

**ZA GROUP, INC.
(ZAAG)**

**QUARTERLY REPORT
FOR THE SIX MONTH PERIOD ENDING JUNE 30, 2020**

October 21, 2020

10823 Tamiami Trail North
Naples
FL 34108

ZA GROUP, INC.
QUARTERLY REPORT
FOR THE SIX MONTH PERIOD ENDING JUNE 30, 2020
(Unaudited)

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ZA GROUP, INC.
Condensed Consolidated Unaudited Financial Statements
Balance Sheet

	Notes	As at June 30, 2020	As at December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	2	\$ 44,615	\$ 580
Accounts receivable	2	-	-
Other current assets	5	66,202	67,202
Total current assets		110,817	67,782
Fixed assets			
Furniture and equipment	6	7,851	7,851
Leasehold improvements	6	355,631	355,631
Accumulated depreciation and amortization	6	(75,288)	(38,770)
Goodwill	7	142,267	142,267
TOTAL ASSETS		\$ 541,278	\$ 534,762
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities			
Accounts payable, trade		\$ 893	\$ 893
Accrued expenses and other current liabilities		92,056	51,240
Short-term or current loans and notes payable	8	722,655	712,205
Total current liabilities		815,604	764,338
Long-term debt	8	-	-
TOTAL LIABILITIES		\$ 815,604	\$ 764,338
STOCKHOLDERS' EQUITY (DEFICIT)			
Preferred stock:			
Preferred stock series A: par value \$0.001, 32,000,000 authorized and 32,000,000 issued and outstanding at June 30, 2020 and December 31, 2019	9	32,000	32,000
Preferred stock series B: par value \$0.001, 1 authorized and 1 issued and outstanding at June 30, 2020 and December 31, 2019	9	0	0
Preferred stock series C: par value \$0.333, 150,000 authorized and 150,000 issued and outstanding at June 30, 2020 and December 31, 2019	9	49,950	49,950
Preferred stock series D: par value \$0.0001, 39,000,000 authorized and 39,000,000 issued and outstanding at June 30, 2020 and December 31, 2019	9	3,900	3,900
Preferred stock series E: par value \$0.0001, 25,020,520 authorized and 25,020,520 issued and outstanding as at June 30, 2020 and December 31, 2019	9	2,502	2,502
Preferred stock series F: par value \$0.001, 10,000,000 authorized and nil issued and outstanding as at June 30, 2020 and December 31, 2019	9	-	-
Preferred stock series G: par value \$0.0000013, 720,000 authorized and 720,000 issued and outstanding as at June 30, 2020 and December 31, 2019	9	1	1
Common stock: \$0.00001 par value, 200,000,000 authorized and 1,652,915 and 101,652,915 issued and outstanding as at June 30, 2020 and December 31, 2019 respectively	9	82,586	83,586

Additional paid-in capital	201,798,448	201,798,448
Accumulated surplus (deficit)	<u>(202,243,713)</u>	<u>(202,199,963)</u>
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	<u>(274,326)</u>	<u>(229,576)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$ 541,278</u>	<u>\$ 534,762</u>

See accompanying notes to these condensed consolidated unaudited financial statements.

ZA GROUP, INC.
Condensed Consolidated Unaudited Financial Statements
Statement of Operations

	Three Month Period Ending June 30,		Six Month Period Ending June 30,	
	2020	2019	2020	2019
Revenues	\$ 156,706	\$ 265,785	\$ 357,712	\$ 595,589
Cost of goods sold	54,882	118,941	169,761	288,873
Gross profit	101,824	146,844	187,950	306,716
Operating expenses				
Selling, general & administration costs	95,616	125,390	184,732	231,746
Depreciation and amortization	18,259	5,970	36,518	11,939
Total operating expenses	113,875	131,360	221,250	243,685
Income (loss) from operations	(12,051)	15,484	(33,300)	63,031
Other income (expenses)				
Financing costs	(5,225)	(3,878)	(10,450)	(7,714)
Other income (expenses)	-	-	-	-
Income (loss) before income taxes	\$ (17,276)	\$ 11,607	\$ (43,750)	\$ 55,318
Provision for income taxes	-	-	-	-
Net income (loss)	\$ (17,276)	\$ 11,607	\$ (43,750)	\$ 55,318
Net income (loss) per share	\$ (0.01)	\$ 0.00	\$ (0.03)	\$ 0.00
Weighted average shares outstanding	1,652,915	8,258,634,197	1,652,915	8,258,634,197
Dividend distributions	-	-	-	-
Net income (loss) for common stockholders	\$ (17,276)	\$ 11,607	\$ (43,750)	\$ 55,318

See accompanying notes to these condensed consolidated unaudited financial statements.

