



Rooshine, Inc.

105 Pine Creek Trail, Ormond Beach, FL 32174

347-742-1434

www.drinkrooshine.com

Max@DrinkRooshine.com

SIC 5182

Quarterly Report

For the period ending June 30, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

22,400,300 as of June 30, 2024

22,400,300 as of December 31, 2023

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 Control¹ of the company has occurred over 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 any names used by predecessor entities, along with the dates of the name changes.

<u>Effective Date</u>	<u>New Name</u>	<u>Address</u>
September 21, 2017	Rooshine, Inc.	105 Pine Creek Trail, Ormond Beach, FL
February 4, 2014	Choose Rain, Inc.	105 Pine Creek Trail, Ormond Beach, FL
Before May 29, 2002:	Resolve Staffing, Inc.	3235 Omni Dr., Cincinnati, OH
May 23, 2002:	Columbialum Staffing, Inc.	310 East Harrison Street, Tampa, FL
April 9, 1998:	Columbialum, Ltd.	610 Newport Center Drive, Newport, CA

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Current State and Date of Incorporation or Registration: Nevada April 9, 1998

Standing in this jurisdiction: (e.g. active, default, inactive): Active

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

None

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

None

The address(es) of the issuer's principal executive office:

224 Roosevelt Ave Avon by the Sea, NJ 07717

The address(es) of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

105 Pine Creek Trail, Ormond Beach, FL 32174

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: ClearTrust LLC

Phone: 813-235-4490

Email: inbox@cleartrusttransfer.com

Address: 16540 Pointe Village Drive, Ste. 210, Lutz, FL 33558

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:	<u>RSAU</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>776616203</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>55,000,000</u>	<u>as of date: June 30, 2024</u>
Total shares outstanding:	<u>22,400,300</u>	<u>as of date: June 30, 2024</u>
Total number of shareholders of record:	<u>229</u>	<u>as of date: June 30, 2024</u>

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

None.

Other classes of authorized or outstanding equity securities:

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). 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:	<u>Preferred Stock</u>	
CUSIP (if applicable):	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>1,000,000</u>	<u>as of date: June 30, 2024</u>
Total shares outstanding (if applicable):	<u>0</u>	<u>as of date: June 30, 2024</u>
Total number of shareholders of record:	<u>N/A</u>	<u>as of date: June 30, 2024</u>

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.

All issued and outstanding shares of common stock are fully paid and non-assessable. Each holder of common stock is entitled to one vote for each share owned on all matters voted upon by shareholders and a majority vote is required for all actions taken by shareholders.

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

Registrant's board of directors has the authority, without further action by the shareholders, to issue shares of preferred stock in one or more series and to fix the rights, preferences and the number of shares constituting any series of the designation of such series.

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.

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

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 Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date 01/01/2022 Common: 22,400,300 Preferred: None									
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: <u>Ending Balance:</u> Date 6/30/2024 Common:22,400,300 Preferred: 0									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Quarterly 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.

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

N/A

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: (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.)
<u>6/22/15</u>	<u>\$40,022</u>	<u>\$0</u>	<u>\$0</u>	<u>On Demand</u>	<u>Not Convertible</u>	<u>Larry Curran</u>	<u>Replace Accrued Expenses</u>
<u>6/22/15</u>	<u>\$35,830</u>	<u>\$25,500</u>	<u>\$0</u>	<u>On Demand</u>	<u>Not Convertible</u>	<u>Larry Curran</u>	<u>Replace Accrued Expenses</u>
<u>12/31/20</u>	<u>\$46,203</u>	<u>\$0</u>	<u>\$0</u>	<u>On Demand</u>	<u>Not Convertible</u>	<u>Larry Curran</u>	<u>Replace Accrued Expenses</u>
<u>12/31/20</u>	<u>\$47,930</u>	<u>\$0</u>	<u>\$0</u>	<u>On Demand</u>	<u>Not Convertible</u>	<u>Jimmy Little</u>	<u>Replace Accrued Expenses</u>
<u>11/9/2020</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$0</u>	<u>On Demand</u>	<u>Not Convertible</u>	<u>Maximo Gomez</u>	<u>Loan</u>
<u>2/24/2021</u>	<u>\$890,000</u>	<u>\$890,000</u>	<u>\$133,227</u>	<u>12/31/24</u>	<u>Not Convertible</u>	<u>James Loures (a)</u>	<u>Loan</u>
<u>9/13/2021</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$0</u>	<u>12/31/24</u>	<u>Not Convertible</u>	<u>Accrual Asset Management LLC (b)</u>	<u>Loan</u>
<u>4/6/2022</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$0</u>	<u>12/31/24</u>	<u>Not Convertible</u>	<u>Accrual Asset Management LLC (b)</u>	<u>Loan</u>

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

- (a) In 2023, Due North Financial assigned this promissory note and all accrued interest to Mr. James Loures
 (b) Accrual Asset Management LLC, Donald McCartin, Managing Partner

4) Issuer's Business, Products and Services

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

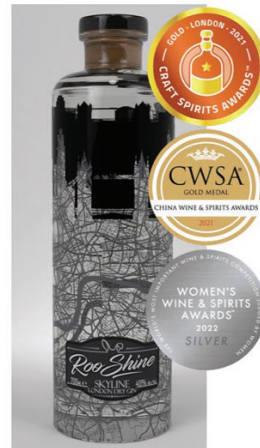
A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Company Overview:

- *Rooshine is a Nevada Corporation, originally formed in 1998 as a staffing company.*
- *Through a reverse merger and subsequent change of control aimed at utilizing the existing and established public entity, the company transitioned its focus to the spirit development, importation, distribution and sales industry.*
- *Over the next several years the Company worked to develop the technology behind its proprietary aging process and as well as a number of bespoke whisky, rum, gin and vodka-based sprints recipes.*
- *In September of 2020 the board appointed the current CEO, Max Gomez.*
- *Since his appointment Max has worked with the Board of Directors and majority shareholders to restructure the corporate entity from both a governance and financial management perspective and secure the necessary credentials, licensure and relationships to mass produce and ship product, with the singular focus of transitioning from a pre-revenue development stage entity into a leader in the spirits industry.*

Areas of focus over the course of 2022:

- **Acquiring whisky and rum barrel assets and stockpiling those assets in bonded storage**
 - The goal of this program is several-fold, but the primary and secondary intentions are (1) to strengthen the Company's balance sheet with an appreciable asset base and (2) to provide a secondary line of business in the fine spirits auction market
 - At present the Company's inventory stands at 490 barrels and 13 IBCs, with an aggregate insured value of \$8,622,250.00 USD (inclusive of the spirit and the fixed asset of the barrel).
 - Press Release: <https://www.otcmartets.com/stock/RSAU/news/Rooshine-Adds-275-Barrels-of-6--and-10-Year-Old-Whiskey-to-Stockpile?id=299794>
- **Securing appropriate licensure to initiate product sales in US**
 - On October 12, 2020 the U.S. Department of The Treasury - Alcohol and Tobacco Tax and Trade Bureau (TTB) approved the Company's application for both an Importers and Wholesalers License
 - This enables the Company to import and wholesale its products throughout the US more effectively and efficiently
 - Press Release: <https://www.otcmartets.com/stock/RSAU/news/Rooshine-Obtains-Wholesalers-and-Importers-Licenses-from-TTB?id=281101>
- **Proving the merits of our technology and product recipes**
 - Rooshine entered both its Mutiny Spiced Rum and First Mate Blended Whisky into the 2021 International Wine and Spirits Competition and received a 96-point gold medal designation for the Rum and a bronze medal designation for the Whisky.
 - Adding further gravitas to the award was the fact that this year's IWSC was the largest in its 50 year history with over 4000 entries from 86 countries and 13% of the entries boasting ages of 10 years or more, with our products recipes averaging only 3 years.
 - Press Release: <https://www.otcmartets.com/stock/RSAU/news/UPDATE-2021-IWSC-Spirits-Judging-Results-are-out-Rooshine-wins-GOLD-and-BRONZE?id=310583>
 - Since these first spirits tasting competition, Rooshine has secured 12 more Gold and Silver Medal awards across various other competitions in Europe and Asia.



- **Innovating to improve customer acquisition and retention**
 - In February of 2021 Rooshine received a matching grant from Hedera Hashgraph, the enterprise-grade distributed ledger backed by Google, to build its block-chain driven auction marketplace for rare and bespoke spirits.
 - The auction platform will disrupt the spirits auction marketplace by providing end-users with immutable proof of product provenance (to address ubiquitous issues with fraud in this segment of the industry) and transaction finality.
 - Press Release: <https://www.prnewswire.com/news-releases/new-hedera-token-service-offers-native-token-issuance-and-configurability-without-smart-contracts-301224076.html>

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

Rooshine, Inc. has one subsidiary, Rooshine, Ltd. a limited company, in United Kingdom. International Spirit Vault, LTD is owned and controlled by Rooshine's Chairman of the Board and substantial Shareholder, Leslie B. McCall. Mr. McCall is the inventor of the processes licensed to Rooshine.

C. Describe the issuers' principal products or services.

Rooshine's brand of bespoke spirits are produced with the finest ingredients and custom recipes sourced from around the world. Rooshine uses a patented proprietary method, which leverages electromagnetic pulse technology and significantly increases the surface area of the barrel +400% to accelerate the aging process of the spirit while in the barrel.

Unlike other accelerated maturation processes on the market, Rooshine, Inc does not de-nature the spirit through boiling or pressurization, but rather accelerates the natural ageing process by expanding the surface area of the barrel, uses electromagnetic pulse technology and a bespoke renewable crystallization process.

Through the use of this process, Rooshine is able to reduce the maturation process from years to a matter of days or weeks, while infusing the spirit with the essence of the barrel's conditioning. As a result of the enhanced speed and the fact that the accelerated aging process can occur in the barrel, Rooshine is able to cycle a single spirit through multiple barrel/wood combinations to develop unique flavors that would otherwise take decades or perhaps even centuries to produce.

5) Issuer's Facilities

The goal of this section is to provide a potential investor 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, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Rooshine currently has no distillation nor bottling facilities. Distillation of the Bespoke Spirits is initially being contracted out with The International Spirit Vault Ltd, supplying the sachets required for our proprietary aging and flavoring methodologies. Bottling will also be contracted to the multitude of bottling companies world-wide.

Rooshine has no physical facilities. We have engaged suppliers, distillers, and distributors each of whom have enough facilities to fulfill our needs. Our corporate office is 105 Pine Creek Trail, Ormond Beach, FL.

6) All Officers, Directors, and Control Persons

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.

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 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Maximo A. Gomez II	<u>Chief Executive Officer and Board Member</u>	<u>Avon by the Sea, NJ</u>	<u>600,000</u>	<u>N/A</u>	<u>2.68%</u>	

<u>The International Spirit Vault LTD. ("ISV")</u>	<u>Owned by Board Chairman, Less McCall</u>	<u>Devon England</u>	<u>7,602,300</u>	<u>Common</u>	<u>33.94%</u>	<u>Les McCall</u>
Finneus Jefferson Fund, LLC	<u>More than 5% Shareholder</u>	<u>Toms River, NJ</u>	<u>4,602,500</u>	<u>Common</u>	<u>20.55%</u>	Finneus Jefferson Fund, LLC, Stephen Morley, Manager
Accrual Assets Management Fund, LLC	<u>More than 5% Shareholder</u>	<u>Neptune, NJ</u>	<u>2,305,072</u>	<u>Common</u>	<u>10.29%</u>	Accrual Assets Management Fund, LLC, Donald McCartin, Manager
<u>Arline Loures & James Loures Jt Ten</u>	<u>Shareholders</u>	<u>Avon by the Sea, NJ</u>	<u>1,655,505</u>	<u>Common</u>	<u>7.39%</u>	
<u>DTC Broker Balances Note (a)</u>	<u>Shareholders</u>	<u>Various</u>	<u>784,899</u>	<u>Common</u>	<u>3.50%</u>	
<u>Non-Control - <5%</u>	<u>Shareholders</u>	<u>Unknown</u>	<u>4,102,324</u>	<u>Common</u>	<u>21.65%</u>	

Notes:

(a) 35 Brokers

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, in the past 10 years:

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);

None

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;

None

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;

None

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

None

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.

None

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.

