SOUTHERN ITS INTERNATIONAL, INC.
13901 N. 73rd Street
Suite 204
Scottsdale, AZ 85260

480-258-3674
www.sitsintl.com
info@sitsintl.com

Annual Report

For the period ending December 31, 2023 (the "Reporting Period")

Outstanding Shares
The number of shares outstanding of our Common Stock was:

104,320,659 as of December 31, 2023 *(Current Reporting Period Date or More Recent Date)*

162,562,328 as of December 31, 2022 *(Most Recent Completed Fiscal Year End)*

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[4] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

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

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

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[4] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

The name of the Issuer is Southern ITS International, Inc. We were originally incorporated in Nevada on September 27, 1984 as Numeric Two Corporation. Effective July 10, 1985, we changed our name to Beta Tech Robotics, Inc. On August 28, 1996, we changed our name to Axion Spatial Imaging, Inc. On March 9, 2009, we changed our name to Alco Advanced Technologies, Inc. Finally, on March 21, 2012, we changed our name to Southern ITS International, Inc. From June 30, 2017 to April 30, 2018 the Company did business under the name Evolution Enterprises, Inc.

The Company's address is 13901 N. 73rd Street, Suite 204, Scottsdale, AZ 85260 effective as of March 2024. Prior to that the address was 42215 Washington Street, Suite A#345, Palm Desert, CA 92211 effective as of July 2022. Prior to that the address was 74998 Country Club Drive, Suite 220-52, Palm Desert, CA 92260, effective as of October 20, 2020. Prior to that the address was 11700 W. Charleston Blvd, Suite 170-170, effective as of April 30, 2018. Prior to that the address was 6671 South Las Vegas Blvd., Suite S-210, effective June 29, 2017. Prior to that the address was 7935 W. Sahara Ave., Suites 103/120, Las Vegas, NV 89117, effective March 2015. Prior to that it was 9510 W. Sahara Ave., Suite 105, Las Vegas, NV 89117.

Current State and Date of Incorporation or Registration: Nevada, September 27, 1984
Standing in this jurisdiction: (e.g. active, default, inactive): Active.

Prior Incorporation Information for the issuer and any predecessors during the past five years:

The name of the Issuer is Southern ITS International, Inc. We were originally incorporated in Nevada on September 27, 1984 as Numeric Two Corporation. Effective July 10, 1985, we changed our name to Beta Tech Robotics, Inc. On August 28, 1996, we changed our name to Axion Spacial Imaging, Inc. On March 9, 2009, we changed our name to Alco Advanced Technologies, Inc. Finally, on March 21, 2012, we changed our name to Southern ITS International, Inc.

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

N/A

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

N/A

Address of the issuer's principal executive office:

13901 N. 73rd Street, Suite 204, Scottsdale, AZ 85260

Address of the issuer's principal place of business:
X☐ *Check if principal executive office and principal place of business are the same address:*

_____

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

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

_____

2) Security Information

Transfer Agent

Name: Pacific Stock Transfer Company
Phone: 800-785-7782
Email: jclaiborne@pacificstocktransfer.com
Address: 6725 Via Austi Parkway, Suite 300, Las Vegas, NV 89119

Publicly Quoted or Traded Securities:

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

Trading symbol:	SITS
Exact title and class of securities outstanding:	Common Stock
CUSIP:	843075 300
Par or stated value:	$0.001
Total shares authorized:	900,000,000 as of date: 12/31/23
Total shares outstanding:	104,320,659 as of date: 12/31/23
Total number of shareholders of record:	134 as of date: 12/31/23

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

N/A

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Series A Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	$0.001
Total shares authorized:	10,000,000 as of 12/31/23
Total shares outstanding (if applicable):	5,000,000 as of 12/31/23
Total number of shareholders of record (if applicable):	1 as of 12/31/23

Exact title and class of the security:	Series B Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	$0.001
Total shares authorized:	15,000,000 as of 12/31/23
Total shares outstanding (if applicable):	15,000,000 as of 12/31/23
Total number of shareholders of record (if applicable):	3 as of 12/31/23

Exact title and class of the security:	Series D Preferred Stock
CUSIP (if applicable):	N/A
Par or stated value:	$0.001
Total shares authorized:	2,500,000 as of 9/30/23
Total shares outstanding (if applicable):	2,500,000 as of 9/30/23
Total number of shareholders of record	

(if applicable): 14 as of 9/30/23

Exact title and class of the security: Series E Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 10,000,000 as of 12/31/23
Total shares outstanding (if applicable): 10,000,000 as of 12/31/23
Total number of shareholders of record
(if applicable): 2 as of 12/31/23

Exact title and class 30of the security: Series G Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 30,000,000 as of 12/31/23
Total shares outstanding (if applicable): 1,250,000 as of 12/31/23
Total number of shareholders of record
(if applicable): 1 as of 12/31/23

Exact title and class of the security: Series H Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 1,000,000 as of 12/31/23
Total shares outstanding (if applicable): 1,000,000 as of 12/31/23
Total number of shareholders of record
(if applicable): 1 as of 12/31/23

Exact title and class of the security: Series I Preferred Stock
CUSIP (if applicable): N/A
Par or stated value: $0.001
Total shares authorized: 10,000,000 as of 12/31/23
Total shares outstanding (if applicable): 40,000 as of 12/31/23
Total number of shareholders of record
(if applicable): 1 as of 12/31/23

Security Description:

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

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

Dividends payable at the discretion of the Board of Directors. Vote at 1 vote for 1 share held. No preemption rights.

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

Series A Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.001 per share.

Voting rights of 500 votes per 1 share held.
No conversion rights.
Non-redeemable.

Series B Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.10 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 10 shares of common stock for each share of Series B
Non-redeemable.

Series D Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $1.00 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 1 share Series D for that number of shares of common stock that are equal to $1.00 based upon OTC Markets Average
closing Bid price for 5 days prior to conversion.
Redeemable at $1.00 per share.

Series E Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.10 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 10 shares of common stock for each share of Series B
Non-redeemable.

Series G Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.04 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 25 shares of Series G for that number of shares of common stock that are equal to $1.00 based upon OTC Markets Average closing Bid price for 10 days prior to conversion.
Non-redeemable.

Series H Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $0.10 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 10 shares of common stock for each share of Series H
Non-redeemable.

Series I Preferred:
Dividends at the discretion of the Board of Directors.
Liquidation rights at $1.00 per share.
Voting rights of 1 vote per 1 share held.
Convertible into common stock at the rate of 1 share of Series I for that number of shares of common stock that are equal to $1.00 based upon 80% of OTC Markets
average closing Bid price for 10 days prior to conversion. (20% discount to market price of common stock)
Non-redeemable.

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

N/A

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

N/A

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:
No: ☐ Yes: X☐ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 1/01/22 Common: 137,903,042 Preferred: Series A: 5,000,000			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
1/04/22	New Issuance	625,000	common	$0.04	Yes	Robert E. Jeter	Cash	Restricted	144
1/04/22	New Issuance	250,000	common	$0.04	Yes	Carlos Rios	Cash	Restricted	144

2/09/22	New Issuance	5,000,000	common	$0.001	Yes	CLL Firm LLC (Cheryl Ketner, Manager))	Conversion of promissory note	Unrestricted	4(a)(1)
3/15/22	New Issuance	1,500,000	common	$0.018	Yes	Robert E. Jeter	Cash	Restricted	144
3/15/22	New Issuance	250,000	common	$0.025	Yes	Travis L. Watters	Cash	Restricted	144
3/15/22	New Issuance	250,000	common	$0.025	Yes	Jeffrey A. Haymans	Cash	Restricted	144
3/15/22	New Issuance	100,000	common	$0.03	Yes	Lawrence Lemanski	(2)	Restricted	144
3/25/22	New Issuance	250,000	common	$0.04	Yes	Ivan Bell	Conversion of Promissory Note	Restricted	144
3/25/22	New Issuance	625,000	common	$0.032	Yes	Paul Young	Conversion of Promissory Note	Restricted	144
4/01/22	New Issuance	1,715,140	Series D Preferred	$1.00	N/A	Jenny Buettner	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	3,600	Series D Preferred	$1.00	N/A	Juli Halopoff	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	94,725	Series D Preferred	$1.00	N/A	Kari Loftin	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	114,810	Series D Preferred	$1.00	N/A	Shipley Family Trust (James E. Shipley)	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	21,375	Series D Preferred	$1.00	N/A	John McIntyre	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	288,000	Series D Preferred	$1.00	N/A	James Brownell	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	118,800	Series D Preferred	$1.00	N/A	Douglas Kinsey	Acquisition of Shibue Couture, Inc.	Restricted	144

