

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

Form 10-K

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

For the fiscal year ended October 31, 2022

OR

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

For the transition period from to

Commission file number 000-56149

Freedom Internet Group Inc.

(Exact name of registrant as specified in its charter)

Puerto Rico

(State or other jurisdiction of incorporation or organization)

66-0910894

(I.R.S. employer identification number)

151 Calle San Francisco, Suite 200

San Juan, Puerto Rico

(Address of principal executive offices)

00901

(Zip Code)

855-422-4200

(Registrant's telephone number, including area code)

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

| Title of each class registered | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| | | |

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

Common Stock, Par Value \$0.01

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

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

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

| | | | |
|-------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |
| | | Emerging growth company | <input checked="" type="checkbox"/> |

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act of 1934). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was \$3,898,707 as of April 30, 2022 (1,901,808 shares at \$2.05 per share).

As of February 14, 2023, there were 11,132,208 outstanding shares of the registrant's common stock, \$.01 par value.

TABLE OF CONTENTS

| | Page |
|--|-------------|
| PART I | |
| Item 1. Business. | 3 |
| Item 1A. Risk Factors. | 6 |
| Item 1B. Unresolved Staff Comments. | 18 |
| Item 2. Properties. | 18 |
| Item 3. Legal Proceedings. | 18 |
| Item 4. Mine Safety Disclosures. | 18 |
| PART II | |
| Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities. | 19 |
| Item 6. Reserved | 19 |
| Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations. | 20 |
| Item 7A. Quantitative and Qualitative Disclosures About Market Risk. | 25 |
| Item 8. Financial Statements and Supplementary Data. | 25 |
| Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure. | 25 |
| Item 9A. Controls and Procedures. | 25 |
| Item 9B. Other Information. | 26 |
| Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections. | 26 |
| PART III | |
| Item 10. Directors, Executive Officers and Corporate Governance. | 27 |
| Item 11. Executive Compensation. | 28 |
| Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. | 31 |
| Item 13. Certain Relationships and Related Transactions, and Director Independence. | 31 |
| Item 14. Principal Accounting Fees and Services. | 32 |
| PART IV | |
| Item 15. Exhibit and Financial Statement Schedules. | 33 |
| Item 16. Form 10-K Summary. | 33 |
| Signatures | 34 |

PART I

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (“**Annual Report**”) contains forward-looking statements. Forward-looking statements involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “estimate,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “we believe,” “we intend,” “may,” “should,” “will,” “could” and similar expressions denoting uncertainty or an action that may, will or is expected to occur in the future. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements. You should not place undue reliance on these forward-looking statements.

Examples of forward-looking statements include:

- the timing of the development of future products;
- projections of costs, revenue, earnings, capital structure and other financial items;
- statements of our plans and objectives;
- statements regarding the capabilities of our business operations;
- statements of expected future economic performance;
- statements regarding competition in our market; and
- assumptions underlying statements regarding us or our business.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- Our ability to generate enough revenue to sustain a level of profitability in the future.
- Our ability to effectively manage growth.
- Our ability to negotiate favorable royalty interests.
- Economic and financial conditions.
- The impact of availability of bank financing and market interest rates.
- The competitiveness of royalty agreements compared to alternative forms of financing.
- Our ability to collect the correct amount of royalty payments on time.
- Security breaches, cybersecurity attacks and other significant disruptions in our information technology systems;
- Developments and changes in laws and regulations, including increased regulation of our industry through legislative action and revised rules and standards;
- The occurrence of hostilities, political instability or catastrophic events;
- The novel coronavirus (“COVID-19”) and its potential impact on our business; and
- Natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of our operating systems, structures or equipment.

The ultimate accuracy of these forward-looking statements depends upon a number of known and unknown risks and events. We discuss our known material risks under Item 1.A “Risk Factors.” Many factors could cause our actual results to differ materially from the forward-looking statements. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

ITEM 1. BUSINESS

Business Summary

We are engaged in the business of acquiring, holding and managing royalty interests derived from Internet based businesses, referred to as operators. We provide management consulting services to the operators over the life of the agreement. Royalty interests are non-operating agreements that provide us with contractual rights to a percentage of revenue produced from operators. The revenue generated by operators is typically from physical or digital product sales, subscriptions and advertising.

We were incorporated in Puerto Rico on November 15, 2018. Our address is 151 Calle San Francisco, Suite 200, San Juan, Puerto Rico 00901 and our telephone number is 855-422-4200. Our website is www.FIGIRoyalty.com. Information contained on our website does not constitute part of this Annual Report.

Principal Services

We are engaged in the business of acquiring, holding and managing royalty interests derived from Internet based businesses. Royalty interests are non-operating agreements that provide us with contractual rights to revenue produced from our operators. The revenue generated by our operators is typically from physical or digital product sales, subscriptions and advertising.

Our purchase of royalty interests enables entrepreneurs to raise non-dilutive capital and retain control of their businesses. When we enter into royalty interest agreements, our primary objectives are to provide management consulting services and generate revenue streams from our operators and increase our corporate cash flow. In some cases, we may also generate a premium on our original purchase price if a royalty interest is redeemed by an operator or third-party such as a buyer of an operator. We plan to acquire royalty interests that can generate a 15% to 30% internal rate of return, although there can be no guarantee that we will achieve this target.

Royalty interests are purchased for a fixed amount in exchange for pre-determined royalty payments. Depending on the unique agreement, (i) royalty payments can be made monthly, quarterly or annually, (ii) royalty payments can be made in perpetuity or for a limited amount of time, (iii) royalty payment calculations can change during the term of the royalty interest agreement based on certain performance metrics or time and (iv) royalty payments can be calculated off gross revenue of our operators, or off net-revenue, which accounts for certain defined adjustments to gross revenue, or off unit sales. Although we presently do not have a plan in place to do so, we may issue shares of our Company common stock to operators, in addition to the payment of cash, in exchange for royalty payments from the operator.

We typically negotiate royalty interests directly from operators, but we may also acquire existing royalty interests from third parties. A key element of our business model is the building of a diversified portfolio of high-quality royalty interests from Internet based businesses.

We currently, and generally at any time, have royalty interest acquisition opportunities in various stages of active review. At this time, we cannot provide assurance that any of the possible transactions under review by us will be concluded successfully.

In addition to offering royalties, we also seek strategic investments in businesses that offer similar products and services that are complementary to our core offering of royalty interests or serve the same customer base we serve. On July 15, 2022 we made such an investment in Financier LB Group (“Financier”). Offering financing to our target audience, they have been able to amass deal flow and a relationship with thousands of small businesses in need of financing. Our investment encourages a symbiotic relationship wherein clients are referred between the entities. This strategic investment not only provides deal flow but allows us to monetize previously dead leads.

Unless the context otherwise requires, all references to “our Company,” “we,” “our” or “us” and other similar terms means Freedom Internet Group Inc.

Strategy

We look for businesses operated by managers, referred to as operators, and acquire an interest so that we can participate in the revenue generated by paying up front for the royalty interest and providing management consulting services.

We use a series of quantitative, qualitative, financial, and legal criteria by which we evaluate the potential acquisition of royalty interests. We plan to acquire assets with an income focus, and our target is to acquire assets generating uncorrelated income

of 15% to 30% internal rate of return, although there can be no guarantee that we will achieve this target. Among the factors considered are: (1) the business track record of revenue and earnings; (2) the type of business that generates royalties; (3) the experience and skill of the active management team of the business; (4) our assessment of the longevity and staying power of the underlying business; and (5) the potential for revenue growth and capital appreciation.

We have established our business model based on the premise that acquiring non-operating royalty interests in businesses that can produce above average returns. The key elements of our business model and growth strategy are as follows:

1. Focus on non-operating royalty interests in high-quality Internet based businesses.
2. Negotiate new royalty interest agreements with operators.
3. Acquire pre-existing royalty interests from third parties.
4. Partner with experienced managers that have a proven track record.
5. Provide flexible royalty interest acquisition terms that work for operators and us.
6. Seek strategic investments in businesses that deal flow for our core offering of royalty interests.

Customers

We primarily intend to negotiate royalty interests from Internet based businesses, but we may also acquire existing royalty interests from third parties. A key element of our business model is the building of a diversified portfolio of high-quality royalty interests from Internet based businesses.

We currently, and generally at any time, have royalty interest acquisition opportunities in various stages of active review. At this time, we cannot provide assurance that any of the possible transactions under review by us will be concluded successfully.

Our current royalty interests are comprised of the following:

Wiz Motions, LLC

On October 10, 2019, we acquired a royalty interest from Wiz Motions, LLC (“**Wiz**”) a limited liability company formed in the State of Wyoming. Wiz provides their clients with custom video animation explainer videos. We purchased a royalty interest from Wiz for \$300,000 which provides us with a perpetual 10% of all future gross sales generated by Wiz through www.WizMotions.com and all other sources.

Growth Stack, Inc.

On November 22, 2019, we acquired a royalty interest from Growth Stack, Inc., (“**Growth Stack**”) a corporation formed in the State of Nevada. Growth Stack provides their clients with various Internet applications, website tools and information services. We purchased a royalty interest from Growth Stack for \$250,000, which provides us with a percentage of all future Net Sales (defined below) as follows: 5% of the first \$100,000 of net sales per month, and 3% of the next \$100,000 of net sales per month. We will also receive 1% of the net sales in excess of \$200,000 per month, until we receive a total of \$500,000 in aggregate royalty payments from Growth Stack. We are also entitled to a payment of between \$500,000 and \$1 million in the event (i) Growth Stack elects to buy-out the royalty interest or (ii) Growth Stack undergoes a change of control. In addition, the Company has the right of first refusal to acquire Growth Stack assets in the event the operator decides to sell, and we have received a personal guarantee for royalty payments due by the principal stockholder of Growth Stack. Royalty payments will be due monthly.

Artist Holdings, LLC

On February 24, 2021, the Company acquired a royalty interest from Artist Holdings, LLC, (“**Artist Holdings**”), a limited liability company formed in the State of Arizona. Artist Holdings provides their clients tools and tutorials on creating their art and platforms to buy art pieces from artists. The Company purchased a royalty interest from Artist Holdings for \$50,000, which provides us with a perpetual 12.5% of all future net sales generated by Artist Holdings through its websites, training programs, and art brokerage. We have received a personal guarantee for royalty payments due by the principal shareholder of Artist Holdings.

RhymeMakers, LLC

On February 24, 2021, the Company acquired a royalty interest from RhymeMakers, LLC, (“**RhymeMakers**”), a limited liability company formed in the State of Wyoming. RhymeMakers provides their clients tools and tutorials on how to rap. We purchased

a royalty interest from RhymeMakers for \$75,000, which provides us with a perpetual 15% of all net sales generated by RhymeMakers through the website www.rhymemakers.com, thinkific, YouTube and all other sources. Royalty payments are due quarterly. We have received a personal guarantee for royalty payments due by the principal shareholder of RhymeMakers.

Strategic Investment

In addition to offering royalties, we also seek strategic investments in businesses that offer similar products and services that are complementary to our core offering of royalty interests or serve the same customer base we serve. On July 15, 2022, we made such an investment in Financier. Offering financing to our target audience, they have been able to amass deal flow and a relationship with thousands of small businesses in need of financing. Our investment encourages a symbiotic relationship wherein clients are referred between the entities. This strategic investment not only provides deal flow but allows us to monetize previously dead leads.

Sales and Marketing

We presently identify prospective royalty opportunities through personal relationships of our CEO Alton “Ace” Chapman, Jr. In the future, we plan to pay for online advertisements and may enter into third-party marketing agreements to expand our reach. At present, there is no direct correlation between revenues and marketing expenses.

Competition

The market for our services is competitive and rapidly changing, and the barriers to entry are relatively low. We experience competition from large established businesses possessing large, existing customer bases, substantial financial resources and established distribution channels. We expect competition to persist and intensify in the future, which could harm our ability to increase sales, limit customer attrition and maintain our prices. Competition could result in reduced sales, reduced margins or the failure of our services to achieve or maintain more widespread market acceptance, any of which could harm our business and our operating results could be harmed. Our principal competitors include any entity or individual providing businesses with capital and/or management consulting services, including but not limited to investment banking firms, investment funds, financial institutions, government agencies and private individuals.

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their products. Our current and potential competitors may have more extensive customer bases and broader customer relationships than we have. If we are unable to compete with such companies, the demand for our products could substantially decline.

Intellectual Property

We do not own any patents, trademarks, licenses, franchises or concessions aside from the FIGRoyalty.com domain name.

Regulation of our Business

We are subject to common business, tax and regulations pertaining to the operation of our business. We believe that compliance of governmental regulations will be additional responsibilities of our management.

Employees

We have no full-time employees. We have three part-time employees comprised of our Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer. We also retain various part-time consultants in the United States.

Properties

Our corporate headquarters is located in San Juan, Puerto Rico. We rent our corporate headquarters for \$75 per month, on a month-to-month basis. We believe that additional space may be required as our business expands and believe that we can obtain suitable space as needed.

Emerging Growth Company

We are and we will remain an “emerging growth company” as defined under The Jumpstart Our Business Startups Act, or the JOBS Act, until the earliest to occur of (i) the last day of the fiscal year during which our total annual revenues equal or exceed \$1.07

billion, (ii) the last day of the fiscal year following the fifth anniversary of our initial public offering, (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt securities, or (iv) the date on which we are deemed a “large accelerated filer” (with at least \$700 million in public float) under the Exchange Act.

As an “emerging growth company”, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced “Management’s Discussion and Analysis” disclosure;
- reduced disclosure about our executive compensation arrangements;
- no requirement that we hold non-binding advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We have taken advantage of some of these reduced burdens, and thus the information we provide you may be different from what you might receive from other public companies in which you hold securities.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

Notwithstanding the above, we are also currently a “smaller reporting company,” meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company and that had a public float of less than \$250 million or annual revenues of less than \$100 million during the most recently completed fiscal year. In the event that we are still considered a smaller reporting company, at such time as we cease being an emerging growth company, the disclosure we will be required to provide in our SEC filings will increase, but it will still be less than it would be if we were not considered either an emerging growth company or a smaller reporting company. Specifically, similar to emerging growth companies, smaller reporting companies are able to provide simplified executive compensation disclosures in their filings; are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting; and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports.

