

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For quarterly period ended June 30, 2024

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **000-56349**

**KwikClick, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**95-4463033**

(I.R.S. Employer Identification No.)

**585 West 500 South, Suite 130  
Bountiful, Utah**

(Address of principal executive offices)

**84010**

(Zip Code)

Registrant's telephone number, including area code:

**(385) 301-2792**

Securities registered pursuant to Section 12(b) of the Act:

**NONE**

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
<b>Common Stock, par value \$0.0001 per share</b>	<b>KWIK</b>	<b>OTCQB</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer

Non-Accelerated Filer

Accelerated Filer

Small Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)  Yes  No

As of August 7, 2024 the issuer had 153,148,705 shares of common stock issued and outstanding.

**KWIKCLICK, INC.**  
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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**KWIKCLICK, INC.  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)**

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 31,183	\$ 64,186
Accounts receivable, net	14,265	16,503
Total current assets	45,448	80,689
Equipment, net	3,962	4,515
Intellectual property, net	1,357,363	1,406,491
Right to use asset	35,276	64,194
Total assets	\$ 1,442,049	\$ 1,555,889
<b><u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u></b>		
Current liabilities:		
Accounts payable	\$ 728,474	\$ 888,513
Accrued expenses	112,001	120,859
Lease obligation	36,345	55,852
Related party loans	2,506,640	1,754,445
Total current liabilities	3,383,460	2,819,669
Long-term liabilities:		
Lease obligation, net of current portion	—	10,174
Total liabilities	3,383,460	2,829,843
Stockholders' deficit:		
Preferred stock, \$0.0001 par value; 5,000,000 shares authorized and none issued and outstanding	—	—
Common stock, \$0.0001 par value; 400,000,000 shares authorized and 153,148,705 shares issued and outstanding at June 30, 2024 and December 31, 2023	15,316	15,316
Additional paid-in-capital	9,521,118	9,113,260
Accumulated deficit	(11,477,845)	(10,402,530)
Total stockholders' deficit	(1,941,411)	(1,273,954)
Total liabilities and stockholders' deficit	\$ 1,442,049	\$ 1,555,889

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

**KWIKCLICK, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenues:</b>				
Brand Services	\$ 13,146	\$ 51,478	\$ 44,037	\$ 136,795
<b>Operating costs and expenses:</b>				
Cost of Sales	8,144	40,523	9,909	70,682
Management and payroll	102,039	293,015	616,458	576,053
Research and development	76,519	265,727	163,436	462,895
General and administrative	110,258	232,859	257,213	664,898
Total operating costs and expenses	<u>296,960</u>	<u>832,124</u>	<u>1,047,016</u>	<u>1,774,528</u>
<b>Other income (expense)</b>				
Interest expense - related party	(55,125)	(12,824)	(102,336)	(13,108)
Gain on liability settlement	—	—	30,000	—
<b>Loss before income taxes</b>	<u>(338,939)</u>	<u>(793,470)</u>	<u>(1,075,315)</u>	<u>(1,650,841)</u>
Provision for (benefit from) income taxes	—	—	—	—
Net loss	<u>\$ (338,939)</u>	<u>\$ (793,470)</u>	<u>\$ (1,075,315)</u>	<u>\$ (1,650,841)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average shares outstanding - basic and diluted	<u>153,148,705</u>	<u>150,466,827</u>	<u>153,148,705</u>	<u>150,156,441</u>

