

FULL MOTION BEVERAGE, INC.

A Delaware Corporation

121-24 Dupont St
Plainview, NY 11803
Phone: (516) 537-8237

www.fullmotionbeverage.com

info@fullmotionbeverage.com

Primary SIC code is 2086 – bottled and canned soft drinks

Quarterly Report For the Period Ending March 31, 2024

Outstanding Shares

As March 31, 2024, the number of shares outstanding of our Common Stock was: 188,808,173

As of December 31, 2023, the number of shares outstanding of our Common Stock was: 188,808,173

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

Yes:

No:

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

Yes:

No:

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

Yes:

No:

Item 1 – Name of the issuer and its predecessors (if any)

The exact name of the issuer is: **Full Motion Beverage, Inc.** (the “Company”)

March 1987 Incorporated under the name Medical Management Systems Inc. in Delaware
August 2000 Amended name to Dominix, Inc.
June 2004 Amended name to 110 Media Group, Inc.
July 2006 Amended name to Web2 Corp.
December 2008 Amended name to Full Motion Beverage, Inc.

The Company was incorporated in the state of Delaware. The current standing of the Company in the state of Delaware is: **Active.**

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

None

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

None

Stock splits, stock dividends, recapitalizations, mergers, acquisitions, spin-offs, or reorganizations currently anticipated, or that occurred within the past 12 months:

None

The Company’s principal executive office and principal place of business is located at:

121-24 Dupont St.
Plainview, NY 11803

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

Yes:

No:

Item 2 – Security Information

Transfer Agent:

Securities Transfer Corp. 2901 N. Dallas Parkway Suite 380
Plano, TX 75093
Phone: (469) 633-0101
info@stctransfer.com

Publicly Quoted or Traded Securities:

Trading Symbol:	FMBV
Exact title and class of securities outstanding:	Common Shares
CUSIP Number:	35968B101
Par or stated value:	\$0.001
Total share authorized:	240,000,000 as of March 31, 2024
Total shares outstanding:	188,808,173 as of March 31, 2024
Total number of shareholders of record:	356 as of March 31, 2024

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

Exact title and class of the security:	Preferred Stock
Par or stated value:	\$0.001
Total share authorized:	10,000,000 as of March 31, 2024
Total shares outstanding:	1,000,000 as of March 31, 2024
Total number of shareholders of record:	1

Security Description:

1.) Common Shares:

Dividend Rights - The dividend rights of the holders of the Common Shares are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Shares.

Voting Rights - The holders of the Common Shares are entitled to one vote for each share of Common Shares held at all meetings of shareholders. There shall be no cumulative voting.

Preemptive Rights - The holders of the Common Shares shall not have preemptive rights to acquire shares of stock or securities convertible into shares of stock issued by the Corporation.

2.) Series A Preferred Shares:

Dividend Rights - Each share of Series A Preferred stock pays no dividends, but should the Company decide to pay dividends, the holders of the Series A Preferred stock shall first receive dividends before all other classes of capital.

Voting Rights - Each share of Series A Preferred stock carries super voting rights of seventy percent (70%) of the entire voting common stock eligible to vote at any time until such Series A Preferred shares are either converted, redeemed, or liquidated.

Conversion Rights - Each share of Series A Preferred stock is convertible into one share the Company's common stock.

Liquidation Rights - Each share of Series A Preferred stock has a liquidation preference of \$0.01 per share plus accrued and unpaid dividends.

Redemption Rights - Each share of Series A Preferred stock may be redeemed by the Company only if a deemed liquidation event occurs for \$0.01 per share plus accrued and unpaid dividends.

