LIMITLESS VENTURE GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 47,977	$ 120,422
Accounts receivable	55,099	80,669
Inventory	146,092	113,946
Prepaid and other current assets	278,753	266,432
Incentive compensation advances	219,000	204,000
Assets from discontinued operations	304,878	299,206
Total current assets	1,075,214	1,084,675
Property and equipment, net	—	—
Goodwill and amortizable intangible asset, net	1,004,234	1,549,726
Total assets	$ 2,056,033	$ 2,634,401
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term advances	$ 197,807	$ 197,807
Accounts payable and accrued liabilities	3,421,395	3,300,303
Convertible and promissory notes payable	2,692,980	2,753,446
Liabilities from discontinued operations	316,022	292,604
Total current liabilities	6,628,204	6,544,160
Warrants	67,565	75,334
Total liabilities	6,695,769	6,619,494
Deficiency in stockholders' equity:		
Preferred stock, no par value; 6,974.839 shares authorized, issued and outstanding as of March 31, 2022 and December 31, 2021	7	7
Common stock, $0.001 par value; 1,000,000,000 shares authorized; 59,337,653 shares issued and outstanding as of March 31, 2022 and 37,770,911 issued and outstanding as of December 31, 2021	3,914,925	3,893,660
Noncontrolling interest	(1,660,888)	(1,310,915)
Additional paid-in capital	13,906,749	13,771,173
Accumulated deficit	(20,800,529)	(20,339,018)
Total deficiency in stockholders' equity	(4,639,736)	(3,985,093)
Total liabilities and deficiency in stockholders' equity	$ 2,056,033	$ 2,634,401

See accompanying notes to unaudited condensed consolidated financial statements.

LIMITLESS VENTURE GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months March 31, 2021	2020
REVENUE	$ 381,811	$ 230,146
COSTS OF REVENUE AND OPERATING EXPENSES		
Costs of revenue	216,476	150,289
Sales and marketing	62,258	40,046
General and administrative	147,834	291,016
Compensation expense	125,000	125,000
Depreciation and amortization expense	4,729	111
Goodwill impairment loss	545,492	—
Total costs of revenue and operating expenses	1,101,789	606,462
Loss from operations	(719,978)	(376,316)
Other income (expense)		
Gain (loss) from change in value of warrant	7,769	(80,210)
Interest expense	(58,849)	(70,124)
Other (expense) income, net	(51,080)	(10,334)
Loss before income taxes	(771,058)	(526,650)
Loss from discontinued operations	(4,369)	(113,149)
Net loss	$ (775,427)	$ (639,799)
Less net loss attributable to noncontrolling interest	27,355	91,367
Net loss attributable to Limitless Venture Group, Inc.	(748,072)	(548,433)
Basic (loss) income per common share	$ (0.01)	$ (0.04)
Diluted (loss) income per common share	$ (0.01)	$ (0.04)
Weighted average basic and diluted shares outstanding	52,048,380	13,334,604
Weighted average diluted shares outstanding	52,048,380	13,334,604

See accompanying notes to unaudited condensed consolidated financial statements.

LIMITLESS VENTURE GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Three Months Ended March 31, 2022

	Stock			Additional paid-in	Accumulated	Total stockholders'
	Common	Preferred	Noncontrolling interest	capital	deficit	equity
Balance at January 1, 2021	$ 3,893,660	$ 7	$ (1,310,915)	$13,771,173	$ (20,339,019)	$ (3,985,095)
Issuance of common for conversion of note principal and interest	18,765	—	—	88,076	—	106,841
Sale of common stock	2,500	—	—	47,500	—	50,000
Change in noncontrolling interest	—	—	(377,328)	—	313,917	(63,411)
Net loss	—	—	27,355	—	(775,427)	(748,072)
Balance at March 31, 2022	**$** 3, 914,925	**$ 7**	**$ (**1,660,888**)**	**$**13,906,749	**$** (20,800,529)	**$ (**4, 639,736**)**

See accompanying notes to unaudited condensed consolidated financial statements.