ITEM 1A. RISK FACTORS

Risks Related to Our Business

Because we have a limited operating history, you may not be able to accurately evaluate our operations.

We have had limited operations to date. Therefore, we have a limited history upon which to evaluate the merits of investing in our company. Potential investors should be aware of the difficulties normally encountered by new companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the operations that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to the ability to generate sufficient cash flow to operate our business, and additional costs and expenses that may exceed current estimates. We anticipate incurring significant losses into the foreseeable future. We recognize that if the effectiveness of our business plan is not forthcoming, we will not be able to continue business operations. There is a limited history upon which to base any assumption as to the likelihood that we will prove successful, and it is doubtful that we will ever achieve profitable operations. If we are unsuccessful in addressing these risks, our business will most likely fail.

We have experienced operating losses in the past and we may not generate sufficient funds to sustain a level of profitability in the future.

Since our inception, we have incurred significant losses and experienced negative operating cash flow. We incurred a net loss from operations of \$409,160 and \$331,135 for the years ended October 31, 2022 and 2021, respectively, and we anticipate that we will continue to incur significant operating losses through at least 2023. Additionally, we expect to continue to make significant operating and capital expenditures in 2023 and beyond in connection with our growth and expansion plans. As a result, we will likely require additional debt or equity financing to sustain our operations and subsequently generate significant additional revenue to achieve profitability, and we cannot assure you that either of these things will ever occur.

Our profitability is tied to the strength of the companies from whom we purchase royalty interests, which are subject to a number of general business and macroeconomic conditions beyond our control.

Our profitability is closely related to the strength of companies from whom we purchase royalty interests, which can be cyclical in nature and affected by changes in national, state and local economic conditions which are beyond our control. Macroeconomic conditions that could adversely impact the growth of our business and those we have royalty interests with include, but are not limited to, economic slowdown or recession, increased unemployment, increased energy costs, reductions in the availability of credit or higher interest rates, increased costs of conducting business, inflation, disruptions in capital markets, declines in the stock market, adverse tax policies or changes in other regulations, lower consumer confidence, lower wage and salary levels, war or terrorist attacks, natural disasters or adverse weather events, or the public perception that any of these events may occur. Unfavorable general economic conditions, such as a recession or economic slowdown, in the United States or other markets we enter and operate within could negatively affect the affordability of, and consumer demand for, our services, or the services of the companies with whom we have royalty stream agreements, which could have a material adverse effect on our business and profitability.

We may not receive the cash amounts that we expect, or any at all, from any royalty interest and we may never generate sufficient income to become profitable.

Our ability to generate income from royalty interests and become profitable will depend, among other things, upon our ability to successfully evaluate, target and access royalty interests that have the potential to generate significant royalty payments, acquire an interest in the royalty interests for an appropriate purchase price, and enforce the contracts for royalty interests and collect our payments with respect to these royalty interests. Even if we are able to successfully do these and other things that are within our control, there are numerous other factors, some of which are not within our control, that could impact our ability to generate income or cash flows or be profitable, including those discussed in these risk factors.

In addition, there are numerous risks and uncertainties associated with the royalty interests, including that the success of the royalty interests will depend upon the contributions, success and longevity of each operator. We are unable to predict the timing or amount of future cash receipts, or when or whether we will be able to achieve or maintain profitability. Even if we acquire and manage royalty interests as described above, we anticipate incurring significant costs associated with our efforts to achieve or maintain profitability. Further, we may not receive the cash amounts that we expect, or any at all, from any of our current or future royalty interests.

Our business strategy depends in large part on our ability to acquire a number of royalty interests by entering into additional contracts to purchase royalty interests. We may not be able to enter into additional contracts in the future, or enter into the number of additional contracts that we anticipate would be necessary to support our business model.

Our strategy of acquiring, holding and managing royalty interests depends in large part on our ability to benefit from economies of scale. Accordingly, we are actively pursuing additional contracts to purchase royalty interests that we intend to enter into in the future. However, we have presently have no commitments to enter into any contract to purchase royalty interests.

We do not know if future potential operators will agree to enter into additional contracts to sell royalty interests and we may not be able to attract sufficient additional contracts. For example, future potential operators may not view the contract to sell royalty interests as an attractive value proposition to them due to any number of factors, including differing expectations of an appropriate purchase price, which may be based on any number of factors, such as:

- we and future potential operators may not agree on the assumptions and estimates used to determine the estimated future earnings of potential royalty interests;
- potential future operators may not want to incur legal, tax and other burdens associated with entering into a contract, including, for example, ongoing information and disclosure requirements;
- the potential impact of possible disclosure of the terms of material contracts, and the impact that these disclosure obligations may have on the ability of a contract party to enter into additional deals;
- any negative perception by the media or others of our business model;
- any negative perception by the media or others of any of our current contract parties or other future operators, as a result of their decision to sell royalty interests to us, or otherwise; and

- the performance of royalty interests that we may enter into in the future, and/or the performance of our common stock, which may be worse than anticipated.

As a result, we may be forced to revise our business model to attract additional royalty interests.

We are entirely dependent on the revenue stream from four (4) royalty interests and if we are unable to build a portfolio of royalty interests, or if we do not retain our existing royalty interests, the lack of diversification may negatively impact our operating results.

To date, we have acquired just six (6) royalty interests, one of which has been impaired and one of which is no longer in business. We may not be able to purchase additional royalty interests in a timely manner or at all. Since we only have four (4) royalty interests, our lack of diversification may subject us to numerous additional risks, any or all of which may have a substantial adverse impact upon our business.

It is difficult to estimate with precision the projected future royalty payments under any royalty interest because such estimation is necessarily based on future events that may or may not occur and that could change based on a number of factors that are hard to control. As a result, it is difficult to predict an accurate return on investment or rate of return for an investment in our common stock.

Due to the inherent uncertainty in predicting the future, it is difficult to estimate with precision the projected future royalty payments associated with royalty interests. These estimations are based on future events that may or may not occur. Additionally, future events change based on a number of factors that are difficult or impossible to control. As a result, it is difficult to predict an accurate return on investment or rate of return of any royalty interest, and our competitive position, results of operations, financial condition and cash flows could be materially adversely impacted if we receive less revenue from royalty interests than estimated.

Our business may be adversely affected by competitive market conditions and we may not be able to execute our business strategy.

We expect to increase revenue and cash flow over time through a business strategy which requires us, among other things, to purchase additional royalty interests. We face competition in the acquisition of royalty interests from royalty holders and may not be successful in acquiring royalty interests. Even if we are successful in acquiring additional royalty interests, competition may compel us to purchase such royalty interests at prices that are higher than would otherwise be the case.

Expanding on our portfolio of royalty interests will require sustained management focus, organization and coordination over significant periods of time. This will also require success in building relationships with third parties and in anticipating and keeping up with technological developments and consumer preferences. The results of our strategy and the success of our implementation of this strategy will not be known for some time in the future. If we are unable to implement our strategy successfully or properly react to changes in market conditions, our financial condition, results of operations and cash flows could be adversely affected.

The valuation of the royalty interests and expected royalty payments requires us to make estimates and material assumptions that may ultimately prove to be incorrect. In such an event, we could suffer significant losses that could materially and adversely affect our results of operations.

Our principal assets consist of royalty interests. Royalty interests are considered “Level 3” assets under Accounting Standards Codification (“ASC”) 820, Fair Value Measurements and Disclosures, as there is currently no active market where we are able to observe quoted prices for identical assets. As a result, our policy is to value royalty interests at our cost less accumulated amortization, and review for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

Our Company makes investments in cryptocurrencies, including bitcoin.

Cryptocurrencies held are accounted for as intangible assets with indefinite useful lives. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the cryptocurrency at the time its fair value is being measured. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment

loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. Following the period ended October 31, 2022 and prior to the date the Financial Statements are issued, volatility in the cryptocurrency market has had an adverse effect on the fair value of cryptocurrency assets held by our Company.

We may expand through acquisitions of, or investments in, other companies or through business relationships, all of which may divert our management's attention, resulting in additional dilution to our stockholders and consumption of resources that are necessary to sustain our business.

On July 15, 2022, we made a strategic investment in Financier, and we may acquire other competing or complementary services, technologies or businesses. Our investment in Financier, and any other future investment or acquisition or business relationship may result in unforeseen operating difficulties and expenditures. We may encounter difficulties assimilating or integrating the acquired businesses, technologies, products, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us and we may have difficulty retaining the customers of any acquired business due to changes in management and ownership. Acquisitions may also disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our business. Moreover, we cannot assure you that the anticipated benefits of any investment, acquisition or business relationship would be realized or that we would not be exposed to unknown liabilities, nor can we assure you that we will be able to complete any such transactions on favorable terms or at all.

Our strategic investment in Financier could harm our financial condition.

On July 15, 2022, we acquired 12.5% of the issued and outstanding membership interests of Financier. Although we believe this acquisition will bring further strategic relationships and royalty interests for our Company, in the long run, this acquisition has reduced our cash position. To the extent this acquisition does not provide us with an adequate return on investment, our financial condition could be harmed.

If we are unable to negotiate and purchase royalty interests on a cost-effective basis, our business and results of operations will be affected adversely.

To succeed, we must negotiate acceptable agreements to purchase royalty interests on a cost-effective basis, many of whom have not previously entered into royalty stream agreements like ours. We will rely on a variety of methods to attract new customers, such as paying providers of online services, search engines, directories and other websites to provide content, advertising banners and other links that direct customers to our website, direct sales and partner sales. If we are unable to use any of our current marketing initiatives or the cost of such initiatives were to significantly increase or such initiatives or our efforts to satisfy our existing customers are not successful, we may not be able to attract new customers or retain customers on a cost-effective basis and, as a result, our revenue and results of operations would be affected adversely.

If we fail to develop our brand cost-effectively, our business may be adversely affected.

Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and on our ability to provide reliable and useful services at competitive prices. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brands. If we fail to successfully promote and maintain our brand or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract enough new operators to the extent necessary to realize a sufficient return on our brand-building efforts, and our business and results of operations could suffer.

The market in which we participate is competitive and, if we do not compete effectively, our operating results could be harmed.

The market for our services is competitive and rapidly changing, and the barriers to entry are relatively low. We experience competition from large established businesses possessing large, existing customer bases, substantial financial resources and established distribution channels. We expect competition to persist and intensify in the future. Competition could result in reduced sales, reduced margins or the failure of our services to achieve or maintain more widespread market acceptance, any of which could harm our business and our operating results could be harmed. Our principal competitors include any entity or individual providing businesses with capital and/or management consulting services, including but not limited to investment banking firms, investment funds, financial institutions, government agencies and private individuals.

Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their offerings. Our current and

potential competitors may have more extensive customer bases and broader customer relationships than we have. If we are unable to compete with such companies, the demand for our offering could substantially decline.

We will incur significant costs complying with our obligations as a reporting issuer, which will decrease our profitability.

We file periodic reports with the U.S. Securities and Exchange Commission (“SEC”), including financial statements and disclosure regarding changes in our operations. In order to comply with these requirements, our independent registered public accounting firm will have to review our financial statements on a quarterly basis and audit our financial statements on an annual basis. Moreover, our legal counsel will have to review and assist in the preparation of such reports. We estimate that the costs for these services will exceed \$125,000 per year. These fees will be higher if our business volume and activity increases. These fee obligations will reduce our resources to fund our operations and may prevent us from meeting our normal business obligations. Compliance costs will be charged to operations and will negatively impact our profitability.

We may need additional capital in the future, which may not be available to us on favorable terms, or at all, and may dilute your ownership of our securities.

We have historically relied on outside financing and cash from operations to fund our operations, capital expenditures and expansion. We may require additional capital from equity or debt financing in the future to fund our operations and purchase royalty interests.

We may not be able to secure timely additional financing on favorable terms, or at all. The terms of any additional financing may place limits on our financial and operating flexibility. If we raise additional funds through issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of our Company, and any new securities we issue could have rights, preferences and privileges senior to those of the securities we are offering herein. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited.

Our status as an “emerging growth company” under the JOBS Act may make it more difficult to raise capital as and when we need it.

Because of the exemptions from various reporting requirements provided to us as an “emerging growth company” and because we will have an extended transition period for complying with new or revised financial accounting standards, we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

The novel strain of coronavirus (“COVID-19”) could have an adverse effect on our business operations.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease (“COVID-19”) as a pandemic, which continues to spread throughout the U.S. COVID-19 is having an unprecedented impact on the U.S economy as federal, state, and local governments react to this public health crisis.

The impacts of the current COVID-19 pandemic are broad reaching and has impacted the Company’s licensing royalty interests. Due to the COVID-19 outbreak, there is significant uncertainty surrounding the potential impact on the Company’s future results of operations and cash flows and its ability to raise capital. While we believe we are well positioned in the marketplace to navigate difficult market conditions in times of economic uncertainty, we believe continued impacts of the pandemic could materially adversely affect our Company’s near-term and long-term revenues, earnings, liquidity, and cash flows as the Company’s customers and /or licensees may request temporary relief, delay or not make scheduled payments on their royalty commitments.

Risks Relating to Our Operators

Operators do not owe any fiduciary duties to us or our stockholders, and they have no obligation to enhance the value of the royalty interests or disclose information to our stockholders.

Although operators will be contractually obligated to disclose all material facts to us, we cannot guarantee that the operators will comply with such disclosure requirements or that we can independently verify or uncover material events. In addition, operators have no obligation to enhance the value of the royalty interests. For example, the entrepreneur(s) managing an operator may determine

to retire which may have the effect of decreasing future royalty payments on the royalty interests. Furthermore, the operators do not owe any fiduciary duties to us or our stockholders. Our stockholders will have no recourse directly against operators under state or federal laws.

We will own royalty interests, and it will be difficult or impossible for us to ensure the businesses are operated in our best interest. We will not have the ability to direct the operations of the assets we have a royalty interest in.

All our future revenue will be derived from royalty interests on assets operated or managed by third parties. We will have limited or no authority regarding the promotion, exploitation, or enforcement of the underlying business. Our strategy of having a royalty interest puts us generally at risk to the decisions of others regarding operating decisions. Although we will attempt to secure contractual rights that will permit us to protect our interests to a degree, there can be no assurance that such rights will always be available or sufficient.

