. To determine revenue recognition for arrangements that we determine are within the scope of ASC 606, we perform the following steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation.

We recognize revenue when our performance obligation is satisfied at a point in time. Our performance obligation is satisfied at the point in time when our customer receives and uses the benefit of our services. Our customers receive and use the benefit of our services at the point in time we perform our mobile fuel services. We have no material right of return, warranties or refunds for our customers. We have no significant financing components in our transactions with our customers. We have no material variable consideration in our transaction prices. We have no material obligations to be performed in the future for our customers. We have no material costs to obtain a contract with our customers. We have no material costs to fulfill our contracts with our customers.

The accompanying financial statements do not contain any adjustments that might be necessary if the Company is unable to continue as a going concern. Accordingly, the financial statements have been prepared on a basis that assumes the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Leases

We have no material operating or capital lease obligations for which we are the lessee.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective bases for income tax purposes. 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. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has adopted ASC 740-10 "Accounting for Uncertainty in Income Taxes" and has determined that it does not have any material unrecognized tax benefits or obligations as a result of the adoption, and as such, does not have any interest and penalties associated with unrecognized tax benefits.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable, and accrued expenses. The carrying amounts of these financial instruments approximate their fair value due to their short-term maturities. The Company does not hold or issue financial instruments for trading purposes.

Pursuant to ASC 820 "Fair Value Measurements and Disclosures", the Company elects to measure financial assets and liabilities at fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) based on the Company's principal or most advantageous market in which the Company would transact business in the future (for assets or liabilities held at the balance sheet date). The Company's financial instruments are stated at fair value or at amounts that approximate fair value because of the short maturity of the instruments held or issued.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting for fair value requires the use of a three-tiered approach which prioritizes the inputs used in the measurement of fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs other than quoted prices in active markets that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Level 3 instruments primarily include unobservable inputs used in the valuation of our common stock and other equity-based instruments.

ASC 825-10 "Financial Instruments", allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). A company may choose to elect the fair value option for any financial instrument or other eligible item at the time it first recognizes the financial instrument or other eligible item. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. The Company did not elect to apply the fair value option to any financial instruments.

Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less at the purchase date and marketable securities held by the cash equivalents.

Recent Accounting Pronouncements

The Company's accounts for acquisitions that qualify as business combinations by applying the acquisition method accounting in Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805").

The Company's accounts for variable interest entities ("VIEs") in accordance with ASC 810, Consolidation ("ASC 810").

The identifiable assets acquired, liabilities assumed, and noncontrolling interests in an acquiree are stated at the acquisition date amounts of the aforementioned items. Goodwill, if any, represents the excess of the fair value of consideration transferred over the fair value of identifiable assets acquired, liabilities assumed, and noncontrolling interests in the acquiree. Goodwill is not amortized but is tested for impairment annually or more frequently if circumstances indicate that it may be impaired. Acquisition-related costs are expensed as incurred.

Management does not believe that any other recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on our financial statements.

Note 2 - Notes Payable

Notes payable consist of the following:

	June 30, 2021	December 31, 2020
Notes payable, unsecured, bearing no interest, payable on demand	$ 1,000,000	$ 1,000,000
Notes payable, unsecured, bearing no interest, payable on demand - affiliated	$ 1,000,000	$ 1,000,000

Notes payable, unsecured, bearing no interest, payable on demand, consisted of $1,000,000 and $1,000,000 to unrelated parties, respectively, and $1,000,000 and $1,000,000 to affiliated parties, respectively, as of June 30, 2021 and December 31, 2020, respectively. The Company has imputed interest on the notes payable at a rate of 0.25% per annum, which is the Company's estimated incremental borrowing rate, and has determined that the effect of the imputed interest is immaterial.

EZFILL HOLDINGS, INC. (UNAUDITED)
NOTES TO CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2021

Note 3 - Convertible Promissory Note

Convertible promissory notes consist of the following:

	June 30, 2021	December 31, 2020
Convertible promissory note, unsecured, bearing no interest, payable on demand	$ 1,000,000	$ 1,000,000
Convertible promissory note, unsecured, bearing no interest, payable on demand - affiliated	$ 1,000,000	$ 1,000,000

Convertible promissory note, unsecured, bearing no interest, payable on demand, consisted of $1,000,000 and $1,000,000 to unrelated parties, respectively, and $1,000,000 and $1,000,000 to affiliated parties, respectively, as of June 30, 2021 and December 31, 2020, respectively. The Company has imputed interest on the notes payable at a rate of 0.25% per annum, which is the Company's estimated incremental borrowing rate, and has determined that the effect of the imputed interest is immaterial.

EZFILL HOLDINGS, INC. (UNAUDITED)
NOTES TO CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2021

Note 4 - Stockholders' Equity

Preferred Stock

The Company is authorized to issue 5,000,000 shares of preferred stock, par value $0.0001 per share. As of June 30, 2021 and December 31, 2020, there were no shares of preferred stock issued and outstanding.

Common Stock

The Company is authorized to issue 100,000,000 shares of common stock, par value $0.0001 per share. As of June 30, 2021 and December 31, 2020, there were 10,000,000 shares of common stock issued and outstanding.

Stock Subscribed

As of June 30, 2021 and December 31, 2020, the Company had 900,000 shares of common stock subscribed, respectively.

Warrants

There are no warrants issued or outstanding as of June 30, 2021 and December 31, 2020.

Stock Options

There are no stock options issued or outstanding as of June 30, 2021 and December 31, 2020.

Note 5 - Commitments and Contingencies

Contingencies

From time to time, we may be subject to legal proceedings and claims in the ordinary course of our business. Such matters are subject to many uncertainties, and an unfavorable outcome to any such matter could have a material adverse effect on our business, operating results, financial condition, and cash flows. Although we do not currently anticipate that any such matter will have a material adverse effect on our business, we may be required in the future to make payments to satisfy such matters, which could have a material adverse effect on our business, operating results, financial condition, and cash flows in the period in which such payments are made.

Leases

We have no material operating or capital lease obligations for which we are the lessee.

Note 6 - Subsequent Events

Convertible Note

On July 1, 2021, the Company issued a convertible note in the principal amount of $1,000,000 to an unrelated party. The note is payable on demand and bears no interest. The note is convertible into shares of the Company's common stock at the lesser of $0.50 per share or the price per share of the Company's common stock sold in its initial public offering, subject to an aggregate limitation of 4.99% of the Company's outstanding shares of common stock.

Sales

	For The Month Ended June 30,		For The Six Months Ended June 30,	
	2021	2020	2021	2020
Corbin	$ 2,000,000	$ 1,500,000	$ 3,500,000	$ 1,500,000
Total	$ 2,000,000	$ 1,500,000	$ 3,500,000	$ 1,500,000

Accounts Receivable

	For The Month Ended June 30,		For The Six Months Ended June 30,	
	2021	2020	2021	2020
Corbin	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

Vendor Purchases

	For The Month Ended June 30,		For The Six Months Ended June 30,	
	2021	2020	2021	2020
Corbin	$ 1,937,500	$ 1,500,000	$ 3,437,500	$ 1,500,000
Total	$ 1,937,500	$ 1,500,000	$ 3,437,500	$ 1,500,000

EZFILL HOLDINGS, INC. (UNAUDITED)
NOTES TO CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2021

Significant Risks and Uncertainties

Management is currently evaluating the impact of the Coronavirus (COVID-19) pandemic on the Company and has determined that while it is reasonably possible that this virus could have a negative effect on our financial position, results of operations, and cash flows, at this time, management is unable to quantify the potential impact, if any, that this virus could have on our financial position, results of operations, and cash flows in future periods.

Property and Equipment

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

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized and depreciated. Upon retirement or sale of assets, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations.

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

There were no impairments of property and equipment for the periods ended June 30, 2021 and 2020, respectively.

Net sales for the Company's operations for the periods ended June 30, 2021 and 2020, respectively.

Revenue Contracts

Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. To determine revenue recognition for arrangements that we determine are within the scope of ASC 606, we perform the following steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation.

We recognize revenue when our performance obligation is satisfied at a point in time. Our performance obligation is satisfied at the point in time when our customer receives and uses the benefit of our services. Our customers receive and use the benefit of our services at the point in time we perform our mobile fuel services. We have no material right of return, warranties or refunds for our customers. We have no significant financing components in our transactions with our customers. We have no material variable consideration in our transaction prices. We have no material obligations to be performed in the future for our customers. We have no material costs to obtain a contract with our customers. We have no material costs to fulfill our contracts with our customers.

The accompanying financial statements do not contain any adjustments that might be necessary if the Company is unable to continue as a going concern. Accordingly, the financial statements have been prepared on a basis that assumes the Company will continue as a going concern and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Leases

We have no material operating or capital lease obligations for which we are the lessee.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective bases for income tax purposes. 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. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has adopted ASC 740-10 "Accounting for Uncertainty in Income Taxes" and has determined that it does not have any material unrecognized tax benefits or obligations as a result of the adoption, and as such, does not have any interest and penalties associated with unrecognized tax benefits.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable, and accrued expenses. The carrying amounts of these financial instruments approximate their fair value due to their short-term maturities. The Company does not hold or issue financial instruments for trading purposes.

Pursuant to ASC 820 "Fair Value Measurements and Disclosures", the Company elects to measure financial assets and liabilities at fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) based on the Company's principal or most advantageous market in which the Company would transact business in the future (for assets or liabilities held at the balance sheet date). The Company's financial instruments are stated at fair value or at amounts that approximate fair value because of the short maturity of the instruments held or issued.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting for fair value requires the use of a three-tiered approach which prioritizes the inputs used in the measurement of fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs other than quoted prices in active markets that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Level 3 instruments primarily include unobservable inputs used in the valuation of our common stock and other equity-based instruments.

ASC 825-10 "Financial Instruments", allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). A company may choose to elect the fair value option for any financial instrument or other eligible item at the time it first recognizes the financial instrument or other eligible item. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. The Company did not elect to apply the fair value option to any financial instruments.

Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less at the purchase date and marketable securities held by the cash equivalents.

Recent Accounting Pronouncements

The Company's accounts for acquisitions that qualify as business combinations by applying the acquisition method accounting in Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805").

The Company's accounts for variable interest entities ("VIEs") in accordance with ASC 810, Consolidation ("ASC 810").

The identifiable assets acquired, liabilities assumed, and noncontrolling interests in an acquiree are stated at the acquisition date amounts of the aforementioned items. Goodwill, if any, represents the excess of the fair value of consideration transferred over the fair value of identifiable assets acquired, liabilities assumed, and noncontrolling interests in the acquiree. Goodwill is not amortized but is tested for impairment annually or more frequently if circumstances indicate that it may be impaired. Acquisition-related costs are expensed as incurred.

Management does not believe that any other recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on our financial statements.

Note 2 - Notes Payable

Notes payable consist of the following:

	June 30, 2021	December 31, 2020
Notes payable, unsecured, bearing no interest, payable on demand	$ 1,000,000	$ 1,000,000
Notes payable, unsecured, bearing no interest, payable on demand - affiliated	$ 1,000,000	$ 1,000,000

Notes payable, unsecured, bearing no interest, payable on demand, consisted of $1,000,000 and $1,000,000 to unrelated parties, respectively, and $1,000,000 and $1,000,000 to affiliated parties, respectively, as of June 30, 2021 and December 31, 2020, respectively. The Company has imputed interest on the notes payable at a rate of 0.25% per annum, which is the Company's estimated incremental borrowing rate, and has determined that the effect of the imputed interest is immaterial.

Note 3 - Convertible Promissory Note

Convertible promissory notes consist of the following:

	June 30, 2021	December 31, 2020
Convertible promissory note, unsecured, bearing no interest, payable on demand	$ 1,000,000	$ 1,000,000
Convertible promissory note, unsecured, bearing no interest, payable on demand - affiliated	$ 1,000,000	$ 1,000,000

Convertible promissory note, unsecured, bearing no interest, payable on demand, consisted of $1,000,000 and $1,000,000 to unrelated parties, respectively, and $1,000,000 and $1,000,000 to affiliated parties, respectively, as of June 30, 2021 and December 31, 2020, respectively. The Company has imputed interest on the notes payable at a rate of 0.25% per annum, which is the Company's estimated incremental borrowing rate, and has determined that the effect of the imputed interest is immaterial.

Note 4 - Stockholders' Equity

Preferred Stock

The Company is authorized to issue 5,000,000 shares of preferred stock, par value $0.0001 per share. As of June 30, 2021 and December 31, 2020, there were no shares of preferred stock issued and outstanding.

Common Stock

The Company is authorized to issue 100,000,000 shares of common stock, par value $0.0001 per share. As of June 30, 2021 and December 31, 2020, there were 10,000,000 shares of common stock issued and outstanding.

Stock Subscribed

As of June 30, 2021 and December 31, 2020, the Company had 900,000 shares of common stock subscribed, respectively.

Warrants

There are no warrants issued or outstanding as of June 30, 2021 and December 31, 2020.

Stock Options

There are no stock options issued or outstanding as of June 30, 2021 and December 31, 2020.

Note 5 - Commitments and Contingencies

Contingencies

From time to time, we may be subject to legal proceedings and claims in the ordinary course of our business. Such matters are subject to many uncertainties, and an unfavorable outcome to any such matter could have a material adverse effect on our business, operating results, financial condition, and cash flows. Although we do not currently anticipate that any such matter will have a material adverse effect on our business, we may be required in the future to make payments to satisfy such matters, which could have a material adverse effect on our business, operating results, financial condition, and cash flows in the period in which such payments are made.

Leases

We have no material operating or capital lease obligations for which we are the lessee.

Note 6 - Subsequent Events

Convertible Note

On July 1, 2021, the Company issued a convertible note in the principal amount of $1,000,000 to an unrelated party. The note is payable on demand and bears no interest. The note is convertible into shares of the Company's common stock at the lesser of $0.50 per share or the price per share of the Company's common stock sold in its initial public offering, subject to an aggregate limitation of 4.99% of the Company's outstanding shares of common stock.

Sales

	For The Month Ended June 30,		For The Six Months Ended June 30,	
	2021	2020	2021	2020
Corbin	$ 2,000,000	$ 1,500,000	$ 3,500,000	$ 1,500,000
Total	$ 2,000,000	$ 1,500,000	$ 3,500,000	$ 1,500,000

Accounts Receivable

	For The Month Ended June 30,		For The Six Months Ended June 30,	
	2021	2020	2021	2020
Corbin	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

Vendor Purchases

	For The Month Ended June 30,		For The Six Months Ended June 30,	
	2021	2020	2021	2020
Corbin	$ 1,937,500	$ 1,500,000	$ 3,437,500	$ 1,500,000
Total	$ 1,937,500	$ 1,500,000	$ 3,437,500	$ 1,500,000

EZFILL HOLDINGS, INC. (UNAUDITED)
NOTES TO CONDENSED FINANCIAL STATEMENTS
JUNE 30, 2021

Significant Risks and Uncertainties

Management is currently evaluating the impact of the Coronavirus (COVID-19) pandemic on the Company and has determined that while it is reasonably possible that this virus could have a negative effect on our financial position, results of operations, and cash flows, at this time, management is unable to quantify the potential impact, if any, that this virus could have on our financial position, results of operations, and cash flows in future periods.

Property and Equipment

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

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized and depreciated. Upon retirement or sale of assets, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations.

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

There were no impairments of property and equipment for the periods ended June 30, 2021 and 2020, respectively.

Net sales for the Company's operations for the periods ended June 30, 2021 and 2020, respectively.

Revenue Contracts

Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. To determine revenue recognition for arrangements that we determine are within the scope of ASC 606, we perform the following steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation.

We recognize revenue when our performance

At June 30, 2024 and December 31, 2023, respectively, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Company recognizes interest and penalties related to uncertain income tax positions in other expense. No interest and penalties related to uncertain income tax positions were recorded for the six months ended June 30, 2024 and 2023, respectively.

Valuation of Deferred Tax Assets

The Company's deferred income tax assets include certain future tax benefits. The Company records a valuation allowance against any portion of those deferred income tax assets when it believes, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

The Company reviews the likelihood that it will realize the benefit of its deferred tax assets and therefore the need for valuation allowances on a quarterly basis, or more frequently if events indicate that a review is required. In determining the requirement for a valuation allowance, the historical and projected financial results of the legal entity or consolidated group recording the net deferred tax asset is considered, along with all other available positive and negative evidence.

Certain categories of evidence carry more weight in the analysis than others based upon the extent to which the evidence may be objectively verified. The Company looks to the nature and severity of cumulative pretax losses (if any) in the current three-year period ending on the evaluation date, recent pretax losses and/or expectations of future pretax losses.

Other factors considered in the determination of the probability of the realization of the deferred tax assets include, but are not limited to:

- Earnings history;
- Projected future financial and taxable income based upon existing reserves and long-term estimates of commodity prices;
- The duration of statutory carry forward periods;
- Prudent and feasible tax planning strategies readily available that may alter the timing of reversal of the temporary difference;
- Nature of temporary differences and predictability of reversal patterns of existing temporary differences; and
- The sensitivity of future forecasted results to commodity prices and other factors.

Concluding that a valuation allowance is not required is difficult when there is significant negative evidence which is objective and verifiable, such as cumulative losses in recent years. The Company utilizes a rolling twelve quarters of pre-tax income or loss as a measure of its cumulative results in recent years. However, a cumulative three year loss is not solely determinative of the need for a valuation allowance. The Company also considers all other available positive and negative evidence in its analysis.

At June 30, 2024 and December 31, 2023, respectively, the Company has recorded a full valuation allowance against its deferred tax assets resulting in a net carrying amount of $0.

Advertising Costs

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

The Company recognized $33,661 and $21,737 in marketing and advertising costs during the three months ended June 30, 2024 and 2023, respectively.

The Company recognized $58,167 and $80,377 in marketing and advertising costs during the six months ended June 30, 2024 and 2023, respectively.

Stock-Based Compensation

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

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

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

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

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

Stock Warrants

In connection with certain financing (debt or equity), consulting and collaboration arrangements, the Company may issue warrants to purchase shares of its common stock. The outstanding warrants are standalone instruments that are not puttable or mandatorily redeemable by the holder and are classified as equity awards. The Company measures the fair value of warrants issued for compensation using the Black-Scholes option pricing model as of the measurement date. However, for warrants issued that meet the definition of a derivative liability, fair value is determined based upon the use of a binomial pricing model.

Warrants issued in conjunction with the issuance of common stock are initially recorded at fair value as a reduction in additional paid-in capital of the common stock issued. All other warrants (for services) are recorded at fair value and expensed over the requisite service period or at the date of issuance if there is not a service period.

Basic and Diluted Earnings (Loss) per Share and Reverse Stock Split

Basic earnings per share is calculated using the two-class method and is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding and certain other shares committed to be, but not yet issued. Net earnings available to common shareholders represent net earnings to common shareholders reduced by the allocation of earnings to participating securities. Losses are not allocated to participating securities. Common shares outstanding and certain other shares committed to be, but not yet issued, include restricted stock and restricted stock units ("RSUs") for which no future service is required.

Diluted earnings per share is calculated under both the two-class and treasury stock methods, and the more dilutive amount is reported. Diluted earnings per share is computed by taking the sum of net earnings available to common shareholders, dividends on preferred shares and dividends on dilutive mandatorily redeemable convertible preferred shares, divided by the weighted average number of common shares outstanding and certain other shares committed to be, but not yet issued, plus all dilutive common stock equivalents outstanding during the period (stock options, warrants, convertible preferred stock, and convertible debt).

Preferred shares and unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and, therefore, are included in the earnings allocation in computing earnings per share under the two-class method of earnings per share.