LIMITLESS VENTURE GROUP, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Three Ended March 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$	(771,058)
Adjustments to reconcile net loss to net cash used in operating activities:		
Goodwill impairment loss		545,492
Gain from change in value of warrant		(7,769)
Amortization expense for note discounts		4,729
Change in operating assets and liabilities:		
Services rendered in exchange for convertible notes		
Accounts receivable		25,570
Incentive compensation advances		(15,000)
Prepaid and other current assets		(12,320)
Inventory		(32,146)
Accounts payable and accrued liabilities		173,740
Net cash used in operating activities		(88,762)
CASH FLOWS FROM INVESTING ACTIVITIES		—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of convertible notes, net of cash repayments		(20,000)
Change in noncontrolling interest		(9,314)
Proceeds from sales of Common Stock		50,000
Net cash provided by financing activities		20,686
Net increase in cash and cash equivalents from continuing operations		(68,076)
Cash used in discontinued operations		(4,369)
Cash and cash equivalents at beginning of period		120,422
Cash and cash equivalents at end of period	$	47,977
Supplemental disclosure of cash and non-cash transactions:		
Interest and income taxes paid	$	—
Conversion of note principal and interest payable into common stock	$	106,841

See accompanying notes to unaudited condensed consolidated financial statements.

LIMITLESS VENTURE GROUP, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — Limitless Venture Group, Inc. (“we,” “us,” “our,” the “Company”, “LVGI” and “Limitless”) provides its shareholders with access to leading small and medium businesses focused on growth. Leveraging its permanent capital base, long-term, disciplined approach, and actionable expertise, LVGI owns controlling interests in our subsidiary businesses and partners with their management teams to build businesses that can unlock significant value for shareholders.

Basis of presentation —As disclosed in NOTE 5, as of December 31, 2021, we have $787,850 in outstanding principal obligations on convertible notes payable to several note holders that are delinquent. We have incurred recurring net losses and have not yet achieved profitable operations. There can be no assurance that we will achieve profitability, continue to finance our operating losses or successfully renegotiate the loans’ terms. No adjustments have been made to our unaudited consolidated financial statements to reflect the uncertainty of our financial condition.

In February 2021, we changed our fiscal year end to December 31 from June 30. The financial statements presented herein reflect a December 31 fiscal year end.

Use of Estimates — The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. We made estimates with respect to an inventory valuation allowance, fair values of long-lived assets and fair value of stock-based compensation amounts. Actual results could differ from these estimates.

Principles of Consolidation — The unaudited consolidated financial statements include the accounts of Limitless Venture Group, Inc. and subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition — The majority of our revenue for the three months ended March 31, 2022 and 2021 is generated from the sales of consumer goods. Under ASC 606, revenue is recognized when our customer obtains control of promised goods in an amount that reflects the consideration we expect to receive in exchange for those goods. We measure revenue based on consideration specified in a contract with a customer including any sales incentives.

Stock-based Compensation — We account for stock-based compensation by applying a fair-value-based measurement method to account for share-based payment transactions with employees, non-employees and directors. We record compensation costs associated with the vesting of unvested options on a straight-line basis over the vesting period. Stock-based compensation is a non-cash expense because we settle these obligations by issuing shares of our common stock instead of settling such obligations with cash payments. We use the Black-Scholes model to estimate the fair value of each option grant on the date of grant. This model requires the use of estimates for expected term of the options and expected volatility of the price of our common stock.

Income Taxes — We record deferred tax assets and liabilities for the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating losses and tax credit carryforwards. We measure deferred tax assets and liabilities 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. We reduce deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that these benefits will not be realized.

We use a recognition threshold and a measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities.

Cash and Cash Equivalents — All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents.

Allowance for Doubtful Accounts — We make judgments related to our ability to collect outstanding accounts receivable and unbilled work-in-progress. We provide allowances for receivables when their collection becomes doubtful by recording an expense. We determine the allowance based on our assessment of the realization of receivables using historical information and current economic trends, including assessing the probability of collection from customers. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments owed to us, an increase in the allowance for doubtful accounts would be required. We evaluate the adequacy of the allowance regularly and make adjustments accordingly. Adjustments to the allowance for doubtful accounts could materially affect our results of operations.

Sales and Use Tax — Applicable revenue-based state and use taxes are included in revenue.

Advertising and Promotion Costs — Advertising and promotion costs are expensed as incurred. Advertising costs totaled approximately $26,864 and $18,076 for the three months ended March 31, 2022 and 2021, respectively.