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

**KWIKCLICK, INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Subscription Receivable	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
<b>BALANCE, December 31, 2023</b>	–	\$ –	153,148,705	\$ 15,316	\$ 9,113,260	\$ –	\$ (10,402,530)	\$ (1,273,954)
Stock appreciation rights issued for services	–	–	–	–	406,772	–	–	406,772
Net loss	–	–	–	–	–	–	(736,376)	(736,376)
<b>Balance March 31, 2024</b>	–	\$ –	153,148,705	\$ 15,316	\$ 9,520,032	\$ –	\$ (11,138,906)	\$ (1,603,558)
Stock appreciation rights issued for services	–	–	–	–	1,086	–	–	1,086
Net loss	–	–	–	–	–	–	(338,939)	(338,939)
<b>BALANCE, June 30, 2024</b>	–	\$ –	<b>153,148,705</b>	<b>\$ 15,316</b>	<b>\$ 9,521,118</b>	<b>\$ –</b>	<b>\$ (11,477,845)</b>	<b>\$ (1,941,411)</b>
<b>BALANCE, December 31, 2022</b>	–	\$ –	149,442,605	\$ 14,945	\$ 7,430,721	\$ (520,261)	\$ (6,499,451)	\$ 425,954
Capital Contribution	–	–	–	–	4,010	–	–	4,010
Issuance of common stock for services	–	–	600,000	60	59,940	–	–	60,000
Proceeds from subscription receivable	–	–	–	–	–	520,261	–	520,261
Net loss	–	–	–	–	–	–	(857,371)	(857,371)
<b>Balance March 31, 2023</b>	–	\$ –	150,042,605	\$ 15,005	\$ 7,494,671	\$ –	\$ (7,356,822)	\$ 152,854
Issuance of common stock for services	–	–	671,100	67	62,633	–	–	62,700
Stock based compensation	–	–	–	–	26,694	–	–	26,694
Net Loss	–	–	–	–	–	–	(793,470)	(793,470)
<b>Balance June 30, 2023</b>	–	\$ –	<b>150,713,705</b>	<b>\$ 15,072</b>	<b>\$ 7,583,998</b>	<b>\$ –</b>	<b>\$ (8,150,292)</b>	<b>\$ (551,222)</b>

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

**KWIKCLICK, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>For the Six Months Ended</b>	
	<b>June 30,</b>	<b>June 30,</b>
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (1,075,315)	\$ (1,650,841)
Depreciation and amortization	46,981	42,174
Stock based compensation	407,858	149,395
Gain on liability settlement	(30,000)	–
Loss on disposal of intellectual property	2,700	–
Changes in operating assets and liabilities:		
Accounts receivable	2,238	–
Operating leases	(763)	158
Accrued interest - related party	100,923	13,107
Accrued liabilities	(8,858)	(765)
Accounts payable	(130,039)	263,348
Net cash provided by (used in) operating activities - continuing operations	(684,275)	(1,183,424)
Net cash used in operating activities	(684,275)	(1,183,424)
<b>Cash flows from investing activities:</b>		
Purchase of intellectual property	–	(413,591)
Net cash used in investing activities	–	(413,591)
<b>Cash flows from financing activities:</b>		
Proceeds from shareholders loans	651,272	779,739
Proceeds from common stock issuable	–	300,000
Proceeds from Subscription Receivable	–	520,261
Net cash provided by financing activities	651,272	1,600,000
Net increase (decrease) in cash and cash equivalents	(33,003)	2,985
Cash and cash equivalents at beginning of period	64,186	30,583
Cash and cash equivalents at end of period	\$ 31,183	\$ 33,568
Cash paid for income taxes	\$ –	\$ –
Cash paid for interest	\$ –	\$ –
<b>Non-Cash Supplemental Disclosures</b>		
Capital contribution for settlement of stock issuable	\$ –	\$ 4,010

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

**KWIKCLICK, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1. BUSINESS**

KwikClick, Inc., (the “Company” or “Kwik”) was organized pursuant to the laws of the State of Delaware on November 16, 1993. Beginning in 2020, the Company commenced its Kwik business operations to allow sellers to make products or services available on the Kwik platform, at Kwik.com, offering a self-determined incentive budget on goods or services in exchange for exposure and substantially increased sales volume. Kwik is a social interaction, selling, and referral software platform.