Operators may refuse or fail to make payments to us under royalty agreements.

Our cash flows depend on operators making royalty payments to us. An operator may dispute amounts to which we believe we are entitled or may be unwilling or unable to make payments to which we are entitled, including for reasons discussed elsewhere in these risk factors. In either event, we may become involved in a dispute with an operator regarding the payment of such amounts, including possible litigation. Disputes of this nature could harm the relationship between us and operators and could be costly and time-consuming for us to pursue. Failure of operators to make royalty payments to us for any reason would adversely affect our business and, in particular, the value of our common stock.

In addition, if an operator who may be obligated to make payments to us were to become the subject of a proceeding under the United States Bankruptcy Code or a similar proceeding or arrangement under another state, federal or foreign law, our rights and interests under royalty interests or otherwise may be prejudiced or impaired, perhaps significantly so. In such circumstances, we may be precluded, stayed or otherwise limited in enforcing some or all of our rights under royalty interests or otherwise and realizing the economic and other benefits contemplated therein.

Royalty payments may decrease due to factors outside our control, including operational decisions and other risks faced by operators.

Our ability to receive royalty payments from royalty interests depends in part on the operational success of operators. Actions taken by operators may have the result of decreasing royalty payments. Our financial results are indirectly subject to hazards and risks normally associated with the continued success of business in general.

Our stockholders must rely on us to pursue remedies against operators in the event of any default.

There can be no assurances that an operator will have adequate resources, if any, to satisfy any obligations to us under a royalty agreement. Moreover, royalty payments are an obligation of an operator to us, not obligations to our stockholders. Our stockholders will have no recourse directly against operators and stockholders will need to rely on us to pursue remedies against operators in the event of any default.

Royalty interests do not restrict operators from incurring unsecured or secured debt, nor does it impose any other financial restrictions on operators.

If operators incur additional secured or unsecured debt after entering into an agreement with us, or if the operators incur excessive expenses, the operators may be impaired in their ability to make royalty payments to us under a royalty agreement. In addition, additional debt or expenses may adversely affect the operator's creditworthiness generally, and could result in the financial distress, insolvency, or bankruptcy of the operator. To the extent that an operator has or incurs other indebtedness and expenses and cannot pay all of their indebtedness or expenses, an operator may choose to make payments to other creditors rather than us.

To the extent an operator incurs other indebtedness that is secured, such as mortgage, accounts receivable financing or line of credit, the ability of secured creditors to exercise remedies against the assets of the operator may impair the operators' ability to make payments to us under the royalty agreement. The operator may also choose to repay obligations under secured indebtedness before making required royalty payments on the royalty agreement.

RISKS RELATED TO OUR MANAGEMENT

If we fail to retain our key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future depends, in part, on our ability to attract and retain key personnel. Our future also depends on the continued contributions of our executive officers, each of whom would be difficult to replace. Alton “Ace” Chapman, Jr., our Chief Executive Officer, Noah Rosenfarb our Chief Financial Officer and Ronald Rosenfarb, our Chief Operating Officer, are critical to the management of our business and operations and the development of our strategic direction. The loss of the services of any of these executive officers or key personnel and the process to replace any of our key personnel would involve significant time and expense and may significantly delay or prevent the achievement of our business objectives. Our anticipated growth could strain our personnel resources and infrastructure, and if we are unable to implement appropriate controls and procedures to manage our anticipated growth, we may not be able to successfully implement our business plan.

Because our officers and directors engage in other business activities, they may not be able or willing to devote a sufficient amount of time to our business operations, causing our business to fail.

Alton “Ace” Chapman, Jr., our Chief Executive Officer, Noah Rosenfarb our Chief Financial Officer and Ronald Rosenfarb, our Chief Operating Officer, currently devote approximately 40 hours per week (collectively) providing management services to us. While they presently possess adequate time to attend to our interests, it is possible that their demands from their other obligations could increase, with the result that they would no longer be able to devote sufficient time to the management of our business. The loss of any of our officers or directors could negatively impact our business development.

We are anticipating a period of rapid growth in our operations, which may place, to the extent that we are able to sustain such growth, a significant strain on our management and our administrative, operational and financial reporting infrastructure.

Our success will depend in part on the ability of our senior management to manage this expected growth effectively. To do so, we believe we will need to continue to hire, train and manage new employees or contractors as needed. If our new team members perform poorly, or if we are unsuccessful in hiring, training, managing and integrating these new team members, or if we are not successful in retaining our existing employees or contractors, our business may be harmed. To manage the expected growth of our operations and personnel, we will need to continue to improve our operational and financial controls and update our reporting procedures and systems. The expected addition of new team members and the capital investments that we anticipate will be necessary to manage our anticipated growth will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by reducing expenses in the short term. If we fail to successfully manage our anticipated growth, we will be unable to execute our business plan.

None of our officers and directors have any meaningful public company accounting or financial reporting education or experience, which increases the risk we may be unable to comply with all rules and regulations.

Our ability to meet our ongoing reporting requirements on a timely basis will be dependent to a significant degree on advisors and consultants. Our officers and directors have no meaningful public company accounting or financial reporting education or experience. As such, there is risk about our ability to comply with all financial reporting requirements accurately and on a timely basis.

We do not maintain effective internal control over financial reporting, and if we are unable to implement and maintain effective internal control over financial reporting in the future, stockholders may lose confidence in the accuracy or completeness of our financial reports and the market price of our common stock may decline.

We need to improve the design, implementation, and testing of the internal controls over financial reporting requirements. If we are unable to remedy material weaknesses or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of its internal control over financial reporting when required, stockholders may lose confidence in the accuracy and completeness of our financial reports and the market price of the common stock could be negatively affected. We also could become subject to investigations by the stock exchange if we are ever listed on an exchange, U.S. Securities and Exchange Commission, or other regulatory authorities, which could require additional financial and management resources.

In connection with management’s assessment of our internal control over financial reporting, we identified the following material weaknesses in our internal control over financial reporting as of October 31, 2022: We lack full time personnel in accounting and financial staff to sufficiently monitor and process financial transactions in an efficient and timely manner. Our history of losses has severely limited our budget to hire and train enough accounting and financial personnel needed to adequately provide this function.

Consequently, we lacked sufficient technical expertise, reporting standards and written policies and procedures along with a lack of a formal review process which includes multiple layers of review. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

We do not have a compensation or an audit committee, so stockholders will have to rely on our directors to perform these functions.

We do not have an audit or compensation committee comprised of independent directors. These functions are performed by the members of our board of directors. Until we have an audit committee, there may be less oversight of management decisions and activities and little ability for minority stockholders to challenge or reverse those activities and decisions, even if they are not in the best interests of minority stockholders.

Our officers and directors own a controlling interest in our voting stock and stockholders will not have any voice in our management, which could result in decisions adverse to our general stockholders.

Our officers and directors, in the aggregate, have the right to vote more than 82% of our outstanding common shares. As a result, these stockholders, acting together, will have the ability to control substantially all matters submitted to our stockholders for approval including election of our board of directors; removal of any of our directors, amendment of our certificate of incorporation or by-laws; and adoption of measures that could delay or prevent a change in control or impede a merger, takeover or other business combination involving us.

As a result of their ownership and positions, our officers and directors collectively can influence all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. The interests of our officers may differ from the interests of the other stockholders, and they may influence decisions with which the other stockholders may not agree. Such decisions may be detrimental to our business plan and/or operations and they may cause the business to fail in which case you may lose your entire investment.

RISKS RELATED TO OUR SYSTEMS

Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.

We face growing risks and costs related to cybersecurity threats to our data and customer, employee and operator data, including but not limited to:

- the failure or significant disruption of our operations from various causes, including human error, computer malware, ransomware, insecure software, zero-day threats, or other events related to our critical information technologies and systems
- the increasing level and sophistication of cybersecurity attacks, including distributed denial of service attacks, data theft, fraud or malicious acts on the part of trusted insiders, social engineering, or other unlawful tactics aimed at compromising the systems and data of our officers, employees, operators and their customers (including via systems not directly controlled by us, such as those maintained by joint venture partners and third-party service providers)
- the reputational and financial risks associated with a loss of data or material data breach (including unauthorized access to our proprietary business information or personal information of our officers, employees, operators and their customers), the transmission of computer malware.

Global cybersecurity threats can range from uncoordinated individual attempts to gain unauthorized access to information technology systems via viruses, worms, and other malicious software, to phishing to advanced and targeted hacking launched by individuals or organizations. These attacks may be directed at the Company, its employees, operators, third-party service providers, joint venture partners and others.

In the ordinary course of our business, we and our third-party service providers store sensitive data, including our proprietary business information and intellectual property and that of our clients as well as personally identifiable information, sensitive financial information and other confidential information of our employees, customers and the customers of our operators. Additionally, we increasingly rely on third-party data processing, storage providers, and critical infrastructure services, including cloud solution providers. The secure processing, maintenance and transmission of this information are critical to our operations and with respect to information collected and stored by our third-party service providers, we are reliant upon their security procedures. A breach or attack affecting one of our third-party service providers or partners could harm our business even if we do not control the service that is attacked.

In addition, the increasing prevalence and the evolution of cyber-attacks and other efforts to breach or disrupt our systems or those of our employees, customers, third-party service providers, joint venture partners, and/or operators and their customers, has led, and will likely continue to lead, to increased costs to us with respect to preventing, investigating, mitigating and remediating these risks, as well as any related attempted or actual fraud.

Our facilities and systems are vulnerable to natural disasters and other unexpected events and any of these events could result in an interruption of our ability to execute our business operations.

We will depend on the efficient and uninterrupted operations of our third-party data centers and hardware systems. The data centers and hardware systems are vulnerable to damage from earthquakes, tornados, hurricanes, fire, floods, power loss, telecommunications failures and similar events. If any of these events results in damage to third-party data centers or systems, we may be unable to provide our clients with our service until the damage is repaired and may accordingly lose clients and revenues. In addition, subject to applicable insurance coverage, we may incur substantial costs in repairing any damage.

Any significant disruption in service on our website or in our computer systems, or in our customer support services, could reduce the attractiveness of our services and result in a loss of customers.

The satisfactory performance, reliability and availability of our services are critical to our operations, level of customer service, reputation and ability to attract new customers and retain customers. Most of our computing hardware are co-located in third-party hosting facilities. None of the companies who host our systems guarantee that our customers' access to our products will be uninterrupted, error-free or secure. Our operations depend on their ability to protect their and our systems in their facilities against damage or interruption from natural disasters, power or telecommunications failures, air quality, temperature, humidity and other environmental concerns, computer viruses or other attempts to harm our systems, criminal acts and similar events. If our arrangements with third-party data centers are terminated, or there is a lapse of service or damage to their facilities, we could experience interruptions in our service as well as delays and additional expense in arranging new facilities. Any interruptions or delays in access to our services, whether as a result of a third-party error, our own error, natural disasters or security breaches, whether accidental or willful, could harm our relationships with customers and our reputation. These factors could damage our brand and reputation, divert our employees' attention, reduce our revenue, subject us to liability and cause customers to cancel their accounts, any of which could adversely affect our business, financial condition and results of operations.

We do not have a disaster recovery system, which could lead to service interruptions and result in a loss of customers.

We do not have any disaster recovery systems. In the event of a disaster in which our software or hardware are irreparably damaged or destroyed, we would experience interruptions in access to our services. Any or all these events could cause our customers to lose access to our services.

We rely on third-party computer hardware and software that may be difficult to replace or that could cause errors or failures of our service, which could cause us to suffer a decline in revenues and profitability.

We rely on computer hardware purchased and software licensed from third parties in order to offer our services. This hardware and software may not continue to be available on commercially reasonable terms, or at all. If we lose the right to use any of this hardware or software or such hardware or software malfunctions, our customers could experience delays or be unable to access our services until we can obtain and integrate equivalent technology or repair the cause of the malfunctioning hardware or software. Any delays or failures associated with our services could upset our customers and harm our business.

RISKS RELATED TO OUR SECURITIES

Because we can issue additional shares of common stock, our stockholders may experience dilution in the future.

We are authorized to issue up to 200,000,000 shares of common stock. As of the date hereof, we have approximately 11,132,208 shares of common stock issued and outstanding. Pursuant to our July 15, 2022 purchase and sale agreement with Financier, we are obligated to issue \$95,000 in the form of the common stock of the Company to Financier which shall be restricted for 12 months, As of the date hereof, our Company has not issued the common stock to Financier and has recorded a \$95,000 common stock payable. Our board of directors has the authority to cause us to issue additional shares of common stock without the consent of any of our stockholders. Consequently, you may experience more dilution in your ownership of our securities in the future.

The exercise of options and warrants and other issuances of shares of common stock or securities convertible into common stock will dilute your interest.

The exercise of options and warrants at prices below the market price of our common stock could adversely affect the price of shares of our common stock. Additional dilution may result from the issuance of shares of our capital stock in connection with any collaboration (although none are contemplated at this time) or in connection with other financing efforts.

Any issuance of our common stock that is not made solely to then-existing stockholders proportionate to their interests, such as in the case of a stock dividend or stock split, will result in dilution to each stockholder by reducing his, her or its percentage ownership of the total outstanding shares. Moreover, if we issue options or warrants to purchase our common stock in the future and those options or warrants are exercised or we issue restricted stock, stockholders may experience further dilution. Holders of shares of our common stock have no preemptive rights that entitle them to purchase their pro rata share of any offering of shares of any class or series.

Our board of directors has the authority, without stockholder approval, to issue preferred stock with terms that may not be beneficial to existing security holders and with the ability to affect adversely stockholder voting power and perpetuate their control over us.

Our certificate of incorporation allows us to issue shares of preferred stock without any vote or further action by our common or preferred stockholders. Our board of directors has the authority to fix and determine the relative rights and preferences of preferred stock. Our board of directors also has the authority to issue preferred stock without further stockholder approval, including large blocks of preferred stock. As a result, our board of directors could authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock or other preferred stockholders and the right to the redemption of the shares, together with a premium, prior to the redemption of our common stock.