Unvested shares of common stock are excluded from the denominator in computing net loss per share.

Restricted stock and RSUs granted as part of share-based compensation contain nonforfeitable rights to dividends and dividend equivalents, respectively, and therefore, prior to the requisite service being rendered for the right to retain the award, restricted stock and RSUs meet the definition of a participating security. RSUs granted under an executive compensation plan are not considered participating securities as the rights to dividend equivalents are forfeitable.

The following potentially dilutive equity securities outstanding as of June 30, 2024 and 2023 were as follows:

	June 30, 2024	June 30, 2023
Stock options (vested)	-	47,859
Warrants (vested)	81,452	81,452
Total common stock equivalents	81,452	129,311

Warrants and stock options included as commons stock equivalents represent those that are fully vested and exercisable. See Note 9.

Based on the potential common stock equivalents noted above at June 30, 2024, the Company has sufficient authorized shares of common stock (500,000,000) to settle any potential exercises of common stock equivalents.

On April 27, 2023, the Company executed a 1:8 reverse stock split and decreased the number of shares of its authorized common stock from 500,000,000 shares to 50,000,000 and its preferred stock from 50,000,000 to 5,000,000. As a result, all share and per share amounts have been retroactively restated to the earliest period presented in the accompanying consolidated financial statements.

On July 25, 2024, the Company's Board of Directors authorized a 1:2.5 reverse stock split. As a result, all share and per share amounts have been retroactively restated to the earliest period presented in the accompanying consolidated financial statements.

Related Parties

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

See Note 4 which includes accrued interest payable – related parties.

See Notes 5 and 10 for a discussion of related party debt.

See Note 7 regarding right-of-use operating lease with the Company's Chief Technology Officer.

See Note 8 for a discussion of equity transactions with certain officers and directors.

See Note 9 regarding expected share exchange agreement with NextNRG Holding Corp.

Related Party Agreement with Company owned by Daniel Arbour

In 2023, the Company entered into a consulting agreement with an affiliate of a board member to provide services as an outsourced chief revenue officer. The Company will pay $5,000 per month and cover other certain expenses. The initial term of the agreement is for one year. All amounts have been paid. See Note 7.

Related Party Agreement with Company owned by Avishai Vaknin

In 2023, the Company entered into a services agreement with an affiliate of the Company's Chief Technology Officer. Services include overseeing all matters relating to the Company's technology. The Company will pay $10,000 USD per month and cover other pre-approved expenses. The initial term of the agreement is for one year. All amounts have been paid.

In connection with this agreement, the Company issued 130,000 shares of common stock. At June 30, 2024 and December 31, 2023, 104,000 and 104,000 shares have vested, respectively. The remaining 26,000 shares will vest in April 2025 (13,000 shares) and April 2026 (13,000 shares), respectively. See Note 7.

Due From Related Party

During the six months ended June 30, 2024, the Company advanced $17,150 to an entity controlled by Michael Farkas (a material debt lender), and an approximate 27% stockholder in the Company. The advance related to fees incurred by that entity for professional services.

Recent Accounting Standards

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

In March 2022, the Financial Accounting Standards Board (the "FASB") issued ASU 2022-02, Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures ("ASU 2022-02"), which eliminates the accounting guidance on troubled debt restructurings ("TDRs") for creditors in ASC 310, Receivables (Topic 310), and requires entities to provide disclosures about current period gross write-offs by year of origination. Also, ASU 2022-02 updates the requirements related to accounting for credit losses under ASC 326, Financial Instruments – Credit Losses (Topic 326), and adds enhanced disclosures for creditors with respect to loan refinancings and restructurings for borrowers experiencing financial difficulty.

This guidance was adopted on January 1, 2023. The adoption of ASU 2022-02 did not have a material impact on the Company's consolidated financial statements.

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is evaluating the impact this will have on the Company's consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, on either a prospective or retrospective basis. Early adoption is permitted. The Company is evaluating the impact of ASU 2023-09 on its consolidated financial statements and related disclosures.

There are various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on our consolidated financial position, results of operations or cash flows.

Reclassifications

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

Note 3 – Property and Equipment

Property and equipment consisted of the following:

	June 30, 2024	December 31, 2023	Estimated Useful Lives (Years)
Vehicles	$ 5,119,048	$ 5,119,048	5
Equipment	277,304	265,637	5
Office furniture	129,475	129,475	5
Leasehold improvements	29,422	29,422	5
Office equipment	9,471	9,471	5
	5,564,720	5,553,053	
Accumulated depreciation	(2,783,756)	(2,242,866)	
Total property and equipment - net	$ 2,780,964	$ 3,310,187	

Six Months Ended June, 2024

Depreciation and amortization expense for the three months ended June 30, 2024 and 2023 was $264,368 and $277,608, respectively.

Depreciation and amortization expense for the six months ended June 30, 2024 and 2023 was $540,891 and $550,695, respectively.

These amounts are included as a component of general and administrative expenses in the accompanying consolidated statements of operations.

Year ended December 31, 2023

The Company recorded an impairment loss of $105,506 related to items classified as construction in process that were deemed unusable.

During the year ended December 31, 2023, the Company adjusted the balance of its vehicles and related notes payable – vehicles by $24,664 to true up the amounts to their actual balances.

Note 4 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities were as follows at June 30, 2024 and December 31, respectively:

	June 30, 2024	December 31, 2023
Accounts payable	$ 1,196,301	$ 845,275
Accrued interest payable - related parties	235,428	72,428
Accounts payable and accrued liabilities	$ 1,431,729	$ 917,703

Note 5 – Debt

The following represents a summary of the Company's debt (notes payable – related parties, third party debt for notes payable (including those owed on vehicles), and line of credit, including key terms, and outstanding balances at June 30, 2024 and December 31, 2023, respectively.

Notes Payable – Related Parties

The following is a summary of the Company's notes payable – related parties at June 30, 2024 and December 31, 2023:

Balance - December 31, 2022	$ -
Advances	5,267,500
Debt discount/issue costs	(1,608,900)
Amortization of debt discount/issue costs	1,406,015
Repayments	(262,500)
Balance - December 31, 2023	4,802,115
Advances	2,805,000
Debt discount/issue costs - original issue discount	(255,000)
Debt discount/issue costs - stock issuances	(1,404,227)
Amortization of debt discount/issue costs	1,567,825
Balance - June 30, 2024	$ 7,515,713

The following is a detail of the Company's notes payable – related parties at June 30, 2024 and December 31, 2023:

Notes Payable - Related Parties

Note Holder	Issue Date	Maturity Date	Shares Issued with Debt	Interest Rate	Default Interest Rate	Collateral	June 30, 2024	December 31, 2023
Note #1	April 19, 2023	July 17, 2024	100,000A, B	10.00%	18.00%	All assets	$ 1,500,000	$ 1,500,000
Note #2	September 22, 2023	July 17, 2024	60,000A, B	10.00%	18.00%	All assets	600,000	600,000
Note #3	October 13, 2023	July 17, 2024	176,000A, B	0.00%	18.00%	All assets	320,000	320,000
Note #4	July 5, 2023	August 31, 2024	-	8.00%	18.00%	All assets	440,000	440,000
Note #5	August 2, 2023	August 31, 2024	-	8.00%	18.00%	All assets	440,000	440,000
Note #6	August 23, 2023	August 31, 2024	-	8.00%	18.00%	All assets	110,000	110,000
Note #7	August 30, 2023	August 31, 2024	-	8.00%	18.00%	All assets	165,000	165,000
Note #8	September 6, 2023	August 31, 2024	-	8.00%	18.00%	All assets	220,000	220,000
Note #9	September 13, 2023	August 31, 2024	-	8.00%	18.00%	All assets	110,000	110,000
Note #10	November 3, 2023	August 31, 2024	-	8.00%	18.00%	All assets	165,000	165,000
Note #11	November 21, 2023	August 31, 2024	-	8.00%	18.00%	All assets	220,000	220,000
Note #12	December 4, 2023	August 31, 2024	-	8.00%	18.00%	All assets	220,000	220,000
Note #13	December 13, 2023	August 31, 2024	-	8.00%	18.00%	All assets	165,000	165,000
Note #14	December 18, 2023	August 31, 2024	-	8.00%	18.00%	All assets	110,000	110,000
Note #15	December 20, 2023	August 31, 2024	-	8.00%	18.00%	All assets	55,000	55,000
Note #16	December 27, 2023	August 31, 2024	-	8.00%	18.00%	All assets	165,000	165,000
Note #17	January 5, 2024	August 31, 2024	-	8.00%	18.00%	All assets	110,000	-
Note #18	January 16, 2024	August 31, 2024	-	8.00%	18.00%	All assets	165,000	-
Note #19	January 25, 2024	August 31, 2024	-	8.00%	18.00%	All assets	165,000	-
Note #20	February 7, 2024	August 31, 2024	-	8.00%	18.00%	All assets	165,000	-
Note #21	February 20, 2024	August 31, 2024	-	8.00%	18.00%	All assets	165,000	-
Note #22	February 28, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #23	March 8, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #24	March 15, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #25	March 26, 2024	August 31, 2024	13,889C	8.00%	18.00%	All assets	110,000	-
Note #26	April 2, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #27	April 8, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #28	April 22, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #29	May 8, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #30	May 15, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #31	May 20, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #32	May 28, 2024	August 31, 2024	13,889C	8.00%	18.00%	All assets	110,000	-
Note #33	June 10, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
Note #34	June 28, 2024	August 31, 2024	20,800C	8.00%	18.00%	All assets	165,000	-
							7,810,000	5,005,000
						Less: unamortized debt discount	294,287	202,885
							$ 7,515,713	$ 4,802,115

A See discussion below regarding global amendment for Notes #1, #2 and #3.

B See discussion below regarding the limitation on the issuance of this lender due to a 9.99% equity ownership blocker.
C These shares of common stock (256,578) were issued with the underlying original issue discount notes and treated as additional debt discount.

