

## **Quantum International Corp**

6434 So. Quebec Street  
Centennial, CO 80111

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720-984-0488  
www.quantuminternationalcorp.com  
quantumintlcorp@gmail.com

# **Quarterly Report**

**For the period ending June 30, 2024 (the “Reporting Period”)**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

24,240,454 as of June 30, 2024

24,240,454 as of December 31, 2023

### **Shell Status**

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes: ☐ No: ☒

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<sup>4</sup> “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

The original company, Lipidlabs, Inc. was incorporated in Texas on September 25, 2001. In September of 2007 the name was changed to Telemedicus, Inc. In March of 2010 the name was changed to National Wind Solutions. In March of 2010 the name was changed to National Clean Fuels, Inc. The name was changed to Quantum International Corp (the "Company") the current company name in January of 2012.

Current State and Date of Incorporation or Registration: September 25, 2001

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

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

None

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

None

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

None

Address of the issuer's principal executive office:

6434 So. Quebec Street  
Centennial, CO 80111

Address of the issuer's principal place of business:

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

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

No: ☐ Yes: ☒ If Yes, provide additional details below:

**2) Security Information**

**Transfer Agent**

Name: Transfer Online, Inc.

Phone: 503-227-2950

Email: info@transferonline.com

Address: 512 SE Salmon Street 2<sup>nd</sup> Floor Portland, OR 97214-3444

**Publicly Quoted or Traded Securities:**

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>QUAN</u>	
Exact title and class of securities outstanding:	<u>common stock</u>	
CUSIP:	<u>74766H101</u>	
Par or stated value:	<u>\$0.001 per share</u>	
Total shares authorized:	<u>200,000,000</u>	<u>as of date: June 30, 2024</u>
Total shares outstanding:	<u>24,240,454</u>	<u>as of date: June 30, 2024</u>
Total number of shareholders of record:	<u>121</u>	<u>as of date: June 30, 2024</u>

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

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

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Series A preferred stock</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>500</u>	<u>as of date: June 30, 2024</u>
Total shares outstanding (if applicable):	<u>5</u>	<u>as of date: June 30, 2024</u>
Total number of shareholders of record	<u>1</u>	<u>as of date: June 30, 2024</u>

Exact title and class of the security:	<u>Special 2021 Series A preferred stock</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>20</u>	<u>as of date: June 30, 2024</u>
Total shares outstanding (if applicable):	<u>20</u>	<u>as of date: June 30, 2024</u>
Total number of shareholders of record	<u>2</u>	<u>as of date: June 30, 2024</u>

Exact title and class of the security:	<u>Special 2021 Series B preferred stock</u>	
Par or stated value:	<u>par value \$0.001</u>	
Total shares authorized:	<u>2</u>	<u>as of date: June 30, 2024</u>
Total shares outstanding (if applicable):	<u>2</u>	<u>as of date: June 30, 2024</u>
Total number of shareholders of record	<u>1</u>	<u>as of date: June 30, 2024</u>

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

**Security Description:**

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

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

Common shares have the right to one vote per share and the right to receive dividends if the board of directors authorizes dividends.

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

Series A Preferred Stock is entitled to dividends per the board's discretion. Convertible into common stock at a ratio of 10 shares of common stock for every 1 share of Series A Preferred Stock. Each share of class of Series A Preferred Stock shall be entitled to hold 10 votes on all matters voted on by holders of the capital stock of the Company into which such share of Class A Preferred Stock is convertible.

Liquidation Preference: After payment in full of the liquidation Preference of \$0.06 per share, the Class A Preferred Stock, holders of Class A Preferred Stock shall participate in any additional disposition upon liquidation alongside the common shareholders as if their shares of Class A Preferred Stock had been converted prior to the event of liquidation. There are no redemption rights or sinking fund provisions.

2021 Series A Preferred Stock: Voting Rights: The 2021 Series A preferred stock is entitled to 80% of all votes (including but not limited to, common stock, and preferred stock. Conversion: The share of 2021 Series A Preferred Stock shall convert into common shares at a conversion ratio of 1 preferred to 10,000,000 common shares. Dividends and Liquidation: The share of 2021 Series A Preferred Stock shall not be entitled to any dividends in respect thereof and shall not participate in any proceedings available to the corporation's shareholders upon liquidation, dissolution or winding up of the corporation. There are no redemption rights or sinking fund provisions.