Preferred stock could be used to dilute a potential hostile acquirer. Accordingly, any future issuance of preferred stock or any rights to purchase preferred shares may have the effect of making it more difficult for a third party to acquire control of us. This may delay, defer or prevent a change of control or an unsolicited acquisition proposal. The issuance of preferred stock also could decrease the amount of earnings attributable to, and assets available for distribution to, the holders of our common stock and could adversely affect the rights and powers, including voting rights, of the holders of our common stock and preferred stock.

We do not intend to pay any cash dividends on our securities, so you will not be able to receive a return on your investment unless you sell your shares.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our securities. Unless we pay dividends, our security holders will not be able to receive a return on their securities unless they sell them.

There is no active market for our common stock, which may make it more difficult for you to sell your stock; purchasers of our stock may have difficulty selling their shares.

There is currently no active public trading market for our common stock and an active trading market in our common may not develop or, if developed, may not be sustained. Our common stock is quoted on the OTC Markets (OTC Pink) under the symbol "FIGI." To date, however, no active public trading market has developed, so purchasers and/or holders of our securities may have difficulty selling their shares should they desire to do so. In the event an active market develops in our securities, it may not be sustained. As a result, you should purchase shares only as a long-term investment, and you must be prepared to hold your shares for an indefinite period.

Financial Industry Regulatory Authority (FINRA) sales practice requirements may limit your ability to buy and sell our shares.

FINRA rules require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares, depressing our share price.

State securities laws may limit secondary trading, which may restrict the states in which, and conditions under which, you can sell shares of our common stock.

Secondary trading in our common stock is not possible in any state in the U.S. unless and until the securities are qualified for sale under the applicable securities laws of the state or there is confirmation that an exemption, such as listing in certain recognized securities manuals, is available for secondary trading in such state. We cannot assure you that we will be successful in registering or qualifying our securities for secondary trading or identifying an available exemption for secondary trading in our securities in every state. If we fail to register or qualify, or to obtain or verify an exemption for the secondary trading of, the securities in any state, the securities could not be offered or sold to, or purchased by, a resident of that state. If a significant number of states refuse to permit secondary trading in our securities, the market for our securities could be adversely affected.

In the event an active trading market for our common stock develops, the price of our common stock may fluctuate significantly.

In the event an active trading market for our common stock develops, the market price for our common stock could fluctuate significantly for various reasons, many of which are outside our control. Broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to litigation, including class action lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

RISKS RELATED TO OWNING CRYPTOCURRENCIES

The Company made investments in cryptocurrencies, including bitcoin, during the years ended October 31, 2022 and 2021 of \$135,528 and \$150,014. Such amounts are included in current assets at original cost, net of impairments in the accompanying balance sheets. As of October 31, 2022, the Company impaired the balance of \$120,399, due to the fact that the broker that held the Company's investments froze the account. The holder of the assets is formalizing a plan of bankruptcy and has notified the Company that it will be March 2023, until each claim is analyzed by the bankruptcy court.

The prices of cryptocurrencies are extremely volatile.

Fluctuations in the price of cryptocurrencies could subject our cryptocurrency holdings to significant price volatility. The price of cryptocurrencies is affected by many factors beyond our control including global supply and demand, the expected future price, inflation expectations, interest rates, currency exchange rates, fiat currency withdrawal and deposit policies at virtual token exchanges, interruptions in service or failures of such exchanges, investment and trading activities of large holders of cryptocurrencies, government monetary policies, regulatory measures that restrict the use of cryptocurrencies and global political, economic or financial events. In addition, a decrease in the price of one cryptocurrency may cause volatility in the entire cryptocurrency industry, including the cryptocurrencies we hold. For example, a security breach that affects investor or user confidence in Bitcoin may affect the industry as a whole and may also cause the price of other cryptocurrencies to fluctuate dramatically.

The regulatory regime governing cryptocurrencies is still developing, and regulatory changes or actions may alter the nature of an investment in cryptocurrencies, which could significantly decrease our assets and the cash available to us to acquire additional royalty interests pursuant to our plan of business.

The regulation of cryptocurrencies and cryptocurrency exchanges are currently under-developed and likely to rapidly evolve and vary significantly among U.S. and non-U.S. jurisdictions, and are subject to significant uncertainty. As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies, with certain governments deeming them illegal while others have allowed their use and trade. Various legislative and executive bodies in the United States, and other countries, are, or are considering, enacting laws, regulations, guidance, or other actions, which could adversely impact the value of our cryptocurrency holdings.

The development and acceptance of transactions in cryptocurrencies are subject to a variety of factors that are difficult to evaluate.

The use of cryptocurrencies to buy and sell goods and services and complete transactions is part of a new and rapidly evolving industry, and the continued growth of this industry and the use of cryptocurrencies is subject to a high degree of uncertainty. The slowing or stopping of the development or acceptance of cryptocurrencies could have a material adverse effect on the value of the cryptocurrencies we hold and ultimately the cash available for us to acquire additional royalty interests pursuant to our plan of business,

and we cannot assure you this will not occur. Factors that could affect the expansion or contraction of the use of cryptocurrencies include, but are not limited to:

- Continued worldwide growth in the adoption and use of cryptocurrencies;
- Governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of cryptocurrency systems;
- The maintenance and development of the open-source software protocol on which many cryptocurrencies are dependent;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to cryptocurrencies; and
- Negative consumer sentiment and perception of cryptocurrencies in general.

We cannot predict with certainty any outcome regarding use of cryptocurrencies, and any of the above factors may have a material adverse effect on the future value of our cryptocurrency holdings.

Our cryptocurrency holdings may be subject to loss, damage, theft or restriction on access, which could decrease the value of our cryptocurrency holdings and significantly decrease our assets and the cash available to us to acquire additional royalty interests pursuant to our plan of business.

A private key, or a combination of private keys, is necessary to control the cryptocurrency holdings stored in our digital wallet(s). Accordingly, any loss of the requisite private keys will result in loss of our cryptocurrency holdings, and they likely would not be recoverable. Moreover, any third party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet service, could steal our cryptocurrency holdings. Any errors or malfunctions caused by or otherwise related to our digital wallet to receive and store cryptocurrencies, including failure to properly maintain or secure such digital wallet, may also result in our complete loss of our cryptocurrency holdings. If we lose access to our cryptocurrency holdings, we could suffer a complete loss of their value, which would significantly decrease our assets and the cash available to us to acquire additional royalty interests pursuant to our plan of business.

If part or all of our cryptocurrency holdings are lost, stolen or destroyed under circumstances rendering a party liable to our Company, the responsible party may not have the financial resources sufficient to satisfy our claim. For example, as to a particular event of loss, the only source of recovery for us might be the responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of our Company. Furthermore, we are not aware of any U.S. or foreign governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrencies. Consequently, we may be unable to replace missing cryptocurrencies or seek reimbursement for any erroneous transfer or theft of our cryptocurrency holdings. To the extent that we are unable to seek redress for such action, error or theft, such loss could decrease the value of our Company's assets.

Cryptocurrencies are subject to risks of uninsured losses.

Unlike bank accounts or accounts at some other financial institutions, cryptocurrencies are uninsured unless you specifically obtain private insurance to insure them, which we have not done, nor presently intend to do. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurance arranged by our Company, to offer recourse to us.

Trading or holding cryptocurrencies could expose us to various cyber security risks.

Trading platforms and third-party service providers may be vulnerable to hacking or other malicious activity. As with any computer code generally, flaws in cryptocurrency codes may be exposed to such negative activities. Several errors and defects have been found previously, including those that disabled some functionality for users of cryptocurrency trading platforms and exposed such users' personal information. Flaws in and exploitations of the source code allowing malicious actors to take or create money have previously occurred, and our Company is not immune to such events.

The tax treatment of cryptocurrencies is uncertain, and developments in tax laws could impact the tax treatment of our cryptocurrency holdings.

The tax characterization of cryptocurrencies is uncertain and transactions involving digital currencies or tokens, are relatively new. It is possible that the Internal Revenue Service ("IRS") may challenge our Company's intended treatment of our cryptocurrency holdings, and that the tax consequences of purchasing or holding cryptocurrencies could differ materially from those anticipated by our

Company. Federal or state legislation may be enacted, or guidance may be issued, by the IRS (or other governmental authorities), possibly with retroactive effect, impacting our tax obligations with respect to our cryptocurrency holdings. Future changes in the tax laws (or future administrative or judicial interpretations) could materially and negatively impact our tax treatment with respect to cryptocurrencies.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

Properties

Our corporate headquarters is located in San Juan, Puerto Rico. We rent our corporate headquarters for \$75 per month, on a month-to-month basis. We believe that additional space may be required as our business expands and believe that we can obtain suitable space as needed.

ITEM 3. LEGAL PROCEEDINGS

We are not aware of any litigation or threatened litigation of a material nature.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is quoted on the OTC Markets (OTC Pink) under the symbol "FIGI." To date, however, no active public trading market has developed. Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Holders

As of February 14, 2023, we have a total of 11,132,208 shares of common stock issued and outstanding, held of record by approximately 59 stockholders. We do not have any shares of preferred stock outstanding.

Dividends

No cash dividends have been declared or paid on our common stock to date and we currently intend to use all available funds to fund the development and growth of our business.

Securities Authorized for Issuance under Equity Compensation Plans

| Equity Compensation Plan Information | | | |
|--|--|--|--|
| Plan category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
| Equity compensation plans approved by security holders(1) | 0 | Not applicable | 2,100,000 |
| Equity compensation plans not approved by security holders | 0 | Not applicable | 0 |
| Total | 0 | Not applicable | 2,100,000 |

1. We have reserved 2,100,000 shares of our common stock for issuance under our 2019 Equity Incentive Plan (the "2019 Plan").

Recent Sales of Unregistered Securities

On July 15, 2022, our Company entered into a purchase and sale agreement with Financier whereby we acquired 12.5% of the issued and outstanding membership interests of Financier in exchange for: (a) shares of common stock of our Company, which shall be restricted for 12 months, valued at \$95,000 and (b) \$95,000 cash at closing in the form of an interest free loan to Financier with the first payment due 30 days following delivery of the Company common stock, payable in equal installments of \$1,583 over sixty months. As of the date of this report, we have not issued the common stock to Financier.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in this Annual Report contains forward-looking statements. All statements other than statements of historical fact made in this Annual Report are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. These forward-looking statements can be identified by the use of words such as "believes," "estimates," "could," "possibly," "probably," "anticipates," "projects," "expects," "may," "will," or "should" or other variations or similar words. No assurances can be given that the future results anticipated by the forward-looking statements will be achieved. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from management's expectations. See sections titled "Forward-Looking Statements" and "Risk Factors" appearing elsewhere in this Annual Report.

The following discussion and analysis should be read in conjunction with our financial statements, included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease ("COVID-19") as a pandemic, which continues to spread throughout the U.S. COVID-19 is having an unprecedented impact on the U.S economy as federal, state, and local governments react to this public health crisis.

The impacts of the current COVID-19 pandemic are broad reaching and have impacted the Company's royalty interests. Due to the COVID-19 outbreak, there is significant uncertainty surrounding the potential impact on the Company's future results of operations and cash flows and its ability to raise capital. While we believe we are well positioned in the marketplace to navigate difficult market conditions in times of economic uncertainty, we believe continued impacts of the pandemic could materially adversely affect our Company's near-term and long-term revenues, earnings, liquidity, and cash flows as the Company's customers and /or licensees may request temporary relief, delay or not make scheduled payments on their royalty commitments. Additional continued impacts of the pandemic could have an adverse effect on the Company's ability to raise capital since the spread of COVID-19 has had, and continues to have, a negative impact on the financial markets.

Background Overview

We are engaged in the business of acquiring, holding and managing royalty interests derived from Internet based businesses. We provide management consulting services to the operators over the life of the agreement. Royalty interests are non-operating agreements that provide us with contractual rights to revenue produced from our operators. The revenue generated by our operators is typically from physical or digital product sales, subscriptions and advertising.

Our purchase of royalty interests enables entrepreneurs to raise non-dilutive capital and retain control of their businesses. When we enter into royalty interest agreements, our primary objectives are to provide management consulting services and generate revenue streams from our operators and increase our corporate cash flow. In some cases, we may also generate a premium on our original purchase price if a royalty interest is redeemed by an operator or third-party such as a buyer of an operator. Pursuant to our business model, we seek to acquire royalty interests that can generate a 15% to 30% internal rate of return, although there can be no guarantee that we will achieve this target.

Royalty interests are purchased for a fixed amount in exchange for pre-determined royalty payments. Depending on the unique agreement, (i) royalty payments can be made monthly, quarterly or annually, (ii) royalty payments can be made in perpetuity or for a limited amount of time, (iii) royalty payment calculations can change during the term of the royalty interest agreement based on certain performance metrics or time and (iv) royalty payments can be calculated off gross revenue of each operator, or off net-revenue, which accounts for certain defined adjustments to gross revenue, or off unit sales. Although we presently do not have a plan in place to do so, we may issue shares of our Company common stock to operators, in addition to the payment of cash, in exchange for royalty payments from the operator.

We primarily intend to negotiate royalty interests directly from operators, but we may also acquire existing royalty interests from third parties. A key element of our business model is the building of a diversified portfolio of high-quality royalty interests from Internet based businesses.

We use a series of quantitative, qualitative, financial, and legal criteria by which we evaluate the potential acquisition of royalty interests. We plan to acquire assets with an income focus, and our target is to acquire assets generating uncorrelated income of 15% to 30% internal rate of return, although there can be no guarantee that we will achieve this target. Among the factors considered are: (1) the business track record of revenue and earnings; (2) the type of business that generates royalties; (3) the experience and skill of the active management team of the business; (4) our assessment of the longevity and staying power of the underlying business; and (5) the potential for revenue growth and capital appreciation.

We currently, and generally at any time, have royalty interest acquisition opportunities in various stages of active review. At this time, we cannot provide assurance that any of the possible transactions under review by us will be concluded successfully.

Wiz Motions, LLC

On October 10, 2019, we acquired a royalty interest from Wiz Motions, LLC (“**Wiz**”) a limited liability company formed in the State of Wyoming. Wiz provides their clients with custom video animation explainer videos. We purchased a royalty interest from Wiz for \$300,000 which provides us with a perpetual 10% of all future gross sales generated by Wiz through www.WizMotions.com and all other sources. The Company recognized \$36,182 and \$30,033 of revenue during the years ended October 31, 2022 and 2021, respectively related to Wiz.