4/01/22	New Issuance	28,350	Series D Preferred	$1.00	N/A	Bruce Waldman and Mark Waldman	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	5,175	Series D Preferred	$1.00	N/A	Robert Polentz	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	87,975	Series D Preferred	$1.00	N/A	Jeff Weiderkher	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	8,325	Series D Preferred	$1.00	N/A	Andrea Blumenthal	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	3,375	Series D Preferred	$1.00	N/A	Laura Lee Brown	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	10,350	Series D Preferred	$1.00	N/A	Shereen Torney	Acquisition of Shibue Couture, Inc.	Restricted	144
4/01/22	New Issuance	10,000,000	Series B Preferred	$0.43	N/A	James E. Shipley	Employment Agreement	Restricted	144
4/01/22	New Issuance	5,000,000	Series B Preferred	$0.43	N/A	Russell Kidder	Employment Agreement	Restricted	144
4/04/22	New Issuance	250,000	Common	$0.04	Yes	Timothy Holt	Conversion of promissory note	Restricted	144
4/04/22	New Issuance	600,000	Common	$0.001	Yes	Dynamic Growth Media LLC (Richard Silverman)	Consulting Services	Restricted	144
4/04/22	New Issuance	3,000,000	Common	$0.04	Yes	Secure Capital Investments, (Keith Kerrins)	Consulting Services	Restricted	144
4/18/22	New Issuance	5,000,000	Series E Preferred	$0.501	N/A	Jeremy Larsen	Employment Services	Restricted	144
4/18/22	New Issuance	5,000,000	Series E Preferred	$0.501	N/A	Chad Allen Shipman	Employment Services	Restricted	144

6/28/22	New Issuance	1,000,000	Common	$0.04	Yes	Sean Stanowski	Consulting Services	Restricted	144
6/28/22	New Issuance	2,000,000	Common	$0.04	Yes	Macca Holdings, Inc. (Keith J. McNally)	Consulting Services	Restricted	144
6/28/22	New Issuance	1,000,000	Common	$0.04	Yes	Mesa Resources, Inc. (Kevin Chennault)	Consulting Services	Restricted	144
6/28/22	New Issuance	500,000	Common	$0.04	Yes	Gary Giles	Consulting Services	Restricted	144
6/28/22	New Issuance	1,000,000	Common	$0.04	Yes	Secure Capital Investments, (Keith Kerrins)	Consulting Services	Restricted	144
7/12/22	New Issuance	250,000	Common	$0.03	Yes	Marc Ellison	Cash	Restricted	144
7/29/22	New Issuance	200,000	Common	$0.03	Yes	Stanley Rubenstein	Cash	Restricted	144
7/29/22	New Issuance	400,000	Common	$0.03	Yes	Steven Spaeth	Cash	Restricted	144
7/29/22	New Issuance	2,000,000	Common	$0.07	Yes	Prestige Marketing Consultants Inc. (Keith Kerrens)	Equity Investment	Restricted	144
8/10/22	New Issuance	147,857	Common	$0.03	Yes	Travis I. Watters	Cash	Restricted	144
8/10/22	New Issuance	350,000	Common	$0.03	Yes	Paul R. Botts	Cash	Restricted	144
8/31/22	New Issuance	250,000	Common	$0.03	Yes	Fraser D. Bishop	Cash	Restricted	144

9/29/22	New Issuance	1,250,000	Series G Preferred	$0.04	N/A	Eduardo Gonzales	Cash	Restricted	144
10/11/22	New Issuance	1,000,000	Common	$0.07	No	Prestige Marketing Consultants, Inc. (Keith Kerrins)	Equity Investment	Restricted	144
10/12/22	New Issuance	540,000	Common	$0.019	Yes	Travis Waters	Cash	Restricted	144
10/21/22	New Issuance	571,429	Common	$0.035	Yes	Judy Wagner	Cash	Restricted	144
10/21/22	New Issuance	250,000	Common	$0.08	No	Green Forest Resources LLC (J.P. Woodruff)	Consulting Services	Restricted	144
12/9/22	New Issuance	500,000	Common	$0.02	No	CJX Properties LLC (Chad Shipman and Jeremy Larsen)	Cash	Restricted	144
12/31/22	New Issuance	1,000,000	Series H Preferred	$0.419	N/A	Compassionate Trust 2 (William Holder, Jr., Trustee)	Services	Restricted	144
1/23/23	Share Cancellation	(86,225,00)	Common	$0.001	N/A	David McCovy	Court Order	Restricted	N/A
1/31/23	New Issuance	250,000	Common	$0.02	Yes	Ivan Bell	Cash	Restricted	144
2/01/23	New Issuance	40,000	Series I Preferred	$0.50	N/A	Daniel Cohen	Cash	Restricted	144
2/07/23	New Issuance	1,000,000	Common	$0.04	No	Prestige Marketing Consultants, Inc. (Keith Kerrins)	Services	Restricted	144
5/5/2023	New Issuance	1,500,000	Common	$0.03	Yes	Belcaro Holdings LLC (Ray Kim)	Services	Restricted	144

5/5/2023	New Issuance	300,000	Common	$0.085	No	Debra Bloomfield	Services	Restricted	144
6/20/2023	New Issuance	3,000,000	Common	$0.072	No	David Rodgers	Services	Restricted	144
6/21/2023	New Issuance	2,800,000	Common	$0.001	Yes	CCL Firm LLC (Cheryl Ketner)	Note Conversion	Restricted	144
6/30/2023	New Issuance	1,200,000	Common	$0.058	No	Prestige Marketing Consultants, Inc. (Keith Kerrins)	Equity Investment/ Acquisition	Restricted	144
9/01/2023	New Issuance	500,000	Common	$0.02	Yes	Matthew Nikola	Cash	Restricted	144
9/03/23	New Issuance	500,000	Common	$0.02	Yes	Nathan E. Capps	Cash	Restricted	144
10/25/2023	New Issuance	925,925	Common	$0.054	Yes	Burke A. Miehe	Note Conversion	Restricted	144
10/25/2023	New Issuance	925,925	Common	$0.054	Yes	Arnold E. Delbridge	Note Conversion	Restricted	144
10/25/2023	New Issuance	925,925	Common	$0.054	Yes	Bestul Holding LLC (Stuart Bestul)	Note Conversion	Restricted	144
10/25/2023	New Issuance	555,556	Common	$0.054	Yes	Nathan Stewart	Note Conversion	Restricted	144
11/03/2023	New Issuance	10,000,000	Common	$0.016	Yes	Sylvain Desrosiers	Note Conversion	Restricted	144
11/20/2023	New Issuance	3,600,000	Common	$0.001	Yes	CLL Firm LLC (Cheryl Ketner)	Note Conversion	Restricted	133

Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date 12/31/23 Common: 104,320,659 Preferred Series A: 5,000,000 Preferred Series B: 15,000,000 Preferred Series D: 2,500,000 Preferred Series E: 10,000,000 Preferred Series G: 1,250,000 Preferred Series H: 1,000,000 Preferred Series I: 40,000	

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

******Control persons for any entities in the table above must be disclosed in the table or in a footnote here.***

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

B. Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
5/12/17	$18,006	$53,156	$14,222	On Demand	Convertible into shares of common stock valued at $0.001 per share	CLL Firm, LLC (Cheryl Ketner, Manager)	Loan
12/31/20	$10,842	$10,842	$2,638	On Demand	Convertible into shares of common stock valued at $0.001 per share	CLL Firm, LLC (Cheryl Ketner, Manager)	Loan
7/23/21	$10,000	$10,000	$1,984	On Demand	Convertible into shares of common stock valued at $0.001 per share	CLL Firm, LLC (Cheryl Ketner, Manager)	Loan
8/01/21	$10,000	$10,000	$1,938	On Demand	Convertible into shares of common stock valued at $0.001 per share	CLL Firm, LLC (Cheryl Ketner, Manager)	Loan
10/28/21	$20,000	$20,000	$3,529	On Demand	Convertible into shares of common stock valued at $0.001 per share	LRS, LLC (Cheryl Ketner, Manager)	Loam