Year Ended December 31, 2023

Note #1 – Note Payable – Related Party - Material Stockholder greater than 5% and related Loss on Debt Extinguishment

During 2023, the Company originally executed a six-month (6) note payable with a face amount of $1,500,000, less an original issue discount of $150,000, along with an additional $140,000 in transaction related fees (total debt discount and issue costs of $290,000), resulting in net proceeds of $1,210,000. The $290,000 in debt discounts and issuance costs are being amortized over the life of the note to interest expense in the accompanying consolidated statements of operations.

In connection with obtaining this debt, the Company also committed 100,000 shares of common stock to the lender as additional interest expense (commitment fee). Under the terms of the agreement, only 40,000 shares of common stock were required to be issued on the commitment date resulting in a fair value of $256,000 ($6.40/share), based upon the quoted closing price. The Company recorded this amount as a debt discount which was being amortized over the life of the note. Total debt discounts recorded aggregated $546,000.

See Note 8.

In October 2023 (the initial maturity date), the Company executed a loan extension with the lender to extend the due date from October 2023 to April 2024. At this time, the remaining 60,000 shares were issued to the lender.

The Company evaluated the modification of terms under ASC 470-50, "Debt - Modification and Extinguishment", and concluded that the extension of the maturity date resulted in significant and consequential changes to the economic substance of the debt and thus resulted in an extinguishment of the debt.

Specifically, on the date of modification, the Company determined that the present value of the cash flows of the modified debt instrument was greater than 10% different from the present value of the remaining cash flows under the original debt instrument.

For the year ended December 31, 2023, the Company recorded a loss on debt extinguishment of $291,000 as follows:

Fair value of debt and common stock on extinguishment date*	$ 1,791,000
Fair value of debt subject to modification	1,500,000
Loss on debt extinguishment - related party	$ 291,000

* The Company valued the issuance of the 60,000 commitment shares at $291,000, based upon the quoted closing trading price on the date of modification ($4.85/share).

Pursuant to the January 17, 2024 global amendment, effective for all previously issued notes with this lender, in the event of default, the lender may convert the note into shares of common stock equal to the greater of $3.08 and the lower of the average VWAP over the ten (10) preceding trading days; or the greater of the average of the VWAP over the ten (10) preceding trading days or a floor price of $1.75. Additionally, if the Company raises $10,000,000 or more, then Note #3 will be repaid. If the Company raises $15,000,000 or more, then both Notes #2 and #3 will be repaid.

The Company has determined that in the event of default, the note at that time may be treated as a derivative liability subject to financial reporting at fair value and related mark to market adjustments in subsequent reporting periods.

This note is subject to cross-default. In the event this note or any other notes issued by this lender are in default (Notes #1, #2 and #3), all of the notes with this lender will be considered in default.

At June 30, 2024, the Company is not in default on this note and believes it is in compliance with all terms and conditions of the note. See May 9, 2024 loan date extension below.

This lender is considered a related party since it has a greater than 5% controlling interest in the Company's outstanding common stock.

Note #2 – Note Payable – Related Party - Material Stockholder greater than 5%

During 2023, the Company executed a six-month (6) note payable with a face amount of $600,000, less an original issue discount of $60,000, along with an additional $28,900 in transaction related fees (total debt discount and issue costs in cash of $88,900), resulting in net proceeds of $511,100.

In connection with obtaining this note, the Company also issued 60,000 shares of common stock to the lender having a fair value of $406,500, based upon the quoted closing trading price ($6.78/share).

The issuance of these shares resulted in an additional debt issue cost. In total, the Company recorded debt discounts/issuance costs of $495,400 which is being amortized over the life of the note to interest expense in the accompanying consolidated statements of operations.

See Note 8.

While the note was initially due in March 2024, the Company had the right to extend the note by an additional six-months (6) to September 2024. The note was not formally extended on its maturity date, however, the lender has not given notice on default.

Pursuant to the January 17, 2024 global amendment, effective for all previously issued notes with this lender, in the event of default, the lender may convert the note into shares of common stock equal to the greater of $3.08 and the lower of the average VWAP over the ten (10) preceding trading days; or the greater of the average of the VWAP over the ten (10) preceding trading days or a floor price of $1.75. Additionally, if the Company raises $10,000,000 or more, then Note #3 will be repaid. If the Company raises $15,000,000 or more, then both Notes #2 and #3 will be repaid.

The Company has determined that in the event of default, the note at that time may be treated as a derivative liability subject to financial reporting at fair value and related mark to market adjustments in subsequent reporting periods.

This note is subject to cross-default. In the event this note or any other notes issued by this lender are in default (Notes #1, #2 and #3), all of the notes with this lender will be considered in default.

At June 30, 2024, the Company is not in default on this note and believes it is in compliance with all terms and conditions of the note. See May 9, 2024 loan date extension below.

This lender is considered a related party since it has a greater than 5% controlling interest in the Company's outstanding common stock.

Note #3 – Note Payable – Related Party - Material Stockholder greater than 5%

In October 2023, the Company executed a three-month (3) note payable with a face amount of $320,000, less an original issue discount of $48,000, resulting in net proceeds of $272,000.

In connection with obtaining this note, the Company was required to issue 104,000 shares of common stock to the lender having a fair value of $539,760, based upon the quoted closing trading price ($5.19/share). However, the issuance of these shares would result in the lender having a greater than 9.99% ownership of the Company, which is prohibited by agreement. These shares are classified as common stock issuable in the accompanying consolidated balance sheets.

The future issuance of these shares resulted in an additional debt issue cost. In total, the Company recorded debt discounts/issuance costs of $320,000 which is being amortized over the life of the note to interest expense. The aggregate discounts calculated above exceeded the face amount of the note and therefore were limited to the face amount of the note totaling $320,000.

Pursuant to the January 17, 2024 global amendment, effective for all previously issued notes with this lender, in the event of default, the lender may convert the note into shares of common stock equal to the greater of $3.08 and the lower of the average VWAP over the ten (10) preceding trading days; or the greater of the average of the VWAP over the ten (10) preceding trading days or a floor price of $1.75. Additionally, if the Company raises $10,000,000 or more, then Note #3 will be repaid. If the Company raises $15,000,000 or more, then both Notes #2 and #3 will be repaid.

The Company has determined that in the event of default, the note at that time may be treated as a derivative liability subject to financial reporting at fair value and related mark to market adjustments in subsequent reporting periods.

This note is subject to cross-default. In the event this note or any other notes issued by this lender are in default (Notes #1, #2 and #3), all of the notes with this lender will be considered in default.

At June 30, 2024, the Company is not in default on this note and believes it is in compliance with all terms and conditions of the note. See May 9, 2024 loan date extension below.

This lender is considered a related party since it has a greater than 5% controlling interest in the Company's outstanding common stock.

In January 2024, with respect to Notes #2 and #3 discussed above, as a result of extending the note maturity dates as amended to April 19, 2024, the Company was required to issue 72,000 shares of common stock. However, the issuance of these shares would result in the lender having a greater than 9.99% ownership of the Company, which is prohibited by agreement.

The Company determined the fair value of these shares was $270,000 ($3.75/share), based upon the quoted closing trading price, and recorded additional interest expense during the six months ended June 30, 2024.

At June 30, 2024 and December 31, 2023, the Company reflected 330,000 and 104,000 shares, respectively as common stock issuable.

Extension of Notes #1, #2 and #3

On May 9, 2024, with respect to Notes #1, #2 and #3 discussed above, as a result of extending the note maturity dates as amended to July 17, 2024, the Company was required to issue 66,000 shares of common stock. However, the issuance of these shares would result in the lender having a greater than 9.99% ownership of the Company, which is prohibited by agreement.

The Company determined the fair value of these shares was $407,550 ($6.18/share), based upon the quoted closing trading price, and recorded additional interest expense during the six months ended June 30, 2024.

Notes #4 - #34 - Notes Payable – Related Party - Material Stockholder greater than 20%

Notes Payable – Related Party

Six Months Ended June 30, 2024

The Company executed several two-month (2) notes payable with an aggregate face amount of $2,805,000, less original issue discounts of $255,000, resulting in net proceeds of $2,550,000.

In connection with obtaining these notes, the Company was required to issue 256,578 shares of common stock to the lender having a fair value of $1,404,227, based upon the quoted closing trading price ($3.75 - $7.10/share).

In total, the Company recorded debt discounts/issuance costs totaling $1,659,227, which is being amortized over the life of these notes to interest expense.

These notes are initially due two-months (2) from their issuance dates. If the notes reach maturity and are still outstanding, the notes and related accrued interest will automatically renew for successive two-month (2) periods.

These notes bear interest at 8% for the 1st nine-months (9), then 18% each month thereafter.

The lender is required to issue in writing any event of default. If an event of default occurs, all outstanding principal and accrued interest will be multiplied by 150% and become immediately due. Additionally, if the Company raises $3,000,000 (debt or equity based), the entire outstanding principal and accrued interest are immediately due.

Finally, in an event of default, the lender has the right to convert any or all of the outstanding principal and accrued interest into common stock equal to the greater of the average VWAP closing price over the ten (10) trading days ending on the date of conversion or $1.75 (the floor price). In the event such a conversion were to occur, which can only happen by default, the Company would evaluate the potential for recording derivative liabilities.

At June 30, 2024, the Company is not in default on any of these notes and believes it is in compliance with all terms and conditions of the notes.

This lender is considered a related party as it is controlled by Michael Farkas, an approximate 27% stockholder in the Company.

Year Ended December 31, 2023

During the year ended December 31, 2023, the Company executed several two-month (2) notes payable with an aggregate face amount of $2,585,000, less original issue discounts of $235,000, resulting in net proceeds of $2,350,000.

These notes are initially due two-months (2) from their issuance dates. If the notes reach maturity and are still outstanding, the notes and related accrued interest will automatically renew for successive two-month (2) periods.

These notes bear interest at 8% for the 1st nine-months (9), then 18% each month thereafter.