Growth Stack, Inc.

On November 22, 2019, we acquired a royalty interest from Growth Stack, Inc., (“**Growth Stack**”) a corporation formed in the State of Nevada. Growth Stack provides their clients with various Internet applications, website tools and information services. We purchased a royalty interest from Growth Stack for \$250,000, which provides us with a percentage of all future Net Sales (defined below) as follows: 5% of the first \$100,000 of net sales per month, and 3% of the next \$100,000 of net sales per month. We will also receive 1% of the net sales in excess of \$200,000 per month, until we receive a total of \$500,000 in aggregate royalty payments from Growth Stack. We are also entitled to a payment of between \$500,000 and \$1 million in the event (i) Growth Stack elects to buy-out the royalty interest or (ii) Growth Stack undergoes a change of control. In addition, the Company has the right of first refusal to acquire Growth Stack assets in the event the operator decides to sell, and we have received a personal guarantee for royalty payments due by the principal stockholder of Growth Stack. Royalty payments will be due monthly. The Company recognized \$11,000 and \$38,690 of revenue during the years ended October 31, 2022 and 2021, respectively related to Growth Stack.

Artist Holdings, LLC

On February 24, 2021, the Company acquired a royalty interest from Artist Holdings, LLC, (“**Artist Holdings**”), a limited liability company formed in the State of Arizona. Artist Holdings provides their clients tools and tutorials on creating their art and platforms to buy art pieces from artists. The Company purchased a royalty interest from Artist Holdings for \$50,000, which provides us with a perpetual 12.5% of all future net sales generated by Artist Holdings through its websites, training programs, and art brokerage. We have received a personal guarantee for royalty payments due by the principal shareholder of Artist Holdings. The Company recognized \$2,888 and \$2,500 in revenue during the years ended October 31, 2022 and 2021 related to Artist Holdings.

RhymeMakers, LLC

On February 24, 2021, the Company acquired a royalty interest from RhymeMakers, LLC, (“**RhymeMakers**”), a limited liability company formed in the State of Wyoming. RhymeMakers provides their clients tools and tutorials on how to rap. We purchased a royalty interest from RhymeMakers for \$75,000, which provides us with a perpetual 15% of all net sales generated by RhymeMakers through the website www.rhyemakers.com, thinkific, YouTube and all other sources. Royalty payments are due quarterly. We have received a personal guarantee for royalty payments due by the principal shareholder of RhymeMakers. The Company recognized \$1,261 and \$4,003 in revenue during the years ended October 31, 2022 and 2021 related to RhymeMakers.

Pick A Toilet LLC

On April 1, 2020, we acquired a royalty interest from Pick A Toilet, LLC, (“**Pick A Toilet**”), a limited liability company formed in Wyoming. Pick A Toilet provides their clients with advertising and reviews related to the toilet industry. We purchased a royalty interest from Pick A Toilet for \$180,000, which provides us a royalty based on 26% of the net sales from the revenues of the websites. At the end of each quarter, we will receive the results from the Operator and subsequently invoice the operator for our share of revenue. Estimated payments of 5% of the value of the \$180,000 paid for the royalty interest are due no later than the 5th day of the month following the calendar quarter. The estimates are then compared to the actual and trued up on our Company’s invoice. The Company recognized no revenue during the years ended October 31, 2022 and 2021, respectively related to Pick A Toilet. As a result

of collecting no revenue in 2021, we recognized an impairment of \$161,000 which was the unamortized royalty interest at the time of impairment, remaining interest at October 31, 2021 is \$0.

Strategic Investment – Financier

On July 15, 2022, we made a strategic investment in Financier, a business that we expect can provide us with a pipeline of deal flow for our core offering of royalty interests. Our Company entered into a purchase and sale agreement with Financier where Financier sold our Company 12.5% of the equity interests of Financier in exchange for the following: (a) \$95,000 in the form of the common stock of our Company which shall be restricted for 12 months, and (b) \$95,000 cash at closing in the form of an interest free loan to Financier with the first payment due 30 days following delivery of the common stock of our Company, payable in equal installments of \$1,583 over sixty months. As of the date hereof, our Company has not issued the common stock to Financier and has recorded a \$95,000 common stock payable. In connection with the purchase, for a period of three years, the Company has the option to purchase the remaining 87.5% outstanding equity of Financier, for \$1,330,000.

Offering financing to our target audience, Financier has been able to amass deal flow and a relationship with thousands of small businesses in need of financing. Our investment encourages a symbiotic relationship wherein clients are referred between the entities. As of October 31, 2022, this strategic investment is in its infancy stage and outcomes are undetermined.

Results of Operations

Fiscal year ended October 31, 2022 compared to fiscal year ending October 31, 2021

Revenues

We recognized \$51,331 and \$66,226 in revenue for the years ended October 31, 2022 and 2021. The decrease in revenue is primarily due to the late payment from Growth Stack for its royalties that are due and a slower start to revenue generating activities of Artist Holdings and RhymeMakers. Subsequent to October 31, 2022, this operator has paid its royalties that were due.

Operating Expenses

Our operating expenses of \$349,303 during the year ended October 31, 2022 decreased from \$358,762 for the year ended October 31, 2021. The primary reasons for the decrease were from decrease in advertising costs of \$6,401 and \$5,768, reduction in amortization costs and reduction in Legal and professional services offset by an increase in consulting expense of \$10,975.

We expect our operating expenses to increase in 2022-2023 as a result of increased operating activity to implement our business plan.

Other Income (expenses)

We generated other income of \$9,560 and \$122,401 for the years ended October 31, 2022 and 2021. The decrease is primarily related to funds received from a former service provider to settle a dispute on billing of \$105,000 during the year ended 2021.

We incurred \$0 and \$161,000 in impairment expense on royalty interests for the year ended October 31, 2022 and 2021. In 2021, we impaired our Pick-A-Toilet royalty due to the absence of revenue.

We recognized impairment of our cryptocurrencies of \$120,399 during the year ended October 31, 2022 as compared to \$0 in the year ended October 31, 2021.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease (“COVID-19”) as a pandemic, which continues to spread throughout the U.S. COVID-19 is having an unprecedented impact on the U.S economy as federal, state, and local governments react to this public health crisis.

Net Loss

We recorded a net loss of \$409,160 and \$331,135 for the years ended October 31, 2022 and 2021, respectively due to the items listed above.

Liquidity and Capital Resources

At October 31, 2022 and 2021, we had total current assets of \$328,350 and \$790,027, respectively, consisting primarily of cash and prepaid expenses. During the fiscal years ended October 31, 2022 and 2021, the Company invested \$135,528 and \$150,014 in cryptocurrencies. We had total current liabilities of \$14,277 and \$16,794, consisting of general accounts payable, resulting in a net working capital position of \$314,073 and \$773,233, respectively.

Analysis of Cash Flows

For the years ended October 31, 2022 and 2021, the Company used \$250,492 and \$131,593 in operating activities, made up primarily of the net loss of \$409,160 and \$331,155, offset by the impairment of cryptocurrencies of \$120,399 amortization of royalty interests of \$45,000 and \$54,355, and the impairment of royalty interests of \$ 0 and \$161,000, respectively.

Sources and Uses of Cash

For the years ended October 31, 2022 and 2021, our Company used \$250,492 and \$131,593 in its operating activities. The increase was due to increased net loss in 2022 of \$78,005.

For the years ended October 31, 2022 and 2021, the Company invested \$0 and \$125,000 in the acquisition of royalty interests, respectively. The Company also invested in an outside company in exchange for Company common stock payable and a note receivable for \$95,000 during the year ended October 31, 2022.

The company invested \$150,014 to cryptocurrencies for the year ended October 31, 2021. The Company also purchased cryptocurrencies in the amount of \$135,528 during the year ended October 31, 2022, however, by the end of the fiscal year, had impaired \$120,399 of the investment bringing the total carrying amount to \$0 at October 31, 2022.

At October 31, 2022 and 2021, we had no non-cancellable lease obligations and we had no other off-balance sheet arrangements, commitments or guarantees that require additional disclosure or measurement.

We expect that our cash used in operations will decrease during 2023 and beyond as a result of the following planned activities: decreased advertising. We believe that our existing cash on hand and will provide us with sufficient liquidity to meet our operating needs for the next 12 months, as our projected operating expenses will be approximately \$300,000 over the next 12 months.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates, including the assumptions and judgments underlying them, are disclosed in the Notes to the Financial Statements. We have consistently applied these policies in all material respects. We do not believe that our operations to date have involved uncertainty of accounting treatment, subjective judgment, or estimates, to any significant degree, except as noted below and it is unlikely that material different amounts would be reported under different assumptions.

Royalty Interests

We have a total of \$675,675 invested in royalty interests. Royalty interests are non-operating agreements that provide us with contractual rights to a percentage of revenue produced from companies we provide funds and management consulting services to. Although most of our royalty interest agreements have a perpetual term, management does not expect these royalty interests to last longer than 15 years due to the rapidly changing environment of a typical operator. Therefore, we have adopted the policy of amortizing the cost of royalty interests using the straight-line method over a period of 15 years, unless the agreement has a specific life provided. Royalty interests are considered a long-lived asset that is required to be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. In accordance with ASC 360-10, impairment exists for the royalty interests if the carrying amount exceeds the estimates of future net undiscounted cash flows expected to be generated by such assets. An impairment charge is required to be recognized if the carrying amount of the asset, or asset group, exceeds its fair value.

Revenue Recognition

We recognize revenue under royalty interest agreements when earned over time when it is probable that we will collect substantially all of the consideration to which we are entitled in exchange for the services that are transferred to the customer. Because of the uncertainty of collections at the inception of a royalty interest agreement and our lack of historical collection statistics, the Company has adopted the approach of recognizing revenue based on customer collections. The operators that are parties to the royalty agreements, are typically structured to report and pay percentages of revenue earned over a quarterly period, some of which do not line up with the quarterly reporting period of the Company.

Cryptocurrencies

The Company made investments in cryptocurrencies, including bitcoin, during the years ended October 31, 2022 and 2021 of \$135,528 and \$150,014. Such amounts are included in current assets at original cost, net of impairments in the accompanying balance sheets. As of October 31, 2022, the Company impaired the balance of \$120,399, due to the fact that the broker that held the Company's investments froze the account and recovery of the amount is uncertain as of the date of this report.

Cryptocurrencies held are accounted for as intangible assets with indefinite useful lives. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the cryptocurrency at the time its fair value is being measured. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. Following the period ended October 31, 2022 and prior to the date the Financial Statements are issued, volatility in the cryptocurrency market has had an adverse effect on the fair value of assets held by the entity.

Contractual Obligations

Equity Investment

On July 15, 2022, we made a strategic investment in Financier, a business that we expect can provide us with a pipeline of deal flow for our core offering of royalty interests. Our Company entered into a purchase and sale agreement with Financier where Financier sold our Company 12.5% of the equity interests of Financier in exchange for the following: (a) \$95,000 in the form of the common stock of our Company which shall be restricted for 12 months, and (b) \$95,000 cash at closing in the form of an interest free loan to Financier with the first payment due 30 days following delivery of the common stock of our Company, payable in equal installments of \$1,583 over sixty months. As of the date hereof, our Company has not issued the common stock to Financier and has recorded a \$95,000 common stock payable. In connection with the purchase, for a period of three years, the Company has the option to purchase the remaining 87.5% outstanding equity of Financier, for \$1,330,000.

As of October 31, 2022, the Company has accounted for its investment in Financier as an equity security in accordance with ASC 321 as the Company does not have the ability to exert significant influence over Financier.

Loan Receivable

As part of the Financier transaction, the Company issued an interest free loan to Financier in the amount of \$95,000. The Company imputed interest at 15% and as such created a discount to the Notes Receivable in the amount of \$28,445, which increased the total investment to \$123,445 at October 31, 2022.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

New Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements included in this Annual Report under this item are set forth beginning on Page F-1 of this Annual Report, immediately following the signature pages.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of October 31, 2022. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of October 31, 2022, our Principal Executive Officer and Principal Financial Officer concluded that, as of such date, our disclosure controls and procedures were not effective because of the identification of a material weakness in our internal control over financial reporting, which is identified below, which we view as an integral part of our disclosure controls and procedures.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of October 31, 2022 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework- 2013. Based on its evaluation, our management concluded that there are material weaknesses in our internal control over financial reporting. We lack full time personnel in accounting and financial staff to sufficiently monitor and process financial transactions in an efficient and timely manner. Our history of losses has severely limited our budget to hire and train enough accounting and financial personnel needed to adequately provide this function. Consequently, we lacked sufficient technical expertise, reporting standards and written policies and procedures along with a lack of a formal review process which includes multiple layers of review. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

This Annual Report does not include an attestation report of our Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit our Company to provide only management's attestation in this Annual Report.

Changes in Internal Control Over Financial Reporting.

No change in our Company's internal control over financial reporting occurred during our fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not Applicable.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identity of directors, executive officers and significant employees

The name, age and position of our officers and directors is set forth below:

| <u>Name</u> | <u>Age</u> | <u>Title</u> | <u>Held Position Since</u> |
|--------------------------|------------|---|----------------------------|
| Alton “Ace” Chapman, Jr. | 42 | Chief Executive Officer, Director | November 2018 |
| Noah Rosenfarb | 46 | Chief Financial Officer, Principal Accounting Officer, Chairman of the Board of Directors | November 2018 |
| Ronald Rosenfarb, Esq. | 50 | Chief Operating Officer, Secretary | November 2018 |

Business experience of directors and executive officers

The following information sets forth the backgrounds and business experience of the directors and executive officers.

Alton “Ace” Chapman, Jr. has been Director and Chief Executive Officer since November 2018. Mr. Chapman is also the Founder and Manager of Partners Equity Fund since the year 2000. Mr. Chapman’s qualifications to serve on our board of directors include his knowledge of our company and the Internet industry and his leadership at our company.