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

None

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

None

Item 3 – Issuance History

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

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

Shares Outstanding as of Most Recent Fiscal Year End: Date <u>12/31/2023</u> Opening Balance: Common: <u>188,808,173</u> Preferred: <u>1,000,000</u>									
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.
—	—	—	—	—	—	—	—	—	
Shares Outstanding on Date of This Report: Ending Balance Date <u>03/31/2024</u> Common: <u>188,808,173</u> Preferred: <u>1,000,000</u>									

B. Debt Securities, Including 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:

Yes:

No:

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.)
03/27/2007	\$1,018,519	\$165,000	\$2,667,384	03/27/2008	Convertible at par value	JSS Capital, LLC, 100% owned by John Antonucci	Loan
08/09/2009	\$626,700	\$720,000	\$1,510,316	08/09/2010	Convertible at par value	JSS Capital, LLC, 100% owned by John Antonucci	Loan
04/20/2010	\$51,500	\$51,500	\$52,614	04/20/2011	Convertible at par value	JSS Capital, LLC, 100% owned by John Antonucci	Loan
01/28/2009	\$1,350,000	\$1,350,000	\$756,000	01/28/2010	None – not convertible	JSS Capital, LLC, 100% owned by John Antonucci	Loan

Item 4 – Issuer's Business, Products and Services

A. Business operations

Full Motion Beverage, Inc. is in the business of developing, marketing, and distributing non-alcoholic beverage brands that are either proprietary or exclusively represented.

The Company is not a "Shell Company" within the meaning of Rule 405 of the Securities Act, nor if the Company were a registrant would the Company be considered a shell company within the meaning of Rule 405.

The effect of existing or probable governmental regulations on the business is negligible.

The amount of time and money spent during the last two fiscal years on research and development activities is insignificant.

Costs and effects of compliance with federal, state and local environmental laws are minimal.

The Company has two employees, is not bound by long-term contracts, and when necessary, the Company relies on the services of independent consultants and contractors to perform various professional services. As our operations increase, we anticipate engaging additional employees; However, we do not plan to add employees until the business is substantially increased, and we have

generated adequate funds to support our operations.

Currently, there are no known trends or events that have or are likely to have a material impact on the Company's short term or long-term liquidity. The Company has minimal cash reserves that may not provide the Company with the necessary funds to address its liquidity requirements. The limited operating capital directly affects the company's ability to finance its business plan.

B. Subsidiaries

The Company has three subsidiaries, Performaxx Brands, Inc., Mojito Brands, Inc. and J&B Beverage Distributors of NY, LLC.

Performaxx Brand, Inc. has a primary focus of developing proprietary brands and is the producer of ENERGIZE™ energy boost shots.

Mojito Brands, Inc. is a producer of MOJAVA, a ready-to-drink (RTD) black coffee beverage. MOJAVA® was one the first ever RTD coffee beverages made without any milk, dairy, non-dairy creamers and or substitutes, or soy ingredients in the U.S. market for RTD coffee.

J&B Beverage is a direct store delivery beverage distribution company. J&B is a distributor for Liquid Ice Energy Drink, Manhattan Special Premium Coffee Soda, and all Performaxx and Mojito Brands beverages.

C. Principal products or services, and markets

Full Motion Beverage and its subsidiaries specializes in the brand development and marketing of various non-alcoholic beverages.

Item 5 – Issuer's Facilities

The issuer maintains an office and warehouse space at 121-24 Dupont St., Plainview, NY 11803 As the Company's services are primarily digital and online, officers and directors also work from their principal residence.

Item 6 – Officers, Directors and Control Persons

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Dean Petkanas	CEO, President, Director/Chairman	Lloyd Harbor, NY	0	N/A	0%	N/A
Full Motion Partners LLC	Control Person	New York, NY	144,000,000	Common	76.27%	Dean Petkanas is the beneficial owner

Item 7 – Legal/Disciplinary History

A. In the last ten years, have any of the entities listed in Item 6 above:

- 1) Been the subject of an indictment or conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses)?

No

- 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?

No

- 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?

No

- 4) Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part iii above?

No

- 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?

No

- 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?