ZA GROUP, INC.
Condensed Consolidated Unaudited Financial Statements
Statement of Changes in Stockholders' Equity

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
Balance b/f as at January 1, 2019	\$ 88,353	\$ 82,586	\$ 201,798,448	\$ (202,100,946)	\$ (131,559)
Shares of common stock issued for acquisition	-	1,000	-	-	1,000
Dividend distributions made for period	-	-	-	(109,657)	(109,657)
Net income for year ended December 31, 2019	-	-	-	10,640	10,640
Balance b/f as at January 1, 2020	\$ 88,353	\$ 83,586	\$ 201,798,448	\$ (202,199,963)	\$ (229,576)
Shares of common stock canceled	-	(1,000)	-	-	(1,000)
Net income for period ending Jun 30, 2020	-	-	-	(43,750)	(43,750)
Balance c/f as at Jun 30, 2020	<u>\$ 88,353</u>	<u>\$ 82,586</u>	<u>\$ 201,798,448</u>	<u>\$ (202,243,713)</u>	<u>\$ (274,326)</u>

See accompanying notes to these condensed consolidated unaudited financial statements.

ZA GROUP, INC.
Condensed Consolidated Unaudited Financial Statements
Statement of Cash Flow

	Six Month Period Ending June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (43,750)	\$ 55,318
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	36,518	11,939
Non-cash items	-	-
Financing costs	10,450	7,714
Changes in operating assets and liabilities:		
Accounts receivable	-	-
Accounts payable and other current liabilities	40,816	70,795
Other current assets	1,000	(6,852)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	45,035	138,913
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) sale of intangible assets	-	-
(Purchase) sale of tangible assets	-	-
Cash acquired through acquisition of subsidiary	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity (dividend distributions)	(1,000)	(138,914)
Proceeds from (repayment of) debt instruments	10,450	7,714
Short-term line of credit	-	-
Payment of related-party debt	-	-
Financing costs	(10,450)	(7,713)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,000)	(138,913)
EXCHANGE RATE MOVEMENTS	-	-
NET INCREASE (DECREASE) IN CASH	44,035	-
Cash, beginning of period	580	-
Cash, end of period	<u>\$ 44,615</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURES		
Conversion of debt to common stock	\$ -	\$ -
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See accompanying notes to these condensed consolidated unaudited financial statements.

ZA GROUP, INC.
Condensed Consolidated Unaudited Financial Statements
Notes For the Six Month Period Ending June 30, 2020

NOTE 1. NATURE AND BACKGROUND OF BUSINESS

The accompanying consolidated financial statements include ZA Group, Inc., formerly known as The Automotive Resource Network Holdings, Inc. ('ZAAG' or the 'Company'), its wholly-owned subsidiaries and any majority controlling interests.

The Company is newly emerging as a holding company targeting the acquisition of undervalued, niche companies with high growth potential, income-producing commercial real estate properties and high return investments all designed to pay a dividend to our shareholders.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying pro forma financial statements have been prepared for ZA Group, Inc. in accordance with accounting principles generally accepted in the United States of America (US GAAP).

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation of the financial statements have been included. The financial statements include acquired subsidiaries, as discussed below, and include all consolidation entries required to include those subsidiaries.

Use of Estimates

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

Cash and Cash Equivalents

For the Balance Sheet and Statement of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. The Company had no cash equivalents as of December 31, 2019 or June 30, 2020.