Noah Rosenfarb, CPA has been Chairman of the board of directors since November 2018 and Chief Financial Officer since January 2019. Mr. Rosenfarb is also Chief Executive Officer of Freedom adVentures, Inc. a business advisory and consulting firm since February 2018, Chief Executive Officer of Freedom Family Office, LLC an investment advisory firm since April 2007 and Chief Executive Officer of Freedom Advisors, LLC, a consulting firm since January 2007. In addition, Mr. Rosenfarb presently serves on committees for Entrepreneurs' Organization Global Deal Exchange, United Way of Broward County Legacy Society, member of United Way of Broward Toqueville Society, Jewish Federation of Broward County Legacy Society and Jewish Federation of South Palm Beach County Legacy Society. Mr. Rosenfarb has a BS in Accounting from Rutgers College and has been a CPA since 2000. Mr. Rosenfarb’s qualifications to serve on our board of directors include his knowledge of our Company and the Internet industry and his leadership at our company.

Ronald Rosenfarb, Esq. has been Chief Operating Officer since January 2019. Mr. Rosenfarb is also Chief Operating Officer of Freedom adVentures, Inc. a business advisory and consulting firm since January 2018. From August 2011 to December 2017, Mr. Rosenfarb was a Senior Manager at Rosenfarb LLC. Mr. Rosenfarb has a JD from Rutgers Law School and was a member of the New York and New Jersey bar from 1997 to 2018. He is also the author of "Winning with Financial Damages Experts: A Guide for Litigators."

The board of directors believes that each of the directors set forth above has the necessary qualifications to be a member of the board of directors. Each of the directors has exhibited during his prior service as a director the ability to operate cohesively with the other members of the board of directors. Moreover, the board of directors believes that each director brings a strong background and skill set to the board of directors, giving the board of directors as a whole competence and experience in diverse areas, including corporate governance and board service, finance, management and industry experience.

The term of office of each director of the Company ends at the next annual meeting of the Company's stockholders or when such director's successor is elected and qualifies. No date for the next annual meeting of stockholders is specified in the Company's bylaws or has been fixed by the board of directors. The term of office of each officer of the Company ends at the next annual meeting of the Company's board of directors, expected to take place immediately after the next annual meeting of stockholders, or when such officer's successor is elected and qualifies.

Family Relationships

Noah Rosenfarb and Ronald Rosenfarb are brothers.

Involvement in certain legal proceedings

No officer or director has been involved in any of the proceedings described in Item 401(f) of Regulation S-K.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, file reports of ownership and changes in ownership with the SEC. Executive officers, directors and greater-than-ten percent stockholders are required by SEC regulations to furnish us with all Section 16(a) forms they file. To the best of our knowledge, based solely upon a review of Forms 3 and 4 and amendments thereto furnished to our Company during its most recent fiscal year and Forms 5 and amendments thereto furnished to our Company with respect to its most recent fiscal year, and any written representation referred to in paragraph (b)(1) of Item 405 of Regulation S-K, all of our executive officers, directors and greater-than-ten percent stockholders complied with all Section 16(a) filing requirements.

Code of Ethics

Our Company has adopted a Code of Ethics and Business Conduct that applies to all of the Company's employees, including its principal executive officer and principal financial officer. A copy of our Code of Ethics and Business Conduct is available for review on our Company's website www.figiroyalty.com/code-of-ethics/. The Company intends to disclose any changes in or waivers from its Code of Ethics and Business Conduct by posting such information on its website.

Nominating Committee

Our Board of Directors does not have a nominating committee. This is due to our development stage and smaller sized Board of Directors. Instead of having such a committee, our entire Board of Directors historically has searched for and evaluated qualified individuals to become nominees for membership on our Board of Directors.

No material changes to the procedures by which our stockholders may recommend nominees to our Board of Directors has occurred since we last provided disclosure regarding these procedures.

Audit Committee

Our Company does not have a separately designated standing audit committee in place; our Company's entire board of directors has served, and currently serves, in that capacity. This is due to the small number of executive officers involved with the Company and the fact that the Company operates with few employees. Our board of directors will continue to evaluate, from time to time, whether a separately designated standing audit committee should be put in place. We do not have an audit committee financial expert as that term is defined by the rules promulgated by the Securities and Exchange Commission. We currently have limited working capital and limited revenues. Management does not believe that it would be in our best interests at this time to retain independent directors to sit on an audit committee. If we are able to generate sufficient revenues in the future, then we will likely seek out and retain independent directors and form an audit, compensation committee and other applicable committees.

ITEM 11. EXECUTIVE COMPENSATION

Introduction

The information below provides an overview of our executive compensation program, together with a description of the material factors underlying the decisions that resulted in the compensation provided to our Chief Executive Officer and the other executive officers who were the highest paid during the fiscal year ended October 31, 2022 (collectively, the "named executive officers"), as presented in the tables which follow this introduction.

Objective of Compensation Policy

The objective of our compensation policy is to provide a total compensation package to each named executive officer that will enable us to:

- attract, motivate and retain individual named executive officers;
- reward named executive officers for attaining desired levels of profit and stockholder value; and
- align the financial interests of each named executive officer with the interests of our stockholders to encourage each named executive officer to contribute to our long-term performance and success.

Overall, our compensation program is designed to reward individual and Company performance. We also believe that salary levels should be reflective of the current stage of our company.

Summary Compensation Table

The table below summarizes all compensation awarded to, earned by, or paid to our named executive officers for the fiscal year ended October 31, 2022 and 2021.

Summary Compensation Table

| Name and Principal Position (a) | Year (b) | Salary (\$) (c) | Total (\$) (d) |
|---|-------------|--------------------|-------------------|
| Alton Chapman, Jr (1) Chief Executive Officer | 2022 | 36,000 | 36,000 |
| Director | 2021 | 36,000 | 36,000 |
| Noah Rosenfarb (2) Chief Financial Officer | 2022 | 36,000 | 36,000 |
| Chairman of the Board of Directors | 2021 | 36,000 | 36,000 |
| Ronald Rosenfarb (3) Chief Operating Officer, Secretary | 2022 | 39,123 | 39,123 |
| | 2021 | 39,123 | 39,123 |

1. Mr. Chapman is our Chief Executive Officer and a director. Under the terms of our verbal agreement, he is currently paid a salary of \$36,000 per year and is entitled to reimbursement of reasonable business expenses, vacation and sick days in accordance with our corporate policy and any health benefits we may offer employees in the future. Mr. Chapman's compensation includes the amount for services rendered to the Company in his capacity as both an officer and a director. Mr. Chapman will devote up to 10 hours per week to our Company. He does not have a non-competition agreement with our Company but is not separately engaged, nor does he anticipate being separately engaged, in the purchase of royalty interests from Internet based businesses.
2. Mr. Rosenfarb is our Chief Financial Officer and Chairman of the Board of Directors. Under the terms of our verbal agreement, he is currently paid a salary of \$36,000 per year and is entitled to reimbursement of reasonable business expenses, vacation and sick days in accordance with our corporate policy and any health benefits we may offer employees in the future. Mr. Rosenfarb's compensation includes the amount for services rendered to the Company in his capacity as both an officer and a director. Mr. Rosenfarb will devote up to 10 hours per week to our Company. He does not have a non-competition agreement with our Company but is not separately engaged, nor does he anticipate being separately engaged, in the purchase of royalty interests from Internet based businesses.
3. Mr. Rosenfarb is our Chief Operating Officer and Secretary. Under the terms of our verbal agreement, he is currently paid a salary of \$39,123 per year and is entitled to reimbursement of reasonable business expenses, vacation and sick days in accordance with our corporate policy and any health benefits we may offer employees in the future. Mr. Rosenfarb will devote up to 20 hours per week to our Company. He does not have a non-competition agreement with our Company but is not separately engaged, nor does he anticipate being separately engaged, in the purchase of royalty interests from Internet based businesses.

At no time during the last fiscal year was any outstanding option otherwise modified or re-priced, and there was no tandem feature, reload feature, or tax-reimbursement feature associated with any of the stock options we granted to our executive officers or otherwise.

We may grant stock awards and stock options to our executive officers based on their level of experience and contributions to our Company. No stock awards, stock options or other Plan or other plan-based awards were granted to our named executive officers or other executive officers as of October 31, 2022 and 2021.

Outstanding Equity Awards at Fiscal Year-End

Not applicable.

Option Exercises and Stock Vested

No stock options, SARs and similar instruments were exercised, and no stock, including restricted stock, restricted stock units and similar instruments vested, by or for any of our named executive officer during the last completed fiscal year.

Pension Benefits-Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation

No pension benefits were paid to any of our named executive officers during the last completed fiscal year. *See Note 10 – Retirement Plan* in the notes to the audited financial statements appearing elsewhere in this Annual Report. We do not currently sponsor any non-qualified defined contribution plans or non-qualified deferred compensation plans.

Employee, Severance, Separation and Change in Control Agreements

We have no written employee, severance, separation and change in control agreements with any of our named executive officers. Please see the footnotes to the above Summary Compensation Table contained in this *Item 11. Executive Compensation* for a description of each named officer’s verbal employee agreements.

Potential Payments Upon Termination or Change In Control

Not applicable.

Compensation of Directors

Our two directors, Alton “Ace Chapman, Jr. and Noah Rosenfarb, also serve as named executive officers. The named executive officers’ compensation described in the above Summary Compensation Table contained in this *Item 11. Executive Compensation* includes the amount for services rendered to the Company in their capacity as both an officer and a director.

Compensation Policies and Practices as They Relate to Our Risk Management

No risks arise from our Company’s compensation policies and practices for our employees that are reasonably likely to have a material adverse effect on our Company.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of February [], 2023, the names, addresses, amount and nature of beneficial ownership and percent of such ownership of our common stock of each of our officers and directors, our officers and directors as a group, and each person or group known to our Company to be the beneficial owner of more than five percent (5%) of our common stock:

| Name and Address of Beneficial Owner (1)(2)(3) | Shares Beneficially Owned | |
|--|---------------------------|-------------|
| | Number | Percent (4) |
| Alton “Ace” Chapman, Jr., Chief Executive Officer and Director | 4,384,500 | 39% |
| Noah Rosenfarb, Chief Financial Officer and Chairman of the Board of Directors | 4,384,500 | 39% |
| Ronald Rosenfarb, Chief Operating Officer and Secretary | 461,400 | 4% |
| All executive officers and directors as a group (3 persons) | 9,230,400 | 82% |

- (1) As of February 14, 2023, such holders had the sole voting and investment power with respect to the voting securities beneficially owned by them, unless otherwise indicated herein.
- (2) In care of the Company at 151 Calle San Francisco, Suite 200, San Juan, Puerto Rico 00901
- (3) If a person listed on this table has the right to obtain additional shares of common stock within 60 days from February 14, 2023, the additional shares are deemed to be outstanding for the purpose of computing the percentage of class owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of any other person.
- (4) Based on 11,132,208 shares of common stock outstanding on February 14, 2023.

Change in Control Arrangements

We are not aware of any arrangements that could result in a change of control.

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding our compensation plans under which our equity securities are authorized for issuance can be found in *Part II – Item 5* of this Annual Report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

For other information related to this Item 13, *See Note 7 – Related Party Transactions* in the notes to the audited financial statements appearing elsewhere in this Annual Report.

Transactions With Related Persons

From time to time, the Company pays expenses on behalf of other entities owned by the founding shareholders of the Company. As of October 31, 2022 and 2021, that balance is \$1,214 and \$0.

Policies and Procedures for Related-Party Transactions

Our Company does not have any formal written policies or procedures for related party transactions, however in practice, our board of directors’ reviews and approves all related party transactions and other matters pertaining to the integrity of management, including potential conflicts of interest and adherence to standards of business conduct. We have no independent directors on our board of directors. Alton Chapman, Jr. and Noah Rosenfarb are our sole directors.

Director Independence

None of our securities are listed on a national securities exchange or in an inter-dealer quotation system which has requirements that a majority of the board of directors be independent. As a result, our board of directors has reviewed their relationship with the Company in conjunction with NASDAQ Listing Rule 5605(a)(2) that provides that an “independent director” is ‘a person other than an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.’ Our board of directors has affirmatively determined none of the members of our board of directors are independent directors in that they are

independent of management and free of any relationship that would interfere with their independent judgment as members of our board of directors. The following members of our board of directors, Alton Chapman, Jr. and Noah Rosenfarb, are not independent directors pursuant to the standards described above.

Our Company does not have a separately designated nominating or compensation committee or committee performing similar functions; therefore, our full board of directors currently serves in these capacities.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table represents aggregate fees billed or to be billed to the Company for the fiscal year ended October 31, 2022 and 2021 by Hancock Askew & Co. LLP:

| | 2022 | 2021 |
|--------------------|-----------------|-----------------|
| Audit Fees | \$64,750 | \$63,618 |
| Audit-Related Fees | - | - |
| Tax Fees | - | - |
| All Other Fees | - | - |
| Total Fees | \$64,750 | \$63,618 |

Audit Fees are the aggregate fees billed for professional services rendered by our independent auditors for the audit of the Company’s annual financial statements and review of financial statements included in the Company’s Form 10-Q or services that are normally provided by the audit firm in connection with statutory and regulatory filings or engagements.

Audit-Related Fees are the aggregate fees billed for assurance and related services rendered by our independent auditors that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under the category Audit Fees described above.

Tax Fees are the aggregate fees billed for tax compliance, tax advice, and tax planning rendered by our independent auditors.

All Other Fees are the aggregate fees billed for products and services rendered by our independent auditors, other than the services reported in the above categories.

Audit Committee Pre-Approval Policies.

The Company’s audit committee currently does not have any pre-approval policies or procedures concerning services performed by our independent auditors. However, all the services performed by the independent auditors that are described above were pre-approved by the Company’s audit committee. The Company’s audit committee pre-approves all audit and permissible non-audit services on a case-by-case basis.

None of the hours expended by our independent auditor’s engagement to audit the Company’s financial statements for the years ended October 31, 2022 and October 31, 2021 were attributed to work performed by persons other than the independent auditor’s full-time, permanent employees.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- (a) The following Audited Financial Statements are filed as part of this Annual Report:
- Report of Independent Registered Public Accounting Firm
 - Balance Sheets as of October 31, 2022 and 2021
 - Statements of Operations for the years ended October 31, 2022 and 2021
 - Statements of Stockholders' Equity for the years ended October 31, 2022 and 2021
 - Statements of Cash Flows for the years ended October 31, 2022 and 2021
 - Notes to Financial Statements

- (b) Exhibits:

The exhibit list in the Index to Exhibits is incorporated herein by reference as the list of exhibits required as part of this Annual Report.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 14, 2023.