No

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:

None

Item 8 – Third Party Providers

Securities counsel

Jonathan D. Leinwand
Jonathan D. Leinwand, P.A.
18305 Biscayne Blvd.
Suite 200
Aventura, FL 33160
(954) 903-7856
Jonathan@jdlpa.com

Accountant or auditor

None

Investor relations consultant

None

Other advisor

None

Item 9 – Disclosure and Financial Information

A. This Disclosure Statement was prepared by:

Name: Dean Petkanas
Title: CEO
Relationship to Issuer: Officer

B. The following financial statements were prepared in accordance with U.S. GAAP

C. The following financial statements were prepared

Name: Dean Petkanas
Title: CEO
Relationship to Issuer: Officer

Describe the qualifications of the person or persons who prepared the financial statements:

Dean Petkanas has over 30 years of business finance experience

***** Qualifying financial statements are presented directly after Item 10 – Issuer Certification**

Item 10 – Issuer Certification

Principal Executive Officer:

I, Dean Petkanas, certify that:

1. I have reviewed the financial statements for the period ended March 31, 2024, and the continuing disclosure statement of Full Motion Beverage, 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 Full Motion Beverage, Inc. as of, and for, the periods presented in this disclosure statement.

Date: May 22, 2024

[\\S\\ Dean Petkanas](#)

CEO

Principal Financial Officer:

I, Dean Petkanas, certify that:

1. I have reviewed the financial statements for the period ended March 31, 2024, and the continuing disclosure statement of Full Motion Beverage, 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 Full Motion Beverage, Inc. as of, and for, the periods presented in this disclosure statement.

Date: May 22, 2024

[\\S\\ Dean Petkanas](#)

CEO

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and 2023

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

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FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Balance Sheets

	March 31, 2024	December 31, 2023
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 19	\$ 49
Accounts receivable - net	-	-
Inventory	450	785
Total Current Assets	469	834
<u>PROPERTY AND EQUIPMENT, Net</u>	\$ -	\$ -
<u>OTHER ASSETS</u>		
Intangible assets, net	\$ -	\$ -
Security deposits	2,700	2,700
Tangible assets, net	5,000	5,000
TOTAL ASSETS	\$ 8,638	\$ 9,368
 <u>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 5,446,790	\$ 5,352,321
Convertible debentures	1,696,719	1,696,719
Note payable	1,350,000	1,350,000
Loans Payable	18,170	18,170
Due to Others	10,100	10,100
TOTAL CURRENT LIABILITIES	8,521,779	8,427,310
Commitments and Contingencies		
<u>STOCKHOLDERS' DEFICIT</u>		
Series A Preferred Stock - \$0.0001 par value, 10,000,000 shares authorized; 1,000,000 shares issued and	1,000	1,000
Common stock, \$0.001 par value; 240,000,000 shares authorized; 188,808,173 shres issued and outstanding	188,808	188,808
Treasury stock (24 shares @\$1,458.33)	(35,000)	(35,000)
Unearned compensation	-	(1,000)
Additional paid in capital	32,093,801	32,093,801
Accumulated deficit	(40,650,131)	(40,665,552)
TOTAL STOCKHOLDERS' DEFICIT	(8,513,141)	(8,417,942)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 8,638	\$ 9,368

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

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Operations

	Three Months Ending March 31,	
	2024	2023
<u>REVENUE</u>	\$ --	\$ --
<u>COSTS AND EXPENSES</u>		
Cost of revenue	-	-
Depreciation and amortization	--	--
General and administrative expenses	6,634	9,805
TOTAL COSTS AND EXPENSES	6,634	9,805
OPERATING LOSS	(6,634)	(9,805)
<u>OTHER INCOME (EXPENSES)</u>		
Interest	(88,565)	(88,565)
NET LOSS	\$ (95,199)	\$ (98,370)
Basic and Diluted Net Loss Per Share	<u>\$ (0.0005)</u>	<u>\$ (0.0005)</u>
Weighted Average Number of Common Shares Outstanding Basic and Diluted	<u>188,808,173</u>	<u>188,808,173</u>