2021 Series B Preferred Stock: Voting Rights: The holder of a share of 2021 Series B Preferred shall have no voting rights. Conversion: Each share of the Series B preferred stock is convertible into 4.99% of the common shares outstanding. Dividends: The share of 2021 Series B Preferred Stock shall not be entitled to any dividends in respect thereof and shall not participate in any proceedings available to the corporation's shareholders upon liquidation, dissolution or winding up of the corporation. There are no redemption rights or sinking fund provisions.

**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 for the two most recently completed fiscal years and any subsequent period.**

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

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

Shares Outstanding <u>Opening Balance</u> : Date <u>12/31/2021</u> Common: <u>46,404,563</u> Preferred: <u>27</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
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.  ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
March 18, 2022	cancellation	(22,214,109)	common	NA	NA	NA	NA	NA	NA
March 30, 2023	New issue	50,000	common	\$0.069	No	KRTL Holding Group, Inc. / Cesar Herrera	Consulting services	Restricted	4(a)(2)
Shares Outstanding on Date of This Report: <u>Ending Balance</u> : Date <u>6/30/2024</u> Common: <u>24,240,454</u> Preferred: <u>27</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

**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. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)

\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.

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

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

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

Quantum International Corp is an app development company. The Company currently employs a group of highly specialized developers from around the world. The Company has finished building two apps in the FinTech and Technology industry. The company is currently developing a suite of AI Apps. The company has plans to continue its app activities with the development of a new app every 6 to 12 months.

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

None

C. Describe the issuers' principal products or services.

Online fintech platform for financial instruments

#### 5) Issuer's Facilities

*The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company developed and owns a fintech app that includes proprietary software and all components and relevant functionality both essential and ancillary to the operation of the application and backend software contained for Android and iOS devices.

The Company rents office space at 6434 So. Quebec Street Centennial, CO 80111.

## 6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

*The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.*

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Justin Waiau</u>	CEO	Centennial, CO	4	Series A Preferred Shares	80%	
<u>Nicholas Sprung</u>	>5%	Centennial, CO	1	Series A Preferred Shares	20%	
<u>Justin Waiau</u>	CEO	Centennial, CO	2	2021 Series B Preferred Shares	100%	
<u>Justin Waiau</u>	CEO	Centennial, CO	15	2021 Series A Preferred Shares	75%	
<u>Nicholas Sprung</u>	>5%	Centennial, CO	5	2021 Series A Preferred Shares	25%	

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 7) Legal/Disciplinary History

- A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## **8) Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).



Name: Jonathan D. Leinwand, Esq  
Address 1: 18305 Biscayne Blvd Suite 200.  
Address 2: Aventure, FL 33160  
Phone: 954-903-7856  
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: Paul Riss  
Firm: ICF Industries Inc.  
Address 1: 800 Westchester Ave Suite 641N  
Address 2: Rye Brook, NY 10573  
Phone: 855-464-2535  
Email: paulriss77@gmail.com

Investor Relations

Name:  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

*All other means of Investor Communication:*

X (Twitter):  
Discord:  
LinkedIn  
Facebook:  
[Other ]

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name:  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

**9) Disclosure & Financial Information**

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

Name: Paul Riss  
Title: Accountant  
Relationship to Issuer: Independent consultant

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

- ☐ IFRS  
☒ U.S. GAAP

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

Name: Paul Riss  
Title: Accountant  
Relationship to Issuer: Independent consultant

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup> Mr. Riss is a CPA and has over 5 years' experience providing fractional CFO services and business consulting to small cap public companies as well as preparing financial statements for OTC markets.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

**Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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<sup>5</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

**QUANTUM INTERNATIONAL CORP.**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023**

**Quantum International Corp**  
**Balance Sheets**  
**Unaudited**

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 259,613	\$ 169,318
Prepaid expenses	2,090	-
Deposits	650	650
Total current assets	<u>262,353</u>	<u>169,968</u>
Software development costs	345,334	357,667
Total assets	<u><u>\$ 607,687</u></u>	<u><u>\$ 527,635</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 400	\$ -
Due to related party	1,063,069	856,855
Total current liabilities	<u>1,063,469</u>	<u>856,855</u>
Total liabilities	1,063,469	856,855
Commitments and contingencies	-	-
Preferred stock, par value \$0.001; 500 shares authorized, Series A Preferred Stock; 5 shares issued and outstanding	-	-
2021 Series A Preferred Stock; 20 shares issued and outstanding	-	-
Series B Preferred Stock; 2 shares issued and outstanding	-	-
Common stock, par value \$0.001; 200,000,000 shares authorized, 24,240,454 shares issued and outstanding in 2024 and 2023	24,240	24,240
Paid-in-capital	27,264,410	27,264,410
Accumulated deficit	<u>(27,744,432)</u>	<u>(27,617,870)</u>
Total shareholders' equity (deficit)	<u>(455,782)</u>	<u>(329,220)</u>
Total liabilities and shareholders' equity (deficit)	<u><u>\$ 607,687</u></u>	<u><u>\$ 527,635</u></u>