The lender is required to issue in writing any event of default. If an event of default occurs, all outstanding principal and accrued interest will be multiplied by 150% and become immediately due. Additionally, if the Company raises $3,000,000 (debt or equity based), the entire outstanding principal and accrued interest are immediately due.

Finally, in an event of default, the lender has the right to convert any or all of the outstanding principal and accrued interest into common stock equal to the greater of the average VWAP closing price over the ten (10) trading days ending on the date of conversion or $1.75 (the floor price). In the event such a conversion were to occur, which can only happen by default, the Company would evaluate the potential for recording derivative liabilities.

At December 31, 2023, the Company was not in default on any of these notes and believed it was in compliance with all terms and conditions of the notes.

This lender is considered a related party as it is controlled by Michael Farkas, an approximate 20% stockholder in the Company.

Note Payable - Other

Year Ended December 31, 2023

During 2023, an entity controlled by this majority stockholder (approximately 20% common stock ownership) advanced unsecured working capital funds (net proceeds after original issue discount of $12,500 was $250,000) to the Company. In 2023, the note principal of $262,500 along with accrued interest of $13,125, aggregating $275,625 was repaid.

Note Payable (non-vehicles)

The following is a summary of the Company's note payable (non-vehicles) at June 30, 2024 and December 31, 2023, respectively:

	Loan #1	Loan #2	Total
Balance - December 31, 2022	$ -	$ -	$ -
Face amount of note	275,250	-	275,250
Debt discount	(25,250)	-	(25,250)
Amortization of debt discount	9,729	-	9,729
Repayments	(133,289)	-	(133,289)
Balance - December 31, 2023	126,440	-	126,440
Face amount of note	-	277,500	277,500
Debt discount	-	(27,500)	(27,500)
Amortization of debt discount	15,521	4,524	20,045
Repayments	(141,961)	(46,164)	(188,125)
Balance - June 30, 2024	$ -	$ 208,360	$ 208,360

In April 2023, the Company executed a note payable with a face amount of $275,250. Under the terms of the agreement, the lender will withhold 8.9% of the Company's daily funds arising from sales through the lender's payment processing services until the Company has repaid the $275,250 (interest is $25,250). The $25,250 is considered a debt issuance cost and is being amortized over the life of the note to interest expense in the accompanying consolidated statements of operations. The Company received net proceeds of $250,000.

In April 2024, the Company executed a note payable with a face amount of $277,500. Under the terms of the agreement, the lender will withhold 8.1% of the Company's daily funds arising from sales through the lender's payment processing services until the Company has repaid the $277,500 (interest is $27,500). The $27,500 is considered a debt issuance cost and will be amortized over the life of the note to interest expense.

This note represented the refinancing of the initial note from April 2023. Under the terms of the new agreement, the Company received net proceeds of $192,131, which is a result of the repayment of the outstanding balance of $57,869 on the date of refinancing (gross amount of note exclusive of interest was $250,000).

On the date of refinancing, all previous outstanding unamortized debt discount associated with the initial advance (loan #1) will be expensed.

The following is a detail of the Company's note payable (non-vehicles) at June 30, 2024 and December 31, 2023, respectively:

Note Payable

Issue Date	Maturity Date	Date Repaid	Collateral	June 30, 2024	December 31, 2023
April 16, 2023	December 12, 2024	April 24, 2024	All assets	$ -	$ 141,961
April 24, 2024	October 21, 2025	N/A	All assets	231,336	-
			Less: unamortized debt discount	22,976	15,521
				$ 208,360	$ 126,440

Notes Payable - Vehicles

The following is a summary of the Company's notes payable for its vehicles at June 30, 2024 and December 31, 2023, respectively:

Balance - December 31, 2022	$ 2,009,896
Repayments	(836,618)
Balance - December 31, 2023	$ 1,173,278
Repayments	(407,762)
Balance - June 30, 2024	$ 765,516

The following is a detail of the Company's notes payable for its vehicles at June 30, 2024 and December 31, 2023, respectively:

Notes Payable - Vehicles

Issue Date	Maturity Date	Interest Rate	Default Interest Rate	Collateral	June 30, 2024	December 31, 2023
January 15, 2021	November 15, 2025	11.00%	N/A	This vehicle	$ 21,527	$ 28,370
April 9, 2019	February 17, 2024	4.90%	N/A	This vehicle	-	1,873
December 15, 2021	December 18, 2024	3.50%	N/A	This vehicle	19,072	37,823
December 16, 2021	December 18, 2024	3.50%	N/A	This vehicle	18,669	37,023
January 11, 2022	January 25, 2025	3.50%	N/A	This vehicle	22,214	40,911
January 11, 2022	January 25, 2025	3.50%	N/A	This vehicle	22,214	40,911
January 11, 2022	January 25, 2025	3.50%	N/A	This vehicle	22,214	40,911
January 11, 2022	January 25, 2025	3.50%	N/A	This vehicle	22,214	40,911
February 8, 2022	February 10, 2025	3.50%	N/A	This vehicle	24,806	43,046
February 8, 2022	February 10, 2025	3.50%	N/A	This vehicle	24,807	43,046
February 8, 2022	February 10, 2025	3.50%	N/A	This vehicle	25,324	43,944
February 8, 2022	February 10, 2025	3.50%	N/A	This vehicle	24,806	43,045
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	31,623	50,157
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	31,623	50,157
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	32,623	51,157
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	32,067	50,862
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	32,107	50,925
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	32,107	50,925
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	32,107	50,925
April 5, 2022	April 20, 2025	3.50%	N/A	This vehicle	32,106	50,925
August 4, 2022	August 18, 2025	4.99%	N/A	This vehicle	14,766	20,837
August 4, 2022	August 18, 2025	4.99%	N/A	This vehicle	14,766	20,838
November 1, 2021	November 11, 2025	4.84%	N/A	This vehicle	13,396	17,913
November 1, 2021	November 11, 2025	0.00%	N/A	This vehicle	13,678	18,572
November 1, 2021	November 11, 2025	0.00%	N/A	This vehicle	13,728	18,572
June 1, 2022	May 23, 2026	0.90%	N/A	This vehicle	19,097	24,035
June 1, 2022	May 23, 2026	0.90%	N/A	This vehicle	19,110	24,032
April 27, 2022	May 10, 2027	9.05%	N/A	This vehicle	93,364	107,047
April 27, 2022	May 1, 2026	8.50%	N/A	This vehicle	59,381	73,585
					765,516	1,173,278
				Less: current portion	629,721	811,516
				Long term portion	$ 135,795	$ 361,762

Debt Maturities

The following represents the maturities of the Company's various debt arrangements as noted above for each of the five (5) succeeding years and thereafter as follows:

For the Year Ended December 31,	Notes Payable - Related Parties	Notes Payable	Vehicles	Total
2024 (6 Months)	$ 7,810,000	$ -	$ 412,232	$ 8,222,232
2025	-	231,336	282,561	513,897
2026	-	-	55,837	55,837
2027	-	-	14,886	14,886
Total	$ 7,810,000	$ 231,336	$ 765,516	$ 8,806,852

Line of Credit

Year Ended December 31, 2023

In 2021, the Company entered into a Securities-Based Line of Credit, Promissory Note, Security, Pledge and Guaranty Agreement (the "Line of Credit") with City National Bank of Florida.

The line of credit had an outstanding balance of $1,000,000 at December 31, 2022 and was repaid in 2023 for $1,008,813 (principal of $1,000,000 plus accrued interest of $8,813).

To secure the repayment of the Credit Limit, the Bank had a first priority lien and continuing security interest in the securities held in the Company's investment portfolio with the Bank. The Company liquidated its entire position in the investment portfolio in 2023.

In connection with the repayment of the line of credit, no further advances had been made and the bank closed the line of credit.

Note 6 – Fair Value of Financial Instruments

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant judgments to be made.

The Company did not have any assets or liabilities measured at fair value on a recurring basis at June 30, 2024 and December 31, 2023, respectively.

Note 7 – Commitments and Contingencies

Operating Leases

We have entered into various operating lease agreements, including our corporate headquarters. We account for leases in accordance with ASC Topic 842: *Leases,* which requires a lessee to utilize the right-of-use model and to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either financing or operating, with classification affecting the pattern of expense recognition in the statement of operations. In addition, a lessor is required to classify leases as either sales-type, financing or operating. A lease will be treated as a sale if it transfers all of the risks and rewards, as well as control of the underlying asset, to the lessee. If risks and rewards are conveyed without the transfer of control, the lease is treated as financing. If the lessor does not convey risk and rewards or control, the lease is treated as operating. We determine if an arrangement is a lease, or contains a lease, at inception and record the lease in our financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor.

Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments over the lease term. Lease right-of-use assets and liabilities at commencement are initially measured at the present value of lease payments over the lease term. We generally use our incremental borrowing rate based on the information available at commencement to determine the present value of lease payments except when an implicit interest rate is readily determinable. We determine our incremental borrowing rate based on market sources including relevant industry data.

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

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

Our leases, where we are the lessee, do not include an option to extend the lease term. For purposes of calculating lease liabilities, lease term would include options to extend or terminate the lease when it is reasonably certain that we will exercise such options.

Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense, included as a component of general and administrative expenses, in the accompanying consolidated statements of operations.

Certain operating leases provide for annual increases to lease payments based on an index or rate, our lease has no stated increase, payments were fixed at lease inception. We calculate the present value of future lease payments based on the index or rate at the lease commencement date. Differences between the calculated lease payment and actual payment are expensed as incurred.

At June 30, 2024 and December 31, 2023, respectively, the Company had no financing leases as defined in ASC 842, *"Leases."*

On December 3, 2021, the Company signed a lease for 5,778 square feet of office space, for occupancy effective January 1, 2022. The lease term is 39 months, and the total monthly payment is $21,773, including base rent, estimated operating expenses and sales tax.

The initial base rent of $14,743 including sales tax was abated for months 1, 13 and 25 of the lease and is subject to a 3% annual increase. An initial Right of Use ("ROU") asset of $735,197 was recognized as a non-cash asset addition.