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

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Stockholders' Deficit

	Preferred Stock		Common Stock		Treasury Stock	Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balances, December 31, 2023	1,000,000	\$ 1,000	188,808,173	\$ 188,808	\$ (35,000)	\$ 32,092,802	\$ (40,665,552)	\$ (8,417,942)
Net Loss	-	\$ -	-	\$ -	\$ -	\$ -	\$ (95,199)	\$ (95,199)
Balances, March 31, 2024	1,000,000	\$ 1,000	188,808,173	\$ 188,808	\$ (35,000)	\$ 32,092,802	\$ (40,760,751)	\$ (8,513,141)

	Preferred Stock		Common Stock		Treasury Stock	Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balances, December 31, 2022	1,000,000	\$ 1,000	188,808,173	\$ 188,808	\$ (35,000)	\$ 32,092,802	\$ (40,287,754)	\$ (8,040,144)
Net Loss	-	\$ -	-	\$ -	\$ -	\$ -	\$ (98,370)	\$ (98,370)
Balances, March 31, 2023	1,000,000	\$ 1,000	188,808,173	\$ 188,808	\$ (35,000)	\$ 32,092,802	\$ (40,379,123)	\$ (8,131,513)

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

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Cash Flows

	Three Months Ended March 31,	
	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss	\$ (95,199)	\$ (98,369)
Changes in operating assets and liabilities:		
Inventory	--	12,322
Accounts payable and accrued expenses	95,154	86,052
NET CASH USED IN OPERATING ACTIVITIES	\$ (45)	\$ 4
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from loans payable	--	--
Net advances from (repayments towards) others	--	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ --	\$ --
NET INCREASE IN CASH	\$ (45)	\$ 4
<u>CASH - Beginning</u>	<u>49</u>	<u>--</u>
<u>CASH - Ending</u>	<u>\$ 4</u>	<u>\$ 4</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the years for:		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ --	\$ --

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

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 1 – ORGANIZATION

Full Motion Beverage, Inc. (the “Company”) is duly organized in the State of Delaware. When used herein the terms “Company,” “we,” “us” and “our” each refers to the combined business entity of Full Motion Beverage, Inc. and its subsidiaries. Full Motion Beverage, Inc. is in the business of developing, marketing and distributing non-alcoholic beverage brands that are either proprietary or exclusively represented. The Company continues to develop and market new and exciting products in the beverage space.

The Company has three subsidiaries, Performaxx Brands, Inc., Mojito Brands, Inc. and J&B Beverage Distributors of NY, LLC.

Performaxx Brands, Inc. has a primary focus of developing proprietary brands and is the producer of ENERGIZE™ energy boost shots. Mojito Brands, Inc. is a producer of MOJAVA, a ready-to-drink (RTD) black coffee beverage. MOJAVA® was one the first ever RTD coffee beverages made without any milk, dairy, non-dairy creamers and or substitutes, or soy ingredients in the U.S. market for RTD coffee.

J&B Beverage Distributors of NY, LLC is a direct store delivery beverage distribution company. J&B Beverage Distributors of NY, LLC is a distributor for Liquid Ice Energy Drink, Manhattan Special Premium Coffee Soda, and all Performaxx and Mojito Brands beverages.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The unaudited condensed consolidated financial statements include the accounts of Full Motion Beverage, Inc. and its subsidiaries, Performaxx Brands, Inc. (“Performaxx”), Mojito Brands, Inc. (“Mojito”) and J&B Beverage Distributors of NY, LLC (“J&B”), (collectively, the “Company”). Intercompany accounts and transactions have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions which affect the reporting of assets and liabilities as of the dates of the financial statements and revenues and expenses during the reporting period. These estimates primarily relate to the sales recognition, allowance for doubtful accounts, inventory obsolescence and asset valuations. Actual results could differ from these estimates. Management’s estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the unaudited condensed consolidated financial statements in the periods they are determined to be necessary.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Generally Accepted Accounting Principles (“GAAP”) requires certain disclosures regarding the fair value of financial instruments. The fair value of financial instruments is made as of a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