Recent Accounting Pronouncements

Management has evaluated recently issued accounting pronouncements and does not believe that any of these pronouncements will have a significant impact on our consolidated financial statements and related disclosures.

NOTE 2 — DISCONTINUED OPERATIONS

The operations of KetoSports, Inc. and Jasper Benefits Solutions, LLC are classified as discontinued operations within the unaudited condensed consolidated statements of operations for the three months ended March 31, 2022 and 2021 and the balance sheets as of March 31, 2022 and December 31, 2021.

NOTE 3 — GOODWILL AND INTANGIBLE ASSETS

We are developing a patent and are capitalizing the costs, which we will amortize over the life of the patent once it is established. As of March 31, 2022 and December 31, 2021, goodwill and identifiable intangible assets were as follows:

	March 31, 2022		
	Gross Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	$ 1,002,448	$ —	$ 1,002,448
Patent	1,786	—	1,786
	$ 1,004,234	$ —	$ 1,004,234

	December 31, 2021		
	Gross Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	$ 1,547,940	$ —	$ 1,547,940
Patent	1,786	—	1,786
	$ 1,549,726	$ —	$ 1,557,401

The Company incurred a $545,492 goodwill impairment loss in the three months ended March 31, 2022 as a result of writing off the goodwill realized in the acquisitions of KetoSports, Inc. and Jasper Benefits Solutions, LLC.

NOTE 4 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities are as follows:

	March 31, 2022	December 31, 2021
Accounts payable and accrued liabilities:		
Accounts payable	$ 82,448	$ 100,896
Accrued interest	1,713,544	1,699,004
Accrued salaries	1,605,555	1,480,555
Other accrued liabilities	19,848	19,848
	$ 3,421,395	$ 3,300,303

In April 2019, we adopted an executive incentive compensation plan that provides for our Chief Executive Officer, President and Chief Operating Officer (the "Executives") to earn additional compensation based on achievement of our business objectives, including raising additional working capital. As of March 31, 2022 and December 31, 2021, we advanced a total of $215,000 and $204,000, respectively, in incentive compensation to the Executives that will be earned once we achieve our business objectives.

NOTE 5 — CONVERTIBLE AND PROMISSORY NOTES PAYABLE

Convertible Notes Payable

As of March 31, 2022, we have convertible notes payable having aggregate principal balances of $889,350 that are in default. The notes may be converted into our Common Stock, subject to the number of available authorized common shares.

On January 1, 2010, we issued an unsecured $110,000 convertible note that was subsequently acquired by CGS Investments LLC. The note is due on demand, accrues interest at 10% per annum and is convertible into our Common Stock at 50% discount to average close over trailing 20-days Share. In April 2021, the Company and CGS Investments LLC and agreed that the holder will not convert any portion of the note until the Company's note payable to Leonite Capital is repaid in full and CGS Investments LLC fixed its conversion price at $0.02 per share. The $110,000 note principal and $79,773 and $77,060 in accrued interest are outstanding at March 31, 2022 and December 31, 2021, respectively.

In April 2021, the Company and Joseph Masone agreed that Joseph Masone will not convert any portion of the note until the Company's note payable to Leonite Capital is repaid in full and CGS Investments LLC fixed its conversion price at $0.02 per share.

On December 19, 2011, we issued an unsecured $313,000 convertible note to Thomas Cox that matured on June 1, 2012, accrues interest at 12% per annum and is convertible into our Common Stock at $30.00 per share. The $313,000 note principal and $401,124 and $391,863 in accrued interest are outstanding at March 31, 2022 and December 31, 2021, respectively.

On October 15, 2015, we issued a non-interest bearing unsecured $4,000 convertible note to Paul Ensminger that is due on demand and is convertible into our Common Stock at a conversion price equal to a 50% discount to the three-day average closing price of our Common Stock upon request for conversion. The $4,000 note principal is outstanding at March 31, 2022 and December 31, 2021, respectively.

On February 1, 2019, we issued a $10,000 convertible note that matured on August 1, 2019 and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date plus 2% (5.5%). The note is secured by a blanket lien on all our assets and upon maturity may be converted at the option of the holder, Dane Basham, or our option should Mr. Basham request repayment in cash. The note principal is convertible into our Common Stock at a conversion price equal to $0.09 per share. The $10,000 note principal and $1,999 and $1,814 accrued interest are outstanding at March 31, 2022 and December 31, 2021, respectively.