The accompanying notes are an integral part of these financial statements

**Quantum International Corp**  
**Statements of Income**  
Unaudited

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenue	\$ -	\$ -	\$ -	\$ -
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Expenses:				
Consulting fees		-	-	3,450
Rent	1,046	1,750	2,092	3,960
General and administrative	93,396	12,205	193,788	19,051
Total expenses	94,442	13,955	195,880	26,461
Other income (expense):				
Amortization	(6,166)	-	(12,333)	-
Unrealized gain on cash equivalents	(34,621)	-	81,651	-
Total other income (expense)	(40,787)	-	69,318	-
Net income (loss) before income taxes	(135,229)	(13,955)	(126,562)	(26,461)
Income tax expense	-	-	-	-
Net loss	\$ (135,229)	\$ (13,955)	\$ (126,562)	\$ (26,461)
Basic income (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Diluted income (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding				
Basic	24,240,454	24,190,454	24,240,454	33,569,744
Diluted	24,240,454	24,190,454	24,240,454	33,569,744

The accompanying notes are an integral part of these financial statements

**Quantum International Corp**  
**Statements of Changes in Shareholders' Equity (Deficit)**  
**For the Six Months Ended June 30, 2024 and the Years Ended December 31, 2023 and 2022**  
**Unaudited**

	Common Stock		Preferred Stock		Paid-in-Capital	Accumulated Deficit	Shareholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
<b>Balance, January 1, 2022</b>	46,404,563	\$ 46,405	27	\$ -	\$ 25,488,212	\$ (25,534,617)	\$ -
Equity contribution	-	-	-	-	29,900	-	29,900
Warrant issuance	-	-	-	-	1,720,683	-	1,720,683
Cancellation of common shares	(22,214,109)	(22,215)	-	-	22,215	-	-
Net loss 2022	-	-	-	-	-	(1,759,777)	(1,759,777)
<b>Balance, December 31, 2022</b>	24,190,454	24,190	27	-	27,261,010	(27,294,394)	(9,194)
Stock-based compensation	50,000	50	-	-	3,400	-	3,450
Net loss 2023	-	-	-	-	-	(323,476)	(323,476)
<b>Balance, December 31, 2023</b>	24,240,454	24,240	27	-	27,264,410	(27,617,870)	(329,220)
Net income, March 31, 2024 quarter	-	-	-	-	-	8,667	8,667
<b>Balance, March 31, 2024</b>	24,240,454	24,240	27	-	27,264,410	(27,609,203)	(320,553)
Net loss, June 30, 2024 quarter	-	-	-	-	-	(135,229)	(135,229)
<b>Balance, June 30, 2024</b>	24,240,454	\$ 24,240	27	\$ -	\$ 27,264,410	\$ (27,744,432)	\$ (455,782)

The accompanying notes are an integral part of these financial statements

**Quantum International Corp**  
**Statements of Cash Flows**  
**Unaudited**

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from operating activities:		
Net loss	\$ (126,562)	\$ (26,461)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	-	3,450
Amortization of software development costs	12,333	-
Changes in operating assets and liabilities:		
Accounts payable	400	-
Prepaid expenses	(2,090)	(3,040)
Net cash provided by (used in) operating activities	<u>(115,919)</u>	<u>(26,051)</u>
Cash flows from investing activities:		
Software development costs	-	(180,000)
Net cash used in investing activities	<u>-</u>	<u>(180,000)</u>
Cash flows from financing activities:		
Advances from related party	206,214	200,780
Net cash provided by financing activities	<u>206,214</u>	<u>200,780</u>
Net increase (decrease) in cash and cash equivalents for the quarter	90,295	(5,271)
Cash and cash equivalents at beginning of year	169,318	5,696
Cash and cash equivalents at end of quarter	<u>\$ 259,613</u>	<u>\$ 425</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**Quantum International Corp**  
**Notes to the Unaudited Financial Statements**  
**June 30, 2024**

**Note 1 – Organization and Basis of Presentation**

**Organization and Line of Business**

The original company, Lipidlabs, Inc. was incorporated in Texas on September 25, 2001. In September of 2007 the name was changed to Telemedicus, Inc. In October of 2008 the name was changed to National Wind Solutions. In March of 2010 the name was changed to National Clean Fuels, Inc. In January of 2012, the name of the corporation was changed to its current name, Quantum International Corp (the “Company” or “we”). The Company develops fintech applications for online products.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Company has a December 31 year end.