None

- 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

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.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Michael S. Kasanoff
Firm: Michael S. Kasanoff, LLC
Address 1: 9 Stillwell Street
Address 2: Matawan, NJ 07747
Phone: 908-902-5900
Email: mkasanoff@att.net

Accountant or Auditor

Name: Adam Wasserman
Firm: CFO Oncall, Inc.
Address 1: 1333 S. University Dr., Suite 202
Address 2: Plantation, FL 33324
Phone: 954-616-5582
Email: adamw@cfooncall.com

Investor Relations

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

All other means of Investor Communication:

Twitter: <https://twitter.com/rooshine>
Discord: _____
LinkedIn: _____
Facebook: <https://www.facebook.com/drinkrooshine>
Instagram: <https://www.instagram.com/drinkrooshine/>

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:

Firm:

Nature of Services:

Address 1:

Address 2:

Phone:

Email:

9) Disclosure and Financial Information

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

Name: Adam Wasserman

Title: Consultant

Relationship to Issuer: Consultant

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

IFRS

U.S. GAAP

C. The following financial statements were prepared by (name of individual)²:

Name: Adam Wasserman

Title: Consultant

Relationship to Issuer: Consultant

Describe the qualifications of the person or persons who prepared the financial statements: **Mr. Wasserman has over 30 years of accounting and financial reporting experience with preparing financial statements in accordance with U.S. GAAP.**

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

² 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.

**ROOSHINE, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024
(Unaudited)**

ROOSHINE, INC. AND SUBSIDIARY
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JUNE 30, 2024
(Unaudited)

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ROOSHINE, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,977	\$ 2,050
Inventory	1,756,398	1,756,398
Prepaid expenses - current	82,257	82,197
Total Current Assets	<u>1,841,632</u>	<u>1,840,645</u>
NON - CURRENT ASSETS:		
Prepaid expenses - non-current	277,200	277,200
Advance deposits for capital construction - related party	64,339	64,339
Property and equipment, net	153,858	166,504
Total Non-Current Assets	<u>495,397</u>	<u>508,043</u>
 Total Assets	 <u>\$ 2,337,029</u>	 <u>\$ 2,348,688</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 28,639	\$ 22,438
Accounts payable - related party	799,005	634,896
Accrued compensation and accrued expenses	1,956,355	1,930,100
Notes payable	1,282,055	1,160,000
Loan payable	47,930	47,930
Advances payable	216,000	194,000
Other current liabilities	27,500	27,500
Due to shareholders and other related parties	25,000	145,192
Total Current Liabilities	<u>4,382,484</u>	<u>4,162,056</u>
 Total Liabilities	 <u>4,382,484</u>	 <u>4,162,056</u>
Common stock with put option (400,000 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively)	<u>400,000</u>	<u>400,000</u>
Commitments and Contingencies (see Note 11)		
STOCKHOLDERS' DEFICIT:		
Preferred stock, \$0.001 par value; 1,000,000 authorized, none issued and outstanding as of June 30, 2024 and December 31, 2023		
Common stock, \$0.001 par value, 55,000,000 shares authorized, 22,249,050 shares and 22,249,050 shares issued and 22,000,300 and 22,000,300 shares outstanding as of June 30, 2024 and December 31, 2023, respectively	22,249	22,249
Additional paid in capital	2,732,855	2,732,855
Accumulated deficit	(4,899,572)	(4,667,485)
Treasury stock, at cost, 248,750 shares and 248,750 shares as of June 30, 2024 and December 31, 2023, respectively	(300,987)	(300,987)
Total Stockholders' Deficit	<u>(2,445,455)</u>	<u>(2,213,368)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 2,337,029</u>	<u>\$ 2,348,688</u>

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

ROOSHINE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Sales	\$ -	\$ -	\$ -	\$ -
Operating Expenses:				
Storage fees	72,306	71,879	144,788	142,065
Selling, general and administrative expenses	20,098	30,819	39,861	60,278
Total Operating Expenses	92,404	102,698	184,649	202,343
Loss from Operations	(92,404)	(102,698)	(184,649)	(202,343)
Other (Expenses) Income:				
Foreign currency transaction gain (loss)	(1,197)	(11,059)	(19,319)	(18,133)
Inducement fee	-	-	-	(40,000)
Interest expense and amortization of debt discount	(14,059)	(14,019)	(28,119)	(28,018)
Total Other (Expenses) Income, net	(15,256)	(25,078)	(47,438)	(86,151)
Loss before Provision for Income Taxes	(107,660)	(127,776)	(232,087)	(288,494)
Provision for income taxes	-	-	-	-
Net Loss	\$ (107,660)	\$ (127,776)	\$ (232,087)	\$ (288,494)
NET LOSS PER COMMON SHARE:				
Basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic and diluted	22,400,300	22,400,300	22,400,300	22,400,300

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

ROOSHINE, INC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
For the Three and Six Months Ended June 30, 2024 and 2023
(Unaudited)

	Comm Stock \$0.001 par value		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Deficit
	Shares	Amount			Shares	Amount	
Balance, December 31, 2023	22,249,050	\$ 22,249	\$ 2,732,855	\$ (4,667,485)	248,750	\$ (300,987)	\$ (2,213,368)
Net loss for the period	-	-	-	(124,427)	-	-	(124,427)
Balance, March 31, 2024	22,249,050	22,249	2,732,855	(4,791,912)	248,750	(300,987)	(2,337,795)
Net loss for the period	-	-	-	(107,660)	-	-	(107,660)
Balance, June 30, 2024	<u>22,249,050</u>	<u>\$ 22,249</u>	<u>\$ 2,732,855</u>	<u>\$ (4,899,572)</u>	<u>248,750</u>	<u>\$ (300,987)</u>	<u>\$ (2,445,455)</u>

	Comm Stock \$0.001 par value		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Deficit
	Shares	Amount			Shares	Amount	
Balance, December 31, 2022	21,999,050	21,999	2,483,105	(4,000,238)	248,750	(300,987)	(1,796,121)
Net loss for the period	-	-	-	(160,718)	-	-	(160,718)
Balance, March 31, 2023	21,999,050	21,999	2,483,105	(4,160,956)	248,750	(300,987)	(1,956,839)
Net loss for the period	-	-	-	(127,776)	-	-	(127,776)
Balance, June 30, 2023	<u>21,999,050</u>	<u>\$ 21,999</u>	<u>\$ 2,483,105</u>	<u>\$ (4,288,732)</u>	<u>248,750</u>	<u>\$ (300,987)</u>	<u>\$ (2,084,615)</u>