3/31/22	$11,401	$11,401	$1,622	On Demand	Convertible into shares of common stock valued at $0.002 per share	CLL Firm, LLC (Cheryl Ketner, Manager)	Loan
7/6/22	$10,000	$10,000	$1,207	On Demand	Convertible into shares of common stock valued at $0.002 per share	CLL Firm, LLC (Cheryl Ketner, Manager)	Loan
2/13/23	$10,000	$10,000	$713	2/13/24	N/A	David Sun	Loan
2/14/23	$10,000	$10,000	$711	2/14/24	N/A	Mandy Zhang	Loan
4/25/23	$50,000	$100,000	$1,014	4/25/25	80% of average stock price during 10 days before the conversion date	Burke Miehe	Loan
4/25/23	$50,000	$50,000	$0	4/25/25	80% of average stock price during 10 days before the conversion date	David & Karen Wilson	Loan
5/9/23	$50,000	$50,000	$778	5/9/25	80% of average stock price during 10 days before the conversion date	Travis Mattoon	Loan
5/10/23	$250,000	$250,000	$10,069	5/10/25	80% of average stock price during 10 days before the conversion date	Derek Anderson	Loan
5/10/23	$40,000	$40,000	$611	5/10/25	80% of average stock price during 10 days before the conversion date	Luke & Brittany Scott	Loan
5/18/23	$30,000	$30,000	$1,364	5/18/25	80% of average stock price during 10 days before the conversion date	David & Karen Wilson	Loan
5/18/23	$50,000	$100,000	$5,375	5/18/25	80% of average stock price during 10 days before the conversion date	Bestul Holdings LLC (Stuart Bestul)	Loan
8/25/23	$50,000	$50,000	$1,806	8/25/25	80% of average stock price during 10 days before the conversion date	Arnold E. Delbridge	Loan
9/12/23	$100,000	$100,000	$3,056	9/12/25	80% of average stock price during 10 days before the conversion date	Burke Miehe	Loan
10/2/2023	$70,000	$70,000	$1,750	10/2/25	80% of average stock price during 10 days before the conversion date	Matt Smith	Loan
10/03/2023	$100,000	$100,000	$2,472	10/3/25	80% of average stock price during 10 days before the conversion date	Bestul Holdings LLC (Stuart Bestul)	Loan

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

***Control persons for any entities in the table above must be disclosed in the table or in a footnote here.*

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

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4) Issuer's Business, Products and Services

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

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

Southern ITS International, Inc. intends to own and/or control a portfolio of highly- successful businesses and will focus on a being a multi-national conglomerate. As a holding company, Southern ITS International will be in the market to acquire a stake in various companies both public and private. It will also focus on building a direct sales network of various e-commerce internet applications, manufacturing, and internet sales of various products. We will build an experienced management team that will build a diverse portfolio, buying entire companies, or interests therein, involved in technology, oil and gas, manufacturing, real estate, and other sectors, which will then become operating subsidiaries of Southern ITS International.

The business of our subsidiaries, or companies in which we have investments, is as follows:

Shibue Couture, Inc., our wholly owned subsidiary, is a designer, manufacturer, and seller of women's intimate apparel. It was formed in 2008 and is best known for its groundbreaking Shibue "No-Line" Strapless Panty, which has revolutionized both the fashion industry and solved the problem of visible panty-lines for everyday women (www.shibuecouture.com).

Pure Oil & Gas, Inc., in which the Company has a 20% ownership interest, has created three Texas Limited Partnerships, in which it is the managing General Partner, to raise investment capital for placement in projects with ICS Energy, Inc. In each limited partnership Pure Oil & Gas, Inc. has a 20% carried working interest. To date we have acquired working interests in two oil wells in south Texas in the third quarter of 2023, one of which began production of crude oil in the fourth quarter of 2023 and the other will undergo seismic testing to determine if an offset well should be drilled. (1)

Growth Goods, Inc., in which the Company has a 30% ownership interest, provides e-Commerce fulfillment services, including online order management, warehousing, distribution, and delivery services for a wide variety of consumer products. It currently handles all of our online order management, warehousing, and distribution needs for our subsidiary, Shibue Couture, Inc. (2)

Prestige Marketing Consulting 3, Inc., our 70% owned subsidiary, owns the exclusive United States distribution rights to the Madamua cosmetic line (www.madamua.com).

Ingenious Roasters, LLC, in which the Company has a 45% ownership interest, was formed to create and develop exceptional brands within the beverage industry. Their initial focus will be on launching a revolutionary nutrition drink infused with coffee. (3)

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(1) On March 27, 2024, the Company entered into a Restructuring Agreement with the other owners of Pure Oil & Gas, Inc., so that the Company now owns 55% of all of the issued and outstanding shares of voting stock of Pure Oil & Gas, Inc., thus making it a majority owned subsidiary of the Company.

(2) On March 19, 2024, the Company entered into a Securities Purchase Agreement with the other owners of Growth Goods,, Inc., so that the Company now owns 100% of all of the issued and outstanding shares of voting stock of Growth Goods, Inc., thus, making it a wholly owned subsidiary of the Company.

(3) On Mach 26.2024, the Company entered into a Member Interests Purchase Agreement with the other member/owners of Ingenious Roasters LLC, so that the Company now owns 55% of all of the issued and outstanding member interests of Ingenious Roasters LLC, thus, making it a majority owned subsidiary of the Company.

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

Shibue Couture, Inc. is a wholly owned subsidiary of the Company.

Pure Oil & Gas, Inc, is a 20% owned by the Company. (1)

Growth Goods, Inc. is a 30% owned by the Company. (2)

Prestige Marketing Consulting, Inc. is a 70% owned subsidiary of the Company.

Ingenious Roasters LLC is a 45% owned by the Company. (3)

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(1) On March 27, 2024, the Company entered into a Restructuring Agreement with the other owners of Pure Oil & Gas, Inc., so that the Company now owns 55% of all of the issued and outstanding shares of voting stock of Pure Oil & Gas, Inc., thus, making it a majority owned subsidiary of the Company.

(2) On March 19, 2024, the Company entered into a Securities Purchase Agreement with the other owners of Growth Goods,, Inc., so that the Company now owns 100% of all of the issued and outstanding shares of voting stock of Growth Goods, Inc., thus, making it a wholly owned subsidiary of the Company.

(3) On Mach 26, 2024, the Company entered into a Member Interests Purchase Agreement with the other member/owners of Ingenious Roasters LLC, so that the Company now owns 55% of all of the issued and outstanding member interests of Ingenious Roasters LLC, thus, making it a majority owned subsidiary of the Company.

C. Describe the issuers' principal products or services.

See 5A, above.

5) Issuer's Facilities

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

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company presently maintains an office/warehouse space located at 11180 Aurora Ave. Building 13-2, Urbandale, IA 50322. The space is utilized by its subsidiary, Shibue Couture, Inc., and is approximately 3,000 square feet. The monthly rental is $3,000 per month and the lease expires in August, 2024. Other office space in Scottsdale, AZ is provided by officers/directors of the Company at no cost to the Company.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.
If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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

Name of Officer/Director or Control Person	Affiliation with Company (e.g., Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding (1)	Names of control person(s) if a corporate entity
James E. Shipley (2)/(3)	Pres./Sec./Treas./Director and 5% shareholder	Palm Desert, CA	-0- 5,000,000 5,000,000 114,810	Common Series A Preferred Series B Preferred Series D Preferred	-0- 100% 33.33% 4.59%	N/A
Chad Allen Shipman (4)	Vice President – Director of Internet Sales and 5% shareholder	Waterloo, IA	5,000,000 250,000	Series E Preferred	50% 2.39%	N/A
Jeremy Larsen (5)	V.P. – Director of Marketing and 5% shareholder	Scottsdale, AZ	5,000,000 4,250,000	Series E. Preferred Common	50% 4.07%	N/A
Gil Irey	Assistant Treasurer and 5% shareholder	Waterloo, Iowa	5,000,000 670,000	Series B Preferred Common	33.33% 0.64%	N/A
Russell Kidder	Chief Compliance Officer and 5% shareholder	Palm Springs, CA	5,000,000	Series B Preferred	33.33%	N/A
Jenny Buettner	5% Shareholder	Henderson, NV	1,715,140	Series D Preferred	68.61%	N/A

James Brownell	5% Shareholder	Huntington Beach, CA	288,000	Series D Preferred	11.52%	N/A
Eduardo Gonzalez	5% Shareholder	Whittier, CA	1,250,000	Series G Preferred	100%	N/A
Compassionate Trust 2	5% Shareholder	Cypress, TX	1,000,000	Series H Preferred	100%	William Holder, Jr., Trustee
Daniel Cohen	5% Shareholder	Ft. Lauderdale, FL	40,000	Series I Preferred	100%	NA

Notes

(1) The percentage of common shares owned is based on 104,320,659 shares issued and outstanding on 12/31/23.
The percentage of Series A preferred stock is based on 5,000,000 shares issued and outstanding on 12/31/23.
The percentage of Series B preferred stock is based on 15,000,000 shares issued and outstanding on 12/31/23.
The percentage of Series D preferred stock is based on 2,500,000 shares issued and outstanding on 12/31/23.
The percentage of Series E preferred stock is based on 10,000,000 shares issued and outstanding on 12/31/23.
The percentage of Series G preferred stock is based on 1,250,000 shares issued and outstanding on 12/31/23.
The percentage of Series H preferred stock is based on 1,000,000 shares issued and outstanding on 12/31/23.
The percentage of Series I preferred stock is based on 40,000 shares issued and outstanding on 12/31/23.

