

OM HOLDINGS INTERNATIONAL, INC.

A Nevada Corporation 1221 Brickell Ave Suite 900
Miami, FL 33131

305-901-1497
omholdingsinc.com us.info@omholdingsinc.com

SIC Code: 5411

Quarterly Report **For the period ending May 31, 2022** **(the “Reporting Period”)**

The number of shares outstanding of our Common Stock is 52,200,596 as of May 31, 2022

The number of shares outstanding of our Common Stock was 50,200,596 as of February 28, 2022

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

Yes: ☐ No: ☒ (Double-click and select “Default Value” to check)

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

reporting period: Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control⁴ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction

Item 1 The exact name of the issuer and its predecessor (if any).

OM HOLDINGS INTERNATIONAL, INC.
PORTAGE RESOURCES, INC. until 12/2020

The address of the issuer’s principal executive offices and address(es) of the issuer’s principal place of business:

1221 Brickell Ave
Suite 900
Miami, FL 33131
305.901.1497
www.omholdingsinc.com

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

Item 2 The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

- (i) Period end date; May 31, 2022 – 52,200,596; August 31, 2021 – 52,200,596;
 August 31, 2020 – 52,200,596
- (ii) Number of shares authorized; 500,000 Common, 10,000 Preferred
- (iii) Number of shares outstanding; 52,200,596
- (iv) Freely tradable shares (public float); 6,088,683
- (v) Number of beneficial shareholders owning at least 100 shares – 5
- (vi) Total number of shareholders of record. 100

Item 3 Financial information for the issuer’s most recent fiscal period.

OM HOLDINGS INTERNATIONAL, INC.

Table of Contents

Consolidated Balance Sheets as of May 31, 2022 (unaudited) and August 31, 2021	4
Consolidated Statements of Operations for the three and nine months ended May 31, 2022 and 2021 (unaudited)	5
Consolidated Statements of Shareholders’ Equity for the three and nine months ended May 31, 2022 and 2021 (unaudited)	6
Consolidated Statements of Cash Flows for the nine months ended May 31, 2022 and 2021 (unaudited)	7
Notes to the Unaudited Consolidated Financial Statements	8

OM HOLDINGS INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS

	May 31, 2022	August 31, 2021
	(Unaudited)	(Audited)
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 287,032	\$ 464,250
Accounts receivable	3,064,810	2,580,379
Prepayment and other assets	5,459,770	3,296,030
Inventory	2,865,455	2,221,838
Total Current Assets	11,677,067	8,562,497
Property and equipment, net	3,537,367	3,179,309
Right of use asset	21,869,055	22,306,921
Note receivable	10,953,854	10,953,854
Total Assets	48,037,343	45,002,581
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current Liabilities:		
Cash overdraft	\$ 1,184,422	\$ 995,916
Accounts payable	4,964,569	3,499,604
Lease liability – short term	726,442	721,022
Note payable	129,693	125,397
Total Current Liabilities	7,005,126	5,341,939
Lease liability – long term	22,203,850	22,457,612
Note payable – net of current portion	2,126,688	2,248,847
Total Liabilities	31,335,664	30,048,398
Shareholders' Equity:		
Preferred Stock, \$0.0001 par value, 4,000,000 shares authorized, no shares issued and outstanding.	—	—
Series A Preferred Stock, \$0.0001 par value, 1,000,000 shares authorized 1,000,000 shares issued and outstanding	100	100
Series B Preferred Stock, \$0.0001 par value, 5,000,000 shares authorized 800 and 800 shares issued and outstanding, respectively	—	—
Common stock, \$0.0001 par value, 5,000,000,000 shares authorized, 52,200,596 shares issued and outstanding	5,220	5,220
Additional paid in capital	6,287,747	6,287,747
Retained earnings	10,408,612	8,661,116
Total Shareholders' Equity	16,701,679	14,954,183
Total Liabilities and Shareholders' Equity	\$ 48,037,343	\$ 45,002,581