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

ROOSHINE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended	
	June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (232,087)	\$ (288,494)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization expense	-	6,012
Depreciation expense	12,646	12,646
Interest expense included in notes payable	1,863	1,764
Changes in assets and liabilities:		
Prepaid expenses	(60)	(80)
Accounts payable	170,310	157,577
Accrued compensation and accrued expenses	26,255	26,255
NET CASH USED IN OPERATING ACTIVITIES	(21,073)	(84,320)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from advances	22,000	80,000
Repayment of advances	-	(50,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	22,000	30,000
NET INCREASE (DECREASE) IN CASH	927	(54,320)
CASH - beginning of period	2,050	60,488
CASH - end of period	\$ 2,977	\$ 6,168
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

ROOSHINE, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - ORGANIZATION AND OPERATIONS

Rooshine, Inc., (the “Company”) was incorporated in the State of Nevada in 1998 in name of Columbialum Ltd. On January 22, 2002, the Company changed its corporate name to Columbialum Staffing Inc., which was subsequently changed to Resolve Staffing Inc. on May 29, 2002. The assets of the Company were handed over to the bank and the Company was reinstated in August 2010 through a court appointed guardian - custodian. In November 2013, the Company filed another reinstatement with the Secretary of State of Nevada to bring its status current with the State and changed its corporate name to Choose Rain Inc. in early 2014. On September 21, 2017, as part of a Change of Control agreement, the Company changed its corporate name to Rooshine, Inc., representing a combination of Kangaroo and Moonshine made in Australia. The Company’s common stock is quoted on the “Pink Sheets” quotation market under the symbol “RSAU”.

The Company is engaged in the business of importation, distribution and sale of alcoholic spirits and intends to produce high quality premium spirits infused with natural ingredients and no artificial additives. The Company has no physical facilities. The Company has engaged suppliers, distillers, and distributors, each of whom have enough facilities to fulfill the Company’s needs.

In 2020, the Company formed a wholly-owned subsidiary, Rooshine, Ltd., a limited company, in United Kingdom (“UK”). Rooshine, Ltd. was established to allow for sales of the Company’s craft distilled spirit products in the UK and Europe. Rooshine, Ltd. had no activity during the six months ended June 30, 2024 and 2023.

NOTE 2 - SIGNIFICANT AND CRITICAL ACCOUNTING POLICIES AND PRACTICES

Basis of Presentation and Principles of Consolidation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (the “U.S. GAAP”). The Company’s unaudited consolidated financial statements include the financial statements of its subsidiary, Rooshine, Ltd. All significant intercompany accounts and transactions have been eliminated in consolidation.

Management acknowledges its responsibility for the preparation of the accompanying unaudited consolidated financial statements which reflect all adjustments, consisting of normal recurring adjustments, considered necessary in its opinion for a fair statement of its financial position and the results of its operations for the periods presented.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates. Significant estimates during the six months ended June 30, 2024 and 2023, include the estimates for obsolete or slow-moving inventory, the useful life of property and equipment, the valuation of the other current assets, the valuation of prepaid expenses, the valuation of intangible assets, and the valuation allowances for deferred tax assets.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with maturities of three months or less, when purchased, to be cash equivalents. The Company held no cash equivalents as of June 30, 2024 and December 31, 2023. The Company maintains cash balances at one financial institution that is insured by the Federal Deposit Insurance Corporation. The Company’s account at this institution is insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of June 30, 2024 and December 31, 2023, the Company had no bank balances exceeding the FDIC insurance limit. To reduce the risk associated with the failure of such financial institutions, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Fair Value of Financial Instruments and Fair Value Measurements

The Company measures its financial assets and liabilities in accordance with US GAAP. For certain financial instruments, including cash and cash equivalents, accounts payable, accrued compensation and accrued expense, advances payable, and due to shareholders and other related parties, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for notes payable and loans payable approximate fair value because current interest rates available for debt with similar terms and maturities are substantially the same.

ROOSHINE, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

The Company analyzes all financial instruments with features of both liabilities and equity under the Financial Accounting Standard Board's (the "FASB") accounting standard for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with Accounting Standards Codification ("ASC") Topic 820.

ASC 825-10 "Financial Instruments", allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding instruments.

Inventory

The Company values inventory, consisting of finished goods and raw material, at the lower of cost or net realizable value. Raw materials consist of various barreled spirits, primarily rums and whiskey. Cost is determined by using the average cost method. The Company reduces inventory for the diminution of value, resulting from product obsolescence, damage or other issues affecting marketability, equal to the difference between the cost of the inventory and its estimated net realizable value. Factors utilized in the determination of the estimated net realizable value include (i) estimates of future demand, and (ii) competitive pricing pressures. The Company includes warehousing, insurance, and other carrying charges applicable to barreled spirits in inventory costs. The Company had no inventory write-off and spoilage during the six months ended June 30, 2024 and 2023.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of 3 to 10 years. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired, or disposed of, the cost and accumulated depreciation are removed, and any resulting gains or losses are included in the unaudited consolidated statements of operations. The Company also includes in fixed assets the capitalized cost of internal-use software and website development, including software used to upgrade and enhance its website and processes supporting the Company's business in accordance with the framework established by the FASB accounting guidance for accounting for the cost of computer software developed or obtained for internal use and accounting for website development costs. Costs incurred in the planning stage and operating stage are expensed as incurred while costs incurred in the application development stage and infrastructure development stage are capitalized, assuming such costs are deemed to be recoverable.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, "*Long-lived assets*," which include property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. During the year ended December 31, 2023, the Company recorded an impairment loss of \$167,176 related to the impairment of the Company intangible assets and certain property and equipment. The Company concluded that the undiscounted cash flows did not support the carrying values of its intangible assets and certain property and equipment. The Company did not record an impairment charge during the six months ended June 30, 2024 and 2023.

Revenue Recognition

It is the Company's policy that revenues from product sales are recognized in accordance with ASC 606 "Revenue Recognition." Five basic steps must be followed before revenue can be recognized: (1) Identifying the contract(s) with a customer that creates enforceable rights and obligations; (2) Identifying the performance obligations in the contract, such as promising to transfer goods or services to a customer; (3) Determining the transaction price, meaning the amount of consideration in a contract to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer; (4) Allocating the transaction price to the performance obligations in the contract, which requires the company to allocate the transaction price to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract; and (5) Recognizing revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer. The amount of revenue recognized is the amount allocated to the satisfied performance obligation. The Company's revenue (referred to in the unaudited consolidated financial statements as "sales") consists primarily of the sale of the Company's Rooshine alcoholic spirits for cash. The Company's revenue generating activities have a single performance obligation and are recognized at the point in time when control transfers and obligation has been fulfilled, which is when the related goods are shipped or delivered to the customer, depending upon the method of distribution, and shipping terms. The Company has elected to treat shipping as a fulfillment activity. Revenue is measured as the amount of consideration the Company expects to receive in exchange for the sale of the Company's product. The Company has

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no obligation to accept the return of products sold other than for replacement of damaged products. Other than quantity price discounts negotiated with customers prior to billing and delivery (which are reflected as a reduction in sales), the Company does not offer any sales incentives or other rebate arrangements to customers. The Company did not have any sales during the six months ended June 30, 2024 and 2023.