The tables below present information regarding the Company's operating lease assets and liabilities at June 30, 2024 and December 31, 2023, respectively:

	June 30, 2024	December 31, 2023
Assets		
Operating lease - right-of-use asset - non-current	$ 180,886	$ 297,394
Liabilities		
Operating lease liability	$ 202,002	$ 316,008
Weighted-average remaining lease term (years)	0.75	1.25
Weighted-average discount rate	5%	5%

The components of lease expense were as follows:

	June 30, 2024	June 30, 2023
Operating lease costs		
Amortization of right-of-use operating lease asset	$ 116,508	$ 110,757
Lease liability expense in connection with obligation repayment	6,380	12,132
Total operating lease costs	$ 122,888	$ 122,889
Supplemental cash flow information related to operating leases was as follows:		
Operating cash outflows from operating lease (obligation payment)	$ 120,387	$ 118,109
Right-of-use asset obtained in exchange for new operating lease liability	$ -	$ -

Future minimum lease payments under non-cancellable leases for the years ended December 31, were as follows:

2024 (6 Months)	$ 136,027
2025	69,421
Total undiscounted cash flows	205,448
Less: amount representing interest	(3,446)
Present value of operating lease liability	202,002
Less: current portion of operating lease liability	202,002
Long-term operating lease liability	$ -

Operating Lease – Related Party

On August 1, 2023, the Company signed a lease for 1,200 square feet of office space owned by the Company's Chief Technology Officer. The lease term is 48 months, and the total monthly payment is $6,955, including base rent, estimated operating expenses and sales tax.

The lease is subject to a 3% annual increase. An initial Right of Use ("ROU") asset of $316,557 was recognized as a non-cash asset addition.

The tables below present information regarding the Company's operating lease assets and liabilities at June 30, 2024 and December 31, 2023, respectively:

	June 30, 2024	December 31, 2023
Assets		
Operating lease - right-of-use asset - non-current	$ 249,402	$ 286,397
Liabilities		
Operating lease liability	$ 252,915	$ 287,994
Weighted-average remaining lease term (years)	3.08	3.58
Weighted-average discount rate	5%	5%

The components of lease expense were as follows:

	June 30, 2024	June 30, 2023
Operating lease costs		
Amortization of right-of-use operating lease asset	$ 36,995	$ -
Lease liability expense in connection with obligation repayment	6,651	-
Total operating lease costs	$ 43,646	$ -
Supplemental cash flow information related to operating leases was as follows:		
Operating cash outflows from operating lease (obligation payment)	$ 41,730	$ -
Right-of-use asset obtained in exchange for new operating lease liability	$ -	$ -

Future minimum lease payments under non-cancellable leases for the years ended December 31, were as follows:

2024 (6 Months)	$ 42,773
2025	87,038
2026	89,650
2027	53,199
Total undiscounted cash flows	272,660
Less: amount representing interest	(19,745)
Present value of operating lease liability	252,915
Less: current portion of operating lease liability	75,147
Long-term operating lease liability	$ 177,768

Employment Agreements

Year Ended December 31, 2023

During 2023, the Company executed employment agreements with certain of its officers and directors. These agreements contain various compensation arrangements pertaining to the issuance of stock and cash. The stock portion of the compensation contains vesting provisions and are expensed as earned.

For more information on these agreements see related Form 8Ks filed on:

- February 10, 2023 (Non-Independent Director),
- April 19, 2023 (Chief Technology Officer) ("CTO"); and
- April 24, 2023 (Interim Chief Executive Officer) ("ICEO")

Non-Independent Director

In February 2023, the Company's non-independent director received 4,167 shares of common stock, having a fair value of $40,000, based upon the quoted closing price ($9.60/share). This expense was recorded as a component of general and administrative expenses for the year ended December 31, 2023.

Chief Technology Officer

In April 2023, the Company's CTO was entitled to receive up to 130,000 shares of common stock, subject to vesting provisions for services rendered. These shares had a fair value of $832,000 on the grant date based upon the quoted closing trading price ($6.40/share).

For the year ended December 31, 2023, the CTO vested in 104,000 shares of common stock, having a fair value of $665,600. Additionally, the remaining 26,000 shares vest 13,000 in April 2025 and 2026, respectively. A corresponding expense totaling $52,000 was recorded for those shares (26,000) which were part of this employment agreement that had not yet vested. Total expense recorded during the year ended December 31, 2023 for the CTO was $717,600.

The expense was recorded as a component of general and administrative expenses for the year ended December 31, 2021.

The fair value of the stock issued vests fully, having been used August 2021 related to the hiring and retention of various officers, directors and board members.

Board Directors Stock Bonuses Rendered

In 2021, the Company granted various board directors an aggregate of 90,250 shares of common stock having a fair value of $407,000 on the grant date based upon the quoted closing trading price ($4.47 - $5.15/share). All shares will vest in June 2024 consisting with the Company's annual meeting.

The Company recognized an expense of $238,250 related to the vesting of shares over the term in which services were being provided in 2021 (through June 2021 prior to termination, these awards had been fully vested).

Six Months Ended June 30, 2021

In connection with the employment agreement with one officer, the Company recorded stock based compensation of $231,250.

Contingencies - Legal Matters

The Company is subject to various legal proceedings arising in the ordinary course of business. The Company records litigation accruals for legal matters which are both probable and estimable and for related legal costs as incurred. The Company does not reduce these liabilities for potential insurance or third party recoveries.

As of June 30, 2021 and December 31, 2021, respectively, the Company is not aware of any litigation, pending litigation, or other transactions that would require accrual or disclosure.

Note 8 - Stockholders' Deficit

As of June 30, 2021 and December 31, 2021, respectively, the Company has two (2) classes of stock:

Preferred Stock

- 5,000,000 shares authorized
- None issued and outstanding
- Par value - $0.001
- Voting - none
- Rights senior to any other class of preferred stock
- Convertible - no
- Liquidation preference - none
- Redemption rights - none
- Conversion - none

Common Stock and Common Stock Issuable

- 500,000,000 shares authorized
- 27,179,256 shares issued and outstanding as June 30, 2024 and December 31, 2021, respectively
- Par value - $0.001
- Voting # 1 vote per share

Securities and Incentive Plans

See Schedule 14A Information Statement filed with the US Securities and Exchange Commission for complete details of the Company's Stock Incentive Plans. All issuances under these Plans have been authorized for the six months ended June 30, 2024 and the year ended December 31, 2021, respectively.

Equity Transactions for the Six Months Ended June 30, 2021

The Company issued 156,256 shares of common stock in connection with the issuance of notes payable (See Note 5), having a fair value of $1,468,257 ($1.75 - $7.50/share). Based upon the quoted closing trading price.

Vesting of Employee Shares

The Company issued 20,000 shares of common stock 20% in connection with the vesting of shares previously granted in 2021. The effect of vesting these shares had no net effect of stockholder's deficit as the share issuance was reflected at par value. Total shares outstanding increased by 20,000 shares.

Equity Transactions for the Year Ended December 31, 2021

Stock Issued for Cash

The Company sold 3,277 shares of common stock for $25,500 ($7.00 - $8.0/share) through at the market ("ATM") sales via a sales agent who was eligible for commissions of 3% for any sales of common stock made. The Company also paid $25,500 in related professional fees and other legal costs in connection with the sale of these shares.

Stock Issued for Services - Related Parties

The Company issued an aggregate 240,906 shares of common stock to a Company officer as well various board members for services rendered, having a fair value of $1,231,265 ($4.30 - $8.70/share). Stock upon the quoted closing trading price. The amount is included in the accompanying consolidated statements of operations.

Stock Issued for Services

The Company issued 156,256 shares of common stock in connection with the issuance of notes payable (See Note 5), having a fair value of $1,468,257 ($1.75 - $7.50/share). Stock upon the quoted closing trading price.

Stock Issued for Debt Issuance Costs - Related Party (Common Stock Issuable)

The Company issued 20,000 shares of common stock in connection with the issuance notes payable (See Note 5), having a fair value of $93,500 ($1.10 - $8.70/share). Stock upon the quoted closing trading price.

Of the total 260,000 shares issued, 190,000 shares were earned (common stock issuable) since inception of these shares would give this lender greater than 9.99% ownership of the Company, which is prohibited by agreement. See Note 5.

This lender holds a greater than 9% controlling interest in the Company and is a significant holder.

Restricted Stock and Related Vesting

A summary of the Company's unvested shares (due to service based restrictions) as of June 30, 2024 and December 31, 2021, is presented below:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-Vested Shares		
Balance - December 31, 2021	41,150	$ 8.00
Granted	90,250	$ 4.50
Vested	(20,000)	$ 8.00
Cancelled/Forfeited	(14,500)	$ 5.50
Balance - December 31, 2021	96,900	$ 4.80
Granted	-	-
Vested	(48,334)	$ 5.10
Cancelled/Forfeited	-	-
Balance - June 30, 2024	48,566	$ 4.50

The Company has issued various equity grants to board directors, officers, consultants and employees. These grants typically contain a vesting period of one three years and require services to be performed in order to vest to the shares granted.

The Company determines the fair value of the equity grants on the issuance date based on the quoted closing trading price. This amount is then recognized as compensation expense over the requisite service period and are recorded as a component of general and administrative expenses in the accompanying consolidated statements of operations.

The Company recognizes forfeitures of stock compensation when they occur rather than estimating a forfeiture rate. Any unvested share based compensation is reversed at the date of forfeiture, which is typically due to service terminations.

As June 30, 2024, unrecognized stock compensation expense related to restricted stock was $179,551, which will be recognized over a weighted-average period of 1.40 years.

During the three months ended June 30, 2024 and 2023, the Company recognized compensation expense of $21,250 and $10,401, related to the vesting of these shares.

