

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ENDEXX CORPORATION.

38246 North Hazelwood Circle, Cave Creek, AZ 85331

480-595-6900

www.endexx.com

ir@endexx.com

Quarterly Report

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

Outstanding Shares

The number of shares outstanding of our Common Stock was:

506,357,952 as of December 31, 2023

506,357,952 as of September 30, 2023

501,376,264 as of September 30, 2022

Shell Status

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

Yes: No:

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

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control 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.

1997 – Micron Solutions, Inc.

2002 – PanaMed Corporation

2005 – Endexx Corporation

Current State and Date of Incorporation or Registration: Nevada

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

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

Describe any trading suspension orders issued by the SEC 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:

38246 North Hazelwood Circle, Cave Creek, AZ 85331

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:

38246 North Hazelwood Circle, Cave Creek, AZ 85331

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:

N/A

2) Security Information

Transfer Agent

Name: Equiniti
Phone: 718-921-8129

Publicly Quoted or Traded Securities:

Trading symbol:	<u>EDXC</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>29259K 10 2</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>1,000,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding:	<u>506,357,952</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record:	<u>438</u>	as of date: <u>December 31, 2023</u>

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>N/A</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>N/A</u>	
Total shares authorized:	<u>N/A</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding:	<u>N/A</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record:	<u>N/A</u>	as of date: <u>December 31, 2023</u>

Other classes of authorized or outstanding equity securities:

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Preferred Stock</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>10,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding:	<u>Series A- 1,824,000</u> <u>Series H- 4,878,049</u>	as of date: <u>December 31, 2023</u> as of date: <u>December 31, 2023</u>
Total number of shareholders of record:	<u>7</u>	as of date: <u>December 31, 2023</u>

Security Description:

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

Common share voting rights are 1 vote per share and contain no preemption rights. Common shares may receive dividends at the discretion of the Company but contain no defined dividend rights.

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

The Company's Series H Preferred Stock shares have voting rights equal to the aggregate of all other voting rights plus 1 and each share is convertible into 10 shares of the Company's common stock.

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)

Stock:

Shares Outstanding as of Second Most Recent Fiscal Year End:									
Date:		September 30, 2021							
Common:		487,375,646							
Preferred:		2,543,571							
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 (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
10/22/2021	New issuance	2,562,500	Common	\$ 0.0530	No	AJB Capital Investments (Ari Blain)	Financing	Unrestricted	4(a)(2)
10/25/2021	New issuance	6,211,180	Common	\$ 0.0483	No	SRAX Inc. (Randy Clark)	Services	Unrestricted	4(a)(2)
4/17/2022	New issuance	9,761,904	Common	\$ 0.0599	No	Jefferson Street Capital (Brian Goldberg)	Default penalty	Unrestricted	4(a)(2)
4/20/2022	New issuance	4,111,111	Common	\$ 0.0540	No	Apollo Capital Corp. (Yohan Naraine)	Liability settlement	Unrestricted	4(a)(2)
5/9/2022	New issuance	3,500,000	Common	\$ 0.0380	No	ILE Associates, LLC (Navneeth Kikkeri)	Services	Unrestricted	4(a)(2)
5/9/2022	New issuance	600,000	Common	\$ 0.0380	No	Joseph Arruzza	Services	Unrestricted	4(a)(2)
5/19/2022	New issuance	8,928,571	Common	\$ 0.0330	No	AJB Capital Investments (Ari Blain)	Financing	Unrestricted	4(a)(2)
8/31/2022	Cancellation	(20,612,060)	Common	\$ 0.0001	No	Todd Davis	Exchange	Unrestricted	4(a)(2)

8/31/2022	Cancellation	(719,571)	Preferred	\$ 0.0001	No	Todd Davis	Exchange	Unrestricted	4(a)(2)
10/4/2022	New issuance	800,000	Common	\$ 0.0840	No	Daniel D. Kiddy	Liability settlement	Unrestricted	4(a)(2)
10/4/2022	New issuance	200,000	Common	\$ 0.0840	No	Schleier Law Offices PC (Brad Schleier)	Liability settlement	Unrestricted	4(a)(2)
11/15/2022	New issuance	1,719,100	Common	\$ 0.0600	No	Strategic Innovations (Brad Listermann)	Liability settlement	Unrestricted	4(a)(2)
1/17/2023	New issuance	1,200,000	Common	\$ 0.0458	No	Nison Consulting (Evan Nison)	Services	Unrestricted	4(a)(2)
Number of shares outstanding as of December 31, 2023									
Common:					506,357,952				
Preferred:					1,824,000				

Warrants:

Warrants Outstanding as of Second Most Recent Fiscal Year End:									
Date:					September 30, 2021				
Warrants:					-				
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares for which warrant may be exercised	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the warrants 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 (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
10/6/2021	New	93,750	Warrant	\$ 0.080	No	Seth Cayer	Debt issuance	n/a	n/a
10/7/2021	New	93,750	Warrant	\$ 0.080	No	David Wolfwinkel	Debt issuance	n/a	n/a
8/23/2022	New	59,228,039	Warrant	\$ 0.027	No	M2B Funding Corp (Daniel Kordash)			
8/23/2022	New	29,503,106	Warrant	\$ 0.027	No	3a Capital Establishment (Ari Kluger)	Debt issuance	n/a	n/a
Warrants Outstanding on December 31, 2023:									
Date:					December 31, 2023				
Warrants					1,997,222				

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	Reason for Issuance (e.g. Loan, Services, etc.)
1/27/2020	\$ 1,923,757	\$ 1,923,757	\$ 335,888	5/28/2021	\$0.50 per share of common stock	Alpha Capital Anstalt, (Konrad Ackermann and Nicola Feuerstein)	Loan
3/18/2020	\$ 100,005	\$ 100,005	\$ 72,657	7/20/2020	None	Alpha Capital Anstalt, (Konrad Ackermann and Nicola Feuerstein)	Loan
6/8/2020	\$ 44,000	\$ 44,000	\$ 7,785	6/8/2021	\$1.00 per share of common stock	Alpha Capital Anstalt, (Konrad Ackermann and Nicola Feuerstein)	Loan
9/7/2020	\$ 27,500	\$ 27,500	\$ 4,473	9/7/2021	\$0.50 per share of common stock	Alpha Capital Anstalt, (Konrad Ackermann and Nicola Feuerstein)	Loan
11/19/2020	\$ 16,500	\$ 16,500	\$ 2,495	11/19/2021	\$0.50 per share of common stock	Alpha Capital Anstalt, (Konrad Ackermann and Nicola Feuerstein)	Loan
1/27/2020	\$ 512,592	\$ 512,592	\$ 173,643	5/28/2021	\$0.50 per share of common stock	Chase Financing, Inc.	Loan
1/27/2020	\$ 56,454	\$ 56,454	\$ 8,600	5/28/2021	\$0.50 per share of common stock	Chase Financing Inc. Profit Sharing and 401(k) Plan (Robert Herskowitz)	Loan
8/23/2022	\$ 1,451,087	\$ 1,451,087	\$ 230,172	8/23/2023	\$0.0245 per share of common stock	M2B Funding Corp (Daniel Kordash)	Loan
11/4/2020	\$ 100,000	\$ 100,000	\$ 46,660	5/4/2021	\$0.059 per share of common stock	Tim Banazek	Loan
8/23/2022	\$ 722,826	\$ 722,826	\$ 114,728	8/23/2023	\$0.0245 per share of common stock	3a Capital Establishment (Ari Kluger)	Loan
8/15/2022	\$ 492,090	\$ 540,758	\$ 45,939	2/15/2024	-	Apollo Management Group, Inc. (Yohan Naraine)	Loan