GAAP defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal, or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

GAAP establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the degree of subjectivity that is necessary to estimate the fair value of a financial instrument. GAAP establishes three levels of inputs that may be used to measure fair value:

Level 1 – Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements

Level 2 – Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 – Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

NEW ACCOUNTING PRONOUNCEMENTS

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

ACCOUNTS RECEIVABLE

Accounts receivable are presented net of an allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, a customer's historical payment history, its current credit-worthiness and current economic trends. Accounts are written off after exhaustive efforts at collection. At March 31, 2024 and December 31, 2023, the Company has established, based on a review of its outstanding balances, that no allowance is necessary.

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with original maturities of three months or less when purchased as cash equivalents. The Company had no cash equivalents as of March 31, 2024 and December 31, 2023. At times throughout the year, the Company might maintain bank balances that may exceed Federal Deposit Insurance Corporation insured limits. Periodically, the Company evaluates the credit worthiness of the financial institutions, and has not experienced any losses in such accounts. At March 31, 2024 and December 31, 2023, the Company had \$0 over the insurable limit.

CONVERTIBLE INSTRUMENTS

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging* ("ASC 815").

Professional standards generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three 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 re-measured 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. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of Conventional Convertible Debt Instrument".

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic

FULL MOTION BEVERAGE, INC. AND SUBSIDIARIES

Notes to Unaudited Condensed Consolidated Financial Statements

value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815 provides that, among other things, generally, if an event is not within the entity's control could or require net cash settlement, then the contract shall be classified as an asset or a liability.

INVENTORY

Inventories consist primarily of bottled and canned beverages located at the Company's warehouse, distributor warehouses, or in the possession of sales representatives in the normal course of business. The inventory is stated at average cost not to exceed market value. Inventory also includes beverage items produced by the Company that are carried at direct costs, not to exceed fair market value. The Company's policy is to immediately write off any excess or obsolete inventory items remaining after liquidating near dated product, if any. Excess or obsolete inventory items were written off in the fiscal periods ending March 31, 2024 and December 31, 2023 of \$0 and \$0, respectively.

INCOME TAXES

The Company, along with its unaudited condensed consolidated subsidiaries Performaxx and Mojito are deemed corporations and thus are taxable entities. No provision for income taxes was reflected in the accompanying unaudited condensed consolidated financial statements, as the Company did not have income through March 31, 2024. There were no uncertain tax positions that would require recognition in the unaudited condensed consolidated financial statements through December 31, 2023.

Generally, federal, state and local authorities may examine the Company's tax returns for three years from the date of filing, and the current and prior three years remain subject to examination as of December 31, 2023.

The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors.

The Company accounts for income taxes under ASC 740-10-30, *Income Taxes*. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

LONG LIVED ASSETS

The Company evaluates the carrying value and recoverability of its long-lived assets when circumstances warrant such evaluation by applying the provisions of ASC 360-35, *Property, Plant and Equipment, Subsequent Measurement* ("ASC 360-35"). ASC 360-35 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value.

VALUATION OF GOODWILL AND INTANGIBLE ASSETS

The Company assesses goodwill and intangible assets for potential impairments at the end of each fiscal year, or during the year if an event or other circumstance indicates that we may not be able to recover the carrying amount of the asset. In evaluating goodwill and intangible assets for impairment, the Company first assesses qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If the Company concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing of the goodwill and intangible assets assigned to the reporting unit is required. However, if the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company will perform a two-step goodwill and intangible

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assets impairment test to identify potential goodwill and intangible assets impairment and measure the amount of goodwill and intangible assets impairment to be recognized, if any.