**Note 2 – Summary of Significant Accounting Policies**

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to the valuation of warrants. On a continual basis, management reviews its estimates, utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company has cash equivalents of \$250,709 as of June 30, 2024. The Company uses one financial institution for its cash balances and has not maintained cash balances that exceed federally insured limits.

Revenue Recognition

The Company recognizes revenue using the following five-step model pursuant to the guidelines established by ASU 2014-09, "Revenue from Contracts with Customers (Topic 606):"

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as, the Company satisfies a performance obligation.



## Fair Value of Financial Instruments

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

## Software Development Costs

In accordance with ASC 985-20-25, Costs of Software to Be Sold, Leased, or Marketed, software development costs are expensed as incurred until technological feasibility and marketability has been established. Once the point of technological feasibility and marketability is reached, direct production costs (including labor directly associated with the development projects), indirect costs (including allocated fringe benefits, payroll taxes, facilities costs, and management supervision), and other direct costs (including costs of outside consultants, purchased software to be included in the software product being developed, material and supplies, and other direct costs) are capitalized until the product is available for general release to customers. The first fintech app was developed and released in June 2023. The development cost of the software is being amortized over a fifteen-year period, resulting in net software development costs of \$345,334 and \$357,667 as of June 30, 2024 and December 31, 2023, respectively.

## Impairment of long-lived assets

The Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. During the three- and six-month periods ended June 30, 2024 and 2023, the Company did not record any impairment losses.

## Stock-Based Compensation

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of warrant issuances or stock option awards at the date of grant, which requires the input of highly subjective assumptions, including expected volatility and expected life. Changes in these inputs and assumptions can materially affect the measure of estimated fair value of share-based compensation. These assumptions are subjective and generally require significant analysis and judgment to develop. The Company estimates volatility by considering the historical stock volatility. The Company has opted to use the simplified method for estimating the expected term.

## Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying

amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Based on the Company's history of tax losses, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company may in the future become subject to foreign, federal, state and local income taxation though it has not been since inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

#### Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net income or loss applicable to common shareholders by the weighted average number of common shares during the period. A diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. Loss per share data does not include common stock issuable to holders of convertible securities because their effect is anti-dilutive.

#### Recent Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

### **Note 3 – Income Taxes**

For the three- and six-month periods ended June 30, 2024 and 2023, income tax expense was \$0 due to tax losses in both periods and the availability of tax loss carryforwards from prior years.

The Company did not have any material unrecognized tax benefits as of June 30, 2024 and December 31, 2023. The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the three- and six-month periods ended June 30, 2024 and 2023. The Company is subject to U.S. federal income tax, as well as taxes by various state jurisdictions.

### **Note 4 – Stockholders' Equity**

The Company is authorized to issue 200,000,000 shares of common stock, par value \$0.001 per share, and an aggregate of 500 shares of preferred stock, par value \$0.001 per share. As of June 30, 2024 and December 31, 2023, there were 24,240,454 shares of common stock issued and outstanding. As of June 30, 2024 and December 31, 2023, there were 27 shares of preferred stock issued and outstanding, consisting of 20 shares of 2021 Series A Preferred Stock, 5 shares of Series A Preferred Stock, and 2 shares of Series B Preferred Stock.

On March 18, 2022, the presiding judge in the district court of the 334<sup>th</sup> Judicial District of Harris County, Texas, approved a motion by the Company to cancel 22,214,109 issued and outstanding shares of common stock.

In March 2023, the Company issued 50,000 shares of common stock valued at \$3,450 for consulting services.

During the year ended December 31, 2022, the Company issued 12,900,000 warrants to purchase common stock. In March 2023, the Board of Directors voted to reduce the number of warrant shares from 12,900,000 to 6,900,000. The warrants expire on March 8, 2030, are exercisable at a price of \$0.001 per share and are fully vested. The value of the warrants was recorded as consulting expense totaling \$1,720,683 for the year ended December 31, 2022. The remaining life on June 30, 2024 and December 31, 2023 is 5.69 and 6.19 years, respectively.

In 2022, the Company estimated the fair value of the warrants issued using the Black-Scholes valuation method with assumptions including: (1) a term of between 7.44 to 8 years; (2) a computed volatility rate of 204% (3) a discount rate of 1.85% to 2.99% and (4) zero dividends.