Cost of Sales

The primary components of cost of sales include the cost of the product, production costs, and shipping fees.

Goodwill and Other Intangible Assets

In accordance with ASC 350-30-65, the Company assesses the impairment of identifiable intangibles whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers to be important which could trigger an impairment review include the following:

1. Significant underperformance relative to expected historical or projected future operating results;
2. Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. During the year ended December 31, 2023, the Company wrote off its intangible assets and certain capitalized software development costs and recorded an impairment loss of \$167,176. Significant management judgments are required in determining whether an indicator of impairment exists and in projecting cash flows.

Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of ASC 718 – “*Compensation – Stock Compensation*”, which requires recognition in the financial statements of the cost of employee, director, and non-employee services received in exchange for an award of equity instruments over the period the employee, director, or non-employee is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee, director, and non-employee services received in exchange for an award based on the grant-date fair value of the award. The Company has elected to recognize forfeitures as they occur as permitted under ASU 2016-09 *Improvements to Employee Share-Based Payment*.

Income Taxes

Deferred income tax assets and liabilities arise from temporary differences between the financial statements and tax basis of assets and liabilities, as measured by the enacted tax rates, which are expected to be in effect when these differences reverse. Deferred tax assets and liabilities are classified as current or non-current, depending upon the classification of the asset or liabilities to which they relate. Deferred tax assets and liabilities not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company follows the provisions of FASB ASC 740-10, “Uncertainty in Income Taxes”. Certain recognition thresholds must be met before a tax position is recognized in the financial statements. An entity may only recognize or continue to recognize tax positions that meet a “more-likely-than-not” threshold. The Company does not believe it has any uncertain tax positions as of June 30, 2024 and December 31, 2023 that would require either recognition or disclosure in the accompanying unaudited consolidated financial statements.

Basic and Diluted Net Loss per Share

Basic loss per share is computed by dividing net loss allocable to common shareholders by the weighted average number of shares of common stock outstanding during each period. Diluted earnings per share is computed by dividing net income available to common shareholders by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period using the as-if converted method. Potentially dilutive securities are excluded from the computation of diluted shares outstanding if they have an anti-dilutive impact on the Company’s net losses. As of June 30, 2024 and December 31, 2023, the Company had no potentially dilutive securities outstanding.

ROOSHINE, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

Derivative Instruments

ASC Topic 815, *Derivatives and Hedging* (“ASC Topic 815”), establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion or payoff of debt, the Company records the fair value of the conversion shares, removes the fair value of the related derivative liability, removes any discounts and records a net gain or loss on debt extinguishment. The Company adopted ASU 2017-11 under which down-round Features in Financial Instruments will no longer cause derivative treatment. The Company applies the modified prospective method of adoption. There were no cumulative effects on adoption. As of June 30, 2024, there were no derivative instruments.

Recent Accounting Pronouncements

Accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

NOTE 3 - GOING CONCERN

These unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying unaudited consolidated financial statements, the Company had no revenues and had a net loss and cash used in operations of \$232,087 and \$21,073 for the six months ended June 30, 2024. Additionally, the Company had a working capital deficit of \$2,540,852 and an accumulated deficit of \$4,899,572 on June 30, 2024. These factors raise substantial doubt about the Company’s ability to continue as a going concern for a period of twelve months from the issuance date of this report. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. There is no guarantee that the Company will be able to raise sufficient capital or generate a level of revenues to sustain its operations. The Company is seeking to raise additional capital through additional debt and/or equity financings to fund its operations in the future. If the Company is unable to raise additional capital or secure additional lending in the near future, to fund its business plan, management expects that the Company will need to curtail its operations.

The unaudited consolidated financial statements do not include any adjustments to reflect the potential future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the Company’s ability to continue as a going concern.

NOTE 4 - INVENTORY

On June 30, 2024 and December 31, 2023, inventory consisted of the following:

	June 30, 2024	December 31, 2023
Finished goods	\$ 118,800	\$ 118,800
Raw materials	1,637,598	1,637,598
Total	\$ 1,756,398	\$ 1,756,398

On June 30, 2024 and December 31, 2023, inventory held at a third-party location in a bonded warehouse in Miami, Florida amounted \$118,800, inventory held at a third-party location in a bonded warehouse in the UK amounted \$766,357, inventory held at a third-party location in a bonded warehouse in Belgium amounted \$854,741 and the remaining \$16,500 was held at a third-party warehouse in Italy.

The Company purchased all of its inventory from an affiliated company, International Spirits Vault LTD., an entity based in the UK. ISV is owned by Les McCall who is a shareholder, chairman of the board of directors, and director of the Company (see Note 10).

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid Expenses – Current and Non-Current

In September 2020, the Company issued an aggregate of 1,200,000 unvested restricted stock grants to five members of the management of the Company valued at \$396,000 which will be amortized over the vesting period. The restricted stock grants shall vest upon shipment of each container of Rooshine spirits to distributors or wholesalers and sales to retailer and consumers which is equivalent to 5% of the 1,200,000 shares for each full container which equates to 60,000 shares per container. Any portion of the unvested restricted stock grants shall expire on or before October 1, 2025. Through December 31, 2021, there were 120,000 restricted stock grants that vested and valued at \$39,600. As of June 30, 2024

ROOSHINE, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

and December 31, 2023, total prepaid expense related to unvested restricted stock grants amounted to \$356,400 (consists of \$79,200 in current portion and \$277,200 in long-term portion) which is equivalent to 18 containers not yet shipped.

On June 30, 2024 and December 31, 2023, prepaid expenses primarily consisted of prepayments related to the unvested restricted stock grants described above. On June 30, 2024 and December 31, 2023, prepaid expenses - current amounted to \$82,257 and \$82,197, respectively, and consisted of costs paid for future services which will occur within a year. On June 30, 2024 and December 31, 2023, prepaid expenses – non-current amounted to \$277,200 and \$277,200, respectively, and consists of costs paid for future services which will occur after one year.