On June 13, 2019, we issued a $32,200 convertible note to Duncan Weir that matured on June 19, 2019 and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date plus 2% (5.5%). The note is secured by a blanket lien on all our assets and upon maturity may be converted at the option of Mr. Weir or our option should Mr. Weir request repayment in cash. The note principal is convertible into our Common Stock at a conversion price equal to $0.09 per share. The $32,200 note principal and $6,114 and $5,518 accrued interest are outstanding at March 31, 2022 and December 31, 2021, respectively.

On April 30, 2019, we issued three $50,000 convertible notes to Charis Retherford, Will Retherford and Sarah Habuda, respectively, that mature on October 27, 2019 and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date plus

2% (5.5%). The note is secured by a blanket lien on all our assets and upon maturity may be converted at the option of each note holder. The note principal is convertible into our Common Stock at a conversion price equal to $1.50 per share. In consideration for issuing the note, we received the right to $150,000 in services provided by the individuals. As of March 31, 2022 and December 31, 2021, the total of $150,000 notes' principal is outstanding, $27,308 and $24,534 in accrued interest is payable as of March 31, 2022 and December 31, 2021, respectively and $113,480 is included in prepaid expenses in our unaudited consolidated balance sheets as of March 31, 2022 and December 31, 2021, respectively.

On April 30, 2019, we issued a $25,000 convertible note to Devmercs LLC ("Devmercs") that matures on October 27, 2019 and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date (5.5%) plus 2%. The note is secured by a blanket lien on all our assets and upon maturity may be converted at the option of Devmercs. The note principal is convertible into our Common Stock at a conversion price equal to $0.75 per share. In consideration for issuing the note, we received the right to $25,000 in services provided by Devmercs. As of March 31, 2022 and December 31, 2021, the $25,000 note principal is outstanding and included in prepaid expenses and $4,551 and $4,089 of accrued interest, respectively, is included in accounts payable and accrued liabilities in our unaudited consolidated balance sheet.

On May 9, 2019, we issued a $10,000 convertible note to Adrian Ross Brown that matures on November 9, 2019 and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date plus 2% (5.5%). The note is secured by a blanket lien on all our assets and upon maturity may be converted at the option of Mr. Brown or our option should Mr. Brown request repayment in cash. The note principal is convertible into our Common Stock at a conversion price equal to $0.27 per share. The $10,000 note principal and $1,794 and $1,609 in accrued interest are outstanding at March 31, 2022 and December 31, 2021, respectively.

On May 23, 2019, we issued a $12,000 convertible note to Christopher Gibson that matures on November 23, 2019 and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date (5.5%) plus 2%. The note is secured by a blanket lien on all our assets and upon maturity may be converted at the option of Mr. Gibson or our option should Mr. Gibson request repayment in cash. The note principal is convertible into our Common Stock at a conversion price equal to $0.27 per share. The $12,000 note principal and $2,118 and $1,896 in accrued interest are outstanding at March 31, 2022 and December 31, 2021, respectively.

On June 19, 2019, we issued a $50,000 convertible note to Wesley R. Curry that matures on June 14, 2020 and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date plus 2% starting June 14, 2020. The note is secured by a blanket lien on all our assets and upon maturity may be converted at the option of Mr. Curry or our option should Mr. Curry request repayment in cash. The note principal is convertible into our Common Stock at a conversion price equal to $0.21 per share. The $50,000 note principal and $5,608 and $4,837 in accrued interest are outstanding at March 31, 2022 and December 31, 2021, respectively.

On June 15, 2021, we issued a total of $85,000 in convertible notes for marketing, search engine optimization and online advertising service to three companies that mature 365 days from issuance and, upon maturity, accrues interest at the U.S. prime rate as of the maturity date plus 2%. On September 15, 2021, we issued an additional $12,500 in notes under the same terms and conditions. The notes are secured by a blanket lien on all our assets and upon maturity may be converted at each note holder's option. The note principal is convertible into our Common Stock at $0.09 per share. The $97,500 note principal is outstanding at March 31, 2022 along with $17,310 in accrued interest.