Income Taxes

Income taxes are provided in accordance with the FASB Accounting Standards (ASC 740), Accounting for Income Tax. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Any deferred tax expense (benefit) resulting from the net change during the year is shown as deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it was more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Basic and Diluted Net Income (Loss) Per Share

Net income (loss) per unit is calculated in accordance with Codification topic 260, "Earnings per Share" for the periods presented. Basic net loss per share is computed using the weighted average number of common membership units outstanding. Diluted loss per share has not been presented because the shares of common stock equivalents have not been included in the per share calculations as such inclusion would be anti-dilutive. Diluted earnings per share is based on the assumption that all dilutive stock options, warrants and convertible debt are converted or exercised applying the treasury stock method. Under this method, options, warrants and convertible debt are assumed exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase shares of common stock at the average market price during the period. Options, warrants and/or convertible debt will have a dilutive effect during periods of net profit only when the average market price of the units during the period exceeds the exercise or conversion price of the items.

Stock Based Compensation

Codification topic 718 “Stock Compensation” requires that the cost resulting from all share-based transactions be recorded in the financial statements and establishes fair value as the measurement objective for share-based payment transactions with employees and acquired goods or services from non-employees. The codification also provides guidance on valuing and expensing these awards, as well as disclosure requirements of these equity arrangements. The Company adopted the codification upon creation of the Company and will expense share-based costs in the period incurred. The Company has not yet adopted a stock option plan and all share-based transactions and share based compensation has been expensed in accordance with the codification guidance.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for “Accounting for Derivative Instruments and Hedging Activities”. Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instruments are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as “The Meaning of Conventional Convertible Debt Instrument”.

The Company accounts for convertible instruments when it has determined that the embedded conversion options should not be bifurcated from their host instruments in accordance with professional standards when “Accounting for Convertible Securities with Beneficial Conversion Features,” as those professional standards pertain to “Certain Convertible Instruments.” Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying shares of common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares of common stock based upon the differences between the fair value of the underlying shares at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event not within the entity’s control could require net cash settlement, then the contract shall be classified as an asset or a liability.

Fair Value of Financial Instruments

We adopted the guidance of ASC-820 for fair value instruments, which clarifies the definition of fair value, prescribes methods for determining fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value, as follows:

Level 1	Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.
Level 2	Inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.
Level 3	Inputs are unobservable inputs which reflect the reporting entity’s own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts for cash, accounts receivable, accounts payable and accrued expenses, and loans payable approximate their fair value based on the short-term maturity of these instruments. We did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with the accounting guidance.

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

Derivative Liabilities

Derivative financial instruments consist of convertible instruments and rights to shares of the Company's common membership units. The Company assessed that it had no derivative financial instruments as of June 30, 2020 and December 31, 2019.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirement of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

Impact of New Accounting Standards

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

NOTE 3. GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Currently, the Company does not have significant cash or other material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern.

The Company has a limited operating history and had a cumulative net loss from inception to June 30, 2020 of \$202,243,713. The Company has a working capital deficit of \$704,787 as at June 30, 2020.

These financial statements for the six month period ending June 30, 2020 have been prepared assuming the Company will continue as a going concern, which is dependent upon the Company's ability to generate future profits and/or obtain necessary financing to meet its obligations as they come due.

The management has committed to an aggressive growth plan for the Company. The Company's future operations are dependent upon external funding and its ability to execute its business plan, realize sales and control expenses. Management believes that sufficient funding will be available from additional borrowings and private placements to meet its business objectives including anticipated cash needs for working capital, for a reasonable period of time. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue the development of its business operation, or if obtained, upon terms favorable to the Company.

NOTE 4. ACQUISITIONS AND DISPOSALS

On June 15, 2018, pursuant to an executed acquisition agreement, the Company acquired the outstanding share capital of ZA BBQ, Inc., a Florida corporation that owns and operates a restaurant business. The consideration for the business was \$430,000 in total, with this purchase price paid through the issuance of a convertible promissory note to the seller. This promissory note is convertible into shares of common stock issued by the Company, with such conversion option exercised by the seller at a price per share equivalent to 80% of the average closing price over the 10 days prior to the conversion notice being received.

In addition, the Company and the seller entered into a management agreement whereby the seller continues to manage and oversee the operations of the acquired business. The seller is paid a management fee of 40.5% of the net profits of the business in return for these management services, with this fee charged to the Company's Statement of Operations.