NOTE 6 - PROPERTY AND EQUIPMENT

On June 30, 2024 and December 31, 2023, property and equipment consisted of the following:

	<u>Estimated life</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Distillery equipment	10 years	\$ 111,861	\$ 111,861
Furniture and fixtures	10 years	44,927	44,927
Test equipment and other equipment	10 years	107,802	107,802
		264,590	264,590
Less: accumulated depreciation		(110,732)	(98,086)
Total		<u>\$ 153,858</u>	<u>\$ 166,504</u>

Depreciation expense amounted to \$12,646 and \$12,646 for the six months ended June 30, 2024 and 2023, respectively.

NOTE 7 – INTANGIBLE ASSETS

During 2018, the Company entered into an initial 5-year License Agreement (the “2018 License Agreement”) with a related party, ISV, in return for exclusive sales and distribution rights for several new products. This includes the rights to several products under the Rooshine Brand and other non-spirit related products. ISV is in the business of developing and selling beverages. The Company leverages a proprietary method used to age spirits.

Pursuant to the 2018 License Agreement, in 2018, the Company issued shares of the Company’s common stock to Les McCall, the Company’s Chairman of the Board and owner of ISV. The shares were valued at \$120,230 and were recorded as an intangible asset. These costs were to be amortized against the expected revenues from the sale of the Rooshine products. Under the 2018 License Agreement, Les McCall, through his UK company, ISV, will make the spirits and provide them to the Company for sale.

On August 12, 2020, the Company amended the 2018 License Agreement by entering into a Brand Licensing Agreement with ISV (the “Brand Licensing Agreement”) whereby the Company acquired the exclusive rights globally to use the Rooshine brand and was also granted an exclusive license to use the Rooshine brand on the marketing, distribution, and sale of the Rooshine products. All patent applications, inventions, discoveries, data, improvements, technology, formula, processes necessary to formulate, handle or utilize the Rooshine brand are owned or controlled by ISV prior to the termination of this Agreement. The term of the Brand Licensing Agreement is 10 years and will be automatically renewed for an additional 5 years if agreed to by both parties within 30 days prior to termination (see Note 11).

For the six months ended June 30, 2024 and 2023, amortization expense was \$0 and \$6,012, respectively. During the year ended December 31, 2023, the Company wrote off its intangible asset and recorded an impairment loss of \$92,176. The Company concluded that the undiscounted cash flows did not support the carrying values of its intangible assets.

On June 30, 2024 and December 31, 2023, intangible assets, net consisted of the following:

	<u>Estimated life</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Brand licensing	10 years	\$ -	\$ -
Less: Accumulated amortization		-	-
		<u>\$ -</u>	<u>\$ -</u>

ROOSHINE, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – LOAN PAYABLE, NOTES PAYABLE, AND CONVERTIBLE NOTE PAYABLE

Loan Payable

On June 30, 2024 and December 31, 2023, loan payable consisted of the following:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Due to Jimmy Little, non-interest bearing, due on demand	\$ 47,930	\$ 47,930

Notes Payable

On June 30, 2024 and December 31, 2023, notes payable consisted of the following:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Principal amount of notes payable	\$ 1,282,055	\$ 1,160,000
Less: unamortized debt discount	-	-
Total notes payable	<u>\$ 1,282,055</u>	<u>\$ 1,160,000</u>

Due North Financial Note/James Loures

On February 24, 2021, the Company and ISV (“Co-Borrower”) received an initial advance of \$550,000 related to the issuance of a promissory note up to a principal amount of \$890,000 dated on April 1, 2021. On April 20, 2021, the Company received an additional \$340,000 from this lender in connection with a promissory note. The note bears interest at 5.9% per annum and matured on October 1, 2021. As further consideration, upon the execution of this note, the Company and ISV, Co-Borrower, agree to provide both the barrels and spirit as defined in the note agreement, as collateral for repayment of the principal loan amount. Upon default of any of the payments as defined in loan repayment terms below, lender may demand release of all aforementioned collateral from the Company and ISV. Additionally, the barrels and spirits held in third-party bonded warehouses are not allowed to be removed until written confirmation is received from the lender. The Company was to make payments to lender in 2021. On November 8, 2021, the Company and the note holder agreed to extend the original due date from October 1, 2021, to January 1, 2022 for a total fee (“Extension Fee”) of \$13,127 which was paid to the note holder in three installment of \$4,375 commencing November 1, 2021 through January 1, 2022. On December 29, 2021, the note holder agreed to extend the maturity date from January 1, 2022, to April 30, 2022 in exchange for the additional lien on certain 225 two-hundred-liter barrels of Rooshine spirits (Premium Scotch Grain Whisky). On April 4, 2022, the note holder agreed to extend the maturity date of the note from April 30, 2022 to September 30, 2022. On September 29, 2022, the note holder agreed to extend the deadline for payment from September 30, 2022 to December 31, 2022 and on January 30, 2023, the note holder agreed to extend the deadline for payment due to September 30, 2023. On June 29, 2023, the note holder agreed to extend the deadline for payment from June 30, 2023 to December 31, 2023 and on December 29, 2023, the note holder agreed to extend the deadline for payment due to December 31, 2024.

In 2023, the promissory note and all accrued interest was assigned to Mr. James Loures.

On June 30, 2024, the note had a principal balance and accrued interest of \$890,000 and \$146,355, respectively. On December 31, 2023, the note had a principal balance and accrued interest of \$890,000 and \$120,100, respectively. Such accrued interest is included in the accrued compensation and accrued expenses as reflected in the accompanying unaudited consolidated balance sheets. Interest expense incurred for the James Loures/Due North Note amounted to \$26,255 and \$26,255 during the six months ended June 30, 2024 and 2023, respectively.

Accrual Asset Management Note

On September 13, 2021, the Company entered into a Note Agreement (the “Note”) with a lender for the purchase of a note with principal of \$200,000. The note is non-interest bearing and matured on March 15, 2022. In March 2022, the Company received additional cash proceeds of \$70,000 from the lender and on April 6, 2022, the Company and the lender amended the Note to reflect a principal balance of \$270,000 and the due date of the Note was extended to December 31, 2022 and on January 18, 2023, the note holder agreed to extend the deadline for payment of the remaining balance due to September 30, 2023. On June 29, 2023, the note holder agreed to extend the deadline for payment from June 30, 2023 to December 31, 2023 and on December 29, 2023, the note holder agreed to extend the deadline for payment due to December 31, 2024. As of June 30, 2024 and December 31, 2023, the Note had an outstanding principal balance of \$270,000.