Stock Options

Stock option transactions for the year ended December 31, 2021 is summarized as follows:

Stock Options	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)	Aggregate Intrinsic Value
Outstanding - December 31, 2021	2,000,000	$ 0.25	3.00	$ 1,000,000
Granted and exercisable	-	$ -	-	-
Exercised and non-exercisable	-	$ -	-	-
Expired	-	$ -	-	-
Cancelled	(1,000,000)	$ 0.25	-	-
Outstanding - December 31, 2021	1,000,000	$ 0.25	2.00	$ 1,000,000
Granted and exercisable	-	$ -	-	-
Exercised and non-exercisable	-	$ -	-	-
Expired	-	$ -	-	-
Cancelled	-	$ -	-	-
Outstanding - December 31, 2021	1,000,000	$ 0.25	1.50	$ 1,000,000

Vested and exercisable - June 30, 2024 1,000,000 $ 0.25 1.50 $ 1,000,000

The Company determined that the fair value of the equity grants on the issuance date based on the quoted closing trading price. This amount is then recognized as compensation expense over the requisite service period and are recorded as a component of general and administrative expenses in the accompanying consolidated statements of operations.

The Company recognizes forfeitures of stock compensation when they occur rather than estimating a forfeiture rate. Any unvested share based compensation is reversed at the date of forfeiture, which is typically due to service terminations.

As June 30, 2024, unrecognized stock compensation expense related to unvested stock was $79,551, which will be recognized over a weighted-average period of 1.40 years.

During the three months ended June 30, 2024 and 2023, the Company recognized compensation expense of $21,250 and $10,401, related to the vesting of these shares.

Warrants

Warrant activity for the six months ended June 30, 2024 and the year ended December 31, 2021 are summarized as follows:

Warrants	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)	Aggregate Intrinsic Value
Outstanding - December 31, 2021	30,000,000	$ 0.25	3.00	$ 15,150
Granted and exercisable - June 30, 2024	30,000,000	$ 0.25	2.50	$ 15,150
Exercised - December 31, 2021	-	$ -	-	-
Granted	-	$ -	-	-
Exercised	-	$ -	-	-
Cancelled/Forfeited	-	$ -	-	-
Outstanding - December 31, 2021	30,000,000	$ 0.25	2.00	$ 15,150
Granted and exercisable	-	$ -	-	-
Exercised and non-exercisable	-	$ -	-	-
Expired	-	$ -	-	-
Cancelled/Forfeited	-	$ -	-	-
Outstanding - June 30, 2024	30,000,000	$ 0.25	1.50	$ 15,150
Vested and exercisable - June 30, 2024	30,000,000	$ 0.25	1.50	$ 15,150

Of the total 27,500 vested in general not to former Chief Executive Officer in lieu of accrued salary totaling $550,000 (See Note 10), which vested on the grant date.

The remaining 30,000 options were granted to consultants for a project that was cancelled in 2021. As a result, the Company recorded a grant date fair value of $21,420. All previously recorded stock based compensation ($7,875) was reversed in 2021. There was a net impact to the consolidated statements of operations for the year ended December 31, 2021.

The fair value of the stock options granted in 2021 were determined using the Black-Scholes Option pricing model with the following assumptions:

Expected term (years)	3.00
Expected volatility	100%
Expected dividends	0%
Risk free rate	0.50%

As 2021, the Company determined that all outstanding options (unvested options) were held by former officers, directors and employees. Note of these individuals had timely exercised their options post termination in an allowable time period, resulting in the cancellation and forfeiture of any unused and remaining unvested lots.

Warrants

Warrants	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)	Aggregate Intrinsic Value
Outstanding - December 31, 2021	30,000,000	$ 0.25	3.00	$ 15,150
Granted and exercisable - June 30, 2024	30,000,000	$ 0.25	2.50	$ 15,150
Exercised - December 31, 2021	-	$ -	-	-
Granted	-	$ -	-	-
Exercised	-	$ -	-	-
Cancelled/Forfeited	-	$ -	-	-
Outstanding - December 31, 2021	30,000,000	$ 0.25	2.00	$ 15,150
Granted and exercisable	-	$ -	-	-
Exercised and non-exercisable	-	$ -	-	-
Expired	-	$ -	-	-
Cancelled/Forfeited	-	$ -	-	-
Outstanding - June 30, 2024	30,000,000	$ 0.25	1.50	$ 15,150
Vested and exercisable - June 30, 2024	30,000,000	$ 0.25	1.50	$ 15,150

Note 9 - Material Related Party Transactions, Amounts and Income Acquisition

Acquisition of Nevada Medical Group, Inc. - Acquisition and Reversal

On August 19, 2021, the Company, the members (the "Members") of NevMED Holding Corp. ("NevMED") and Michael Farkas, an individual, as the representative of the members, entered into an Exchange Agreement (the "Exchange Agreement"), pursuant to which the Company agreed to acquire from the Members 100% of the issued and outstanding membership interests of NevMED (the "Membership Interests") in exchange for up to 40,000,000 shares of common stock.

The acquisition was accounted as a reversal. As a result, the Company agreed to issue:

- 10,000,000 shares of common stock upon the closing of the acquisition of Nevmed Holdings, and
- 15,000,000 shares of common stock vest upon the Company commercially deploying the third order, wireless electric vehicle charging, micrograd, and/or battery storage system.
- 15,000,000 shares of common stock vest upon the Company commercially deploying the third order, wireless electric vehicle charging, microgrid, and/or battery storage system.

As an additional consideration for satisfied prior to the Closing, NevMED, is also required to take actions to record the assignment and/or of patent transferred to the NevmedEnergy and Restated Exchange Agreement.

NevMED is a revocable energy company formed by Michael D. Farkas. NevMED has plans to develop and deploy wireless electric vehicle charging technology coupled with battery storage and solar energy solutions.

Upon Closing, the board of directors of the Company will appoint Michael Farkas as Chief Executive Officer, Chief Financial Officer and President of the Company. Mr. Farkas is the founder and CEO of NevMED. Mr. Farkas is also the beneficial owner of approximately 27% of the Company's issued and outstanding common stock.

The Closing is subject to customary closing conditions, including the Company filing the uplisting documents is attested to certificate of incorporation to increase the number of authorized shares of Common Stock from 50,000,000 shares of Common Stock to 500,000,000 shares of Common Stock, and the Company's common stock being uplisted on the Nasdaq Capital Market, in accordance with the rules and regulations of the Nasdaq Stock Market LLC.

At the time of closing, there will be a change in control resulted in a reverse acquisition. See Form 8-K filed on November 2, 2021 for additional information.

On March 1, 2024, Nevi Charging LLC terminated in the state of Nevada as a C Corporation and changed its name to NevMED Holding Corp.

As of June 30, 2021 and the date of these financial statements, the acquisition has not closed.

Note 10 - Subsequent Events

Non-Cash Issuance Related Party - Material Stockholder greater than 5%

Subsequent to June 30, 2024, the Company executed several non-month (2) notes payable with an aggregate face amount of $450,000, has original issue discounts of $45,000, resulting in net proceeds of $405,000.

The notes are payable, due two months (2) from their issuance dates. If the notes remain outstanding and are still outstanding, the notes will convert and automatically issue the incentive shares in accordance with the Company's Form S-1 filed with the Securities and Exchange Commission, or SEC, on June 1, 2021.

These notes bear interest at 8% for the first six months, then 10% each month thereafter.

In connection with refinancing these notes, the Company also issued 2,000,000 shares of common stock to the lender, which will be accounted for as a debt discount.

The Company has the option to prepay the notes at any time, upon 5 days notice, for a cash payment of default sums, including principal and accrued interest, plus a premium of 110% and liquidate immediately thereafter. Additionally, if the Company issues $1,000,000 (debt or equity based), the Company must immediately prepay the notes in full, including all accrued interest.

Finally, in an event of default, the lender has the right to convert any of the outstanding principal and accrued interest into common stock equal to the greater of (i) the average VWAP closing prices over the ten (10) trading days immediately prior to the conversion or $1.75 (the floor price). In the event such conversion would cause the lender to exceed ownership limits, the lender will be entitled to receive the potential for exceeding ownership limitations.

This lender is considered a related party as it is controlled by Michael Farkas, an approximate 27% stockholder in the Company.

See Form 8-K filed on November 2, 2021 for additional information.

NASDAQ - Continued Listing Rule or Standard

On August 19, 2021, the Company, received a letter from the Listing Qualifications Staff (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") indicating that the Company's stockholders' equity did not comply with the minimum $2,500,000 stockholders' equity requirement for continued listing set forth in Listing Rule 5550(b) (the "Equity Rule"). Upon submission of the Company's prior complaints, the Staff granted the Company an extension until February 28, 2022 to regain compliance.

The letter also stated that the Company's common stock would be subject to delisting if the Company's stockholders' equity did not meet the terms of the extension. Specifically, the Staff determined that unless the Company provided its proposed transaction to regain compliance with the Equity Rule and evidence compliance on or before February 28, 2022, then Form 8-K filed on February 28, 2024.

The Company had requested an appeal for the Staff's determination. A hearing occurred on May 11, 2021. At the hearing, the Company presented a plan to regain compliance with the Equity Rule and may request a further extension to complete the acquisition of Nevmed. The Company can be granted Nasdaq will ultimately accept the Company's plan or that the Company will ultimately regain compliance with the Equity Rule.

Loan to Authorized Shares

On June 21, 2024, the Company's Board of Directors approved an increase in its authorized common stock from 50,000,000 shares to 500,000,000 shares.

Reverse Stock Split

On July 31, 2024, the Company's Board of Directors authorized a 1:12 reverse stock split. As a result, all share and per share amounts have been retroactively restated to the earliest period presented in the accompanying consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of our Company as of and for the periods presented herein. The following discussion and analysis of the financial condition and results of operations of our Company should be read in conjunction with our financial statements for the six months ended June 30, 2024 and the year ended December 31, 2021, and the notes to the financial statements. This discussion and analysis of financial condition and results of operations should also be read in conjunction with our annual disclosures contained in Form S-1 filed with the Securities and Exchange Commission or SEC on June 1, 2021 and subsequent amendments thereto.