**Going Concern**

Since the commencement of the Kwik platform, the Company has accumulated a deficit of \$11,477,845 and working capital deficit of \$3,338,012 as of June 30, 2024. The Company will require additional funding to finance the growth of its future operations as well as to achieve its strategic objectives. This raises substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and generate revenue. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”), including the instructions to Form 10-Q and Regulation S-X. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”), have been condensed or omitted from these statements pursuant to such rules and regulations and, accordingly, they do not include all the information and notes necessary for comprehensive financial statements and should be read in conjunction with our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023.

In the opinion of the management of the Company, all adjustments, which are of a normal recurring nature, necessary for a fair statement of the results for the six and nine-month periods have been made. Results for the interim periods presented are not necessarily indicative of the results that might be expected for the entire fiscal year.

**Use of Estimates**

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

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Kwik LLC. Intercompany transactions and balances have been eliminated in consolidation.

**Cash and Cash Equivalents**

Cash equivalents include all highly liquid investments with an original maturity of three months or less when purchased. The Company did not have any cash equivalents as of June 30, 2024 or December 31, 2023.

**Loss Per Share**

The Company presents both basic and diluted earnings per share (EPS) on the face of the statements of operations. Basic EPS is computed by dividing net loss by the weighted average number of shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period under the treasury stock or if-converted method as applicable. Due to the incurrence of net losses, the Company did not include outstanding instruments convertible into common stock that would be anti-dilutive.



## Research and Development

Research and development costs primarily consist of internal and external engineering staff wages, coding, and related on-going activities associated with upgrading and enhancing the Company's internally developed software platform. Research and development costs that do not meet the criteria for capitalization, including those costs determined to be probable to not result in additional functionality, are expensed as incurred. For the six months ended June 30, 2024 and 2023 the Company did not capitalize any research and development costs.

## Revenue Recognition

The Company determines the measurement of revenue and the timing of revenue recognition utilizing the following core principles:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the Company satisfies a performance obligation

Revenue is measured based on the amount of consideration that the Company expects to receive, reduced by estimates for return allowances, promotional discounts, and rebates. Revenue excludes any amounts collected on behalf of third parties, including product costs for goods not owned and indirect taxes.

The Company offers programs that provide sellers a software platform to sell their products. For some contracts the Company provides payment processing and order fulfillment facilitation. The Company is not the seller of record in these transactions.

The Company generally determines stand-alone revenue based on a percentage of the prices charged by the seller to deliver products sold. The commissions and any related fulfillment, shipping, and transaction processing fees the Company earns from these arrangements are recognized when the services are rendered, which generally occurs upon delivery of the related products to a third-party carrier or to the product purchaser. The Company does not incur material costs in obtaining third party seller contracts.

## Return Allowances

The fees earned by the Company are subject to returns under similar terms as set by the third-party services using the Company's software platform. The Company does not assume responsibility for refund or replacement of product costs. Return allowances are estimated using historical experience. During the six months ended June 30, 2024 and 2023, the Company did not incur material returns.

## Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications are not material and had no effect on the previously reported financial position, results of operations, or cash flows.

## NOTE 3. STOCKHOLDERS' EQUITY

During the three and six months ended June 30, 2024, the Company recognized stock-based compensation totaling \$1,086 and \$407,858, respectively, associated with all outstanding equity and equity-linked instruments. During the three and six months ended June 30, 2023, the Company recognized stock-based compensation expenses totaling \$60,000 and \$149,395, respectively, associated with all outstanding equity and equity-linked instruments.

## NOTE 4. RELATED PARTY LOANS

The Company's related party loans consist of the following:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Related party note payable with a nominal interest rate of 10% per annum due on demand	\$ 2,331,677	\$ 1,680,405
Accrued interest	174,963	74,040
Total related party note payable	<u>\$ 2,506,640</u>	<u>\$ 1,754,445</u>

During the three and six months ended June 30, 2024, the Company recognized interest expense of \$55,125 and \$102,336, respectively. During the three and six months ended June 30, 2023, the Company recognized interest expense of \$12,824 and \$13,108, respectively.