The purchase price allocation for the acquisition was as follows:

Subsidiary	Allocation
Cash on hand	\$ 3,826
Current assets	22,500
Fixed assets	355,738
Current liabilities	(94,331)
Goodwill	142,267
Total	\$ 430,000

The assets and liabilities acquired totaled \$287,733, with the balance of the purchase price of \$142,267 allocated to Goodwill.

NOTE 5. OTHER CURRENT ASSETS

Other current assets as at June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020	December 31, 2019
Cardiff series B preferred stock	\$ 23,000	\$ 23,000
Merchant reserve	3,702	3,702
RAADR Vcorp convertible note	2,000	2,000
Short-term loans to affiliates	37,500	37,500
Prepayment against acquisition of businesses from Mr. Ahamad	-	1,000
Totals	\$ 66,202	\$ 67,202

The Company, through its subsidiary, also holds inventories of food and beverages. However, the value of these inventories are written down to zero for accounting purposes.

NOTE 6. FIXED ASSETS

Through the acquisition of ZA BBQ, Inc., the Company holds fixed assets with values at June 30, 2020 and December 31, 2019 as follows:

Asset	Useful Life (years)	June 30, 2020	December 31, 2019
Furniture and equipment	5	\$ 7,851	\$ 7,851
Leasehold improvements	15	355,631	355,631
Accumulated depreciation		(75,288)	(38,770)
Total		\$ 288,194	\$ 324,713

During the six month period ending June 30, 2020, a total of \$36,518 was charged to the Statement of Operations for depreciation.

NOTE 7. INTANGIBLE ASSETS

The Company acquired ZA BBQ, Inc. on June 15, 2018 (see note 4), with the transaction including Goodwill valued at \$142,267. Goodwill values at June 30, 2020 and December 31, 2019 are as follows:

Asset	Description	June 30, 2020	December 31, 2019
Goodwill	Acquisition of ZA BBQ, Inc.	142,267	142,267
Totals		\$ 142,267	\$ 142,267

Goodwill is not amortized, but will be tested on an annual basis for impairment and the value of the goodwill written down accordingly if the value is below the carrying value in the financial statements.

There was no impairment test carried out during the period ending June 30, 2020.

NOTE 8. LOANS AND NOTES PAYABLE

The Company had multiple notes and loans payable as at June 30, 2020 and December 31, 2019, totaling \$722,655 and \$712,205 respectively, as follows:

Description	Date of Loan Note	Loan Principal	June 30, 2020	December 31, 2019
Convertible note payable for acquisition of ZA BBQ, Inc., two year term (note 1).	6/15/2018	\$ 430,000	\$ 430,000	\$ 430,000
Series of convertible loan notes with PBDC, LLC, amended on April 1, 2017 (note 2).	4/1/2017	75,000	94,491	91,125
Loan note entered into with Sean Hummel as settlement of outstanding legal fees (note 3).	8/25/2017	2,268	2,906	2,794
Convertible loan note for \$97,533 entered into with World Market Ventures (note 4).	7/23/2017	93,833	116,771	112,880
Convertible loan note, former CEO David Failla for unpaid fees (note 5).	7/25/2017	6,500	7,289	6,900
Convertible loan note with Milan Saha for legal services, \$15,000, no interest (note 6).	4/20/2017	15,000	7,500	7,500
Convertible loan note, John Morgan, CEO services, \$60,000 (note 7).	10/24/2019	60,000	63,699	61,006
Total			\$ 722,655	\$ 712,205
Long-term total			\$ -	\$ -
Short-term total			\$ 722,655	\$ 712,205

Loans and Notes Amortization	Amount Due
Due within 12 months	\$ 722,655
Due within 24 months	-
Due within 36 months	-
Due within 48 months	-
Due after 48 months	-
Total	\$ 722,655