On August 18, 2020, LVGI and Leonite Capital, LLC ("Leonite") entered into a series of agreements pursuant to which LVGI agreed to sell Leonite senior secured convertible notes ("Notes"), issue warrants to Leonite, give Leonite priority rights to purchase shares of LVGI Common Stock should LVGI sell shares through its approved SEC Registration on Form 1-A for up to $1,500,000 in issuance proceeds, give Leonite the right of first refusal on future LVGI financings, and give Leonite the right to acquire a minority interest in future LVGI acquisitions. LVGI sold $655,380 in Notes to Leonite that have a 10% original issuer discount, a 10% interest rate, being equal to the greater of 10% or the U.S. prime rate plus 6.75%. The Notes require monthly interest payments and nine equal monthly principal payments starting in September 2021. Based on the Notes sold, we issued to Leonite 523,988 shares of LVGI Common Stock, warrants to purchase 1,523,250 shares of LVGI Common Stock at $0.08 per share for up to ten years, and the right to convert the Notes into LVGI Common Stock at $0.05 per share.

On July 12, 2021, the Company and Leonite amended the terms of the Leonite Notes that waived any nonpayment defaults at the time, caused Leonite to advance the Company $50,000, net of $13,583 in fees and the original issuer discount provided for in the Leonite Notes, prohibited Leonite from taking any collections actions for three months and caused the Company to seek a reduction in the offering price of its registered Common Stock to $0.021 per share.

On March 1, 2022, the Company and Leonite amended the terms of the Leonite Notes. The amendment places the Notes in a six-month forbearance period, during which Leonite may convert outstanding Note principal into newly issued LVGI Common Stock at a fixed price of $0.01 per share. The Amendment sets the Note's interest rate for the forbearance period at the greater of 10% per annum or the U.S. Prime Rate (currently 4.00%) plus 6.75% and stops interest from accruing at a default rate of interest. The current outstanding Note principal is approximately $1.3 million, not including a $300,000 contingent forbearance fee that locks in the updated Note terms, but will be forgiven if the current outstanding balance is repaid within 18 months.

The components of the outstanding principal amounts for convertible notes are as follows:

	March 31, 2022	December 31, 2021
Convertible note holders:		
CGS Investments LLC	$ 110,000	$ 110,000
Joseph Masone	75,650	75,650
Thomas Cox	313,000	313,000
Paul Ensminger	4,000	4,000
Dane Casham	10,000	10,000
Duncan Weir	32,200	32,200
Charis Retherford	50,000	50,000
Sarah Habuda	50,000	50,000
Will Retherford	50,000	50,000
Devmercs LLC	25,000	25,000
Adrian Ross Brown	10,000	10,000
Wesley R. Curry	50,000	50,000
Christopher Gibson	12,000	12,000
Dennis Shaknovich	97,500	97,500
Leonite Capital	1,095,496	1,134,781
	$ 1,984,846	$ 2,024,131

Promissory Notes Payable

On December 31, 2017, Rokin entered into a Employee Compensation Loan Agreement with its Chief Executive Officer, who owns an equity interest in Rokin, ("Rokin CEO") pursuant to which the Rokin CEO agreed to lend Rokin cash and perform CEO services that are repayable on April 1, 2023 with interest accruing at 15% per annum, compounding annually. As of March 31, 2022 and December 31, 2021, the outstanding loan principal was $332,000.

On January 16, 2017, Rokin entered into a Loan Agreement with two individuals, who own an equity interest in Rokin, pursuant to which Rokin borrowed $18,955 that is repayable on April 1, 2023 with interest accruing at 15% per annum, compounding annually. An earlier advance of $15,000 by the two individuals is being carried under the same terms as the January 16, 2017 Loan Agreement. On September 20, 2017, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $10,000 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On September 20, 2017, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $10,000 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On January 2, 2018, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $12,500 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On January 17, 2019, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $10,000 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On January 21, 2021, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $2,475 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. As of March 31, 2022 and December 31, 2021, the outstanding loans' principal was $68,930.

On January 16, 2017, Rokin entered into a Loan Agreement with with an entity that owns an equity interest in Rokin, pursuant to which Rokin borrowed $30,120 that is repayable on April 1, 2023 with interest accruing at 15% per annum, compounding annually. An earlier advance of $15,000 by the entity is being carried under the same terms as the January 16, 2017 Loan Agreement. On June 20, 2017, Rokin entered into a Loan Agreement with the same entity pursuant to which Rokin borrowed $16,000 that is repayable on June 20, 2022 with interest accruing at 15% per annum, compounding annually. On September 20, 2017, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $20,000 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On January 2, 2018, Rokin entered into a Loan Agreement with the same entity pursuant to which Rokin borrowed $17,444 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On January 21, 2021, Rokin entered into a Loan Agreement with the same entity pursuant to which Rokin borrowed $3,960 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. As of March 31, 2022 and December 31, 2021, the outstanding loans' principal was $112,524.