#### **NOTE 5. COMMITMENTS AND CONTINGENCIES**

On May 31, 2023, NAI Liquidation Trust, the successor in interest to the defunct NewAge, Inc. by and through its Liquidation Trustee, Steven Balasiano, filed an adversary proceeding against the Company in the NewAge Chapter 11 bankruptcy case (Delaware Case #22-10819). The Company licensed some of its technology to NewAge pursuant to a license agreement that started in September 2021 and terminated in late 2022. A prior adversarial action was brought by NewAge in the same bankruptcy case but was never served and was dismissed on June 1, 2023. Like the prior dismissed action, NAI Liquidation Trust contends that they are the rightful owner of KwikClick's intellectual property. NAI Liquidation Trust brings several causes of action related to that contention.

The Company believes that the code base and functionality of its software platform differs materially from any intellectual property owned by NewAge. The Company intends to vigorously defend and assert its intellectual property rights. In the event the Company does not prevail it may be required to impair substantially all of its intangible assets with a carrying value of approximately \$1.35 million at June 30, 2024 and may be forced to discontinue its on-going fee-based sales platform. The litigation is in its early stages, an estimate of reasonably possible loss cannot be made at this time. As such, there has been no further adjustment to the accompanying consolidated statements of financial position, results of operations, or cash flows as of and for the six months ended June 30, 2024.

#### **NOTE 6. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through the date the consolidated financial statements were issued and has determined that there are no material events that need to be disclosed, except as follows:

Subsequent to June 30, 2024, Mr. Fred W. Cooper, Chairman and CEO, provided additional working capital advances totaling \$160,000 to the Company. The balance of working capital advances through August 7, 2024 totaled \$2,491,677. These advances bear interest of 10% per annum and are due on demand. Mr. Cooper has informally agreed to defer repayment of these loans until the Company has achieved a more stable liquidity position, however, he is not legally obligated to continue to do so.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

### **Forward-Looking Statements**

As used in this Form 10-Q, references to the “Company,” “KwikClick,” “KWIK,” “we,” “our” or “us” refer to KwikClick, Inc. and KwikClick, LLC, unless the context otherwise indicates.

This Management’s Discussion and Analysis (“MD&A”) section discusses our results of operations, liquidity and financial condition and certain factors that may affect our future results. You should read this MD&A in conjunction with our financial statements and accompanying notes included elsewhere in this report.

This Quarterly Report on Form 10-Q contains statements that are considered forward-looking statements. Forward-looking statements give the Company’s current expectations and forecasts of future events. All statements other than statements of current or historical fact contained in this quarterly report, including statements regarding the Company’s future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “plan,” and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. These statements are based on the Company’s current plans, and the Company’s actual future activities and results of operations may be materially different from those set forth in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Any or all of the forward-looking statements in this annual report may turn out to be inaccurate. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events occurring after the date hereof. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this quarterly report.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear in our annual report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on April 15, 2024. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Certain information included herein contains statements that may be considered forward-looking statements, such as statements relating to our anticipated revenues and operating results, future performance and operations, plans for future expansion, capital spending, sources of liquidity and financing sources. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ from those expressed in any forward-looking statements made herein. These risks and uncertainties include the “Risk Factors” included in our annual report on Form 10-K filed with the SEC on April 15, 2024, that can be read at [www.sec.gov](http://www.sec.gov).

Although we have sought to identify the most significant risks to our business, we cannot predict whether, or to what extent, any of such risks may be realized, nor can there be any assurance that we have identified all possible issues which we might face. For all of these reasons, the reader is cautioned not to place undue reliance on forward-looking statements contained herein, which speak only as of the date hereof. We assume no responsibility to update any forward-looking statements as a result of new information, future events, or otherwise except as required by law.