(2) Mr. Shipley was elected as a director on October 19, 2020 and as President, Secretary, and Treasurer on October 20, 2020.

(3) Mr. Shipley owns the Series D Preferred shares through his control of the Shipley Family Trust.

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(4) Mr. Shipman owns the Common Stock shares through his 50% interest in CJX Properties LLC.

(5) Mr. Larsen owns 250,000 shares of the Common Stock shares through his 50% interest in CJX Properties LLC. The remainder are held in his name.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, <u>in the past 10 years</u>:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

   N/A

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

   N/A

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

N/A

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

N/A

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

N/A

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

N/A

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

N/A

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.
Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Robert J. Huston III, Attorney at Law
Address 1: 10 Jetty Drive
Address 2: Corona del Mar, CA 92625
Phone: 949-230-0259
Email: bob_huston@yahoo.com

Auditor

Firm: BF Borgers CPA PC
Address 1: 5400 W Cedar Ave
Address 2: Lakewood, CO 80226
Phone: (303) 953-1454
Email: contact@bfbcpa.us

Investor Relations

Name: _____

Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): @SITS_Inc
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

Other Service Providers

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

Name: Russell Kidder
Firm: Southern ITS International, Inc.
Nature of Services: Preparation of Disclosure Statement
Address 1: 13901 N. 73rd Street
Address 2: Scottsdale, AZ 85260
Phone: 480-258-3674
Email: info@sitsintl.com

Firm: PubCo Reporting Solutions, Inc.
Nature of Services: Financial statement, accounting, and US GAAP support
Address 1: 610 – 475 W Georgia St
Address 2: Vancouver, BC Canada
Phone: (305) 396-1415
Email: info@pubcoreporting.com

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Russell Kidder
Title: Chief Compliance Officer
Relationship to Issuer: Chief Compliance Officer

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

☐ IFRS
X☐ U.S. GAAP

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

Name: Lyle Morrison

Title: Accountant
Relationship to Issuer: Contracted Professional
Describe the qualifications of the person or persons who prepared the financial statements:[5] Mr. Morrison has 23 years of experience in corporate finance, including corporate roles, from earliest years to recent years, as Accounts Payable Clerk, AP Manager, Accountant, Senior Accountant, Accounting Manager, and Controller. In such capacities he has extensive experience in the preparation of financial statements.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Gilmore Irey certify that:

1. I have reviewed this Disclosure Statement for Southern ITS International, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

<u>April 15, 2024</u>

<u>/s/ Gilmore Irey</u>

Principal Financial Officer:

I, Jeremy Larsen, certify that:

1. I have reviewed this Disclosure Statement for Southern ITS International, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

<u>April 15, 2024</u>

<u>/s/ Jeremy Larsen</u>

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

Southern ITS International, Inc.
Consolidated Balance Sheets
(Unaudited)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash	$ 344,500	$ 13,707
Accounts receivable and other receivables	10,661	-
Prepaid expenses	9,855	-
Inventory	144,720	10,297
Due from related parties	64,000	-
Total current assets	573,736	24,004
Long-term investment	-	210,000
Total Assets	$ 573,736	$ 234,004
Liabilities, Mezzanine Equity and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	$ 68,682	$ 11,768
Accrued Interest	69,206	96,584
Due to related parties	790,034	337,287
Convertible notes payable, net of discount	90,249	96,649
Note payable - related party	-	85,000
Notes payable	20,000	-
Derivative Liabilities	4,484,123	-
Total Current liabilities	5,522,294	627,288
Convertible notes payable, non-current portion, net of note discount	235,700	-
Total Liabilities	5,757,994	627,288
Mezzanine Equity:		
Series D Preferred stock, $0.001 par value, 2,500,000 shares designated; 2,500,000 shares issued and outstanding	2,500,000	2,500,000
Stockholders' Deficit:		
Preferred stock, $0.001 par value, 100,000,000 shares authorized		
Series A Preferred stock, $0.001 par value, 10,000,000 shares designated; 5,000,000 shares issued and outstanding	5,000	5,000
Series B Preferred stock, $0.001 par value, 15,000,000 shares designated; 15,000,000 shares issued and outstanding	15,000	15,000
Series E Preferred stock, $0.001 par value, 10,000,000 shares designated; 10,000,000 shares issued and outstanding	10,000	10,000
Series G Preferred stock, $0.001 par value, 30,000,000 shares designated; 1,250,000 shares issued and outstanding	1,250	1,250
Series H Preferred stock, $0.001 par value, 1,000,000 shares designated; 1,000,000 shares issued and outstanding	1,000	1,000
Series I Preferred stock, $0.001 par value, 10,000,000 shares designated; 40,000 shares and 0 shares issued and outstanding, respectively	40	-
Common stock, $0.001 par value, 900,000,000 shares authorized; 104,320,659 and 162,562,328 shares issued and outstanding, respectively	104,320	162,562
Stock payable	32,500	32,500
Additional paid-in capital	18,034,184	16,551,142
Accumulated deficit	(25,887,552)	(19,671,738)
Total Stockholders' Deficit	(7,684,258)	(2,893,284)
Total Liabilities, Mezzanine Equity and Stockholders' Deficit	$ 573,736	$ 234,004

See accompanying notes to consolidated financial statements.

Southern ITS International, Inc.
Consolidated Income Statements
(Unaudited)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue		
Sales Revenue	$ 395,345	$ 91,166
Cost of Sales	216,119	32,249
Gross Profit	179,226	58,917
Operating expense		
General and Administration	266,666	86,601
Professional fees	660,683	1,253,545
Professional fees - related parties	99,675	11,503,650
Management salaries - related parties	480,000	360,000
Share acquisition cost	279,600	-
Total operating expense	1,786,624	13,203,796
Loss from operations	(1,607,398)	(13,144,879)
Other expense		
Interest expense	(559,744)	(16,723)
Loss on change in fair value of derivative liabilities	(4,027,338)	-
Impairment of Inventory	(21,334)	-
Impairment loss on equity investment	-	(10,000)
Total other expense	(4,608,416)	(26,723)
Loss before income taxes	(6,215,814)	(13,171,602)
Income tax provision	-	-
Net Loss	$ (6,215,814)	$ (13,171,602)
Basic and diluted net income per common share:		
Net loss per common share	$ (0.07)	(0.09)
Weighted average number of common shares outstanding	90,530,661	153,147,081

See accompanying notes to consolidated financial statements.

Southern ITS International, Inc.
Consolidated Statements of Changes in Mezzanine Equity and Stockholders' Deficit
For the Year ended December 31, 2023 and 2022
(Unaudited)

	Year Ended					
	December 31, 2023			December 31, 2022		
	Shares		Amount	Shares		Amount
Series D Preferred Stock						
Balance at beginning of period	2,500,000	$	2,500,000	-	$	-
Issuance of preferred D stock for acquisition of Shibue Couture, Inc.	-		-	2,500,000		2,500,000
Balance at end of period	**2,500,000**	**$**	**2,500,000**	**2,500,000**	**$**	**2,500,000**
Series A Preferred Stock						
Balance at beginning of period	5,000,000	$	5,000	5,000,000	$	5,000
Balance at end of period	5,000,000	$	5,000	5,000,000	$	5,000
Series B Preferred Stock						
Balance at beginning of period	15,000,000	$	15,000	-	$	-
Issuance of preferred B stock for services	-		-	15,000,000		15,000
Balance at end of period	15,000,000	$	15,000	15,000,000	$	15,000
Series E Preferred Stock						
Balance at beginning of period	10,000,000	$	10,000	-	$	-
Issuance of preferred E stock for services	-		-	10,000,000		10,000
Balance at end of period	10,000,000	$	10,000	10,000,000	$	10,000
Series G Preferred Stock						
Balance at beginning of period	1,250,000	$	1,250	-	$	-
Issuance of preferred G stock for cash	-		-	1,250,000		1,250
Balance at end of period	1,250,000	$	1,250	1,250,000	$	1,250
Series H Preferred Stock						
Balance at beginning of period	1,000,000	$	1,000	-	$	-
Issuance of preferred H stock for services	-		-	1,000,000		1,000
Balance at end of period	1,000,000	$	1,000	1,000,000	$	1,000
Series I Preferred Stock						
Balance at beginning of period	-	$	-	-	$	-
Issuance of preferred I stock and warrants for cash	40,000		40	-		-
Balance at end of period	40,000	$	40	-	$	-
Common Stock						
Balance at beginning of period	162,562,328	$	162,562	137,903,042	$	137,903
Cancellation of common stock for court order	(86,225,000)		(86,225)	-		-
Issuance of common stock for cash	1,250,000		1,250	6,084,286		6,084