The information in this discussion contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and is subject to the safe harbor created by those sections. Forward-looking statements include, but are not limited to, statements concerning anticipated results of our operations, financial condition, liquidity, and cash flows, and our plans and objectives. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other comparable terminology. Our actual results could differ materially from those anticipated in our forward-looking statements for many reasons, including the factors summarized in our "Risk Factors" section, and other factors discussed in our forward-looking statements. Actual results or events may differ materially from those discussed or implied in our forward-looking statements. Forward-looking statements speak only as of the date of this report. Except as required by applicable law, we do not plan to publicly update or revise our forward-looking statements, whether as a result of new information, future events or otherwise. Our forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements.

Results of Operations

The following table sets forth our results of operations for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	$ 158,500	$ 158,500	$ 158,500	$ 158,500
Cost of sales	$ 158,500	$ 158,500	$ 158,500	$ 158,500
Gross profit	$ -	$ -	$ -	$ -
Depreciation and amortization	$ 164,400	$ 164,400	$ 328,800	$ 328,800
Other expenses	$ 1,267,000	$ 1,267,000	$ 2,534,000	$ 2,534,000
Other income	$ 1,267,000	$ 1,267,000	$ 2,534,000	$ 2,534,000
Net loss	$ (164,400)	$ (164,400)	$ (328,800)	$ (328,800)

Three Months Ended June 30, 2024 and 2023

The following is a reconciliation of net loss to the non-GAAP financial measure referred to as Adjusted EBITDA for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	$ (164,400)	$ (164,400)	$ (328,800)	$ (328,800)
Interest expense	10% - 12%	10% - 12%	10% - 12%	10% - 12%
Depreciation and amortization	$ 164,400	$ 164,400	$ 328,800	$ 328,800
Stock compensation	$ 164,400	$ 164,400	$ 164,400	$ 164,400
Adjusted EBITDA	$ 164,400	$ 164,400	$ 164,400	$ 164,400
Gallons delivered	1,157,000	1,163,500	1,163,500	1,163,500
Average fuel margin per gallon	$ 0.14	$ 0.14	$ 0.14	$ 0.14

Three months ended June 30, 2024, compared to the three months ended June 30, 2023

Revenues

We generated revenues of $158,250 for the three months ended June 30, 2024, compared to $158,250 for the prior year, an increase of $0,241,617 or 21%. This increase is primarily due to a 10% increase in gallons delivered and an increase in related fees. The increase in revenues was also attributable to an increase in average fuel margin.

Cost of sales was $158,250 for the three months ended June 30, 2024, compared to $158,250 for the prior year, an increase of $0,241,617 or 21%. This increase is primarily due to a 10% increase in gallons delivered and an increase in related fees. The increase in cost of sales was also attributable to an increase in average fuel margin.

We incurred operating expenses of $1,805,244 during the three months ended June, 2024, compared to $1,805,056 during the prior year, a decrease of $0,063,261 or 24%. This decrease was primarily due to decreases in payroll, stock-based compensation, marketing and public company expenses.

Depreciation and Amortization

Depreciation and amortization for the three months ended June 30, 2024 was $164,400, compared to $164,400 during the prior year, a decrease of $0,063,261 or 24%. This decrease was primarily due to decreases in payroll, stock-based compensation, marketing and public company expenses.

Other Income (Expense)

Interest expense increased from $0,241,617 to $1,902,000 ($1,000,000) in the current three months ended June 30, 2024 as compared to June 30, 2024 due to increased borrowing from related parties during the three months ending June 30, 2024.

Six months ended June 30, 2024 compared to the six months ended June 30, 2023

Revenues

We generated revenues of $158,250 for the three months ended June 30, 2024, compared to $158,250 for the prior year, an increase of $0,241,617 or 21%. This increase is primarily due to a 10% increase in gallons delivered and an increase in related fees. The increase in revenues was also attributable to an increase in average fuel margin.

Cost of sales was $158,250 for the six months ended June 30, 2024, compared to $158,250 for the prior year, an increase of $0,241,617 or 21%. This increase is primarily due to a 10% increase in gallons delivered and an increase in related fees. The increase in cost of sales was also attributable to an increase in average fuel margin.

We incurred operating expenses of $3,805,244 during the three months ended June, 2024, compared to $3,805,056 during the prior year, a decrease of $0,063,261 or 24%. This decrease was primarily due to decreases in payroll, stock-based compensation, marketing and public company expenses.

Depreciation and Amortization

Depreciation and amortization for the six months ended June 30, 2024 was $328,800, compared to $328,800 during the prior year, a decrease of $0,063,261 or 24%. This decrease was primarily due to decreases in payroll, stock-based compensation, marketing and public company expenses.

Other Income (Expense)

Interest expense increased from $0,241,617 to $2,902,000 ($1,000,000) in the current six months ended June 30, 2024 as compared to June 30, 2023 due to increased borrowing from related parties during the six months ending June 30, 2024.

Liquidity and Capital Resources

Cash Flow Activities

As of June 30, 2024, we had approximately $300,011 in cash compared to approximately $226,987 at December 31, 2023.

Operating Activities

Net cash used operating activities was $(0,000,000) for the six months ended June 30, 2024, which was mainly attributed to our net loss of $(0,000,000) and offset by non-cash adjustments in the amount of $(0,000,000). Net cash used in operating activities was $(0,000,000) for the six months ended June 30, 2023, which was made up primarily by the net loss of $(0,000,000) and offset by non-cash adjustments in the amount of $(0,000,000).

Financing Activities

We generated $(0,000,000) net cash from financing activities during the six months ended June 30, 2024, including a $(0,000,000) loan from a related party (see approximate 20% shareholder of the Company), proceeds from notes payable of $(0,000,000) less principal payments of $(0,000,000) and $(0,000,000) net cash from financing activities during the six months ended June 30, 2023, including a $(0,000,000) loan from a related party (see approximate 20% shareholder of the Company), and the issuance of the Company's common stock to third parties from a related party of $(0,000,000) and repayments of notes payable of $(0,000,000), we also received $(0,000,000) of proceeds for the issuance of stock from the ATM and recorded related expenses of $(0,000,000).

Liquidity and Capital Resources

The Company has sustained net losses since inception and does not have sufficient revenues and income to fully fund its operations. As a result, the Company has relied on equity and debt financings to fund its activities to date. For the six months ended June 30, 2024, the Company has sustained a net loss of $(0,000,000) and has an accumulated deficit of $(0,000,000) as of June 30, 2024. The Company's ability to continue its operations in the future is dependent on its ability to raise capital through the issuance of its securities, or to obtain other financing, from sources including but not limited to debt, lease, or other sources.

Going Concern

As reflected in the accompanying consolidated financial statements, for the six months ended June 30, 2024, the Company had:

- Net loss of $(0,000,000)
- Cash used in operations of $(0,000,000)
- Accumulated deficit of $(0,000,000)
- Working capital deficit of $(0,000,000)
- Working capital deficit of $(0,000,000)

The Company anticipates that it will need to raise additional capital immediately in order to continue to fund its operations. The Company has relied in related parties for the debt-based funding of its operations. There is no assurance that the Company will be able to continue to obtain such funding from its related parties, or that such funding will be sufficient to fund its operations or to satisfy its liquidity requirements for the next twelve months.

The Company's ability to continue as a going concern is dependent on its ability to generate revenues from its business, including amounts required to fund working capital and capital expenditures. The Company's future capital requirements and the adequacy of its available funds will depend on many factors, including the Company's ability to successfully expand its new markets, competition, and the need to enter into collaborations with other companies or acquire other companies to enhance or complement its product and service offerings.

The Company's ability to continue as a going concern is also subject to factors which are beyond its control, such as the Company's ability to raise additional funds, or to obtain sufficient revenues to fund its operations, and to continue to operate as a going concern.

We leverage liquidity risks by increasing, on an ongoing basis, our sources of liquidity and capital improvements. The Company had cash on hand of $(0,000,000) as of June 30, 2024.

The Company has recently secured additional borrowings from related parties and has sufficient cash on hand to fund its operations for the next twelve months. The Company is actively pursuing additional funds to augment its operations and achieve its achieve profitability operations. In making this assessment we performed a comprehensive analysis of our current commitments, our financial position, our cash flows and cash usage forecasts for the twelve months ended June 30, 2025, and our current capital structure including equity-based instruments and our obligations and liquidity requirements.

These factors create substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Accordingly, the financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Regulation S-K Item 303(a)(4).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In reaching a reasonable assurance level of control, our management, when evaluating the costs of internal controls and procedures, has to balance the benefits against the resulting costs. Our management does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a control system, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

As of June 30, 2024, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) and the Sarbanes-Oxley Act 2002, as amended. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the reasonable assurance level as of June 30, 2024.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Not required for smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following exhibits are filed as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description of Exhibit
10.1	Amended and Restated Certificate of Incorporation of the EdTE Holdings, Inc. (incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form S-1 (333-258807) as amended, previously filed with the Securities and Exchange Commission on June 30, 2021)
10.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Increase Authorized Shares) to Exhibit 3.1.1 to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on June 21, 2024
10.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Increase Authorized Shares) to Exhibit 3.1.2 to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on May 7, 2025
10.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Increase Authorized Shares) to Exhibit 3.1.3 to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on June 16, 2025
10.5	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Supplemental Increase Authorized Shares) to Exhibit 3.1.4 to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on June 16, 2025
10.6	Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.7	Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.8	Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.9	Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.10	Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.11	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.12	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.13	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.14	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.15	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.16	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.17	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.18	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.19	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.20	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.21	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.22	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.23	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.24	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.25	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.26	Amendment to Promissory Notes between EdTE Holdings, Inc. and NevMED Holdings Corp. dated April 4, 2021 (incorporated by reference to the Company's Current Report on Form 8-K, File (001-40985) filed with the Securities and Exchange Commission on April 9, 2021)
10.27	Amendment to