### **Overview**

The Company was organized pursuant to the laws of the State of Delaware on November 16, 1993. Beginning in 2020, the Company commenced its Kwik business operations to allow sellers to make products or services available on the Kwik platform, at [Kwik.com](http://Kwik.com), offering a self-determined incentive budget on goods or services in exchange for exposure and substantially increased sales volume. Kwik is a social interaction, selling, and referral software platform. Stores and manufacturers (“Brands”) wishing to promote their products or services on the Kwik software platform, which connects them to promoters, influencers, and customers. When the Brand is paid for the consumer purchases through the Kwik platform, the Brand pays an incentive budget to Kwik. Kwik receives the entire incentive budget as revenue for generating the sales through its platform, and recognizes cost of sales upon calculation and payment of the commissions paid to the wave of affiliates.

### ***Comparison of operations for the Six Months ended June 30, 2024 and June 30, 2023***

#### **Revenues**

During the three months ended June 30, 2024 and 2023, we recognized net revenues of \$13,146 and \$51,478, respectively, representing a 74% decrease. During the six months ended June 30, 2024 and 2023, we recognized net revenues of \$44,037 and \$136,795 respectively, representing a decrease of 68%. The year over year changes in revenue decreased as a result of fewer vendor and influencer

promotions during 2024. Management anticipates that revenues will increase as we continue to develop our KWIK services, add vendors, and add users. The Company is currently in negotiations with several new brands, influencers, and influencer agencies, some of which anticipate joining the platform within the next three to six months.

### **Cost of Sales**

Our costs of revenue, totaling \$8,144 and \$40,523 respectively for the three months ended June 30, 2024 and 2023, and \$9,909 and 70,682, respectively, for the six months ended June 30, 2024 and 2023, primarily consists of marketing incentives and services for products that are sold on brands using the Kwik platform. The nature of the sales promotions in 2024 carried a lower cost of revenue compared to the same period in 2023. We expect the costs of revenue to fluctuate consistently with our sales volume and future product mix which is currently unpredictable based on the early stages of the KWIK platform.

### **Other Operating Expenses**

During the six months ended June 30, 2024 and 2023, we incurred total other operating expenses of \$1,037,107 and 1,703,846, respectively. The majority of the approximate \$700,000 decrease resulted from a decrease in marketing expenses, declines in our research and development activities, and professional services. During the three months ended June 30, 2024 and 2023, we incurred total operating expenses of \$288,816 and \$791,601 respectively. The approximate decrease of \$500,000 is comprised primarily of a reduction in management and payroll, with the remainder of the reductions coming in research and development, and professional services. We do not expect to see substantial increases in our research and development activities until we are able to generate the necessary funding from operations and / or the receipt of additional capital investment.

In the event we are able to raise additional capital, we would anticipate our total operating expenses will trend upward as we add additional employees and consultants to work on the execution of our business plan, which includes activities such as design and coding of our website and app, vendor acquisition, cybersecurity, and user acquisition. We anticipate that much of this work will be done by outside consultants. In the coming 12 months, we anticipate increasing our promotional and marketing activities which will increase our operating expenses in our efforts to increase our product sales and user volumes.

### **Liquidity and capital resources**

At June 30, 2024, we had a working capital deficit of \$3,338,012. Approximately 74% of our liabilities as of June 30, 2024 are due to our majority shareholder, Mr. Fred Cooper. Mr. Cooper has provided \$2,331,677 (exclusive of accrued interest of \$174,963) in working capital advances through June 30, 2024 and an additional \$79,092 through the date of this report. These advances are due on demand. Mr. Cooper has informally agreed to defer repayment of these loans until the Company has achieved a more stable liquidity position, however, he is not legally obligated to continue to do so.

We require additional capital to continue to operate our business, and to develop and expand our business. Sources of additional capital through various financing transactions or arrangements with third parties may include equity or debt financing, bank loans or revolving credit facilities. We may not be successful in locating suitable financing transactions in the time period required or at all, and we may not obtain the capital we require by other means.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

### **Critical Accounting Estimates**

There has been no change in our critical accounting estimates from those disclosed in our annual report on Form 10-K filed with the SEC on April 15, 2024.