6/12/2023	\$ 111,111	\$ 111,111	\$ 10,841	6/12/2024	-	Apollo Management Group, Inc. (Yohan Naraine)	Loan
8/15/2022	\$ 1,363,589	\$ 1,498,450	\$ 127,299	2/15/2024	-	Apollo Capital Corp. (Yohan Naraine)	Loan
8/15/2022	\$ 2,126,541	\$ 2,336,858	\$ 198,526	2/15/2024	-	Apollo Management SPV LLC (Yohan Naraine)	Loan
9/2/2021	\$ 100,000	\$ 100,000	\$ 27,925	9/2/2022	-	David Wolfswinkel	Loan
10/7/2021	\$ 50,000	\$ 50,000	\$ 16,681	10/7/2022	-	David Wolfswinkel	Loan
4/1/2022	\$ 85,594	\$ 85,594	\$ 14,916	4/1/2023	-	M2B Funding Corp (Daniel Kordash)	Loan
8/15/2022	\$ 1,762,881	\$ 1,876,191	\$ 163,322	2/15/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
5/25/2023	\$ 111,111	\$ 111,111	\$ 11,941	5/25/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
6/20/2017	\$ 55,353	\$ 55,353	\$ 67,838	8/5/2017	-	Hampton Growth (Teresa Kunz)	Loan
8/15/2022	\$ 267,120	\$ 288,720	\$ 24,839	2/15/2024	-	Hampton Growth (Teresa Kunz)	Loan
8/15/2022	\$ 1,173,164	\$ 1,263,164	\$ 108,987	2/15/2024	-	Jefferson Street Capital (Brian Goldberg)	Loan
6/17/2020	\$ 150,497	\$ 150,497	\$ 21,019	6/17/2050	-	SBA	Loan
8/15/2022	\$ 583,989	\$ 640,239	\$ 54,489	2/15/2024	-	AJB Capital Investments (Ari Blain)	Loan
8/28/2021	\$ 50,000	\$ 50,000	\$ 23,700	9/1/2022	-	Seth Cayer	Loan
10/6/2021	\$ 66,980	\$ 66,980	\$ 22,376	10/6/2022	-	Seth Cayer	Loan
7/12/2022	\$ 24,500	\$ 25,000	\$ 3,585	-	-	Peter Boyer	Loan
7/12/2022	\$ 25,000	\$ 25,000	\$ 3,655	-	-	Richard Steinhart	Loan
7/25/2022	\$ 30,000	\$ 30,000	\$ 3,905	-	-	Richard Steinhart	Loan
7/28/2022	\$ 50,000	\$ 50,000	\$ 7,096	-	-	Paul Lutfy	Loan
8/31/2022	\$ 7,865,000	\$ 8,000,000	\$ 312,375	8/31/2031	VWAP of the last business day of the most recent calendar quarter	Hyla UK (Nick Mehdi)	Loan
1/31/2023	\$ 49,913	\$ 146,500	\$ 8,236	3/7/2023	-	Apollo Management Group, Inc. (Yohan Naraine)	Loan
6/16/2023	\$ 150,000	\$ 150,000	\$ 14,646	12/16/2023	-	M2B Funding Corp (Daniel Kordash)	Loan
7/14/2023	\$ 100,000	\$ 100,000	\$ 8,384	7/14/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
7/27/2023	\$ 60,000	\$ 60,000	\$ 4,645	7/27/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
8/14/2023	\$ 50,000	\$ 50,000	\$ 3,427	8/14/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
9/6/2023	\$ 90,000	\$ 90,000	\$ 5,148	9/6/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
9/8/2023	\$ 95,000	\$ 95,000	\$ 5,341	9/8/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
11/24/2023	\$ 85,000	\$ 85,000	\$ 1,551	5/24/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
12/18/2023	\$ 222,222	\$ 222,222	\$ 1,425	12/18/2024	-	M2B Funding Corp (Daniel Kordash)	Loan
4/14/2023	\$ 121,959	\$ 196,500	\$ -	-	-	Stretch Piece, LLC (Jeffrey Heyn)	Loan
11/29/2022	\$ 996,000	\$ 1,000,000	\$ -	7/11/2023	-	Farmers & Merchants Bank (Paul Kujawa)	Line of Credit

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

N/A

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.otcmarkets.com).

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

Our primary business is the manufacturing and sale of hemp products and organic, plant-based, all-natural, zero-nicotine vape products.

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

CBD Unlimited, Inc. (70% owner)

Khode, LLC (70% owner)

Hyla US Holdco Limited (51% owner)

C. Describe the issuers' principal products or services.

Business.

Overview

Endexx® is a Consumer Products (CPG) company specializing in Plant-Based formulations and Innovative delivery systems, focused on creating “Better Products for a Better You”®. Our focus is on developing the most innovative and effective products using all-natural plant-based ingredients. Our companies, Hyla™ and CBD Unlimited™, harness the power of plants and deliver clean ingredient formulations with innovative technology systems.

Through Hyla, our recently acquired majority-owned subsidiary, we produce and sell organic, plant-based, all-natural, zero-nicotine, tobacco-free vape products under the Hyla brand. Each “HYLA device” contains a natural guarana extract that is blended with proprietary botanical formulas. Hyla launched its products in October 2021 and its initial inventory (140,000 devices) was sold out the following month. Hyla’s products bear the Underwriters Laboratories global safety certification and are CE approved.

Through CBD Unlimited, we develop hemp-derived, cannabidiol-enhanced products, each formulated to address key segments of the health and wellness market. Through our subsidiaries and strategic partnerships, we sell high-end, full-spectrum oils, extracts, topicals, and pet products, all with the shared purpose of supporting the potential of relief of pain and inflammation for humans and pets through our e-commerce site www.cbdunlimited.com, as well as other online and in-store retailers. Our products are built upon three key fundamentals: targeted-delivery, controlled-dosing, and dual-therapy applications. Our products have been formulated with input from nutrition experts, cosmetic specialists, and Doctors of Podiatric Medicine; use American-sourced hemp-derived materials; and use the highest quality natural ingredients. Each product undergoes rigorous quality control checks to ensure that the final product is of the highest possible quality and is tested and verified by independent laboratories. (See, “*Government Regulation.*”)

We continue to invest in research and development in order to develop new products and delivery methods. We plan to scale our production to meet growing consumer demand by entering into new joint ventures, mergers and acquisitions, and securing commitments from large retailers with a national and/or international presence.

We are led by a management team and advisory group that has decades of experience in the pharmacy, medical, hemp-derived products, nutraceutical, and health supplement industries. Our strategic partnerships include leading regulated hemp farms, manufacturers, marketers, and retailers with national presence, all supporting the development and sale of our plant-based products. We are based in Cave Creek, Arizona with additional offices in Los Angeles, California and Houston, Texas.

Historical Overview

The Company was incorporated in the State of Nevada on September 5, 1997 as Micron Solutions, Inc. (“Micron Solutions”), in order to complete a merger with Shillelagh Ventures Chartered, a Utah corporation (“Shillelagh”). In November 1997, Shillelagh merged with and into Micron Solutions, with Micron Solutions as the surviving entity.

In 2002, Micron Solutions entered into an Exchange Agreement (the “Exchange Agreement”) with PanaMed, Inc., a California corporation, formerly known as PanaMed Africa, Inc., and all of its shareholders, pursuant to which they transferred and assigned their common shares to Micron Solutions in exchange for an equal number of shares of common stock of Micron Solutions, thereby causing PanaMed, Inc. to become a wholly-owned subsidiary of Micron Solutions. In connection with the Exchange Agreement, Micron Solutions (i) changed its name to PanaMed Corporation (“PanaMed Corporation”), (ii) effected a 1-for-10 reverse stock split, such that every ten shares of PanaMed Corporation’s common stock became one share of its common stock, and (iii) amended its Articles of Incorporation similarly to decrease the number of its authorized shares of capital stock by the same ratio as the reverse stock split ratio. From 2002 to 2005, PanaMed Corporation operated as a biotech service and licensing company, investing capital into biotechnologies and conducting therapeutic treatment programs in the Ivory Coast, Africa.

In June 2005, we filed a Certificate of Amendment to our Articles of Incorporation with the Secretary of State of the State of Nevada to change our name to Endexx Corporation. At that time, we adopted our current trading symbol, “EDXC.” In September 2005, we acquired Visual Board Books, Inc. (“VBB”), a Software-as-a-Service (“SaaS”)

developer, through a merger, whereby VBB merged with and into us, and we were the surviving entity. Subsequently, we operated as a diversified technology and SaaS and compliance and tracking systems company until we shifted our focus to the hemp-derived product industry in August 2014. In October 2018, we changed our name to CBD Unlimited, Inc., and in May 2020, we changed our name back to Endexx Corporation, with CBD Unlimited, Inc., becoming our wholly-owned subsidiary. On January 25, 2021, we filed our Amended and Restated Articles of Incorporation.

Operating Subsidiaries

We currently have two primary related health and wellness product lines:

Hyla US Holdco Limited

Effective August 31, 2022, we closed the transactions contemplated by a Control Acquisition Agreement, pursuant to which we purchased 51% of the issued and outstanding capital stock of Hyla (Please see Item 9b for additional disclosure). Hyla specializes in producing and selling organic, plant-based, all-natural zero-nicotine, tobacco-free vape products under the HYL A brand. We now offer a wide range of premium and mass-market vape devices that contain natural guarana extract blended with proprietary botanical formulas. All HYL A vapes are manufactured in Underwriters Laboratories Global Safety certified facilities and undergo rigorous testing and quality controls.

CBD Unlimited, Inc.

Through CBD Unlimited and other subsidiaries, we develop, manufacture, and distribute nutritional supplements and delivery systems for healthy living for the nutraceutical consumer market in the form of hemp-based, non-psychoactive cannabinoids and terpenoid extracts that are infused into products. Our current products encompass premium hemp-derived oils, topicals, delayed release capsules, extracts, tea and coffee, grooming and skincare, and a newly launched high performance, value line of hemp-derived health and skin care products.