Freedom Internet Group Inc.

By: /s/ Alton "Ace" Chapman, Jr.
Alton "Ace" Chapman, Jr.,
Principal Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

| <u>Signature</u> | <u>Capacity</u> | <u>Date</u> |
|--|--|-------------------|
| <u>/s/ Alton "Ace" Chapman, Jr.</u> Alton "Ace" Chapman | Principal Executive Officer, Director | February 14, 2023 |
| <u>/s/ Noah Rosenfarb</u> Noah Rosenfarb | Principal Financial Officer, Chairman of the Board of Directors | February 14, 2023 |

PART IV – FINANCIAL INFORMATION

INDEX TO FINANCIAL STATEMENTS

| | Page |
|---|------|
| Report of Independent Registered Public Accounting Firm (PCAOB ID: 794) | F-1 |
| Balance Sheets | F-2 |
| Statements of Operations | F-3 |
| Statements of Stockholder's Equity | F-4 |
| Statements of Cash Flows | F-5 |
| Notes to Financial Statements | F-6 |



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Freedom Internet Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Freedom Internet Group, Inc. (the Company) as of October 31, 2022 and 2021, and the related statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended October 31, 2022, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the two-year period ended October 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Hancock Askew + Co., LLP

We have served as the Company's auditor since 2019.

Hancock Askew & Co., LLP
Savannah, Georgia

February 14, 2023

Savannah | 912-234-8243 | 100 Riverview Drive | Savannah, GA 31404
Offices in Georgia and Florida

www.HancockAskew.com

FREEDOM INTERNET GROUP INC.

BALANCE SHEETS
As of October 31, 2022 and 2021

| | October 31, 2022 | October 31, 2021 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 312,636 | \$ 628,513 |
| Prepaid expenses | 14,500 | 11,500 |
| Due from related party | 1,214 | - |
| Cryptocurrencies | - | 150,014 |
| Total current Assets | 328,350 | 790,027 |
| Royalty interests, net of accumulated amortization of \$124,855 and \$79,855 respectively | 550,820 | 595,820 |
| Investment | 123,445 | |
| Notes receivable, net of discount of \$28,455 and \$0, respectively | 66,555 | - |
| Total other assets | 740,820 | 595,820 |
| Total assets | \$ 1,069,170 | \$ 1,385,847 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 14,277 | \$ 16,794 |
| Total current liabilities | 14,277 | 16,794 |
| Non-current Liabilities | | |
| Notes payable | - | - |
| Total Liabilities | 14,277 | 16,794 |
| COMMITMENTS AND CONTINGENCIES (See Note 12) | | |
| Stockholders' Equity | | |
| Preferred Stock; \$0.01 par value; 5,000,000 shares authorized; \$0.01 par value; none issued and outstanding | - | - |
| Common stock; \$0.01 par value; 200,000,000 shares authorized, 11,132,208 and 11,132,208 shares issued and outstanding, respectively | 111,321 | 111,321 |
| Common stock payable | 95,000 | - |
| Additional paid in capital | 2,240,447 | 2,240,447 |
| Accumulated deficit | (1,391,875) | (982,715) |
| Total Stockholders' Equity | 1,054,893 | 1,369,053 |
| Total Liabilities and Stockholders' Equity | \$ 1,069,170 | \$ 1,385,847 |

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

FREEDOM INTERNET GROUP INC.

STATEMENTS OF OPERATIONS
For the years ended October 31, 2022 and 2021

| | <u>October 31, 2022</u> | <u>October 31, 2021</u> |
|---|-------------------------|-------------------------|
| Revenues | | |
| Royalties (net) | \$ 51,331 | \$ 66,226 |
| Operating Expenses | | |
| Advertising | 657 | 7,058 |
| Legal and professional | 124,300 | 127,041 |
| Consulting | 35,975 | 25,000 |
| Salaries and payroll taxes | 120,653 | 120,678 |
| Rent expense | 250 | 300 |
| Amortization of royalty interests | 45,000 | 54,355 |
| Other business expenses | 22,468 | 24,330 |
| Total operating expenses | <u>349,303</u> | <u>358,762</u> |
| Loss from operations | (297,972) | (292,536) |
| Other Income (Expense) | | |
| Loss on cryptocurrencies - Impairment expense | (120,399) | - |
| Impairment of royalty interest | - | (161,000) |
| Interest income | 8,521 | 5,731 |
| Settlement income | - | 105,000 |
| PPP loan forgiveness | - | 11,300 |
| Other | 690 | 370 |
| Total other income (expense) | <u>(111,188)</u> | <u>38,599</u> |
| Net Loss | <u>\$ (409,160)</u> | <u>\$ (331,135)</u> |
| Net loss per common share - basic and diluted | \$ (0.04) | \$ (0.03) |
| Weighted average shares outstanding - basic | 11,132,208 | 11,132,208 |
| Weighted average shares outstanding - diluted | 11,132,208 | 11,132,208 |

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

**FREEDOM INTERNET GROUP INC.
STATEMENTS OF STOCKHOLDERS' EQUITY**

For the years ended October 31, 2022 and 2021

| | Preferred Stock | | Common Stock | | Common Stock Subscribed/ Payable | Additional Paid-in Capital | Accumulated Deficit | Total Stockholders' Equity |
|---|-----------------|--------|--------------|-----------|---|----------------------------------|------------------------|----------------------------------|
| | Shares | Amount | Shares | Amount | | | | |
| Balance November 1, 2020 | - | \$- | 9,230,400 | \$92,304 | \$19,017 | \$2,240,447 | (\$651,580) | \$1,700,188 |
| Net loss | - | - | - | - | - | - | (331,135) | (331,135) |
| Common stock subscribed issuance | | | 1,901,808 | 19,017 | (19,017) | - | - | - |
| Balance October 31, 2021 | - | \$- | 11,132,208 | \$111,321 | - | \$2,240,447 | (\$982,715) | \$1,369,053 |
| Net loss | - | - | - | - | - | - | (409,160) | (409,160) |
| Common stock payable | - | - | - | - | 95,000 | - | - | 95,000 |
| Balance October 31, 2022 | - | \$- | 11,132,208 | \$111,321 | \$95,000 | \$2,240,447 | (\$1,391,875) | \$1,054,893 |

The accompanying notes are an integral part these audited financial statements.

**FREEDOM INTERNET GROUP INC.
STATEMENTS OF CASH FLOWS**

For the years ended October 31, 2022 and 2021

| | For the year ended October 31, 2022 | For the year ended October 31, 2021 |
|--|--|--|
| Cash flows from operating activities: | | |
| Net loss | \$ (409,160) | \$ (331,135) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization of royalty interests | 45,000 | 54,355 |
| Forgiveness of PPP funding | - | (11,300) |
| Impairment of cryptocurrencies | 120,399 | - |
| Impairment of royalty interest | - | 161,000 |
| Due from related party | (1,214) | - |
| Prepaid expenses | (3,000) | 5,167 |
| Accounts payable and accrued liabilities | (2,517) | (9,860) |
| Net cash used in operating activities | (250,492) | (131,593) |
| Cash flows from investing activities | | |
| Issuance of notes receivable | (95,000) | - |
| Purchase of cryptocurrencies | (135,528) | (150,014) |
| Sale of cryptocurrencies | 165,143 | - |
| Purchase of royalty interest | - | (125,000) |
| Net cash used in investing activities | (65,385) | (275,014) |
| Cash flows from financing activities | | |
| Net cash provided from financing activities | - | - |
| Net change in cash and cash equivalents | (315,877) | (406,607) |
| Cash and cash equivalents, at beginning of period | 628,513 | 1,035,120 |
| Cash and cash equivalents, at end of period | \$ 312,636 | \$ 628,513 |
| Schedule of non-cash financing activities | | |
| Common stock payable for investment | 95,000 | - |
| Discount on notes receivable in exchange for investment | 28,445 | - |
| Supplemental cash flow information: | | |
| Income taxes paid | \$ - | \$ 10,500 |

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

FREEDOM INTERNET GROUP INC.

NOTES TO FINANCIAL STATEMENTS For the years ended October 31, 2022 and 2021

NOTE 1. NATURE OF BUSINESS

On November 15, 2018, (commencement of operations) Freedom Internet Group Inc. (the “Company”) was organized in Puerto Rico to provide Internet-focused entrepreneurs with business consulting services and centralized management services. The Company is engaged in the business of acquiring, holding and managing royalty interests derived from Internet based businesses. Royalty interests are non-operating agreements that provide the Company with contractual rights to revenue produced from operators.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America, and, as such, include amounts based on judgments, estimates, and assumptions made by management that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Assets that are particularly susceptible to fluctuations in fair value estimates include our cryptocurrency investments and royalty agreements. Following is a description of the more significant accounting policies followed by the Company:

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of October 31, 2022 and 2021.

Investments

From time to time, the Company may invest in other Companies and acquire a minority interest. The Company evaluates each investment in accordance with ASC 321 or ASC 323, which provides guidance on the classification and measurement of investments in equity securities or equity method investments. The Company evaluates accounting for each investment depending on whether or not the Company has significant influence or control over the investee. If an investment is considered an equity method investment (i.e., when the Company has significant influence over the entity’s decision making) the Company will record its share of earnings in the income statement. When the Company has no control or significant influence in decisions, the Company will record its investment at the transaction price and evaluate it for impairment at each period reported when the investment does not have a readily determinable fair value. If an observable price change occurs in an orderly transaction of the equity investment, the equity investment is measured at its fair value as of the date that the observable transaction occurred.

Royalty Interests

Royalty interests are non-operating agreements that provide us with contractual rights to a percentage of revenue produced from companies that we have executed a royalty interest agreement with. We provide management consulting services to the operators over the life of the agreement. Although most of our royalty interest agreements have a perpetual term, management does not expect these royalty interests to last longer than 15 years due to the rapidly changing environment of a typical operator. Therefore, we have adopted the policy of amortizing the cost of royalty interests using the straight-line method over a period of 15 years, unless the agreement has a specific life provided. Royalty interests are considered a long-lived asset that is required to be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. In accordance with ASC 360-10, impairment exists for the royalty interests if the carrying amount exceeds the estimates of future net undiscounted cash flows expected to be generated by such assets. An impairment charge is required to be recognized if the carrying amount of the asset, or asset group, exceeds its fair value.

Revenue Recognition

The Company recognizes revenue under royalty interest agreements when earned over time when it is probable that we will collect substantially all of the consideration to which we are entitled in exchange for the services that are transferred to the customer. Because of the uncertainty of collections at the inception of a royalty interest agreement and our lack of historical collection statistics, the Company has adopted the approach of recognizing revenue based on customer collections. The operators that are parties to the royalty agreements, are typically structured to report and pay percentages of revenue earned over a quarterly period, some of which do not line up with the quarterly reporting period of the Company.

Income Taxes

Income taxes are accounted for 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 carryforwards. 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 effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the Enactment date. A valuation allowance is established for deferred tax assets that, based on management's evaluation, are not expected to be realized.

Tax benefits of uncertain tax positions are recorded only where the position is "more likely than not" to be sustained based on their technical merits. The amount recognized is the amount that represents the largest amount of tax benefit that is greater than 50% likely of being ultimately realized. A liability is recognized for any benefit claimed or expected to be claimed, in a tax return in excess of the benefit recorded in the financial statements, along with any interest and penalty (if applicable) in such excess. The Company has no uncertain tax positions as of October 31, 2022 and 2021.

Cryptocurrencies

The Company made investments in cryptocurrencies, including bitcoin, during the years ended October 31, 2022 and 2021 of \$135,528 and \$150,014, respectively. Such amounts are included in current assets at original cost, net of impairments in the accompanying balance sheets.

Cryptocurrencies held are accounted for as intangible assets with indefinite useful lives. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the cryptocurrency at the time its fair value is being measured. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

During the year ended October 31, 2022, the cryptocurrency market became more volatile and the broker that held the Company's cryptocurrency froze the account. Recovery of the cryptocurrency is uncertain as of the date of this report. As such, management of the Company impaired the entire remaining balance of \$120,399.

Per Share Data

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the year. Diluted loss per share is computed by dividing net loss by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive) related to warrants.

The Company has excluded all common equivalent shares outstanding for warrants from the calculation of diluted net loss per share because all such securities are anti-dilutive for the periods presented.

NOTE 3. ROYALTY INTERESTS

Wiz Motions, LLC

On October 10, 2019, we acquired a royalty interest from Wiz Motions, LLC (“**Wiz**”) a limited liability company formed in the State of Wyoming. Wiz provides their clients with custom video animation explainer videos. We purchased a royalty interest from Wiz for \$300,000 which provides us with a perpetual 10% of all future gross sales generated by Wiz through www.WizMotions.com and all other sources. The Company recognized \$36,182 and \$30,033 of revenue during the years ended October 31, 2022 and 2021, respectively related to Wiz.

Growth Stack, Inc.

On November 22, 2019, we acquired a royalty interest from Growth Stack, Inc., (“**Growth Stack**”) a corporation formed in the State of Nevada. Growth Stack provides their clients with various Internet applications, website tools and information services. We purchased a royalty interest from Growth Stack for \$250,000, which provides us with a percentage of all future Net Sales (defined below) as follows: 5% of the first \$100,000 of net sales per month, and 3% of the next \$100,000 of net sales per month. We will also receive 1% of the net sales in excess of \$200,000 per month, until we receive a total of \$500,000 in aggregate royalty payments from Growth Stack. We are also entitled to a payment of between \$500,000 and \$1 million in the event (i) Growth Stack elects to buy-out the royalty interest or (ii) Growth Stack undergoes a change of control. In addition, the Company has the right of first refusal to acquire Growth Stack assets in the event the operator decides to sell, and we have received a personal guarantee for royalty payments due by the principal stockholder of Growth Stack. Royalty payments will be due monthly. The Company recognized \$11,000 and \$38,690 of revenue during the years ended October 31, 2022 and 2021, respectively related to Growth Stack.