In the first step of the review process, the Company compares the estimated fair value of the reporting unit with its carrying value. If the estimated fair value of the reporting unit exceeds its carrying amount, no further analysis is needed. If the estimated fair value of the reporting unit is less than its carrying amount, the Company proceeds to the second step of the review process to calculate the implied fair value of the reporting unit goodwill and intangible assets in order to determine whether any impairment is required. The Company calculates the implied fair value of the reporting unit goodwill and intangible assets by allocating the estimated fair value of the reporting unit to all of the assets and liabilities of the reporting unit as if the reporting unit had been acquired in a business combination. If the carrying value of the reporting unit's goodwill and intangible assets exceeds the implied fair value of the intangible assets, the Company recognizes an impairment loss for that excess amount. In allocating the estimated fair value of the reporting unit to all of the assets and liabilities of the reporting unit, the Company uses industry and market data, as well as knowledge of the industry and the Company's past experiences.

The Company bases its calculation of the estimated fair value of a reporting unit on the income approach. For the income approach, the Company uses internally developed discounted cash flow models that include, among others, the following assumptions: projections of revenues and expenses and related cash flows based on assumed long-term growth rates and demand trends; expected future investments to grow new units; and estimated discount rates. The Company bases these assumptions on its historical data and experience, third-party appraisals, industry projections, micro and macro general economic condition projections, and its expectations.

The Company had no goodwill and intangible assets impairment charges for the three months ended March 31, 2024 and 2023, and as of the date of each of the most recent detailed tests, the estimated fair value of each of its reporting units exceeded its' respective carrying amount by more than 100% based on its models and assumptions.

RECOGNITION OF REVENUE

The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The core principle of this standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

ASC 606 prescribes a five step process to achieve its core principle. The Company recognizes revenue from product sales and services as follows:

- I. Identify the contract with the customer.
- II. Identify the contractual performance obligations.
- III. Determine the amount of consideration/price for the transaction.
- IV. Allocate the determined amount of consideration/price to the contractual obligations.
- V. Recognize revenue when or as the performing party satisfies performance obligations.

The consideration/price for the transaction (performance obligation(s)) is determined as per the invoice for the products or services.

Sales are recorded at the time title of goods sold passes to customers, which is based on shipping terms, which generally occurs when the product is shipped to the customer and collectability is reasonably assured. Sales are presented net of discounts and allowances. Discounts and allowances are determined when a sale is negotiated. The Company does not grant price adjustments after a sale is complete.

The Company's revenue is currently derived primarily from beverage sales. In general, the Company records revenue when the amount is fixed or determinable, delivery has occurred or services have been performed and both title and risk of loss have transferred to the customer, and collection is reasonably assured.

STOCK BASED COMPENSATION

The Company follows FASB ASC 718, *Compensation – Stock Compensation*, which prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or

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offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the unaudited condensed consolidated financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of FASB ASC 505-50, *Equity-based Payments to Non-Employees*. Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

For the three months ended March 31, 2024 and 2023, the Company had no stock based compensation.

NOTE 3 – GOING CONCERN

The Company's unaudited condensed consolidated financial statements have been prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company had net losses of \$95,199 and \$98,370, during the three months ended March 31, 2024 and 2023, respectively. Cash on hand will not be sufficient to cover debt repayments, operating expenses and capital expenditure requirements for at least twelve months from the unaudited condensed consolidated balance sheet date. As of March 31, 2024 and December 31, 2023, the Company had working capital deficits of \$8,513,141 and \$8,417,942 respectively. In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to seek equity and/or debt financing. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China, and has since spread to a number of other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of the time of the filing of this Quarterly Report, several states in the United States and elsewhere have declared states of emergency, and several countries around the world, including the United States, have taken steps to restrict travel. This situation could limit the market for a merger partner for a strategic business combination. Any of these uncertainties could have a material adverse effect on the business, financial condition or results of operations. In addition, a catastrophic event that results in the destruction or disruption of the Company's data centers or its critical business or information technology systems would severely affect the ability to conduct normal business operations and, as a result, the operating results would be adversely affected.