Issuance of common stock for services - related party	1,000,000		1,000	-		-
Issuance of common stock for conversion of debt	19,733,331		19,733	6,225,000		6,225
Issuance of common stock for services	4,800,000		4,800	9,350,000		9,350
Issuance of common stock for acquisition of Prestige Marketing Consultants, Inc.	1,200,000		1,200	-		-
Issuance of common stock for long-term investment in Prestige Marketing Consultants, Inc.	-		-	3,000,000		3,000
Balance at end of period	104,320,659	$	104,320	162,562,328	$	162,562
Stock Payable						
Balance at beginning of period		$	32,500		$	35,000
Issuance of common stock for cash						(35,000)
Stock payable			-			32,500
Balance at end of period		$	32,500		$	32,500
Additional Paid-In Capital						
Balance at beginning of period		$	16,551,142		$	6,051,779
Issuance of common stock for cash			23,750			161,916
Issuance of common stock for conversion of debt			964,007			38,775
Issuance of common stock for services - related party			39,000			-
Cancellation of common stock for court order			86,225			-
Issuance of preferred B stock to related parties for service			-			6,438,606
Issuance of preferred E stock to related parties for service			-			4,997,474
Issuance of preferred I stock and warrants for cash			19,960			-
Issuance of common stock for services			281,700			688,630
Issuance of common stock for acquisition of Prestige Marketing Consultants, Inc.			68,400			207,000
Issuance fof preferred G stock for cash			-			48,750
Issuance of Preferred H stock for services			-			418,212
Acquisition adjustment			-			(2,500,000)
Balance at end of period		$	18,034,184		$	16,551,142
Accumulated Deficit						
Balance at beginning of period		$	(19,671,738)		$	(6,500,136)
Net loss			(6,215,814)			(13,171,602)
Balance at end of period		$	(25,887,552)		$	(19,671,738)
Total Stockholders' Deficit at beginning of period		**$**	**(2,893,284)**		**$**	**(270,454)**
Total Stockholders' Deficit at end of period		**$**	**(7,684,258)**		**$**	**(2,893,284)**

See accompanying notes to consolidated financial statements.

Southern ITS International, Inc.
Consolidated Statement of Cash Flow
(Unaudited)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash Flows from Operating Activities		
Net loss	$ (6,215,814)	$ (13,171,602)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation - related parties	40,000	11,461,081
Stock based compensation - non-affiliates	286,500	1,117,192
Share acquisition cost	279,600	-
Loss on fair value of derivative liabilities	4,027,338	-
Amortization of debt discount	492,740	-
Impairment of Inventory	21,334	-
Impairment loss on long-term investment	-	10,000
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	(10,661)	-
Prepaid expenses	(9,855)	-
Inventory	(155,757)	(10,297)
Accounts payable and accrued liabilities	56,914	23,169
Accrued interest	44,707	16,723
Accrued salary payable to related parties	480,000	360,000
Net cash used in operating activities	(662,954)	(193,734)
Cash Flows from Investing Activities		
Long-term Investment	-	(5,000)
Advances to related parties	(726,000)	-
Repayment from related party	662,000	-
Net cash used in investing activities	(64,000)	(5,000)
Cash Flows from Financing Activities		
Proceeds from issuance of preferred I stock and warrants	20,000	-
Proceeds from issuance of preferred G stock	-	50,000
Proceeds from issuance of convertible notes	1,020,000	-
Proceeds from issuance of common stock	25,000	10,000
Proceeds from issuance of stock payable	-	133,000
Proceeds from issuance of promissory notes	20,000	32,500
Advances from related parties	18,900	26,170
Repayment to related parties	(46,153)	(48,883)
Net cash provided by financing activities	1,057,747	202,787
Net change in cash and cash equivalents	330,793	4,053
Cash - beginning of period	13,707	9,654
Cash - end of period	$ 344,500	$ 13,707
Supplemental cash flow disclosures:		
Cash paid for interest	$ 22,250	$ -
Cash paid for income taxes	$ -	$ -
Non-cash investing and financing activity:		
Cancellation of common stock for court order	$ 86,225	$ -
Debt discount from derivative liabilities	$ 1,097,040	$ -

Derivative liabilities reclass to additional paid-in capital due to note conversion	$	964,007	$	-
Issuance of common stock for conversion of debts and accrued interest	$	19,733	$	45,000
Issuance for preferred D stock for acquisition of Shibue Couture, Inc.	$	-	$	2,500,000
Issuance of common stock for acquisition of Prestige Marketing Consultants, Inc.	$	69,600	$	210,000

See accompanying notes to consolidated financial statements.

Southern ITS International, Inc.
Notes to Consolidated Financial Statements
December 31, 2023 and 2022
(Unaudited)

NOTE 1 – NATURE AND DESCRIPTION OF BUSINESS

Southern ITS International, Inc. the ("**Company**") was incorporated in the State of Nevada on September 27, 1984.

The Company executed an exchange agreement on June 29, 2017 with Evolution Enterprises LLC ("the Subsidiary") whereby the Company will sell or divest is previous, existing businesses, acquire 100% of the membership interests in Evolution Enterprises LLC for the issuance of 69,000,000 new common shares in the Company, and Evolution Enterprises LLC will become a wholly owned subsidiary of the Company. Subsequently thereto, the Agreement was declared in default.

On November 19, 2021, the Company and other founders formed Pure Oil & Gas Inc. in which the Company holds 20% interest under equity investment.

Effective April 1, 2022, the Company issued an aggregate of 2,500,000 shares of its Series D Preferred Stock in connection with the acquisition of Shibue Couture, Inc.

Effective April 18, 2022, the Company acquired a 30% interest in Growth Goods, Inc., a Des Moines, Iowa – based e-Commerce company. Growth Good, Inc. was formed by the Company and other founders on February 25, 2022. The Company owns 150,000 shares of the 500,000 authorized and issued shares of common stock. No consideration was involved in the acquisition of 30% interest in Growth Goods, Inc. Growth Goods, Inc. was formed as the distribution and warehousing center for Shibue Couture, Inc.. The Company has a controlling financial interest in and is the primary beneficiary of Growth Goods, Inc. being the variable interest entity of the Company.

During the year ended December 31, 2022, the Company issued 3,000,000 shares of common stock at $0.07 per share to acquire a 30% interest in Prestige Marketing Consultants, Inc., a State of Delaware based marketing consulting company. On June 30, 2023, the Company issued 1,200,000 shares of common stock at $0.058 per share to acquire an additional 40% interest in the marketing company. As of December 31, 2023, Prestige Marketing Consultants, Inc. do not have any net assets and operations and the Company fully impaired the 70% investment holding in the Company.

In September 30, 2023, Ingenious Roasters LLC, an Arizona limited liability company., was formed by the Company which is now holding 45% interest in the Company. No consideration was involved in the acquisition of Ingenious Roasters LLC. The Company is currently developing future business plan with Ingenious Roasters LLC expected to commence in Q1 2024.

As of December 31, 2023, the Company holds a 100% interest in Shibue Couture, Inc., a 20% interest in Pure, Oil & Gas, Inc., 30% interest in Growth Goods, Inc. and a 45% interest in Ingenious Roasters LLC.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements as of December 31, 2023 include the accounts of the Company, its wholly-owned subsidiary of Shibue Couture, Inc. and its variable interest entity Growth Goods, Inc. All intercompany accounts and activities have been eliminated. These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Company adopted the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures," which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts payable, note payable, due to related parties and accrued liabilities are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short and long term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value 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. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 – quoted prices in active markets for identical assets or liabilities
Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable
Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The derivative liability in connection with the conversion feature of the convertible debt, classified as a level 3 liability, is the only financial liability measured at fair value on a recurring basis.