Khode, LLC

On October 1, 2020, we entered into an LLC Operating Agreement of Khode, LLC (“Khode”) and, in May of 2021, we entered into a Membership Interest Purchase Agreement that resulted in a minor adjustment to the holdings of the parties thereto. By virtue of that agreement, we now own 70.01% of the membership interests of Khode and, pursuant to the provisions of the Khode Operating Agreement, are required to make a capital contribution of \$3,500,000. As of the date of this Annual Report on Form 10-K, we have made a partial capital contribution in the amount of approximately \$1,500,000 and expect to raise the balance through limited, private sales of our debt and equity securities. We cannot provide any assurance that such financing will be available on terms acceptable to us, at times required by us, if at all. If we fail to make the entire capital contribution, we will be in breach of our obligations under the Khode Operating Agreement. In the event of such a breach, the 24.99% interest holder in Khode, a Florida corporation known as Serious Promotions, Inc., will have the right, exercisable by written notice given at any time on or before the date which is twenty Business Days following the occurrence of such event of default, to terminate the Endorsement Agreement (as described in the second paragraph, below), with Khode having a ten-month sell-off period with respect to all Branded Products (as defined in the Khode Operating Agreement) then manufactured but not yet sold.

Effective January 22, 2021, we entered into a Percentage Payment Agreement with a third party that is not otherwise affiliated with Khode, pursuant to which we are obligated to pay to that third party an amount equivalent to 2.1% of all cash received by Khode from its net sales of certain products during the term of that Percentage Payment Agreement, which will terminate when Khode has been dissolved.

During October 2020, Khode entered into a five-year Endorsement and License Agreement with Serious Promotions, Inc., a Florida corporation, f/s/o Khaled, professionally known as DJ Khaled, who is an American artist, record executive and producer, and media personality. Pursuant to that agreement, Khode is to create a custom line of hemp-derived-infused oils, creams, and other beauty products under DJ Khaled’s brand and he is to promote the products through personal appearances, the use of social media platforms, participation in presentation videos, video, and audio “drops,” and media quotes. In connection with DJ Khaled’s services, and contingent on Khaled and the other joint

venture members performing their obligations under the joint venture and related agreements, Khode is obligated to make quarterly payments totaling an aggregate of \$5,000,000 by July 1, 2025, of which aggregate amount, as of the date of this Annual Report on Form 10-K, Khode has tendered \$750,000 and expects to finance the balance of the quarterly payments through cash flow from operations of Khode. As of the date of this Annual Report on Form 10-K, Khode has not generated any positive cash flow from operations and we cannot provide any assurance that it will generate any cash flow from operations in the future in an amount sufficient to, among other things, make such quarterly payments. (See, Item 3.3 Legal Proceedings.)

Planned-for Future State of Operations

CBD Unlimited and Hyla are operational. In the near- and mid-term, we currently are planning to (i) expand Hyla's distribution and sales channels both internationally and domestically, (ii) expand retail and ecommerce sales channels for CBD Unlimited and its brand lines, and (iii) seek additional distribution partners and evaluate strategic alliances and potential acquisitions.

Overview of the Hemp-Derived Product Industry

The Difference Between Hemp and Marijuana

Both marijuana and hemp come from the same species of plant called "Cannabis." Hemp is a unique strain or species known as "Cannabis Sativa L," which, by dry weight, contains less than 0.3% THC concentration. Cannabis Sativa L plants contain unique compounds called cannabinoids and terpenoids. CBD is one of approximately 66 cannabinoids found in the Cannabis Sativa L plant and shares many properties with cannabis (*i.e.*, marijuana). Unlike CBD derived from marijuana, CBD derived from the aerial parts of the hemp plant contains less than three-tenths of one percent (0.3%) of THC, the component that causes the psychoactive side-effects commonly associated with marijuana. In general, hemp CBD-based products that have a THC concentration of less than 0.3% is generally considered "legal" in the United States, and yields a product that some consumers believe contains the observed medicinal benefits of traditional cannabis, without inducing its "high" in consumers. Notwithstanding the beliefs of many consumers, the FDA has not recognized any medical benefits derived from CBD. CBD is available in several forms, such as isolates, distillates, and oil extracts, including (i) hemp seed oil, which has no CBD, (ii) full-spectrum CBD, which contains phyto-cannabinoids, such as THC, CBN, THCA, CBC, and CBG in variable concentrations, and is considered the most natural form of CBD, and (iii) broad-spectrum CBD, which contains less-to-non-detectable THC than full-spectrum CBD.

Market Opportunity

We believe that, with recent regulatory changes, the hemp-derived product industry is poised for continued growth. Recent projections from According to a Comprehensive Research Report by Market Research Future (MRFR), "**Cannabidoil Market Information By Form, Route of Administration, End User, Product, Application, Source and Region Forecast till 2030**" the market size was valued \$9.1 billion in 2021 and is expected to reach \$59.3 billion by 2030 (an 18.2% compound annual growth rate during the forecast period of 2022-2030).

The hemp-derived product industry is still largely underserved against the demand for natural and nutritional supplements and topicals. With the industry poised for growth in the coming years, our established portfolio of products and industry solutions can serve multiple market segments, as well as have been proven to be some of the best performing products according to key retailers like Walgreens.

The vape industry is currently being disrupted by regulators and customers looking to have healthier and safer product solutions for consumers. Our organic, plant-based, all-natural, zero-nicotine, tobacco-free vape products fill a significant void in the market and continue to see growing demand as tobacco-based products are banned or lose favor with consumers.

Our Current Consumer Products

Our focus is on the development, manufacturing, and distribution of plant-based and clean-ingredient consumer products, including nutritional supplements, plant-based alternatives, and delivery systems for healthier living for the

consumer market in the form of hemp-based, non-psychoactive cannabinoids, terpenoid extracts, and other plant-based ingredients that are infused into products. Our current products encompass hemp-derived oils, topical skin care for skin health, pain relief support, and beauty products, value price hemp-derived creams and balms, a premium line of hemp-derived health and beauty care products, and organic, plant-based, all-natural, zero-nicotine, tobacco-free vape products. Our PhytoBites® are hemp-derived soft chews for animal use that are formulated to promote health and potentially support an improved quality of life.

According to the National Institutes of Health, a “dietary supplement” is a product that is intended to supplement the diet. A dietary supplement contains one or more dietary ingredients (including vitamins, minerals, herbs or other botanicals, amino acids, and other substances) or their components; is intended to be taken by mouth as a pill, capsule, tablet, or liquid; and is identified on the front label of the product as being a dietary supplement. None of our products is a dietary supplement.

We have built a network of reliable suppliers of high-quality, hemp-derived and plant-derived products that can also provide pharmacy-grade delivery systems with consistent and precise dosages. The derived and finished products are tested at the point of origin and retested in the certified labs for contaminants, trace elements, potency, and purity. All of our hemp-derived products are developed and produced in ISO 9000 and GMP and OTC-certified facilities in collaboration with our distribution partners throughout the United States and established licensed medical hemp manufacturing and processing facilities. Our plant-based vape products follow similar rigorous standards to make sure they are the most premium in the market.

We believe that our product line is establishing a new standard in quality, transparency, consistency, and accuracy. Using current extraction technologies and sustainable cultivation practices, our ultimate goal is to improve the safety, quality, and bioavailability of plant-based products to our customers. All of our products are sold on our e-commerce sites: www.cbdunlimited.com or www.tryhyla.com, which seamlessly bring together our products, marketing content, and education into two platforms. We also have specific products like our Value Line, which are marketed to the mass-pharmacy, mass-retail, and mass-food markets.

Distribution Methods

All of our products are currently sold online through one of our e-commerce platforms www.cbdunlimited.com or www.tryhyla.com, select distributors, specialty sales groups, and brick-and-mortar retailers.

A portion of our sales comes through our e-commerce platforms, and orders are fulfilled from various fulfillment centers domestically and internationally. Demand for our products is increasing and we are transitioning our distribution to centralized third-party logistics and fulfillment centers in an aim to reduce.

In addition to our e-commerce website, several distributors carry our products and sell them into mass-pharmacy, retail stores, food chains, convenience stores, gas station stores, and specialty shops. Our current retail strategy entails targeting accounts and regions throughout the world where we believe our products are most likely to succeed with shoppers. Our distribution and retail strategy aims to increase our brand exposure and drive follow-on purchases at retail locations that carry our products and through our e-commerce platforms. We utilize social media, print, radio, and digital marketing, as well as broad distribution agreements. We currently have distribution agreements with:

- Numerous domestic and international distributors, including established partners in key international markets such as Italy, UAE, Egypt and other key regions in the Middle East, Europe and Asia;
- Numerous brokers specializing in defined product and channel categories having beneficial relationships with key buyers.

Marketing

The key goal of our sales and marketing strategy is to provide broad exposure of our products and their differentiation to our target consumers. We have adopted a multi-pronged approach to marketing our products and building brand awareness. Currently, our strategy is primarily focused on sampling opportunities where possible, key sponsorships opportunities, as well as digital marketing efforts inclusive of paid digital media, organic social media, search engine

optimization, email marketing, and numerous other tactics. We are constantly iterating and testing our marketing spend to maximize results and return on investment.