## **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Not applicable.

## **Item 4. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

Based on an evaluation under the supervision and with the participation of our management, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were not effective as of June 30, 2024 to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the

SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our management concluded that, as of June 30, 2024, our internal control over financial reporting was not effective due to (i) insufficient segregation of duties in the finance and accounting functions due to limited personnel; and (ii) inadequate corporate governance policies. In the future, subject to working capital limitations, we intend to take appropriate and reasonable steps to make improvements to remediate these deficiencies.

### **Changes in Internal Control Over Financial Reporting**

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) under the Exchange Act) during the fiscal period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **Inherent Limitations of the Effectiveness of Internal Controls**

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

On May 31, 2023, NAI Liquidation Trust, the successor in interest to the defunct NewAge, Inc. by and through its Liquidation Trustee, Steven, Balasiano filed an adversary proceeding against the Company in the Newage Chapter 11 bankruptcy case (Delaware Case #22-10819). The Company licensed some of its technology to NewAge pursuant to a license agreement that started in September 2021 and terminated in late 2022. A prior adversarial action was brought by NewAge in the same bankruptcy case but was never served and was dismissed on June 1, 2023. Like the prior dismissed action, NAI Liquidation Trust contends that they are the rightful owner of KwikClick's intellectual property. NAI Liquidation Trust brings several causes of action related to that contention.

The Company believes that the code base and functionality of its software platform differs materially from any intellectual property owned by NewAge. The Company intends to vigorously defend and assert its intellectual property rights. In the event the Company does not prevail it may be required to impair substantially all of its intangible assets with a carrying value of approximately \$1.35 million at June 30, 2024 and may be forced to discontinue its on-going fee-based sales platform. The litigation is in its early stages, an estimate of reasonably possible loss cannot be made at this time. As such, there has been no further adjustment to the accompanying consolidated statements of financial position, results of operations, or cash flows as of and for the six months ended June 30, 2024.

### Item 1A. Risk Factors

The Risk Factors identified in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed on April 15, 2024, continue to represent the most significant risks to the Company's future results of operations and financial condition.

### Item 2. Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities not previously disclosed.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not Applicable.

### Item 5. Other Information

During the quarter ended June 30, 2024, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

### Item 6. Exhibit

<u>Exhibit No.</u>	<u>Description</u>
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#### This Form 10-Q

31.1	<a href="#">Certification of principal executive officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 executed by Fred Cooper</a>
31.2	<a href="#">Certification of principal financial officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 executed by Jeffrey Yates</a>
32.1	<a href="#">Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 executed by Fred Cooper</a>
32.2	<a href="#">Certification of principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 executed by Jeffrey Yates</a>
101.INS	XBRL Instance Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.SCH	XBRL Taxonomy Extension Schema

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### **KwikClick, Inc.**

By: /s/ Fred Cooper  
Fred Cooper  
Chief Executive Officer  
Principal Executive Officer  
Date: August 7, 2024

By: /s/ Jeffrey Yates  
Jeffrey Yates  
Principal Financial Officer  
Date: August 7, 2024

## CERTIFICATION

I, Fred Cooper, hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of KwikClick, Inc. (the “Company”);
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: August 7, 2024

/s/ Fred Cooper

Fred Cooper  
Chief Executive Officer  
(Principal Executive Officer)



## CERTIFICATION

I, Jeffrey Yates, hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of KwikClick, Inc. (the “Company”);
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: August 7, 2024

/s/ Jeffrey Yates

Jeffrey Yates  
Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT  
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of KwikClick, Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Fred Cooper, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2024

/s/ Fred Cooper

Fred Cooper  
Chief Executive Officer  
(Principal Executive Officer)

This certification accompanies each report of the Company on Form 10-Q and Form 10-K pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by §906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT  
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of KwikClick, Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey Yates, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2024

/s/ Jeffrey Yates

Jeffrey Yates  
Chief Financial Officer  
(Principal Financial Officer)

This certification accompanies each report of the Company on Form 10-Q and Form 10-K pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by §906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.