On January 16, 2017, Rokin entered into a Loan Agreement with two individuals, who own an equity interest in Rokin, pursuant to which Rokin borrowed $13,269 that is repayable on April 1, 2023 with interest accruing at 15% per annum, compounding annually. An earlier advance of $10,500 by the two individuals is being carried under the same terms as the January 16, 2017 Loan Agreement. On September 20, 2017, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $7,000 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On September 20, 2017, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $10,000 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On January 2, 2018, Rokin entered into a Loan Agreement with the same entity pursuant to which Rokin borrowed $9,636 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. On January 21, 2021, Rokin entered into a Loan Agreement with the same entity pursuant to which Rokin borrowed $1,738 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. As of March 31, 2022 and December 31, 2021, the outstanding loans' principal was $52,143.

On September 15, 2017, Rokin entered into a Loan Agreement with the Rokin CEO and an entity controlled by the Rokin CEO pursuant to which the Rokin CEO and related entity agreed to lend Rokin $20,000 that is repayable on September 1, 2022 with interest accruing at 15% per annum, compounding annually. Earlier advances of $110,000 by the Rokin CEO is being carried under the same terms as the January 16, 2017 Loan Agreement. As of March 31, 2022 and December 31, 2021, the outstanding loan principal was $130,000.

On January 16, 2017, Rokin entered into a Loan Agreement with two individuals, who own an equity interest in Rokin, pursuant to which Rokin borrowed $17,000 that is repayable on September 1, 2022 with interest accruing at 15% per annum, compounding annually. On January 18, 2019, Rokin entered into a Loan Agreement with the same two individuals pursuant to which Rokin borrowed $3,000 that is repayable on September 20, 2022 with interest accruing at 15% per annum, compounding annually. As of March 31, 2022 and December 31, 2021, the outstanding loan principal was $20,000.

On January 22, 2019, Rokin entered into a Loan Agreement with an individual, who own an equity interest in Rokin, pursuant to which Rokin borrowed $35,000 that is repayable on September 1, 2022 with interest accruing at 15% per annum, compounding annually. As of March 31, 2022 and December 31, 2021, the outstanding loan principal was $35,000.

On January 2, 2019, Rokin received a $19,300 non-interest bearing advance from an individual. As of March 31, 2022 and December 31, 2021, the outstanding advance was $19,300.

NOTE 6 – SHORT-TERM ADVANCES

As of March 31, 2022 and December 31, 2021, we owed $197,807, respectively, to the Chief Executive Officer for cash advanced to us for operating purposes. The advance is repayable on demand.

NOTE 7 – WARRANTS

In connection with the sales of Notes to Leonite, we issued a total of 1,523,250 warrants to purchase our Common Stock at $0.08 per share. The warrants expire ten years from their dates of issuance. The warrants may be settled in cash and therefore we have recognized a liability for the outstanding warrants based on their fair market values as of the dates of their issuance. We valued the warrants using the Black-Scholes method and carry the initial values as a debt discount that is amortized over the one-year terms of the Notes.

NOTE 8 − STOCKHOLDERS' EQUITY

Reverse Stock Split

On March 31, 2020, the Company filed an amendment to its Restated Certificate of Incorporation to affect a 1-for-300 reverse split of its issued and outstanding common stock that became effective in July 2020. Unless otherwise noted, all references herein to the number of common shares, price per common share or weighted average number of common shares outstanding have been adjusted to reflect this reverse stock split on a retroactive basis.

Common Stock

In the three months ended March 31, 2022, we realized $50,000 from the sale of 2,500,000 shares of our Common Stock at $0.02 per share.

Certain Anti-Takeover Provisions/Agreements with Stockholders

Our restated certificate of incorporation allows the board of directors to issue shares of preferred stock and to determine the price, rights, preferences and privileges of those shares without any further vote or action by our stockholders. The rights of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. Issuance of preferred stock, while providing desired flexibility in connection with possible acquisitions and other corporate purposes could make it more difficult for a third party to acquire a majority of our outstanding voting stock.