Competition

For our CBD Unlimited business, the hemp-derived product industry is subject to significant competition and is comprised of thousands of businesses, ranging from growers, extractors, and manufacturers to distributors and retailers, and this number is expected to grow substantially in the coming years. We directly compete with small-to-mid-sized manufacturers with annual revenues between \$2 million and \$20 million. However, if we are successful in achieving our future growth targets, of which there can be no assurance, we would compete with much larger companies that generate annual revenues in excess of \$50 million. Many of our historical key competitors included Medterra CBD, Kadenwood, LLC, Charlotte's Web Holdings, Inc., Cresco Labs, Inc., Curaleaf Holdings Inc., CV Sciences, Inc., Elixinol Wellness Ltd., Neuropathix, Inc., Ovation Science Inc., and Zynerba Pharmaceuticals, Inc.; however, there are new competitors entering the market regularly such as direct-to-consumer facing brands Highline Wellness Inc. and

Competition against these brands is fierce, with each manufacturer offering a host of hemp-derived products directly competing with us. This can over-populate the market with indistinguishable products and brands, forcing customers to buy products with little information. With so many brands in the market, having a competitive differentiator is essential to attract customers. We believe our products are superior to those of many of our competitors because we have established formulations with controlled dosing and delivery systems and have tested this platform within the healthcare industry with physicians, pharmacists, healthcare service providers, and veterinarians through clinical studies and field work, or other pharmacy collaborations. Additionally, we believe that providing good customer service to our customers, through transparency and education, will set us apart from our competitors. However, it is possible that one or more of our competitors could develop significant research or marketing advantages over us that allow them to provide superior products or pricing, respectively, which could put us at a competitive disadvantage.

For our Hyla business, the competition ranges from traditional tobacco-based product brands that are expanding into, or are already dominating, the consumer demand for vape-type products to more modern brands that are attempting to follow Hyla's early success in the plant-based, alternative vaping space. Fortunately, Hyla has a first mover advantage as it relates to organic, plant-based, all-natural, zero-nicotine, tobacco-free vape products and has seen early traction both domestically and internationally. This does not make Hyla not susceptible to being disrupted or overtaken by a competitor; however, it is our belief that Hyla's experience in creating best-in-class products and a robust product expansion pipeline will help fend off competition far into the future.

Suppliers

For our CBD Unlimited business, we have a network of suppliers and third-party service providers, including state-certified hemp suppliers, manufacturers, and distributors. We source all of our hemp from certified American growers, and manufacture all of our products in CGMP, OTC, Cosmetic, NSF, and ISO-certified facilities. Additionally, all of our ingredients and finished goods are tested for purity and quality by ISO-certified third-party laboratories: Kaycha Labs, Delta Verde Laboratories, DB Labs, LLC, Eurofins Scientific SE and now comply with newly established United Laboratories protocol. We make available to our customers copies of the laboratories' certificates of analysis, which disclose Cannabinoid, terpenes, and THC concentration, mycotoxins, microbial, heavy metals, pesticides, or any other harmful contaminants. We continuously manage the risks associated with third-party suppliers and service providers by continuously evaluating our supply chain for any quality or manufacturing problems and are continually identifying alternative solutions to any potential issues.

For our Hyla vape business, we have long term relationships with key suppliers in the United States that exclusively manufacture all our plant-based flavored liquid that goes into our disposable devices, which are manufactured in China. The strategic benefit of this arrangement protects Hyla from any copycat or competitor getting access to the unique formulas that are proprietary to our products. All our manufacturers, both domestically and internationally, comply with all local and international manufacturing standards and regulations pertinent to our industry.

Our Customers

We are not dependent on any single customer for a significant portion of our sales. However, we have customers who purchase our products on a regular basis. We believe this loyalty is an essential factor that will help differentiate our brand and products from our competition. Our goal is to continue to build this loyalty from our customers by offering the highest quality products and best customer service in the hemp-derived product industry.

In addition to the customers who visit our e-commerce platforms, we have strong relationships with wholesalers, distributors, and retailers. Our CBD Unlimited products are now in approximately 8,000 mass-retail stores, gas stations, convenience stores, and independent “Mom and Pop” locations in the United States, and our Hyla products are in approximately ten thousand retail locations and rapidly expanding, both domestically and internationally.

Government Regulation

In 2014, Congress enacted Section 7606 of the Agriculture Act of 2014 (the “2014 Farm Bill”), which provides for the domestic cultivation of industrial hemp as part of agricultural pilot programs adopted by individual states for the purposes of research by state departments of agriculture and institutions of higher education. The 2014 Farm Bill provides for the domestic cultivation of industrial hemp in these pilot programs, notwithstanding other federal laws, such as the Controlled Substances Act (the “CSA”). The 2014 Farm Bill governed any current domestic production of industrial hemp.

The 2014 Farm Bill’s provisions require states that choose to adopt agricultural pilot programs to study the growth, cultivation, or marketing of industrial hemp to do so in a manner that (i) ensures that only institutions of higher education and state agriculture departments are used to grow or cultivate industrial hemp; (ii) requires that sites used for growing or cultivating industrial hemp be certified with, and registered by, the states; and (iii) authorizes state agriculture departments to regulate the pilot programs. Within those parameters, the 2014 Farm Bill gives significant discretion to states to determine whether to adopt an industrial hemp pilot program, and to adopt regulations governing industrial hemp (including marketing research involving products derived from industrial hemp) under those pilot programs. Many of the states that have adopted pilot programs have registered private companies to participate in the pilot program. We worked with farms and extraction facilities that were registered under Arizona’s agricultural pilot program.

Under the 2014 Farm Bill, any cannabis plant, plant part, or plant product that contains a higher concentration of THC than permitted in industrial hemp is considered a Schedule I substance under the CSA and is not protected by the 2014 Farm Bill. In addition, any industrial hemp plant, plant part, or plant product that is produced outside of a state agricultural pilot program may be considered unlawful but not a controlled substance.

In December 2018, the Agriculture Improvement Act of 2018 (the “2018 Farm Bill”) was signed into law. Prior to its passage, hemp, a member of the cannabis family, and hemp-derived products were classified as Schedule I controlled substances, and so were considered illegal under the CSA. With the passage of the 2018 Farm Bill, hemp cultivation is broadly permitted outside of the state agricultural pilot programs. The 2018 Farm Bill explicitly allows the transfer of hemp-derived products across state lines for commercial or other purposes. It also puts no restrictions on the sale, transport, or possession of hemp-derived products, so long as those items are produced in a manner consistent with the law.

Additionally, there will be significant, shared state-federal regulatory power over hemp cultivation and production. Pursuant to the 2018 Farm Bill, state agriculture departments must consult with the state’s governor and chief law enforcement officer to devise a plan that must be submitted to the Secretary of the United States Department of Agriculture (the “USDA”). A state’s plan to license and regulate hemp can only commence once the Secretary of the USDA approves the state’s plan. In states opting not to devise a hemp regulatory program, the USDA will construct a regulatory program under which hemp cultivators in those states must apply for licenses and comply with a federally-run program. This system of shared regulatory programming is similar to options states had in other policy areas, such as health insurance marketplaces under the Affordable Care Act, or workplace safety plans under the Occupational Health and Safety Act – both of which had federally-run systems for states opting not to set up their own systems. The USDA has deferred review and approval of state plans, establishing its umbrella plan for hemp production in states without approved plans, and issuing federal licenses to producers in such states until the agency promulgates final implementing regulations. Until such time as the USDA issues such final regulations, commercial hemp production under the 2018 Farm Bill cannot legally begin. However, research-related activities involving industrial hemp under

the more-restrictive 2014 Farm Bill may continue. The USDA has expressed an intention to issue such final regulations in time for producers to cultivate hemp for commercial purposes during the 2020 growing season; however, the timing and content of the USDA's final implementing regulations cannot be assured. Moreover, the 2018 Farm Bill permits states to establish additional restrictions on hemp production and hemp products than required under federal law, although states may not interfere with the interstate transportation of hemp or hemp products produced in compliance with the 2018 Farm Bill.

Even though the 2018 Farm Bill removed industrial hemp from the Schedule I list, the 2018 Farm Bill preserved the regulatory authority of the Food and Drug Administration (the "FDA") over cannabis and cannabis-derived compounds used in food and pharmaceutical products pursuant to the Federal Food, Drug, and Cosmetic Act (the "FD&C Act") and Section 351 of the Public Health Service Act. The FDA has stated that it intends to treat products containing cannabis or cannabis-derived compounds as it treats any other FDA-regulated products. The FDA requires a cannabis product (hemp-derived or otherwise) that is marketed with a claim of therapeutic benefit, or with any other disease claim, to be approved by the FDA for its intended use before it may be introduced into interstate commerce.