### **Note 5 – Fair Value**

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows that could significantly affect the results of current or future value.

#### ***Cash and cash equivalents, prepaid expenses, and deposits***

In general, carrying amounts approximate fair value because of the short maturity of these instruments.

#### ***Related Party Payable***

The amount payable to a related party is carried at its face value. Based on the small size of the Company, it is impracticable for the Company to estimate the fair value of this liability.

The Company has no instruments with significant off balance sheet risk.

### **Note 6 – Commitments and Contingencies**

#### **Leases**

The lease commitment for the Company's office space ends on December 31, 2024. Rent expense is \$4,183 per annum.

#### **Contingencies**

We face risks related to health epidemics and other outbreaks, which could significantly disrupt the Company's operations. The outbreak of pandemics and epidemics could materially and adversely affect the Company's business. The extent to which a pandemic or other health outbreak impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of a virus and the actions to contain it or treat its impact, among others. Pandemics can also result in social, economic, and labor instability which may adversely impact the Company's business.

#### **Litigation**

The Company accrues loss contingencies associated with outstanding litigation, claims and assessments for which management has determined it is probable that a loss contingency exists, and the amount of loss can be reasonably estimated. Costs for professional services associated with litigation claims are expensed as incurred. As of June 30, 2024 and December 31, 2023, the Company has not accrued or incurred any amounts for litigation matters.

### **Note 7 – Net Income (Loss) Per Common Share**

Earnings (loss) per common share data for the three- and six-month periods ended June 30, 2024 and 2023 was computed as follows:

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net loss attributable to common stockholders - basic	\$ (135,229)	\$ (13,955)	\$ (126,562)	\$ (26,461)
Adjustments to net loss	-	-	-	-
Net loss attributable to common stockholders - diluted	\$ (135,229)	\$ (13,955)	\$ (126,562)	\$ (26,461)
Weighted average common shares outstanding - basic	24,240,454	33,569,744	24,240,454	33,569,744
Effect of dilutive securities	-	-	-	-
Weighted average common shares outstanding - diluted	24,240,454	33,569,744	24,240,454	33,569,744
Net loss per share - basic	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Net loss per share - diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

In each of the above periods, dilutive securities consisted of the assumed exercise of warrants and the conversion of preferred stock. In the three- and six-month periods ended June 30, 2024 and 2023, dilutive securities exercisable into approximately 209,372,000 and 215,581,900 shares of common stock, respectively, were excluded from the loss per share calculation because the effect was anti-dilutive.

#### **Note 8 – Related Party Transactions**

The Company owes its Chief Executive Officer \$1,063,069 and \$856,855 as of June 30, 2024 and December 31, 2023, respectively, for unreimbursed payments to vendors.

#### **Note 9 – Unrealized Gain**

The Company received 3.999933 bitcoins valued at \$106,433 and recorded related party revenue for the transaction during the year ended December 31, 2023. The Company continues to own 3.999933 bitcoins and values them at the closing price each quarter. As of June 30, 2024 and December 31, 2023, the bitcoins were valued at \$250,709 and \$169,058, respectively. As a result of an increase in the value of the bitcoins, the Company recorded an unrealized gain of \$81,651 for the six months ended June 30, 2024. However, the value of the bit coins decreased as of June 30, 2024, in comparison to March 31, 2024, and for the three months ended June 30, 2024, the Company recorded an unrealized loss of \$34,621.

#### **Note 10 – Rescinded Sale**

In the three- and six-month periods ended June 30, 2023, the Company recorded a sale of \$8,576,762 and cost of sales of \$370,000. However, this sale was rescinded in December 2023. As a result, the financial statements for the three- and six-month periods ended June 30, 2024, no longer include this sale in the comparative figures for the three- and six-month periods ended June 30, 2023. The impact of this rescission has been adjusted retrospectively to reflect the correction, reducing previously reported revenue by \$8,576,762, cost of sales by \$370,000, and income tax expense by \$1,568,000.

#### **Note 11 – Subsequent Events**

The company has evaluated all subsequent events. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

## 10) Issuer Certification

### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Justin Waiau certify that:

1. I have reviewed this Disclosure Statement for Quantum International Corp.
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.

08/12/2024

/s/ Justin Waiau

[CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

### *Principal Financial Officer:*

I, Justin Waiau certify that:

1. I have reviewed this Disclosure Statement for Quantum International Corp.
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.

08/12/2024

/s/ Justin Waiau

[CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")