Notes

1. On June 15, 2018, the Company entered into a 2-year convertible loan note with Zamil Ahammad for \$430,000 for the acquisition of ZA BBQ, Inc. This note carries no interest and has no term, but is convertible into shares of the Company's Common Stock at a price equivalent to a 20% discount to the 10-day closing price average for the period immediately preceding the conversion.
2. On April 1, 2015, the Company entered into a consulting agreement with PBDC, LLC, agreeing to pay an amount of \$2,500 monthly for consulting services in the form of a convertible note bearing 10% interest and convertible at a 50% to the trailing 5 days closing vwap at the end of each quarter, subsequently amended on April 1, 2017 to a 60% discount either the fair market value of the shares or to the trailing 20-day vwap.
3. On August 25, 2017, the Company entered into a convertible loan with Sean Hummel in full settlement of outstanding legal fees owed, in the amount of \$2,268. The note bears annual interest at a rate of 9.875% and is convertible at either a 50% discount to the bid price of the common stock or the trailing 20-day vwap.
4. On July 23, 2017, the Company entered into a 12 month convertible loan note with World Market Ventures LLC, with a value of \$97,533. This balance was assigned from AlgoSolutions LLC (see note 7), carries annual interest at 8%, increasing to 12% on default, and is convertible into shares of the Company's Common Stock at \$0.00001 per share. A partial conversion of this note, valued at \$3,700 was completed on December 21, 2017 through the issuance of 370,000,000 shares of common stock.
5. On July 25, 2017, the Company entered into a Loan Note with David Failla, ex-CEO, for unpaid fees during his tenure. The Note carries a 12% coupon and a maturity date of July 25, 2018. The Note also carries the right to convert into shares of Common Stock commencing from July 25, 2018 at a 50% discount to the "Market Price", defined as the average of the lowest three trading prices in the 10 days prior to conversion.
6. On April 20, 2017, the Company entered into a consulting agreement with Milan Saha, payable through a loan note for \$15,000 with a term of 12 months and carrying no interest. The Note is convertible at a 35% discount to the 5-day trailing VWAP.
7. On October 24, 2019, the Company entered into a convertible loan agreement with John Morgan, the current CEO, with a term of six months, interest payable at 9% annually and convertible into shares of common stock at the lower of (a) sixty per cent (60%) of the closing bid price for the common stock on the maturity date of this Note, and (b) fifty per cent (50%) of the lowest closing bid price during the thirty trading days immediately preceding the maturity date of this Note.

NOTE 9. CAPITAL STOCK

The Company is a C Corp with shares of preferred stock and common stock authorized and issued respectively. As at June 30, 2020 and December 31, 2019 respectively, the Company was authorized to issue Preferred Stock in seven different classes, A to G, and common stock, all as detailed below.

Preferred Stock

At June 30, 2020 the Company had authorized preferred stock of 150,000,000 in seven designations totaling 106,890,521, leaving 43,109,479 undesignated:

Preferred Stock Series A	The Company is authorized to issue 32,000,000 shares of Series A, with a par value of \$0.001 per share. As at January 1, 2019, the Company had 32,000,000 shares of Series A preferred stock issued and outstanding. No issuances or redemptions have taken place since this date.
Preferred Stock Series B	The Company is authorized to issue 1 shares of Series B, with a par value of \$0.001 per share. As at January 1, 2019, the Company had 1 share of Series B preferred stock issued and outstanding. No issuances or redemptions have taken place since this date.
Preferred Stock Series C	The Company is authorized to issue 150,000 shares of Series C, with a par value of \$0.333 per share. As at January 1, 2019, the Company had 150,000 shares of Series C preferred stock issued and outstanding. No issuances or redemptions have taken place since this date.
Preferred Stock Series D	The Company is authorized to issue 39,000,000 shares of Series D, with a par value of \$0.0001 per share. As at January 1, 2019, the Company had 39,000,000 shares of Series D preferred stock issued and outstanding. No issuances or redemptions have taken place since this date.

Preferred Stock Series E	The Company is authorized to issue 25,020,520 shares of Series E, with a par value of \$0.0001 per share. As at January 1, 2019, the Company had 25,020,520 shares of Series E preferred stock issued and outstanding. No issuances or redemptions have taken place since this date.
Preferred Stock Series F	The Company is authorized to issue 10,000,000 shares of Series F, with a par value of \$0.001 per share. As at January 1, 2019, the Company had no shares of Series F preferred stock issued and outstanding. No issuances or redemptions have taken place since this date.
Preferred Stock Series G	The Company is authorized to issue 720,000 shares of Series G, with a par value of \$0.0000013 per share. As at January 1, 2019, the Company had 720,000 shares of Series G preferred stock issued and outstanding. No issuances or redemptions have taken place since this date.