The FDA has also stated that it is unlawful under the FD&C Act to introduce food containing added CBD or THC into interstate commerce, or to market CBD or THC products as, or in, dietary supplements, regardless of whether the substances are hemp-derived. Even though products containing cannabis and cannabis-derived compounds remain subject to the FDA's regulatory authority, there are methods available for those companies who seek to lawfully introduce these products into interstate commerce. For example, a company can seek approval from the FDA to market a human or animal drug that is derived from cannabis with therapeutic claims. In June 2018, the FDA approved Epidiolex, which is a CBD-derived drug approved to treat epilepsy. The approval was based on adequate and well-controlled clinical studies, which gives prescribers confidence in the drug's uniform strength and consistent delivery that support appropriate dosing needed for treating patients with epilepsy. The FDA's position leaves a great deal of uncertainty in interpreting the legal standing of CBD – the 2018 Farm Bill legalizes the interstate commerce of hemp, but the FDA has made statements indicating its desire to regulate CBD products, which could significantly limit interstate commerce of CBD products.

Additionally, the Federal Trade Commission ("FTC") regulates advertising of all products, including for FDA-regulated articles made from hemp and CBD derived from hemp.

Intellectual Property

We do not hold, nor have we applied for, any patents. As of the date of this Annual Report on Form 10-K, we have a registered trademark for "Endexx" and a registered trademark for "PhytoBites." Additionally, we have applied for several trademarks of our products' names and logos, including "CBD Unlimited," "Maggie's Balm," and "Blesswell." As of the date of this Annual Report on Form 10-K, the US Patent and Trademark Office (USPTO) has not approved any CBD-related trademarks, and, accordingly, our applications are still pending.

Research and Development

Our research and development expenses for the years ended September 30, 2023 and 2022 totaled \$5,249 and \$27,066, respectively, and relate to the development of our products. None of these costs was borne directly by our customers.

Employees

As of January 22, 2024, we have approximately ten full-time employees across our businesses. None of our employees is covered by any collective bargaining agreements and we have never experienced a major work stoppage, strike, or dispute. We consider our relationship with our employees to be outstanding.

Reports to Security Holders

Because our class of Common Stock is registered pursuant to Section 12(g) of the Exchange Act, we are subject to the requirements of Section 13(a) thereunder, which requires us to file Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and to comply with all other obligations of the Exchange Act applicable to issuers pursuant to Section 12(g). Further, our directors and named executive officers and beneficial

owners of five percent (5%) or more of our Common Stock are subject to certain disclosure obligations under the Exchange Act.

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.

The Company leases space on an as needed basis. We do not believe we will have difficulty in obtaining additional executive office, industrial or commercial logistics space, at competitive prices, if necessary.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

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 an investor 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 shareholders.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)		Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Todd Davis	Chairman		Cave Creek, AZ	28,254,345	Common	5.58%	Shares beneficially held by Rayne Forecast Inc.
Brad Listermann	CEO		Los Angeles, CA	1,719,100	Common	0.34%	Shares beneficially held by Strategic Innovations
Steven Plumb	CFO		Houston, TX	-	Common	0.00%	-
Nick Mehdi	Director		Houston, TX	278,049	Preferred Series H	5.70%	Shares beneficially held by LNMS, LLC
Irving Minnaker	Director		Boca Raton, FL	-	Common	0.00%	-
Dustin Sullivan	Director		Fairfield, CT	3,825,654	Common	0.76%	-
Claude Zdanow	Director		Los Angeles, CA	243,902	Preferred Series H	5.00%	Shares beneficially held by Summitridge Investments LLC
Max Baker	Owner of more than 5%		Los Angeles, CA	3,846,341	Preferred Series H	78.85%	Shares beneficially held by Global Investment Holdings Limited

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 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: Smith Eilers, PLLC
Address 1: 149 S. Lexington Ave.
Address 2: Asheville, NC 28801
Phone: 561-484-7172

Accountant or Auditor

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

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: N/A
Discord: N/A
LinkedIn: N/A
Facebook: N/A
Other: N/A

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: N/A
Firm: N/A
Nature of Services: N/A
Address 1: N/A
Address 2: N/A
Email: N/A

9) Disclosure & Financial Statements

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

Name: EDXC Management – See Signature Page
Title: EDXC Management – See Signature Page
Relationship to Issuer: EDXC Management – See Signature Page

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):

Name: EDXC Management – See Signature Page
Title: EDXC Management – See Signature Page
Relationship to Issuer: EDXC Management – See Signature Page
Describe the qualifications of the person or persons who prepared the financial statements: EDXC Management – See Signature Page

INDEX TO FINANCIAL STATEMENTS

- A. Consolidated Balance Sheets as of December 31, 2023 (unaudited) and September 30, 2023 (unaudited)
- B. Consolidated Statements of Operations for the Periods Ended December 31, 2023 (unaudited) and 2022 (unaudited)
- C. Consolidated Statements of Stockholders' Deficit for the Periods Ended December 31, 2023 (unaudited) and 2022 (unaudited)
- D. Consolidated Statements of Cash Flows for the Periods Ended December 31, 2023 (unaudited) and 2022 (unaudited)
- E. Notes to the Consolidated Financial Statements (unaudited)

The accompanying financial statements have not been audited.

Disclaimer: The financial information provided in this report is based on data compiled by our bookkeepers and accountants. As the newly appointed interim CEO, I am still in the process of verifying the accuracy and completeness of this information. Any discrepancies or adjustments identified during this verification process will be promptly addressed and reported in subsequent filings.

ENDEXX CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
<u>Assets</u>		
Current assets		
Cash	\$ 4,540	\$ 7,644
Accounts receivable, net of allowance	937,123	175,067
Inventory, net of allowance	257,931	281,960
Prepaid expenses	1,539	1,539
Total current assets	1,201,133	466,210
Property and equipment, net of accumulated depreciation	38,340	38,340
Intangible - website domains	16,250	16,250
Goodwill	9,807,361	9,807,361
Total assets	\$ 11,063,084	\$ 10,328,161
<u>Liabilities, Mezzanine Equity and Stockholders' Deficit</u>		
Current liabilities		
Accounts payable	\$ 4,358,345	\$ 3,698,737
Customer deposits	15,182	15,182
Accrued expenses	514,409	773,270
Advances, related party	27,500	22,500
Accrued interest	1,715,617	1,396,711
Payroll and taxes payable, including related party	939,209	939,209
Line of credit	996,000	996,000
Notes payable, current portion, net of discount	10,417,764	9,163,987
Convertible notes payable, net of discount	2,273,913	2,273,913
Derivative liability	8,188,594	7,862,269
Total current liabilities	29,446,533	27,141,778
Notes payable, net of current portion and net of discount	236,422	977,352
Total liabilities	29,682,955	28,119,130
Commitments and contingencies		
Temporary equity		
Series H preferred stock, 4,878,049 issued and outstanding, respectively	2,000,000	2,000,000
Stockholders' deficit		
Preferred stock, \$0.0001 Par Value, 10,000,000 share authorized		
Series A preferred stock, 1,824,000 issued and outstanding, respectively	182	182
Common stock, \$0.0001 Par Value, 1,000,000,000 share authorized, 506,357,952 issued and outstanding, respectively	50,636	50,636
Additional paid-in capital	33,290,481	33,290,481
Accumulated deficit	(51,874,044)	(50,896,249)
Total stockholders' deficit	(18,532,745)	(17,554,950)
Non-controlling interest	(2,087,126)	(2,236,019)
Total liabilities, mezzanine equity and stockholders' deficit	\$ 11,063,084	\$ 10,328,161

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

ENDEXX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the three months ended	
	December 31,	
	2023	2022
Revenues	\$ 1,094,723	\$ 491,709
Cost of revenues	447,967	357,842
Gross profit	<u>646,756</u>	<u>133,867</u>
Operating expenses		
Depreciation	-	2,566
Advertising and promotion	108,181	145,564
Payroll expenses	60,000	82,283
Professional fees	130,297	698,111
Research and development	2,720	3,062
General and administrative expenses	173,716	398,638
Total operating expenses	<u>474,914</u>	<u>1,330,224</u>
Loss from operations	<u>171,842</u>	<u>(1,196,357)</u>
Other (income) and expense		
Change in fair value of derivative liability	326,325	(1,087,148)
Financing costs and discount amortization	258,210	645,621
Interest expenses	416,209	304,055
Total other (income) expense	<u>1,000,744</u>	<u>(137,472)</u>
Net loss	\$ (828,902)	\$ (1,058,885)
Net loss attributable to non-controlling interest	148,893	(461,990)
Net loss attributable to Endexx shareholders	<u>\$ (977,795)</u>	<u>\$ (596,895)</u>
Net loss per share - basic	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding - basic	<u>506,357,952</u>	<u>503,192,336</u>

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

ENDEXX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(UNAUDITED)