On May 22, 2012, we authorized one share of no par Series G Preferred ("G") that entitles the holder to (i) exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisioners of the articles of incorporation if any amendment would alter or change any preference or any relative or any right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of voting power of such class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof, (ii) exercise the holder's voting power without converting the G into Common Stock and (iii) convert, at the holder's sole option, a share of G Preferred Stock into Common Stock upon providing the Company with fifteen days written notice with the number of Common shares to be issued being equal to 51% of the then outstanding Common Stock. On May 22, 2012, we issued one share of G to our Chief Executive Officer at the time and on January 15, 2014; our current Chief Executive Officer acquired the share of G. As of March 31, 2022 and December 31, 2021, one share of G is issued and outstanding.

On September 10, 2019, we issued 7.5 shares of Series N non-voting Preferred Stock that entitles the holder to convert each share into 10,000,000 shares of our Common Stock for a total of 25,000 Common shares.

On May 6, 2020, we issued a total of 3,333.339 shares of our non-voting Preferred Stock, consisting of 766.667 shares of Series T, 727.001 shares of Series U, 700.001 shares of Series V, 528.001 shares of Series W, 330.001 shares of Series X, 231.667 shares of Series Y, 33.334 shares of Series Z and 16.667 shares of Series AA that entitles the holders to convert each share into 1,000 shares of our Common Stock for a total of 3,333,339 Common shares.

On August 18, 2020, we issued a total of 2,500 shares of our non-voting Preferred Stock, consisting of 750 shares of Series AB, 750 shares of Series AC, 500 shares of Series AD and 500 shares of Series AE that entitle the holders to convert each share into our Common Stock for a total of 8,333,333 Common shares.

On November 18, 2020, we issued a total of 1,133 shares of our non-voting Series AF Preferred Stock that entitle the holder to convert each share into our Common Stock for a total of 1,133,000 Common shares.

NOTE 9 — (LOSS) INCOME PER COMMON SHARE

We compute basic (loss) income per share ("IPS") by dividing net income or loss available to common stockholders by the weighted average number of shares outstanding during the period, including common stock issuable under participating securities. We compute diluted IPS using the weighted average number of shares outstanding, including participating securities, plus all potentially dilutive common stock equivalents. Common stock equivalents consist of stock options and restricted stock.

As a result of our loss for the three months ended March 31, 2022, basic and diluted IPS are $(0.01) and $(0.01), respectively, because any potentially dilutive shares are excluded from determining the dilutive IPS per share. As a result of our loss for the three months ended March 31, 2021, basic and diluted IPS are $(0.04) and $(0.04), respectively, because any potentially dilutive shares are excluded from determining the dilutive IPS per share.

As of March 31, 2022 and December 31, 2021, approximately 500,000,000 shares are potentially issuable upon conversion of convertible note principal and interest at the applicable conversion price for each note.

NOTE 10 — SHARE-BASED COMPENSATION

We account for stock-based compensation by applying a fair-value-based measurement method to account for share-based payment transactions with employees and directors, and record compensation cost for all stock awards granted and awards modified, repurchased, or cancelled after that date, using the modified prospective method. We record compensation costs associated with the vesting of unvested options on a straight-line basis over the vesting period. With respect to our stock-based compensation plans, we recognized share-based compensation expense in the unaudited consolidated statements of operations $0 and $31,250 for the three months ended March 31, 2022 and 2021, respectively.

Stock Incentive Plan

In September 2019, our Board of Directors approved the 2019 Stock Incentive Plan (the "2019 Stock Plan"). Awards permitted under the 2019 Stock Plan include: Stock Options and Other Stock-Based Awards. Awards issued under the 2019 Stock Plan are at the discretion of the Board of Directors.

There were no stock options granted during the three months ended March 31, 2022.

NOTE 11 —GEOGRAPHICAL INFORMATION

We are headquartered in Tulsa, Oklahoma. All of our long-lived assets are in the U.S.

NOTE 12 — COMMITMENTS AND CONTINGENCIES

(a) Lease Commitments

Under Topic 842, operating lease expense is generally recognized evenly over the term of the lease. The Company has no operating leases. Rent expense was $1,382 and $811 for the three months ended March 31, 2022 and 2021, respectively.