Other

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The Company issued a promissory note to Larry Curran, a former chief financial officer and director of the Company, at an interest rate of 5% per annum and is due on demand. The note is a non-convertible note. As of June 30, 2024, the balance of this loan, including accrued interest was \$40,022. As of December 31, 2023, the balance of this loan, including accrued interest of \$39,109, was included in due to shareholders and other related parties. This note is due on demand and does not have noted penalty clauses or default rate.

The Company issued a promissory note to Larry Curran, a former chief financial officer and director of the Company, at an interest rate of 5% per annum and was due on March 27, 2019. This note is past due. As of June 30, 2024, the balance of this loan, including accrued interest was \$35,830. As of December 31, 2023, the balance of this loan, including accrued interest, of \$34,880 was included in due to shareholders and other related parties. This note is due on demand and does not have noted penalty clauses or default rate.

The Company issued a promissory note to Larry Curran, a former chief financial officer and director of the Company, which is non-interest bearing and due on demand. This note is past due. As of June 30, 2024, the balance of this loan was \$46,203. As of December 31, 2023, the balance of this loan of \$46,203 was included in due to shareholders and other related parties. This note is due on demand and does not have noted penalty clauses or default rate. ty clauses or default rate.

NOTE 9 - STOCKHOLDERS' DEFICIT

Authorized Shares

The authorized capital of the Company consists of 55,000,000 shares of common stock, par value \$0.001 per share and 1,000,000 shares of preferred stock, par value \$0.001 per share.

Preferred Stock

There were no issued and outstanding preferred stock as of June 30, 2024 and December 31, 2023.

Treasury Shares

As of June 30, 2024 and December 31, 2023, the Company has 248,750 treasury shares with a cost of \$300,987 as reflected on the accompanying unaudited consolidated balance sheets.

NOTE 10 - RELATED PARTY TRANSACTIONS

International Spirits Vault LTD.

International Spirits Vault LTD. ("ISV") is an affiliated company based in the UK owned by Les McCall who is a shareholder, chairman of the board directors and director of the Company.

In 2021, the Company made an advance deposit for capital construction to ISV totaling \$64,339 related to the assembly and installation of barrel racking which was reflected as advance deposit for capital construction (non-current asset) in the accompanying unaudited consolidated balance sheets on June 30, 2024 and December 31, 2023. Currently, the assembly and installation of barrel racking has not begun due to the delay in the processing of licenses in the UK.

During the six months ended June 30, 2024 and 2023, the Company incurred storage fee charges of \$144,788 and \$142,065, which were paid on behalf of the Company by ISV and are included in accounts payable – related party on the accompanying unaudited consolidated balance sheets, respectively. As of June 30, 2024 and December 31, 2023, accounts payable to ISV amounted to \$799,005 and \$634,896, represented approximately 97% and 97% of total accounts payable, respectively, which is reflected in accounts payable – related party on the accompanying unaudited consolidated balance sheets.

As of June 30, 2024 and December 31, 2023, accrued compensation to Les McCall of \$760,000 was included in the accrued compensation and accrued expenses on the accompanying unaudited consolidated balance sheets (see Note 11). Additionally, accrued compensation to individuals related to Les McCall totaled \$500,000 as of June 30, 2024 and December 31, 2023, which was included in the accrued compensation and accrued expenses as reflected in the unaudited consolidated balance sheets.

On February 24, 2021, the Company and ISV ("Co-Borrower") received an advance of \$550,000 related to the issuance of a promissory note up to a principal amount of \$890,000 dated April 1, 2021. On April 20, 2021, the Company received an additional \$340,000 from this lender in connection with a promissory note. The note bears interest at 5.9% per annum and matured on October 1, 2021. On June 30, 2024, the note had

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a principal balance and accrued interest of \$890,000 and \$146,355, respectively. On December 31, 2023, the note had a principal balance and accrued interest of \$890,000 and \$120,100, respectively. (see Note 8).

During 2018, the Company entered into the 2018 License Agreement with a related party, ISV, in return for exclusive sales and distribution rights for several new products. The Company negotiated an amendment to the 2018 License Agreement by entering into a Brand Licensing Agreement dated August 12, 2020, with ISV whereby the Company acquired the exclusive rights globally to use the Rooshine brand and was also granted an exclusive license to use the Rooshine brand on the marketing, distribution, and sale of the Rooshine products, On August 12, 2020, the Company amended to the 2018 License Agreement by entering into a Brand Licensing Agreement with ISV (the “Brand Licensing Agreement”) whereby the Company acquired the exclusive rights globally to use the Rooshine brand and was also granted an exclusive license to use the Rooshine brand on the marketing, distribution, and sale of the Rooshine products. All patent applications, inventions, discoveries, data, improvements, technology, formula, processes necessary to formulate, handle or utilize the Rooshine brand are owned or controlled by ISV prior to the termination of this Agreement. The term of the Brand Licensing Agreement is 10 years and will be automatically renewed for an additional 5 years if agreed to by both parties within 30 days prior to termination (see Note 7 and Note 11).

On June 30, 2024 and December 31, 2023, amounts due to shareholder and other related parties consisted of the following:

Due to Shareholders and Other Related Parties:

		June 30, 2024	December 31, 2023
Larry Curran – former Chief Financial Officer (“CFO”), non- convertible promissory note with 5% interest rate per annum and due on demand	(1) \$	-	\$ 39,109
Larry Curran – former CFO, non-convertible promissory note with 5% interest rate per annum and due on demand	(1)	-	34,880
Due to Maximo Gomez – Chief Executive Officer, non-interest bearing, due on demand		25,000	25,000
Due to Larry Curran - former CFO, non-interest bearing, due on demand	(1)	-	46,203
Total due to shareholders and other related parties	\$	25,000	\$ 145,192

(1) Effective June 1, 2024, Larry Curran resigned as a director of the Company and as of June 30, 2024 is no longer considered a related party. As of June 30, 2024, these notes are reflected in notes payable on the accompanying unaudited balance sheet (See Note 8).