There are no assurances that the Company will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placements, public offerings and/or bank financing necessary to support the Company's working capital requirements. To the extent that funds generated from operations, any private placements, public offerings and/or bank financing are insufficient, the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – LOSS PER SHARE

The Company utilizes the guidance per ASC 260, *Earnings Per Share*. Basic earnings per share is calculated on the weighted effect of all common shares issued and outstanding, and is calculated by dividing net income available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share, which is calculated by dividing net income available to common stockholders by the weighted average number of common shares used in the basic earnings per share calculation, plus the number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding.

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NOTE 5 – INVENTORY

Inventory consisted of \$450 at March 31, 2024 and \$785 December 31, 2023:

NOTE 6 – CONVERTIBLE NOTES

On March 27, 2007 the Company entered into a convertible grid promissory note for \$165,000, due one year from the date of issuance, bearing interest at 8% per annum, with a default rate of 18% per annum. The holder has the option to lend additional amounts to the borrower from time to time in the future, on the terms set forth in this agreement. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a conversion price equal to par value. The principal amount of the note at March 31, 2024 and December 31, 2023 is \$1,018,519, and \$1,018,519, respectively, and the related accrued interest is \$2,896,551 and \$2,850,718, respectively.

On August 9, 2009 the Company entered into a convertible grid promissory note for \$720,000 due one year from the date of issuance, bearing interest at 8% per annum, with a default rate of 18% per annum. The holder has the option to lend additional amounts to the borrower from time to time in the future, on the terms set forth in this agreement. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a conversion price equal to par value. The principal amount of the note At March 31, 2024 and December 31, 2023 is \$626,700, and \$626,700, respectively, and the related accrued interest is \$1,651,323 and \$1,623,122, respectively.

On April 20, 2010 the Company entered into a convertible grid promissory note for \$51,500, due one year from the date of issuance, bearing interest at 8% per annum. The holder has the option to lend additional amounts to the borrower from time to time in the future, on the terms set forth in this agreement. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a conversion price equal to par value. The principal amount of the note at March 31, 2024 and December 31, 2023 is \$51,500, and \$51,500, respectively, and the related accrued interest is \$57,764 and \$56,734, respectively.

NOTE 7 – NOTES PAYABLE

On December 2, 2010 the Company entered into a grid promissory note for \$1,350,000, due one year from the date of issuance, bearing interest at 4% per annum. The holder has the option to lend additional amounts to the borrower from time to time in the future, on the terms set forth in this agreement. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a conversion price equal to par value. The principal amount of the note at March 31, 2024 and December 31, 2023 is \$1,350,000, and \$1,350,000 respectively, and the related accrued interest is \$823,500 and \$810,000, respectively.

NOTE 8 – EQUITY

Preferred Stock

Each share of Series A Preferred Stock (i) pays no dividends, but should the Company decide to pay dividends, the holders of the Series A Preferred Stock shall first receive dividends before all other classes of capital, (ii) is convertible into one share the Company's common stock, (iii) has a liquidation preference of \$0.01 per share plus accrued and unpaid dividends, (iv) may be redeemed by the Company only if a Deemed Liquidation Event occurs for \$0.01 per share plus accrued and unpaid dividends, and (v) carries super voting rights of seventy percent (70%) of the entire voting Common Stock eligible to vote at any time until such Series A Preferred shares are either converted, redeemed, or liquidated.

As of March 31, 2024 and December 31, 2023, the Company has 10,000,000 authorized shares of Series A Preferred Stock, \$0.001 par value, of which 1,000,000 shares are issued and outstanding.

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Common Stock

As of March 31, 2024 and December 31, 2023, the Company has 240,000,000 authorized shares of common stock, par value \$0.001, of which 188,808,173 and 188,808,173 shares are issued and outstanding, respectively.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated all transactions and events after the balance sheet date through the date on which these financials were available to be issued and has determined that no additional disclosures are required.