	Preferred Stock - Series A		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total
	Shares	Amount	Shares	Amount				
Balances at September 30, 2022	1,824,000	182	501,376,264	\$ 50,138	\$ 32,914,424	\$ (44,398,312)	\$ (260,092)	\$ (11,693,660)
Shares issued for settlement of liabilities	-	-	2,719,100	272	186,728	-	-	187,000
Net loss	-	-	-	-	-	(596,895)	(461,990)	(1,058,885)
Balances at December 31, 2022	<u>1,824,000</u>	<u>\$ 182</u>	<u>504,095,364</u>	<u>\$ 50,410</u>	<u>\$ 33,101,152</u>	<u>\$ (44,995,207)</u>	<u>\$ (722,082)</u>	<u>\$ (12,565,545)</u>
Balances at September 30, 2023	1,824,000	182	506,357,952	\$ 50,636	\$ 33,290,481	\$ (50,896,249)	\$ (2,236,019)	\$ (19,790,969)
Net loss	-	-	-	-	-	(977,795)	148,893	(828,902)
Balances at December 31, 2023	<u>1,824,000</u>	<u>\$ 182</u>	<u>506,357,952</u>	<u>\$ 50,636</u>	<u>\$ 33,290,481</u>	<u>\$ (51,874,044)</u>	<u>\$ (2,087,126)</u>	<u>\$ (20,619,871)</u>

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

ENDEXX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the three months ended	
	December 31,	
	2023	2022
Operating activities		
Net loss	\$ (828,902)	\$ (1,058,885)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	-	2,566
Amortization of debt discount	258,210	645,621
Change in fair value of derivative liability	326,325	(1,087,148)
Bad debt expense	-	57,250
Impairment expense	4,577	5,247
Changes in operating assets and liabilities:		
Accounts receivable	(762,056)	501,319
Inventory	19,452	42,133
Prepaid expenses	-	(899,422)
Right of use asset and liability	-	4,122
Accounts payable	659,608	47,607
Customer deposit	-	61,666
Accrued expenses	(258,861)	28,888
Accrued interest	318,906	290,037
Payroll and taxes payable, primarily related party	-	13,956
Net cash used in operating activities	<u>(262,741)</u>	<u>(1,345,043)</u>
Investing activities:		
Net cash used in investing activities	<u>-</u>	<u>-</u>
Financing activities:		
Proceeds from convertible notes payable	-	-
Proceeds from notes payable	260,000	-
Proceeds from line of credit	-	883,145
Proceeds from related party advances	5,000	-
Repayments of notes payable	(5,363)	(188,233)
Net cash provided by financing activities	<u>259,637</u>	<u>694,912</u>
Net (decrease) increase in cash	\$ (3,104)	\$ (650,131)
Cash, beginning of period	7,644	656,776
Cash, end of period	<u>\$ 4,540</u>	<u>\$ 6,645</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ 202,994</u>
Supplemental schedule of non-cash investing and financing activities:		
Debt discount at origination	<u>\$ 47,222</u>	<u>\$ -</u>

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

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

We were incorporated under the laws of State of Nevada on September 5, 1997, as Micron Solutions. From 2002-2005, the Company operated as Panamed Corporation, a biotech service and licensing company. Panamed Corporation merged with Visual Board Books Inc. (VBB) in February 2005 and changed the consolidated company name to Endexx Corporation (the “Company”).

Our primary business is the manufacturing and sale of hemp products and organic, plant-based, all-natural, zero-nicotine vape products. The Company has the following operating subsidiaries:

- CBD Unlimited, Inc. (70% owner)
- Khode, LLC (70% owner)
- Hyla US Holdco Limited (51% owner)

Basis of Presentation and Going Concern

The Company prepares its consolidated financial statements in conformity with generally accepted accounting principles in the United States of America (“GAAP”). These principles require 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these estimates are reasonable and have been discussed with the Board of Directors; however, actual results could differ from those estimates. The operating results of the above listed wholly owned subsidiaries were consolidated with the consolidated financial statements of the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

Our consolidated financial statements have been presented on the basis that we are a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have sustained operating losses since inception, which raises substantial doubt about the Company’s ability to continue as a going concern.

As of September 30, 2023, we have a working capital deficit of \$26,675,568, and an accumulated deficit of \$50,896,249. During the year ended September 30, 2023, we had a net loss of \$8,473,864 and cash used in operating activities of \$1,623,357. As of December 31, 2023, we have a working capital deficit of \$28,245,400, and an accumulated deficit of \$51,874,044. During the period ended December 31, 2023, we had a net loss of \$828,902 and cash used in operating activities of \$262,741. The Company’s ability to continue in existence is dependent on its ability to develop additional sources of capital, and/or achieve profitable operations and positive cash flows. Management’s plans with respect to operations include the sustained and aggressive marketing of hemp cannabidiol products and raising additional capital through sales of equity or debt securities as may be necessary to pursue its business plans and sustain operations until such time as the Company can achieve profitability. Management believes that aggressive marketing combined with additional financing as necessary will result in improved operations and cash flow in fiscal 2024 and beyond. However, there can be no assurance that management will be successful in obtaining additional funding or in attaining profitable operations. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

Use of Estimates

The Company's financial statement preparation requires that management make estimates and assumptions which affect the reporting of assets and liabilities and the related disclosure of contingent assets and liabilities in order to report these consolidated financial statements in conformity with GAAP. Actual results could differ from those estimates.

Cash

Cash includes all highly liquid investments that are readily convertible to known amounts of cash and have original maturities at the date of purchase of three months or less. There were no cash equivalents as of December 31, 2023 and September 30, 2023. The Company maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). The FDIC provides coverage of up to \$250,000 per depositor, per financial institution, for the aggregate total of depositors' interest and non-interest-bearing accounts. From time to time the Company's cash balances may be in excess of FDIC limits. The Company has not experienced any losses on these accounts and management does not believe that the Company is exposed to any significant risks.

Accounts Receivable

Accounts receivable consists of invoiced and unpaid product sales. The Company records an allowance for doubtful accounts to allow for any amounts that may not be recoverable, which is based on an analysis of the Company's prior collection experience, customer creditworthiness, and current economic trends. Accounts are considered delinquent when payments have not been received within the agreed upon terms and are written off when management determines that collection is not probable. At December 31, 2023 and September 30, 2023, the Company recorded \$482,901 as an allowance for doubtful accounts based upon management's review of accounts receivable.

Inventory

Inventory is composed of finished goods, in-process, and raw goods inventory, valued at the lower of cost or net realizable value, and includes production cost, product freight in, and packaging costs. Slow moving and obsolete inventories are written down based on a comparison of on-hand quantities to historical and projected usages.

The Company has authorized a consignment inventory arrangement with one of its mass retail customers. After the consignment inventory has been sold by this customer, the customer notifies the Company of the sale and the Company records revenue in that accounting period. The Company authorizes the replenishment of consignment inventory based on orders placed by the customer. The Company is provided with weekly reports of consignment sales activity and balances.

Prepaid Expenses

The Company considers all items incurred for future services to be prepaid expenses.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Maintenance and repairs are charged to operations as incurred. Depreciation and amortization are based on the straight-line method over the estimated useful lives of the related assets. When assets are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in operations in the period realized.

Depreciation is computed on the straight-line method net of salvage value with useful lives as follows:

Computer equipment and software	5 years
Business equipment and fixtures	7 years
Property and buildings	39 years

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible Assets

Intangible assets are amortized over their estimated useful lives. Each period, the Company evaluates the estimated remaining useful life of its intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. Management tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Impairment Assessment

The Company evaluates intangible assets and other long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. This includes but is not limited to significant adverse changes in business climate, market conditions or other events that indicate an asset's carrying amount may not be recoverable. Recoverability of these assets is measured by comparing the carrying amount of each asset to the future cash flows the asset is expected to generate. If the cash flows used in the test for recoverability are less than the carrying amount of these assets, the carrying amount of such assets is reduced to fair value.

The Company evaluates and tests the recoverability of its goodwill for impairment at least annually during its fourth quarter of each fiscal year or more often if and when circumstances indicate that goodwill may not be recoverable.

Customer Deposits

From time-to-time the Company receives payment from customers in advance of delivering products to the customer. All such deposits are short term in nature as the Company delivers the product, unfulfilled portions, or engineering services to the customer before the end of its next annual fiscal period. These deposits are credited to the customer against product deliveries or at the completion of the customer's order.

Revenue Recognition

Revenue is recognized from the sale of hemp products when our performance obligation is satisfied. Our primary performance obligation (the distribution and sales of hemp products) is satisfied upon the shipment of products to our customers, which is also when control is transferred. The transfer of control of products to our customers is typically based on written sales terms that do not allow for a right of return after 30 days from the date of purchase. Revenue is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

Financial Instruments

In accordance with the reporting requirements of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825, *Financial Instruments*, the Company calculates the fair value of its assets and liabilities which qualify as financial instruments under this standard and includes this additional information in the notes to the financial statements when the fair value is different than the carrying value of those financial instruments. The Company does not have assets or liabilities measured at fair value on a recurring basis except its derivative liability.

Consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at the balance sheet dates, nor gains or losses reported in the statements of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held during the periods ended December 31, 2023, and 2022, except as disclosed.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value Measurement

ASC 820, *Fair Value Measurements*, provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 - Pricing inputs are other than quoted prices in active markets but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts or priced with models using highly observable inputs.

Level 3 - Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value.