In connection with amounts due to shareholders and other related parties, during the six months ended June 30, 2024 and 2023, the Company recorded interest expense of \$1,864 and \$1,763, respectively, which is included in interest expense on the accompanying unaudited consolidated statements of operations.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Sale of Common Stock with Put Options

In December 2020, a \$400,000 investment was recorded as temporary equity for the sale of 400,000 shares of common stock because of a put option that allows the investor, under certain circumstances, to cause the Company to repurchase the shares back at \$1.00 per share, the original issue price plus 5% interest. During the one-month period commencing on the 23rd month anniversary from the date of issuance of this subscription agreement, the investor has the right to cause the Company to repurchase all of the shares for the purchase price paid. Pursuant to extension letters dated December 6, 2022 and December 7, 2023, the expiration of the Put option has been extended until December 2024. The Investor agreed to defer the right to execute the Put Option from the 35th month anniversary of the effective date of the Subscription Agreement each year on an annual basis provided the Company pays the Investor an annual interest rate of 5% on the original purchase amount. The \$400,000 is reflected in temporary equity, shown as common stock with put option, above the stockholder’s deficit as reflected in the accompanying unaudited consolidated balance sheets until the put options expire, at which time they will be included as an equity transaction.

In January 2021, the Company entered into a subscription agreement with an investor and issued 250,000 shares of common stock at \$1.00 per share subject to a put option term (see Note 9). During the one-year period commencing on the first anniversary from the date of issuance of this subscription agreement, the investor had the right to cause the Company to repurchase all of the shares. Pursuant to an extension letter dated

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December 6, 2022, the expiration of this put option was extended until December 2023. In December 2023, the put option expired. As of December 31, 2022 and through the date the extension expired, the \$250,000 put option was reflected in temporary equity, shown as common stock with put option, above stockholder's deficit, as reflected in the accompanying unaudited consolidated balance sheets. Upon expiration in December 2023, the \$250,000 put option was reclassified to equity.

As of June 30, 2024 and December 31, 2023, common stock with put option amounted to \$400,000 and \$400,000, respectively.

Accrued Compensation

As the Company described in their filing starting in July 2018 in the Information and Disclosure statements filed with OTC Markets, certain persons have been helping the Company through management or providing goods or services several of whom are related parties (the "Helpful Individuals"). These services were to be compensated at the conclusion of the Reg-A offering. Letters were sent to these Helpful Individuals as early as April 4, 2018 notifying of the Company's intent to compensate once adequate funding is received through revenues or otherwise. The board of directors of the Company deems the Reg-A offering concluded.

In year 2019, the board of directors determined the amount of cash and number of shares to issue to these Helpful Individuals as compensation. The shareholders of the Company holding the majority of shares supported the board of director's resolution to accrue \$2,150,000 in cash compensation (the "Cash Portion") and issuance of 5,596,000 restricted common stock of the Company (the "Stock Portion") to these individuals to formalize the Company's intent to compensate them once adequate funding is received through revenues or otherwise. These were both recorded and expensed in 2019 and 2018. The value of the Stock Portion of \$783,440 was issued in August 2020.

Included in the \$2,150,000 Cash Portion are accrued compensation to Les McCall for \$1,100,000, Zoe Graham, a director of the Company, for \$300,000, Larry Curran, former CFO, for \$125,000 and individuals related to Les McCall for a total of \$500,000. On April 21, 2021, the Company partially paid \$340,000 to Les McCall. As of June 30, 2024 and December 31, 2023, accrued Cash Portion of \$1,810,000 and \$1,810,000, respectively, was included in the accrued compensation and accrued expenses on the accompanying unaudited consolidated balance sheets.

Brand License Agreement

In 2018, the Company (the "Licensee") entered into an initial 5-year License Agreement (the "2018 License Agreement") with a related party, ISV (the "Licensor"), in return for exclusive sales and distribution rights for several new products. This includes the rights to several products under the Rooshine Brand and other non-spirit related products. ISV is in the business of developing and selling beverages. The Company, in collaboration with ISV, developed the proprietary method used to age Rooshine spirits and product recipes.

The Company negotiated an amendment to the 2018 License Agreement by entering into a Brand Licensing Agreement (the "Agreement") dated August 12, 2020 with ISV whereby the Company acquired the exclusive rights globally to use the Rooshine brand and was also granted an exclusive license to use the Rooshine brand on the marketing, distribution, and sale of the Rooshine products. All patent applications, inventions, discoveries, data, improvements, technology, formula, processes necessary to formulate, handle or utilize the Rooshine brand are owned or controlled by ISV prior to the termination of this Agreement. This Agreement supersedes the previously executed 2018 License Agreement. The term of this Agreement is 10 years and will be automatically renewed for additional 5 years if agreed by both parties within 30 days prior to termination (see Note 7 and 10).

Additionally, the Company agreed to pay license fees as follows:

- a. Initial fees - Licensee issued 1,122,300 shares of the Company's common stock which were issued in year 2018 as part of the 2018 License Agreement; and
- b. Interim fees - In consideration for the ongoing services to be provided by the Licensor as defined in the Agreement, Licensee agrees to pay Les McCall or his heirs and assigns \$2,200,000 over the course of the initial term of this Agreement. This fee shall not accrue interest, and payments shall be made in increments and amounts solely determined by the Licensee. The Licensor agrees to commit a minimum of 10% to a maximum of 25% of its net proceeds from the sale of the Rooshine products to the payment of this interim fee. As of December 31, 2023, the Company does not owe any interim fees; and
- c. Final fee - Upon the full payment of interim fee listed above, Licensee shall have the exclusive right to purchase from Licensor and Les McCall (i) the Rooshine brand, (ii) the Rooshine products, (iii) the know-how, (iv) the Licensor components and (v) the product recipes at the cost of \$1.00.

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In the event of the failure of Licensee to comply with any material terms and conditions of this Agreement or in the event of misrepresentation and any failure is not corrected within 30 days after written notice, the Licensor, upon furnishing a written notice, may terminate such Agreement. In the event of termination, any unpaid balance owed as of the date of termination shall become immediately due and payable.

10) Issuer Certification

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:

Principal Executive Officer:

I, Maximo A. Gomez II certify that:

1. I have reviewed this Disclosure Statement for Rooshine, 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.

August 14, 2024

/s/ Maximo A. Gomez II

Principal Financial Officer:

I, Maximo A. Gomez II certify that:

1. I have reviewed this Disclosure Statement for Rooshine, 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.

August 14, 2024

/s/ Maximo A. Gomez II