Pick A Toilet LLC

On April 1, 2020, we acquired a royalty interest from Pick A Toilet, LLC, (“**Pick A Toilet**”), a limited liability company formed in Wyoming. Pick A Toilet provides their clients with advertising and reviews related to the toilet industry. We purchased a royalty interest from Pick A Toilet for \$180,000, which provides us a royalty based on 26% of the net sales from the revenues of the websites. At the end of each quarter, we will receive the results from the Operator and subsequently invoice the operator for our share of revenue. Estimated payments of 5% of the value of the \$180,000 paid for the royalty interest are due no later than the 5th day of the month following the calendar quarter. The estimates are then compared to the actual and trued up on our Company’s invoice. The Company recognized no revenue during the years ended October 31, 2022 and 2021, respectively related to Pick A Toilet. As a result of collecting no revenue in 2021, we recognized an impairment of \$161,000 which was the unamortized royalty interest at the time of impairment, remaining interest at October 31, 2021 was \$0.

Artist Holdings, LLC

On February 24, 2021, the Company acquired a royalty interest from Artist Holdings, LLC, (“**Artist Holdings**”), a limited liability company formed in the State of Arizona. Artist Holdings provides their clients tools and tutorials on creating their art and platforms to buy art pieces from artists. The Company purchased a royalty interest from Artist Holdings for \$50,000, which provides us with a perpetual 12.5% of all future net sales generated by Artist Holdings through its websites, training programs, and art brokerage. We have received a personal guarantee for royalty payments due by the principal shareholder of Artist Holdings. The Company recognized \$2,888 and \$2,500 in revenue during the years ended October 31, 2022 and 2021 related to Artist Holdings.

RhymeMakers, LLC

On February 24, 2021, the Company acquired a royalty interest from RhymeMakers, LLC, (“**RhymeMakers**”), a limited liability company formed in the State of Wyoming. RhymeMakers provides their clients tools and tutorials on how to rap. We purchased a royalty interest from RhymeMakers for \$75,000, which provides us with a perpetual 15% of all net sales generated by RhymeMakers through the website www.rhymemakers.com, thinkific, YouTube and all other sources. Royalty payments are due quarterly. We have received a personal guarantee for royalty payments due by the principal shareholder of RhymeMakers. The Company recognized \$1,261 and \$4,003 in revenue during the years ended October 31, 2022 and 2021 related to RhymeMakers.

The Company recorded total amortization expense related to the original royalty agreement purchases of \$45,000 and \$54,355 for the years ended October 31, 2022 and 2021, respectively. The following table summarizes the future amortization of royalty interests as of October 31, 2022:

| | |
|--------------|------------------|
| 2023 | 45,000 |
| 2024 | 45,000 |
| 2025 | 45,000 |
| 2026 | 45,000 |
| 2027 | 45,000 |
| Thereafter | 325,820 |
| Total | \$550,820 |

NOTE 4. INCOME TAXES

The Company has a tax grant (Case No. 2019-Act20-000614) pursuant to Act No. 20 of January 17, 2012, as amended. The tax exemption grant is in accordance with the applicable terms of the Act covering the performance of the eligible service activities for markets outside of Puerto Rico. The Company specializes in Consulting Services, Centralized Management Services and Trading Companies. The Company is entitled to an exemption period of twenty (20) years. During the term of the tax grant, the Company will participate in:

- A fixed income tax rate of four percent (4%) on its Export Services Income ("ESI").
- Sixty percent (60%) exemption with respect to the municipal license tax payments imposed by the municipal ordinance in force at the date of approval of this Grant by the Secretary, in the semester of commencement of operations.
- One hundred percent (100%) exemption from Municipal and State taxes on real and personal property used in the Centralized Management Services activity starting on the date of commencement of operations up until five (5) years thereafter. Once the five (5) year term of total exemption expires, the Company will be subject to the ninety percent (90%) tax exemption for real and personal property used in the Centralized Management Services activity for the remaining period of the Grant.
- Ninety percent (90%) of tax exemption for real and personal property used in the Trading Companies activity that will commence for the effective date of the Grant but it shall never be before July 26, 2018, date in which Act No. 157-2018, amending the Act was enacted. On December 10, 2018, the Governor of the Commonwealth of Puerto Rico signed into law Act No. 257-2018 (the "Act"), which amends several provisions of the Puerto Rico Internal Revenue Code of 2011, as amended.

As of October 31, 2022 and 2021, Management is evaluating the Act's impact in the Company's financial statements. However, there are uncertainties as to how certain Act provisions will be interpreted and implemented, which could impact Management's overall assessment and the Company's tax provision and analysis for future years. The components of deferred tax asset at October 31, 2022 and 2021, are as follows:

| | 2022 | 2021 |
|--|-------------|-------------|
| Tax loss carryforward related to operations not covered by tax grant | \$55,667 | \$39,300 |
| Less: Valuation Allowance | \$(55,667) | \$(39,300) |
| Net Deferred tax asset | \$- | \$- |

A valuation allowance is recorded if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets may not be realized. At October 31, 2022 and 2021 the Company recorded a valuation allowance for the entire deferred tax asset due to the uncertainty surrounding the timing of realizing certain tax benefits in future income tax returns. The Company has carryforward losses available to offset future taxable income not covered by the tax grants amounting to \$1,188,000 which expires following the Company's 20-year exemption period.

NOTE 5. INVESTMENT IN FINANCIER

Equity Investment

On July 15, 2022, the Company entered into a purchase and sale agreement with Financier LB Group, (“**Financier**”) where Financier sold the Company 12.5% of the equity interests of Financier. The purchase price is payable as follows: (a) \$95,000 in the form of the common stock of the Company which shall be restricted for 12 months, and (b) \$95,000 cash at closing in the form of an interest free loan to the seller with the first payment due 30 days following delivery of the Company’s common stock, payable in equal installments of \$1,583 over sixty months. As of July 31, 2022, the Company has not issued the common stock to Financier and has recorded a \$95,000 common stock payable. In connection with the purchase, for a period of three years, the Company has the option to purchase the remaining 87.5% outstanding equity of Financier for \$1,330,000.

As of July 31, 2022, the Company has accounted for its investment in Financier as an equity security in accordance with ASC 321 as the Company does not have the ability to exert significant influence over Financier .

Loan Receivable

As part of the Financier transaction, the Company issued an interest free loan to Financier in the amount of \$95,000. The Company imputed interest at 15% and as such created a discount to the Notes Receivable in the amount of \$28,445, which increased the total investment to \$123,445 at July 31, 2022. The Company issued a zero interest rate note in the amount of \$95,000, payable in equal installments of \$1,583 for a period of sixty months.

As of October 31, 2022, the common stock that is payable to Financier has not been issued by management. According to the payment terms of the loan receivable, payment is not to begin until after Financier receives the stock from the Company.

NOTE 6. NOTE PAYABLE

On July 1 and September 21, 2020, the Company closed two loans of \$7,400 and \$3,900 (the “PPP loans”) from a commercial bank, pursuant to the Paycheck Protection Program (“**PPP**”) administered by the Small Business Administration (the “SBA”) pursuant to the CARES Act. The PPP loan matures on June 30, 2025, and August 30, 2025 and bears an interest rate of 1% per annum. Payments of principal and interest of any unforgiven balance commence on December 1, 2020. Under the Paycheck Protection Program Flexibility Act of 2020, (i) the first payment date for the PPP loan will be the earlier of (a) 10 months after the end of the “covered period” (as determined under the PPP) or (b) the date the bank receives a remittance of the forgiven amount from the SBA, and (ii) the PPP loan’s maturity is extended to five years (from 2 years).

All or a portion of the PPP loan may be forgiven by the lender upon application by the Company beginning 60 days after the loan approval and upon documentation of expenditures in accordance with the requirements set forth by the SBA pursuant to the CARES Act. Under the CARES Act, loan forgiveness is available for the sum of documented payroll costs, covered rent payments, covered mortgage interest and covered utilities during either, at the Company’s election, the eight-week period or twenty-four-week period beginning on the date of disbursement of proceeds from the PPP loan. For purposes of the CARES Act, payroll costs exclude compensation of an individual employee in excess of \$100,000 prorated annually. Not more than 40% of the forgiven amount may be for non-payroll costs. Forgiveness is reduced, under certain circumstances, if full-time headcount declines, or if salaries and wages for employees with salaries of \$100,000 or less annually are reduced. In the event the PPP loan, or any portion thereof, is forgiven pursuant to the PPP, the amount forgiven is applied to outstanding principal.

During the year ended October 31, 2021, the full amount of \$11,300 was forgiven and is included in other income.

NOTE 7. RELATED PARTY TRANSACTIONS

The Company is a member of a group of entities affiliated through common management. The Company regularly enters into transactions with related parties, at terms and conditions agreed upon by management of the Company and related parties. Amounts due from/to related parties are non-interest bearing and do not have fixed repayment terms. These amounts are payable and received in the normal course of business and related to operating transactions and cash flows needs. As of October 31, 2022, a related party entity of management owed the Company \$1,214.

NOTE 8. COMMON STOCK

Common Stock – Private Placement

In June 2020, the Company, through a private offering, offered an aggregate of \$1,800,000 of units, each unit consists of a subscription for 300 shares of Company \$0.01 par value common stock and a warrant to purchase an additional 300 shares of Company common stock at an exercise price of \$2.67 per share. Units were offered, at a purchase price of \$600 per unit. Through October 31, 2021, the Company sold 848.4 units, or a subscription for 254,511 shares of common stock for an aggregate purchase price of \$509,000. The subscription included detachable warrants to purchase an additional 254,500 shares at \$2.67 per share with a term ending on December 31, 2021.

NOTE 9. STOCK PURCHASE WARRANTS

Warrants outstanding are as follows:

| | Warrant Shares | Weighted Average Exercise Price |
|-----------------------------|----------------|------------------------------------|
| Balance at October 31, 2021 | 254,511 | \$2.67 |
| Granted | - | - |
| Forfeit or cancelled | (254,511) | (2.67) |
| Exercised | - | - |
| Balance at October 31, 2022 | - | - |

On December 31, 2021, warrants to purchase 254,511 shares of common stock expired unexercised.

NOTE 10. RETIREMENT PLAN

The Company established the Freedom Internet Group Inc. 401K Plan (i.e., the “Plan”) effective January 1, 2019. The Plan covers all eligible employees that complete at least 1,000 hours of service in a 12-consecutive months period beginning with the first day of employment. Eligible employees can make Employee Deferral Contributions and Voluntary Contributions and received Matching Contributions and Profit-Sharing Contributions on the: a) first day of the first month of the Plan year or b) first day of the seventh month of the Plan year coincident with or next following the date where the employee attains an age of 21 years old and one year of Eligible Service have been completed. The employees may elect to make contributions to the Plan on a pre-tax basis (i.e., Employee Deferral Contributions) up to 100% of the employee’s compensation on a pretax basis or after-tax basis (i.e. Voluntary Contributions) up to 100% of employee’s compensation. However, the combination of the two contributions may not exceed 100% of the employee compensation.

The Company is not obligated to perform matching contributions to the plan and could perform discretionary contributions as decided by management. As of October 31, 2022 and 2021, no contributions to the Plan were made by the Company.

NOTE 11. SETTLEMENT

On August 24, 2021, the Company entered into a settlement agreement with a prior service provider that resolved all outstanding disputes in exchange for a \$105,000 payment from the service provider. On September 7, 2021 the Company received \$94,500 directly and \$10,500 was withheld for tax purposes and was recognized as other income.

NOTE 12. COMMITMENTS AND CONTINGENCIES

COVID – 19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus disease (“COVID-19”) as a pandemic, which continues to spread throughout the U.S. COVID-19 is having an unprecedented impact on the U.S economy as federal, state, and local governments react to this public health crisis.

The impacts of the current COVID-19 pandemic are broad reaching and have impacted the Company’s licensing royalty interests. Due to the COVID-19 outbreak, there is significant uncertainty surrounding the potential impact on the Company’s future results of operations and cash flows and its ability to raise capital. Continued impacts of the pandemic could materially adversely affect the Company’s near-term and long-term revenues, earnings, liquidity, and cash flows as the Company’s customers and /or licensees may request temporary relief, delay or not make scheduled payments on their royalty commitments.

NOTE 13. SUBSEQUENT EVENTS

Management has determined there were no subsequent events to disclose as of February 14, 2023 the date of this report.

INDEX TO EXHIBITS

The listed exhibits are filed with this Annual Report on Form 10-K.

| SEC Reference Number | Title of Document | Location |
|-----------------------|--|--|
| 3.1 | Certificate of Incorporation | Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020 |
| 3.2 | Bylaws | Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020 |
| 3.3 | Bylaws Amendment No. 1 dated November 14, 2019 | Filed herewith |
| 4.1 | Description of Registrant's Securities | Incorporated by reference to our Form 10-K filed on February 2, 2021 |
| 10.1 | 2019 Stock Incentive Plan | Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020 |
| 10.2 | Amendment No. 1 to 2019 Stock Incentive Plan | Incorporated by reference to our Form 10-K filed on February 2, 2021 |
| 10.5 | Wiz Motions LLC Royalty Agreement | Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020 |
| 10.7 | Growth Stack, Inc. Royalty Agreement | Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020 |
| 10.8 | Pick A Toilet, LLC Royalty Agreement | Incorporated by reference to our Form 10-Q filed on June 15, 2020 |
| 10.9 | Artist Holdings, LLC Royalty Agreement | Incorporated by reference to our Form S-1 Registration Statement filed on March 5, 2021 |
| 10.10 | RhymeMakers, LLC Royalty Agreement | Incorporated by reference to our Form S-1 Registration Statement filed on March 5, 2021 |
| 14.1 | Code of Ethics | Incorporated by reference to our Form S-1 Registration Statement filed on January 10, 2020 |
| 21.1 | Subsidiaries | Incorporated by reference to our Form 10-K filed on February 15, 2022 |
| 31.1 | Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Executive Officer of the Company | Filed herewith |
| 31.2 | Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Financial Officer of the Company | Filed herewith |
| 32.1 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Executive Officer of the Company | Furnished |
| 32.2 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Financial Officer of the Company | Furnished |
| 101.INS | Inline XBRL Instance Document | Filed herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document | Filed herewith |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document | Filed herewith |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document | Filed herewith |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document | Filed herewith |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document | Filed herewith |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101) | Filed herewith |