The following tables present the Company's assets and liabilities that were measured and recognized at fair value as of:

	<u>December 31, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Derivative liability	-	-	8,188,594	8,188,594

	<u>September 30, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Derivative liability	-	-	7,862,269	7,862,269

Under the Company's contract ordering policy, the Company first considers common shares issued and outstanding as well as reserved but unissued equity awards, such as under an equity award program. All remaining equity linked instruments such as, but not limited to, options, warrants, and debt and equity with conversion features are evaluated based on the date of issuance. If the number of shares which may be issued under the Company's agreements exceed the authorized number of shares or are unable to be determined, equity linked instruments from that date forward are considered to be derivative liabilities until such time as the number of shares which may be issued under the Company's agreements no longer exceed the authorized number of shares and are able to be determined.

During prior years, the Company issued debt agreements whose conversion features meet the definition of a derivative liability which requires bifurcation.

At December 31, 2023, the Company estimated the fair value of the conversion feature derivatives embedded in the promissory note based on assumptions used in the Cox-Ross-Rubinstein binomial pricing model using the following weighted-average inputs: the price of the Company's common stock of \$0.0175; a risk-free interest rate of 5.00%; expected volatility of the Company's common stock of 250%; estimated exercise price of \$0.0168; and term of approximately eight years.

At September 30, 2023, the Company estimated the fair value of the conversion feature derivatives embedded in the promissory note based on assumptions used in the Cox-Ross-Rubinstein binomial pricing model using the following weighted-average inputs: the price of the Company's common stock of \$0.038; a risk-free interest rate of 4.59%; expected volatility of the Company's common stock of 254%; estimated exercise price of \$0.0380; and term of approximately eight years.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation of the changes in the Company's Level 3 derivative liability at fair value is as follows:

Balance - September 30, 2023	\$ 7,862,269
Additions	-
Settlements	-
Change in fair value	326,325
Balance - December 31, 2023	<u>\$ 8,188,594</u>

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with ASC 815, *Derivatives and Hedging Activities*.

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free-standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: The Company records when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Beneficial Conversion Features

ASC 470-20, *Debt with Conversion and Other Options*, applies to convertible securities with beneficial conversion features that must be settled in stock and to those that give the issuer a choice in settling the obligation in either stock or cash. ASC 470-20 requires that the beneficial conversion feature should be valued at the commitment date as the difference between the conversion price and the fair market value of the common stock into which the security is convertible, multiplied by the number of shares into which the security is convertible. This amount is recorded as a debt discount and amortized over the life of the debt. ASC 470-20 further limits this amount to the proceeds allocated to the convertible instrument.

Research and development costs

Research and development costs are charged to expense as incurred and are included in operating expenses.

Advertising Costs

The costs of advertising are expensed as incurred. Advertising expenses are included in the Company's operating expenses.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income Taxes

The Company accounts for income taxes utilizing the liability method of accounting. Under the liability method, deferred taxes are determined based on differences between financial statement and tax bases of assets and liabilities at enacted tax rates in effect in years in which differences are expected to reverse. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are expected to be realized.

The Company follows ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This interpretation requires recognition and measurement of uncertain income tax positions using a “more-likely-than-not” approach. The Company evaluates its tax positions on an annual basis, and as of September 30, 2023, no additional accrual for income taxes is necessary. The Company’s policy is to recognize both interest and penalties related to unrecognized tax benefits expected to result in payment of cash within one year are classified as accrued liabilities, while those expected beyond one year are classified as other liabilities. The Company has not recorded any interest or penalties since its inception. The Company is required to file income tax returns in the U.S. federal tax jurisdiction and in various state tax jurisdictions and the prior three fiscal years remain open for examination by federal and/or state tax jurisdictions. The Company is currently not under examination by any other tax jurisdiction for any tax year.

(Loss) Income Per Share of Common Stock

ASC 260, *Earnings Per Share*, requires a reconciliation of the numerator and denominator of the basic and diluted earnings (loss) per share (EPS) computations.

Basic earnings (loss) per share are computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

The Company had total potential additional dilutive securities outstanding at December 31, 2023 and September 30, 2023, as follows.

	December 31, 2023	September 30, 2023
Preferred H	48,780,490	48,780,490
Warrants	88,918,645	88,918,645
Convertible debt	90,426,058	90,426,058
	<u>228,125,193</u>	<u>228,125,193</u>

Commitments and Contingencies

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

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Recently Issued Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. This ASU (a) simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in ASC 470-20, *Debt: Debt with Conversion and Other Options*, that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock; (b) revises the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification; and (c) revises the guidance in ASC 260, *Earnings Per Share*, to require entities to calculate diluted earnings per share for convertible instruments by using the "if-converted" method. In addition, entities must presume share settlement for purposes of calculating diluted earnings per share when an instrument may be settled in cash or shares. For smaller reporting companies, ASU 2020-06 is effective for fiscal years beginning after December 15, 2023. The Company is currently evaluating the impact that ASU 2020-06 may have on its consolidated financial statements and related disclosures.

As of December 31, 2023, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial statements.

3. Debt

Line of credit

On November 29, 2022, the Company entered into a 9% agreement for the purchase of inventory with a total capacity of \$886,469. During March 2023, the Company replaced the November 29, 2022, agreement with an 8% inventory financing facility totaling \$1,000,000 for the purchase of inventory. \$500,000 is due on June 11, 2023, with the remaining balance and accrued interest due at maturity on July 11, 2023. At December 31, 2023 and September 30, 2023, the line of credit, which had an outstanding balance of \$996,000, was past due.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes payable

The Company's notes payable as of December 31, 2023, are summarized as follows:

Noteholder	Origination	Maturity	Interest	Principal	Discount
Noteholder A1	8/15/2022	2/15/2024**	6.667%	\$ 492,090	\$ -
Noteholder A1	1/31/2023	3/7/2023*	2%	49,913	-
Noteholder A1	6/12/2023	6/12/2024**	18%	111,111	8,340
Noteholder A2	8/15/2022	2/15/2024**	6.667%	1,363,589	-
Noteholder A3	8/15/2022	2/15/2024**	6.667%	2,126,541	-
Noteholder B	9/2/2021	9/2/2022*	12%	100,000	-
Noteholder B	10/7/2021	10/7/2022*	15%	50,000	-
Noteholder C	4/1/2022	4/1/2023*	10%	85,594	-
Noteholder C	8/15/2022	2/15/2024**	6.667%	1,762,881	-
Noteholder C	1/31/2023	6/7/2023*	8%	-	-
Noteholder C	5/25/2023	5/25/2024**	18%	111,111	11,413
Noteholder C	6/16/2023	12/16/2023*	18%	150,000	-
Noteholder C	7/14/2023	7/14/2024	18%	100,000	8,033
Noteholder C	7/27/2023	7/27/2024	18%	60,000	4,283
Noteholder C	8/14/2023	8/14/2024	18%	50,000	3,101
Noteholder C	9/6/2023	9/6/2024	18%	90,000	10,246
Noteholder C	9/8/2023	9/8/2024	18%	95,000	10,328
Noteholder C	11/24/2023	5/24/2024**	18%	85,000	7,968
Noteholder C	12/18/2023	12/18/2024	18%	222,222	35,900
Noteholder G	6/20/2017	8/5/2017*	18%	55,353	-
Noteholder F	8/15/2022	2/15/2024**	6.667%	267,120	-
Noteholder D	8/15/2022	2/15/2024**	6.667%	1,173,164	-
Noteholder I	6/17/2020	6/17/2050	4%	150,497	-
Noteholder J	8/15/2022	2/15/2024**	6.667%	583,989	-
Noteholder K	8/28/2021	9/1/2022*	15%	50,000	-
Noteholder K	10/6/2021	10/6/2022*	15%	66,980	-
Noteholder L	7/12/2022	-	10%	24,500	-
Noteholder M	7/12/2022	-	10%	25,000	-
Noteholder M	7/25/2022	-	5%	30,000	-
Noteholder N	7/28/2022	-	10%	50,000	-
Noteholder O	8/31/2022	8/31/2031	3.15%	7,865,000	6,814,816
Noteholder P	4/14/2023	-	-	121,959	-
				\$ 17,568,614	\$ 6,914,428

* In default at December 31, 2023

** In default subsequent to December 31, 2023

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's notes payable as of September 30, 2023, are summarized as follows:

<u>Noteholder</u>	<u>Origination</u>	<u>Maturity</u>	<u>Interest</u>	<u>Principal</u>	<u>Discount</u>
Noteholder A1	8/15/2022	2/15/2024	6.667%	\$ 492,090	\$ -
Noteholder A1	1/31/2023	3/7/2023*	2%	49,913	-
Noteholder A1	6/12/2023	6/12/2024	18%	111,111	13,018
Noteholder A2	8/15/2022	2/15/2024	6.667%	1,363,589	-
Noteholder A3	8/15/2022	2/15/2024	6.667%	2,126,541	-
Noteholder B	9/2/2021	9/2/2022*	12%	100,000	-
Noteholder B	10/7/2021	10/7/2022*	15%	50,000	-
Noteholder C	4/1/2022	4/1/2023*	10%	85,594	-
Noteholder C	8/15/2022	2/15/2024	6.667%	1,762,881	-
Noteholder C	1/31/2023	6/7/2023*	8%	-	-
Noteholder C	5/25/2023	5/25/2024	18%	111,111	18,605
Noteholder C	6/16/2023	12/16/2023**	18%	150,000	6,311
Noteholder C	7/14/2023	7/14/2024	18%	100,000	11,803
Noteholder C	7/27/2023	7/27/2024	18%	60,000	6,168
Noteholder C	8/14/2023	8/14/2024	18%	50,000	4,358
Noteholder C	9/6/2023	9/6/2024	18%	90,000	14,016
Noteholder C	9/8/2023	9/8/2024	18%	95,000	14,098
Noteholder G	6/20/2017	8/5/2017*	18%	55,353	-
Noteholder F	8/15/2022	2/15/2024	6.667%	267,120	-
Noteholder D	8/15/2022	2/15/2024	6.667%	1,173,164	-
Noteholder I	6/17/2020	6/17/2050	4%	152,690	-
Noteholder J	8/15/2022	2/15/2024	6.667%	583,989	-
Noteholder K	8/28/2021	9/1/2022*	15%	50,000	-
Noteholder K	10/6/2021	10/6/2022*	15%	66,980	-
Noteholder L	7/12/2022	-	10%	24,500	-
Noteholder M	7/12/2022	-	10%	25,000	-
Noteholder M	7/25/2022	-	5%	30,000	-
Noteholder N	7/28/2022	-	10%	50,000	-
Noteholder O	8/31/2022	8/31/2031	3.15%	7,865,000	7,037,038
Noteholder P	4/14/2023	-	-	125,129	-
				\$ 17,266,755	\$ 7,125,415

* In default at September 30, 2023

** In default subsequent to September 30, 2023

At December 31, 2023 and September 30, 2023, accrued interest related to notes payable totaled \$1,324,057 and \$1,074,685, respectively.

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Convertible notes payable

The Company's convertible notes payable as of December 31, 2023, are summarized as follows:

Noteholder	Origination	Maturity	Interest	Conversion	Principal	Discount
Noteholder C	8/23/2022	8/23/2023*	12%	\$0.0245/share	1,451,087	-
Noteholder D	8/23/2022	8/23/2023*	12%	\$0.0245/share	722,826	-
Noteholder E	11/4/2020	5/4/2021*	15%	\$0.059/share	100,000	-
					\$ 2,273,913	\$ -

* In default at December 31, 2023

The Company's convertible notes payable as of September 30, 2023, are summarized as follows:

Noteholder	Origination	Maturity	Interest	Conversion	Principal	Discount
Noteholder C	8/23/2022	8/23/2023*	12%	\$0.0245/share	1,451,087	-
Noteholder D	8/23/2022	8/23/2023*	12%	\$0.0245/share	722,826	-
Noteholder E	11/4/2020	5/4/2021*	15%	\$0.059/share	100,000	-
					\$ 2,273,913	\$ -

* In default at September 30, 2023

At December 31, 2023 and September 30, 2023, accrued interest related to convertible notes payable totaled \$391,560 and \$322,026, respectively.

Future maturities

Future maturities of the Company's debt as of September 30, 2023, are as follows:

September 30, 2024	\$ 12,737,105
September 30, 2025	225,622
September 30, 2026	3,500
September 30, 2027	3,600
September 30, 2028	3,700
Thereafter	7,865,000
	\$ 20,838,527

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Payroll and Payroll Taxes Payable

The Company's payroll and payroll taxes payable consisted of the following at the respective balance sheet dates:

	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Accrued payroll - employee	\$ 128,105	\$ 128,105
Accrued payroll taxes	811,104	811,104
	<u>\$ 939,209</u>	<u>\$ 939,209</u>

5. Stockholders' Deficit

On January 25, 2021, the Company amended its articles of incorporation to increase its authorized shares to 1,000,000,000 shares and 10,000,000 shares of the Company's common stock and preferred stock, respectively.

The Company's common stock shares have equal voting rights, are non-assessable and have one vote per share. As of December 31, 2023, and September 30, 2023, the Company's issued and outstanding common stock totaled 506,357,952.

The Company's Series A Preferred Stock shares have voting rights in the ratio of 25 votes to 1 share held. As of December 31, 2023, and September 30, 2023, the Company's issued and outstanding Series A Preferred Stock totaled 1,824,000.

The Company's Series H Preferred Stock shares have voting rights equal to the aggregate of all other voting rights plus 1 and each share is convertible into 10 shares of the Company's common stock. As of December 31, 2023, and September 30, 2023, the Company's issued and outstanding Series H Preferred Stock totaled 4,878,049.

The Company's Series Z Preferred Stock shares have voting rights equal to the aggregate of all other voting rights plus 1 and each share is convertible into 100 shares of the Company's common stock. Additionally, the Series Z Preferred Stock carries a cumulative dividend at 4.56% of the stated value, is to be paid in kind with common stock, and is payable only at the time the shares are converted to common stock. The Series Z Preferred Stock was retired by the Company during August 2022.

Warrants

A summary of the status of the Company's warrant grants as of December 31, 2023, and the changes during the period then ended, is presented below:

	<u>Warrants</u>	<u>Weighted-Average</u> <u>Exercise Price</u>	<u>Weighted-Average</u> <u>Remaining</u> <u>Contractual Life</u>
Outstanding at September 30, 2023	88,918,645	\$ 0.03	3.9 years
Outstanding at December 31, 2023	88,918,645	\$ 0.03	3.6 years
Exercisable at December 31, 2023	88,918,645	\$ 0.03	3.6 years

ENDEXX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Commitments and Contingencies

Serious Promotions, Inc.

In June 2022, Serious Promotions, Inc. filed a Petition before the American Arbitration Association seeking monetary damages against Endexx And Khode, LLC, a joint venture entered into by Serious Promotions and us. Serious Promotions alleges that Endexx and Khode failed to make certain payments of fees related to the Endorsement and License Agreement entered into by Serious Promotions and its president Khaled Mohamed Khaled (p/k/a DJ Khaled). Serious Promotions seeks \$6,250,000 in damages.

In July 2022, Endexx and Khode filed counterclaims against Serious Promotions, Khaled and Impact Brokers for breach of the Endorsement and License Agreement and related violations of legal duties, seeking damages in an amount no less than \$100,000,000.

This arbitration is scheduled for hearing on July 19 – 26, 2024. We are confident in our position, will vigorously defend our position, and prosecute our counterclaims, and ultimately expect a ruling in our favor.

Contracts and commitments

During October 2020, the Company entered into a five-year endorsement contract with an American DJ, record executive and producer, and media personality. Pursuant to the endorsement contract, the Company is to make quarterly payments totaling \$5,000,000 by July 1, 2025. During the year ended September 30, 2021, the Company paid \$1,000,000 under this contract. The agreement was terminated during the year ended September 30, 2022. The Company is involved in litigation related to this agreement, as detailed above.

Noteholder dispute

During August 2021, the Company was informed a convertible note held by Noteholder B had been transferred to a third party and converted into shares of common stock. The outstanding balance of principal and interest at the time of conversion totaled approximately \$265,000. Subsequently, Noteholder B informed the Company that the note had not been transferred to the third party and no common shares had been delivered to Noteholder B. Noteholder B contends that the balance of the note, and accrued interest from August 2021 to present, remain outstanding.

Noteholder B holds two notes, each of which is past due as of December 31, 2023. No default penalty has been enforced by Noteholder B. However, due to the dispute detailed above, Noteholder B's notes may incur interest at a 17% default rate.

The Company has determined it is probable that the dispute with Noteholder B will result in a negative outcome for the Company, estimated to be \$350,000. Accordingly, \$350,000 has been recorded as accrued expenses as of December 31, 2023, and September 30, 2023.

7. Related Party Transactions

Todd Davis, CEO, employment agreement

Effective September 1, 2022, the Company and Mr. Davis entered into an employment agreement providing for a salary of \$10,000 per month.

Black Mountain Botanical

Black Mountain Botanical (BMB), an entity owned by the wife of Mr. Davis, had accounts payable due from the Company totaling \$32,932 at December 31, 2023 and September, 2023.

Hyla UK Holdco Limited

During August 2022, Hyla US Holdco Limited ("Hyla US") and Hyla UK Holdco Limited ("Hyla UK") entered into a Sales Agent Agreement ("SAA") whereby Hyla UK may act as an independent sales agent for Hyla US products at no additional expense to Hyla US. The term of the agreement is for one year and automatically renews annually unless terminated 90 days prior to expiration.

10) Issuer Certification

Principal Executive Officer:

I, Brad Listermann, certify that:

1. I have reviewed this Disclosure Statement for Endexx Corporation;
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.

July 25, 2024

/s/ Brad Listermann