As at June 30, 2020, the Company had a total of 96,890,521 shares of preferred stock issued and outstanding.

Common Stock

At June 30, 2020, the Company is authorized to issue 200,000,000 shares of common stock with no par value. This is after a 1 for 5,000 reverse split effected on July 5, 2019, with all common stock numbers stated post-split.

As at January 1, 2017 the Company had 858,915 shares of common stock issued and outstanding, and has since made the following issuances:

On April 20, 2017, the Company issued 82,000 shares of common stock to World Market Ventures, LLC on conversion of an outstanding loan note for \$4,100.

On May 2, 2017, the Company issued 10,000 shares of common stock to Milan Saha on conversion of an outstanding loan note for \$7,500.

On May 16, 2017, the Company issued 74,000 shares of common stock to World Market Ventures, LLC on conversion of an outstanding loan note for \$3,700.

On June 12, 2017, the Company issued 98,000 shares of common stock to World Market Ventures, LLC on conversion of an outstanding loan note for \$4,900.

On July 20, 2017, the Company issued 100,000 shares to former CEO David Failla in full settlement of salary owed for his tenure as CEO.

On July 21, 2017, the Company issued 65,000 shares of common stock to World Market Ventures, LLC on conversion of an outstanding loan note for \$3,250.

On July 27, 2017, the Company issued 100,000 shares to former CEO Mark Solomon in full settlement of salary owed for his tenure as CEO.

On October 2, 2017, the Company issued 106,000 shares of common stock to World Market Ventures, LLC on conversion of an outstanding loan note for \$5,300.

On December 13, 2017, the Company issued 85,000 shares of common stock to PBDC, LLC on conversion of an outstanding loan note.

On December 21, 2017, the Company issued 74,000 shares of common stock to World Market Ventures, LLC on conversion of an outstanding loan note for \$3,700.

On October 25, 2019, the Company issued 100,000,000 shares of common stock to Zamil Ahamad in anticipation of the acquisition of several businesses from Mr. Ahamad.

On April 20, 2020, the Company canceled 100,000,000 shares of common stock issued to Zamil Ahamad in October 2019 in anticipation of the acquisition of several businesses from Mr. Ahamad, as these transactions were terminated.

As of June 30, 2020, the Company had 1,652,915 shares of Common Stock issued and outstanding.

NOTE 10. STOCK OPTIONS AND WARRANTS

The Company does not have any stock options or warrants outstanding.

NOTE 11. INCOME TAXES

The Company uses the assets and liability method of accounting for income taxes pursuant to SFAS No. 109 "Accounting for Income Taxes". Under the assets and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. 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.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." Specifically, the pronouncement prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken from year ended December 31, 2015 tax return onwards. The interpretation also provides guidance on the related derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition of uncertain tax positions. The Company adopted this interpretation effective on inception.

For the year ended December 31, 2019, the Company had available for US federal income tax purposes significant net operating loss carryovers, which will expire at various points up to 2039. The Company has provided a full valuation allowance against the full amount of the net operating loss benefit, since, in the opinion of management, based upon the earnings history of the Company, it is more likely than not that the benefits will not be realized.

The Company believes that no income tax is due to be paid by either the parent company or any of its subsidiaries as at the date of these financial statements. A full reconciliation of the Company's tax position will be conducted in due course.

NOTE 12. RELATED PARTY TRANSACTIONS

During the six month period ending June 30, 2020 the Company canceled the issuance of 100,000,00 shares of common stock to Mr Zamil Ahamad, originally issued in anticipation of the acquisition of additional businesses from Mr. Ahamad.

These share were canceled on April 20, 2020 upon mutual agreement between the parties that these transactions would no longer be consummated.

NOTE 13. COMMITMENTS AND CONTINGENCIES

The Company's ZA BBQ, Inc. subsidiary leases restaurant premises for an amount of \$6,540 monthly on a 10-year lease. The Company believes that there are no other commitments or contingencies to be disclosed as at June 30, 2020.

NOTE 14. SUBSEQUENT EVENTS

In the opinion of the Company, there are no significant events that occurred subsequent to the period end.