The following table summarizes fair value measurement by level at December 31, 2023, measured at fair value on a recurring basis:

December 31, 2023	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative liabilities	-	-	4,484,123	4,484,123

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company does not have any cash equivalents.

Accounts Receivable

Accounts receivable are recorded in accordance with ASC 310, "Receivables." Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company does not currently have any amount recorded as an allowance for doubtful accounts. Based on management's estimate and based on all accounts being current, the Company has not deemed it necessary to reserve for doubtful accounts at this time.

As of December 31, 2023 and 2022, the Company had accounts receivable of $10,661 and $0, respectively.

Inventory

Inventory is stated at lower of cost or net realizable value, with cost being determined on the first-in, first-out ("FIFO") method.

No reserves are considered necessary for slow moving or obsolete inventory as inventory on hand at quarter-end was purchased near the end of the quarter. The Company continuously evaluates the adequacy of these reserves and makes adjustments to these reserves as required. During the year ended December 31, 2023 and 2022, the Company recorded inventory impairment cost of $21,334 and $0, respectively.

Prepaid Expense

Prepaid expenses relate to prepayment made for future press release services in advance that will be expensed over time as the benefit of the services is received in the future expected within one year. As of December 31, 2023 and 2022, prepaid expense was $9,855 and $0, respectively.

Revenue Recognition

The Company recognizes revenue from the sale of products in accordance with ASC 606, "*Revenue Recognition*" following the five steps procedure:

Step 1: Identify the contract(s) with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to performance obligations
Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company's revenue derives from product sales. During the year ended December 31, 2023 and 2022, the Company recognized sales revenue of $395,345 and $91,166 and incurred cost of sales of $216,119 and $32,249, resulting in gross profit of $179,226 and $58,917, respectively.

Segments

ASC Topic 280, "Segment Reporting," requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's chief operating decision maker organizes segments within the company for making operating decisions assessing performance and allocating resources. Reportable segments are based on products and services, geography, legal structure, management structure, or any other manner in which management disaggregates a company.

Operating segments are defined as components of an enterprise engaging in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates and manages its business as one operating segment and all of the Company's revenues and operations are currently in the United States.

Earnings (Loss) per Share

The Company computes basic and diluted net loss per share amounts in accordance with ASC Topic 260, "Earnings per Share." Basic loss per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares of common stock outstanding during the reporting period. Diluted loss per share reflects the potential dilution that could occur if convertible notes to issue common stock were converted resulting in the issuance of common stock that could share in the loss of the Company. For the nine months ended September 30, 2023 and 2022, convertible notes, convertible preferred shares and warrants were dilutive instruments and were not included in the calculation of diluted loss per share as their effect would be antidilutive.

	December 31, 2023 (Shares)	December 31, 2022 (Shares)

Preferred Shares	338,072,723	321,266,618
Convertible Notes	117,817,887	85,948,500
Warrants	40,000	-
Common Stock Payable	1,500,000	1,500,000
	457,430,610	408,715,118

As of December 31, 2023 and 2022, the Company had 34,790,000 and 34,750,000 shares of preferred stock issued and outstanding that are convertible into 338,072,723 and 321,266,618 shares of common stock, respectively. (Note 10)

As of December 31, 2023 and 2022, the Company had the principal amount of convertible notes of $325,949 and $96,649 that are convertible into 109,609,519 shares and 85,948,500 shares of common stock, respectively. (Note 5)

As of December 31, 2023 and 2022, the Company had 40,000 and 0 outstanding warrants to purchase up to 40,000 shares and 0 share of common stock exercisable in two years at $0.75 per share, respectively (Note 10)

As of December 31, 2023 and 2022, the Company had stock payable of $32,500 for outstanding 1,500,000 shares of common stock. (Note 10)

Income Tax

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 temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied 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 when a different tax rate is enacted.

Pursuant to the provisions of ASC 740, "Income Taxes," the Company provides valuation allowances for deferred tax assets for which it does not consider realization of such assets to be more likely than not. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the historical taxable income generation, projected future taxable income, the reversal of existing deferred tax liabilities and tax planning strategies in making this assessment. (Note 11)

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Related Party Balances and Transactions

The Company follows FASB ASC 850, "*Related Party Disclosures*," for the identification of related parties and disclosure of related party transaction.

Convertible Financial Instruments

The Company bifurcates conversion options from their host instruments and accounts for them as free-standing derivative financial instruments if certain criteria are met. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not remeasured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional, as that term is described under applicable U.S. GAAP.

Equity Method Investment

The Company accounts for investments in entities in which the Company has significant influence over the entity's financial and operating policies, but does not control, using the equity method of accounting. The equity method investments are initially recorded at cost, and subsequently increased for capital contributions and allocations of net income, and decreased for capital distributions and allocations of net loss. Equity in net income (loss) from the equity method investment is allocated based on the Company's economic interest. Equity method investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If it is determined that a loss in value of the equity method investment is other than temporary, an impairment loss is measured based on the excess of the carrying amount of an investment over its estimated fair value. Impairment analyses are based on current plans, intended holding periods, and available information at the time the analysis is prepared. The Company does not believe that the value of its equity method investment was impaired as of December 31, 2023 and 2022.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. We evaluate all of our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For our derivative financial instruments, the Company used a Black Scholes valuation model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within twelve (12) months of the balance sheet date.

Share-Based Compensation

The Company accounts for share-based compensation under the fair value method in accordance with ASC 718, "Compensation – Stock Compensation," which requires all such compensation to employees and non-employees to be calculated based on its fair value of the equity instrument at the grant date and recognized in the earnings over the requisite service or vesting period.

During the year ended December 31, 2023 and 2022, the Company recorded $326,500 and $12,578,272 in stock-based compensation, respectively. The stock-based compensation incurred from common stock awarded to consultants and executives was reported under wages and consulting fees in the statements of operation.

	Year Ended December 31,

	2023	2022
Common stock award to consultants	$ 286,500	$ 1,117,192
Common and Preferred stock award to management and executives - related parties	40,000	11,461,080
	$ 326,500	$ 12,578,272

Accounts Receivable

Accounts receivable represent the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). The Company's accounts receivable balances are unsecured, bear no interest and are due upon normally within a year from the date of the sale.

The allowance for credit losses reflects the Company's current estimate of credit losses expected to be incurred over the life of the receivables. The Company considers various factors in establishing, monitoring, and adjusting its allowance for credit losses including the aging of receivables and aging trends, customer creditworthiness and specific exposures related to particular customers. The Company also monitors other risk factors and forward-looking information, such as country specific risks and economic factors that may affect a customer's ability to pay in establishing and adjusting its allowance for credit losses. Accounts receivable balances are written off after all collection efforts have ceased.

Prepaid Expenses

Prepaid expenses represent prepayment made to vendors and other suppliers for purchasing inventories and other operational purpose.

Property and Equipment

Property and equipment are measured using the cost model and is stated at cost less accumulated depreciation. Acquisition cost includes mainly the costs directly attributable to the acquisition. Depreciation is calculated using the straight-line and declining methods over the estimated useful lives, as more details follow. Depreciation is included in General and Administration expenses and is based on estimated usage for each class of asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date and the cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated but are tested for impairment.

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. When items are retired or otherwise disposed of, income is charged or credited for the difference between net book value of the item disposed and proceeds realized thereon.

Impairment

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the income statement over the period of the borrowings using the effective interest method.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the income statement.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

NOTE 3 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As reflected in the accompanying financial statements, the Company has an accumulated deficit of $25,887,552 from inception to December 31, 2023 and incurred net loss of $6,215,814 for the year ended December 31, 2023. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to address the going concern issue by funding future operations through revenues, the sale of equity capital and by loans, if needed.

The Company is changing its business operations and anticipates that it will be able to have profitable operations in the near future. The Company believes its current available cash, along with anticipated revenues, will be sufficient to meet its cash needs for the near future. There can be no assurance that future financing will be available in amount for terms acceptable to the Company, if at all.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue its operations is dependent on Management's plans, which include expanding the new business of Shibue Couture, Inc. and Growth Goods, Inc., the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements.

The Company may need to incur additional liabilities with certain related parties to sustain the Company's existence.