(b) Other Commitments

As permitted under Nevada law, we have agreements with officers and directors under which we agree to indemnify them for certain events or occurrences while the officer or director is, or was, serving at our request in this capacity. The term of the indemnification period is indefinite. There is no limit on the amount of future payments we could be required to make under these indemnification agreements. Given our historical record of no claims having been made against our officers and directors, we believe the estimated fair value of these indemnification agreements is minimal. Accordingly, there were no liabilities recorded for these agreements as of March 31, 2022 and December 31, 2021.

Under terms of our agreement to acquire a majority interest in Rokin, we committed to raising $1,000,000 to be used primarily as working capital for the Rokin business. On October 1, 2021, we amended our May 6, 2020 agreement to acquire a 51% ownership interest in Rokin and agreed to immediately contribute $200,000 in cash to Rokin to be used as working capital to develop Rokin's business, to contribute before September 30, 2025 an additional $800,000 in cash for such purposes to earmark 25% of any proceeds from sales of our Common Stock to third parties as part of our cash contributions to Rokin. We agreed to issue a total of 3,333 shares of Preferred Stock from Series AG, AH, AI, AJ, AK, AL, AM and AN to the Rokin shareholders with the shares being convertible into our Common Stock at a ratio of 1share of Preferred Stock to 1,000 shares of Common Stock. We agreed to issue a total of 1,333 shares of Preferred Stock from Series AG, AH and AI to three Rokin shareholders who have leading management roles in Rokin, with the shares being convertible into our Common Stock at a ratio of 1share of Preferred Stock to 1,000 shares of Common Stock. Rokin agreed to distribute future excess operating cash, as defined in the agreement, to us and should the cash distributions not reach forecasted amounts, we agreed, subject to cure provisions, that the Company has the right to cause Rokin to acquire the Company's shares of Rokin stock under terms of the May 6, 2020 Buy/Sell Agreement, as amended. We will recognize the value of the additional shares of Preferred Stock issued pursuant to the October 1, 2021 agreement as an addition to the goodwill recognized upon the May 6, 2020 acquisition.

(c) Litigation

From time to time, we are involved in various legal matters arising in the normal course of business. The outcome of this matter is undetermined at this time and currently do not expect the out of any such proceedings, either individually or in the aggregate, to have a material effect on our financial position, cash flows or results of operations.

(d) Employment Agreements

On September 6, 2019, we entered into an employment agreement with SHHI's Chief Executive Officer and President that provides for an annual salary of $200,000, participation in our 2019 Stock Option Plan and incentive compensation plan and eight weeks of annual paid leave. On April 1, 2019, we granted our Chief Executive Officer and President 833,333 stock options having a grant price of $0.30 per share, a two-year term, quarterly vesting on a straight-line basis and the right to start exercising on April 1, 2020. On August 8, 2019, we amended the employment agreement to reassign his role to be LVGI's Chief Operating Officer.

On January 15, 2014, we entered into an employment agreement with our Chief Executive Officer ("CEO Agreement") that provides for his services for a nine-month period ended July 15, 2014 and is automatically extended for one-year periods provided that neither party has terminated the Agreement with 60-day prior written notice. Compensation under the CEO Agreement consists of a $1 annual salary and the right to receive a three-year option to purchase up to 200,000 shares of our Common Stock at $0.30 per share. The CEO Agreement provides for the payment of an annual operational incentive bonus in the amount of 1% of fiscal year revenues, provided we are profitable under terms defined by the CEO Agreement, an annual profit incentive bonus equal to 1% of our pre-tax operating profits, a discretionary bonus determined by our Board of Directors all of which bonuses are payable in our Common Stock and cash of an equal basis. In the event that any of the our product lines are sold, the CEO Agreement calls for the Chief Executive Officer to be paid 3% of the gross proceeds from the sale at closing. Effective April 1, 2019, we agreed to amend the CEO Agreement to provide for an annual salary of $300,000 payable in cash and to reaffirm that our Chief Executive Officer has the right to receive 200,000 stock options and that such option have no expiration date. We have not yet issued the stock option. For the three months ended March 31, 2022, no discretionary bonuses were awarded and we incurred no bonus expense under the terms of the CEO Agreement, as amended.