These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 4 - LONG-TERM INVESTMENT

During the year ended December 31, 2022, the Company issued 3,000,000 shares of common stock at $0.07 per share to acquire a 30% interest in Prestige Marketing Consultants, Inc., a State of Delaware, – based marketing consulting company. On June 30, 2023, the Company issued 1,200,000 shares of common stock at $0.058 per share to acquire an additional 40% interest in the marketing company. As of June 30, 2023, the Company holds 70% interest in Prestige Marketing Consultants, Inc. As of December 31, 2023, Prestige Marketing Consultants, Inc. do not have any net assets and operations and the Company fully impaired the investment and expensed as stock acquisition cost in the statement of operations. As of December 31, 2023 and 2022, the Company has equity investment in Prestige Marketing Consultants Inc. of $0 and $210,000, respectively.

NOTE 5 – CONVERTIBLE NOTES PAYABLE

As of December 31, 2023 and 2022, the Company had convertible notes payable of $930,249 and $96,649, and a debt discount of $604,300 and $0, for a net carrying amount of $325,949 and $96,649, respectively.

The terms of the promissory notes are summarized as follows:

- Loan Expiry Term ranged from due on demand to two years

- Weighted Average Remaining Term ranged form due on demand to 1.50 years

- Annual Interest Rate ranged from 8% to 10% per annum

- Convertible Rate ranged from:

    - convertible at fixed rate at $0.001 per share
    - convertible at fixed rate at $0.002 per share

- convertible at 80% of the average 10-day trading price prior to date of conversion

During the year ended December 31, 2023, the Company issued convertible notes for aggregate principal amount of $1,020,000 for cash proceeds of $1,020,000.

During the year ended December 31, 2023, the Company issued 9,733,331 shares of common stock for note conversion of $186,400 (Note 10). The corresponding derivative liability at the date of conversion of $640,255 was credited to additional paid in capital.

During the year ended December 31, 2023, the Company incurred amortization of note discount of $492,740.

During the year ended December 31, 2023 and 2022, the Company accrued interest expense of $58,282 and $16,723 and repaid accrued interest of $22,250 and $0, respectively. As of December 31, 2023 and 2022, the accrued interest was $67,782 and $31,749, respectively.

NOTE 6 - DERIVATIVE LIABILITY

The Company analyzed the conversion options for derivative accounting consideration under ASC 815, Derivatives and Hedging, and hedging, and determined that the instrument should be classified as a liability when the conversion option becomes effective.

The following table summarizes the derivative liabilities included in the balance sheet at December 31, 2023:

Balance - December 31, 2022	$	-
Addition of new derivative liabilities upon issuance of convertible notes as debt discount		5,552,690
Reduction of derivative liabilities from conversion of convertible notes		(640,255)
Gain on change in fair value of the derivative		(428,312)
Balance – December 31, 2023	$	4,484,123

The following table summarizes the loss (gain) on derivative liability included in the income statement for the year ended December 31, 2023 and 2022, respectively.

	Year Ended December 31, 2023	December 31, 2022
Day one loss due to derivative liabilities on convertible notes	$ 4,455,650	$ -
Gain on change in fair value of derivative liabilities on convertible notes	(428,312)	-
Loss on change in fair value of derivative liabilities	$ 4,027,338	$ -

The table below shows the Black-Scholes option-pricing model inputs used by the Company to value the derivative liability for convertible notes at each measurement date:

	Year Ended December 31, 2023	December 31, 2022
Expected term	Due on demand to 1.80 years	-
Expected average volatility	200% - 218%	-
Expected dividend yield	-	-

Risk-free interest rate	3.86% - 5.19%	-

NOTE 7 – NOTES PAYABLE – RELATED PARTY

On July 1, 2017, the Company entered into a promissory note with our sole officer and director, Sylvain Desrosiers in the amount of $107,291 with an interest rate of 20% per annum. The note was partially paid off and as of September 30, 2023 has an outstanding principal balance of $85,000. The interest rate was renegotiated to 10% per annum effective January 1, 2018. The note is now payable on demand. During the year ended December 31, 2023 and 2022, the Company recorded interest expense of $7,249 and $8,618 respectively. During the year ended December 31, 2023, the Company issued 10,000,000 shares of common stock for the repayment of principal amount of $85,000 and accrued interest of $72,085. As of December 31, 2023 and 2022, the accrued interest payable was $0 and $64,836, respectively.

NOTE 8 – NOTE PAYABLE

On February 13, 2023, the Company entered into a promissory note with an unaffiliated party in the amount of $10,000 with one year term and an interest rate of 8% per annum. As of December 31, 2023, the accrued interest was $713.

On February 14, 2023, the Company entered into a promissory note with an unaffiliated party in the amount of $10,000 with one year term and an interest rate of 8% per annum. As of December 31, 2023, the accrued interest was $711.

NOTE 9 – RELATED PARTY TRANSACTIONS

Amount due to related parties

During the year ended December 31, 2023 and 2022, the President of the Company made $7,400 and $26,120 advancement to the Company and was repaid for $31,953 and $42,883, respectively. The Company accrued management salary of $300,000 and $150,000 for the year ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the amount due to the President of the Company was $483,684 and $150,500, respectively.

During the year ended December 31, 2023 and 2022, the Company made consulting fee payment of $56,675 and $32,750 to Financial Capital Group, LLC. and Aim Financial Group, LLC for which the President of the Company serving as the general partner.

During the year ended December 31, 2023, Financial Capital Group, LLC. advanced $11,500 to the Company and was repaid $2,200. The loan is non-interest bearing and due on demand. As of December 31, 2023, the amount due to Financial Capital Group, LLC. was $9,300.

During the year ended December 31, 2023 and 2022, the Company accrued management salary of $180,000 and $135,000 to the Chief Compliance Officer ("CCO") of the Company, respectively. During the year ended December 31, 2023 and 2022, he was also repaid at $12,000 and $6,000, As of December 31, 2023 and 2022, the amount due to the CCO of the Company was $297,000 and $129,000, respectively.

During the year ended December 31, 2022, the VP Director of Internet Sales of the Company made $50 advancement to the Company. During the year ended December 31, 2023, he was paid for consulting fees of $3,000. As of December 31, 2023 and 2022, the amount due to the VP Director of the Company was $50 and $50, respectively.

As of December 31, 2023 and 2022, the amount due to related parties was $790,034 and $337,287, respectively.

Amount due from related parties

During the year ended December 31, 2023, the Company advanced $676,000 to Pure Oil & Gas, Inc., for which the Company is holding 20% in the Company under equity investment and was repaid for $662,000 As of December 31, 2023, the amount due from the related party was $14,000. The loan is non-interest bearing and due on demand.

During the year ended December 31, 2023, the Company advanced $50,000 to Ingenious Roasters LLC, a limited liability company formed by the Company in September 2023 with a 45% interest held by the Company. The loan is non-interest bearing and due on demand.

NOTE 10 – MEZZANINE AND STOCKHOLDERS' EQUITY

The Company has authorized shares of common stock of 900,000,000 shares, par value of $0.001, and authorized shares of preferred stock to 100,000,000 shares, par value of $0.001.

Preferred Stock – Mezzanine Equity

Series D Preferred Stock

The Company has designated 2,500,000 preferred shares, par value of $0.001, as Series D Preferred Stock with each share convertible into $1.00 of common stock of the Company.

On April 1, 2022, the Company issued an aggregate of 2,500,000 shares of its Series D Preferred Stock at a deemed value of $2,500,000 in connection with the acquisition of Shibue Couture, Inc.

The Company determined that the Series D Preferred Stock should be classified as Mezzanine Equity (temporary equity outside of permanent equity), that the Series D Preferred Stock more closely aligned with debt as the stock has fixed value of $1 per share or $2,500,000 in total, either redeemable at the company's option for cash of $1 per share or converted by the shareholder's option at a conversion value of $1 per share of equivalent common stock.

As of December 31, 2023 and 2022, 2,500,000 shares of Series D Preferred Stock were issued and outstanding.

Preferred Stock - Equity

Series A Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of $0.001, as Series A Preferred Stock with preferred voting rights equal to 500 votes for each 1 preferred share. As of December 31, 2023 and 2022, 5,000,000 shares of Series A Preferred Stock were issued and outstanding.

Series B Preferred Stock

The Company has designated 15,000,000 preferred shares, par value of $0.001, as Series B Preferred Stock with conversion rights of 10 shares of common stock for each share of Series B Preferred Stock.

Effective April 1, 2022, the Company issued 10,000,000 shares of its Series B Preferred Stock to the President of the Company valued at $4,302,404 and 5,000,000 shares of its Series B Preferred Stock to the COO of the Company valued at $2,151,202. (Note 9)

As of December 31, 2023 and 2022, 15,000,000 shares of Series B Preferred Stock were issued and outstanding.

Series E Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of $0.001, as Series E Preferred Stock with conversion rights of 10 shares of common stock for each share of Series E Preferred Stock.

On April 18, 2022, the Company issued 5,000,000 shares of its Series E Preferred Stock to Vice-President-Director of Internet Sales valued at $2,503,737 and 5,000,000 shares of its Series E Preferred Stock to Vice-President-Director of Marketing valued at $2,503,737. (Note 9)

As of December 31, 2023 and 2022, 10,000,000 shares of Series E Preferred Stock were issued and outstanding.

Series G Preferred Stock

The Company has designated 30,000,000 preferred shares, par value of $0.001, as Series G Preferred Stock with each twenty-five shares convertible into $1.00 of common stock of the Company based upon 80% of the average of the10-day closing bid price prior to the date of conversion.

On September 29, 2022, the Company issued 1,250,000 shares of its Series G Preferred Stock to an unaffiliated party for cash proceeds of $50,000.

As of December 31, 2023 and 2022, 1,250,000 shares of Series G Preferred Stock were issued and outstanding.

Series H Preferred Stock

The Company has designated 1,000,000 preferred shares, par value of $0.001, as Series H Preferred Stock with conversion rights of 10 shares of common stock for each share of Series H Preferred Stock.

On December 31, 2022, the Company issued 1,000,000 shares of its Series H Preferred Stock to ICS Energy LLC, an unaffiliated party for oil and gas exploration service valued at $419,212.

As of December 31, 2023 and 2022, 1,000,000 shares of Series H Preferred Stock were issued and outstanding.

Series I Preferred Stock

The Company has designated 10,000,000 preferred shares, par value of $0.001, as Series I Preferred Stock with each twenty-five shares convertible into $1.00 of common stock of the Company based upon 80% of the average of the10-day closing bid price prior to the date of conversion.

On February 1, 2023, the Company issued four (4) units of series I preferred stock and warrants, to an unaffiliated party for cash proceeds of $20,000. Each unit comprises of 40,000 shares of series I preferred stock and 40,000 warrants. Each warrant allows the holder to purchase one share of common stock exercisable in two years at $0.75 per share,.

As of December 31, 2023 and 2022, 40,000 and 0 shares of Series I Preferred Stock were issued and outstanding, respectively.

Common Stock

Year Ended December 31, 2023

During the year ended December 31, 2023, pursuant to a court order, 86,225,000 shares of common stock from shareholders were cancelled.

During the year ended December 31, 2023, the Company issued 1,250,000 shares of common stock to an investor for cash proceed of $25,000.

During the year ended December 31, 2023, the Company issued 1,000,000 shares of common stock to Prestige Marketing Consultants Inc. valued at $40,000 for services, and 4,800,000 shares of common stock to unaffiliates valued at $286,500 for services.

During the year ended December 31, 2023, the Company issued 19,733,331 shares of common stock for note conversion of $271,400 and accrued interest of $72,085.

During the year ended December 31, 2023, the Company issued 1,200,000 shares of common stock at $0.058 per share to acquire an additional 40% interest in the marketing company. As of December 31, 2023, the Company holds 70% interest in Prestige Marketing Consultants, Inc.

Year Ended December 31, 2022

During the year ended December 31, 2022, the Company issued 6,084,286 shares of common stock for proceeds of $133,000.

During the year ended December 31, 2022, the Company issued 6,225,000 shares of common stock for the note conversion of $45,000.

During the year ended December 31, 2022, the Company issued 9,350,000 shares of common stock to consultants valued at $697,980.

During the year ended December 31, 2022, the Company issued 3,000,000 shares of common stock at $0.07 per share to acquire a 30% interest in a marketing consulting company.

As of December 31, 2023 and 2022, the Company had 104,320,659 and 162,562,328 shares of common stock issued and outstanding, respectively.

Stock Payable

On August 8, 2022, the Company received proceeds of $7,500 from stock subscription of 250,000 shares of common stock.

On November 15, 2022, the Company received proceeds of $25,000 from stock subscription of 1,250,000 shares of common stock.

As of December 31, 2023 and 2022, the stock payable was $32,500.

Warrant

During the year ended December 31, 2023, the Company granted warrants to purchase up to 40,000 shares of common stock exercisable in two years at $0.75 per share.

A summary of activity of the warrants during the year ended December 31, 2023 and 2022, are as follows:

	Warrants Outstanding		Weighted Average
	Number of Warrants	Weighted Average Exercise Price	Remaining life (years)
Outstanding at December 31, 2022	-	$ -	-
Granted	40,000	0.75	2.00
Expired / cancelled	-	-	-
Exercised	-	-	-
Outstanding at December 31, 2023	40,000	$ 0.75	1.08

The intrinsic value of the warrants as of December 31, 2023 is $0. All of the outstanding warrants are exercisable as of December 31, 2023.

NOTE 11 – INCOME TAX

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and deferred tax liabilities are as follows as of December 31:

		December 31, 2023		December 31, 2022
Net operating loss carryforward	$	(12,982,779)	$	(7,093,465)
Statutory tax rate		21%		21%
Deferred tax asset		(2,726,384)		(1,489,628)
Less: Valuation allowance		2,726,384		1,489,628
Net deferred asset	$	-	$	-

The Company has established a valuation allowance against its deferred tax assets due to the uncertainty surrounding the realization of such assets. During the year ended December 31, 2023, the valuation allowance increased by $1,236,756. The Company has net operating and economic loss carry-forwards of approximately $12.9 million available to offset future federal and state taxable income. Tax returns for the years ended 2017 through 2023 are subject to review by the tax authorities.

NOTE 12 – COMMITMENT

On April 1, 2022, the Company entered into employment contracts with the President and CCO of the Company.

The Company pay annual salary of $300,000 to the President of the Company commenced from April 1, 2022 and will expire on March 31, 2027 under a term of five years. The Company pay annual salary of $180,000 to the CCO of the Company commenced from April 1, 2022 and will expire on March 31, 2027 under a term of five years.

The Company agreed to pay the following management salaries through fiscal year 2027:

Fiscal Years Ended December 31,		Amount
2024	$	480,000
2025		480,000
2026		480,000
Thereafter		120,000
	$	1,560,000

NOTE 13 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events from January 1, 2024 through the date these financial statements were originally issued and determined the following events require disclosure:

The Company issued 16,376,827 shares of common stock upon conversion by note holders of $486,400 of debt.

On February 26, 2024, the Company made $148,000 repayment to pay off principal balance and accrued interest of convertible notes from two noteholders.

The Company issued convertible notes to non-affiliates for aggregate amount of $500,000 for loans made to the Company. The notes bear interest at 10% per annum, are payable two years from issuance, and are convertible at 80% of the average 10-day trading price prior to date of conversion.

On February 19, 2024, the President of the Company sold 5,000,000 shares of Series A Preferred Stock (Control Block) to JCG, Llc, who was appointed as new officers and director of the Company on the same date. The Company also issued a promissory note to the President of the Company at $1,750,000 and issued 6,000,000 shares of a new Series of Convertible Preferred for the repurchase of 2,500,000 shares of Series B Preferred Stock. The promissory note bears annual interest rate of 5% and maturity term of two years.

On March 15, 2024, the Company issued a promissory note to CCO of the Company at $1,250,000 for the repurchase of 2,500,000 shares of Series B Preferred Stock. The promissory note bears annual interest rate of 5% and maturity date of March 15, 2027.

On March 19, 2024, the Company entered into a Securities Purchase Agreement with the other owners of Growth Goods, Inc., so that the Company now owns 100% of all of the issued and outstanding shares of voting stock of Growth Goods, Inc., thus, making it a wholly owned subsidiary of the Company.

On Mach 26, 2024, the Company entered into a Member Interests Purchase Agreement with the other members and owners of Ingenious Roasters LLC, so that the Company now owns 55% of all of the issued and outstanding member interests of Ingenious Roasters LLC, thus, making it a subsidiary of the Company.

On March 27, 2024, the Company entered into a Restructuring Agreement with the other owners of Pure Oil & Gas, Inc., so that the Company now owns 100% of all of the issued and outstanding shares of voting stock of Pure Oil & Gas, Inc., thus, making it a wholly owned subsidiary of the Company.

On March 18, 2024, the Company has filed for corporation name change from Southern ITS International, Inc. to Corp HQ, Inc. currently pending for approval from FINRA.