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

OM HOLDINGS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended May 31,		For the Nine Months Ended May 31,	
	2022	2021	2022	2021
Revenue	\$ 9,592,490	\$ 7,361,292	\$ 27,651,573	\$ 20,629,528
Cost of revenue	6,693,296	5,317,903	18,853,543	14,688,619
Gross Margin	2,899,194	2,043,389	8,798,030	5,940,909
Operating Expenses:				
Professional fees	97,466	105,266	782,296	198,971
Payroll expense	709,413	739,296	2,080,464	1,891,264
Director fees	14,500	15,200	36,547	15,200
Lease expense	428,247	425,128	1,274,115	1,279,409
General and administrative expense	931,490	202,698	2,834,860	1,456,469
Total operating expenses	2,181,116	1,487,588	7,008,282	4,841,313
Income from operations	718,078	555,801	1,789,748	1,099,596
Other income (expense):				
Other income	12,000	12,000	44,678	36,000
Interest expense	(30,414)	(18,158)	(86,930)	(55,506)
Total other expense	(18,414)	(6,158)	(42,252)	(19,506)
Net Income	\$ 699,664	\$ 549,643	\$ 1,747,496	\$ 1,080,090
Income per share	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02
Weighted average shares outstanding	52,200,596	44,400,596	52,200,596	44,400,596

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

OM HOLDINGS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2022 AND 2021
(Unaudited)

	Series A Preferred Stock		Common Stock		Additional Paid in Capital	Retained Earnings	Total Shareholders' Equity
	Shares	Amount	Shares	Amount			
Balance, August 31, 2020	1,000,000	\$ 100	44,400,596	\$ 4,440	\$ 6,286,727	\$ 6,950,937	\$ 13,242,204
Net loss	—	—	—	—	—	(51,462)	(51,462)
Balance, November 30, 2020	1,000,000	100	44,400,596	4,440	6,286,727	6,899,475	13,190,742
Net loss	—	—	—	—	—	581,909	581,909
Balance, February 28, 2021	1,000,000	100	44,400,596	4,440	6,286,727	7,481,384	13,772,651
Net loss	—	—	—	—	—	549,643	549,643
Balance, May 31, 2021	<u>1,000,000</u>	<u>\$ 100</u>	<u>44,400,596</u>	<u>\$ 4,440</u>	<u>\$ 6,286,727</u>	<u>\$ 8,031,027</u>	<u>\$ 14,322,294</u>

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid in Capital	Retained Earnings	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, August 31, 2021	1,000,000	\$ 100	800	\$ —	52,200,596	\$ 5,220	\$ 6,287,747	\$ 8,661,116	\$ 14,954,183
Net income	—	—	—	—	—	—	—	155,381	155,381
Balance, November 30, 2021	1,000,000	100	800	—	52,200,596	5,220	6,287,747	8,816,497	15,109,564
Net income	—	—	—	—	—	—	—	892,451	892,451
Balance, February 28, 2022	1,000,000	100	800	—	52,200,596	5,220	6,287,747	9,708,948	16,002,015
Net income	—	—	—	—	—	—	—	699,664	699,664
Balance, May 31, 2022	<u>1,000,000</u>	<u>\$ 100</u>	<u>800</u>	<u>\$ —</u>	<u>52,200,596</u>	<u>\$ 5,220</u>	<u>\$ 6,287,747</u>	<u>\$ 10,408,612</u>	<u>\$ 16,701,679</u>

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

OM HOLDINGS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended May 31,	
	2022	2021
Cash Flows from Operating Activities:		
Net income	\$ 1,747,496	\$ 1,080,090
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in lease liability, operating leases	189,524	210,120
Depreciation expense	270,000	268,238
Changes in operating assets and liabilities:		
Accounts receivable	(484,431)	(742,235)
Prepayment and other assets	(2,163,740)	33,254
Inventory	(643,617)	(331,366)
Accounts payable and accruals	1,464,965	550,864
Net cash provided by operations	380,197	1,068,965
Cash Flows from Investing Activities:		
Purchase of property and equipment	(628,058)	(193,439)
Loan receivable	—	(2,432,528)
Funds placed in escrow	—	(150,000)
Net cash used in investing activities	(628,058)	(2,775,967)
Cash Flows from Financing Activities:		
Cash overdraft	188,506	989,129
Payment on note payable	(117,863)	(116,708)
Net cash provided by financing activities	70,643	872,421
Net change in cash	(177,218)	(834,581)
Cash at Beginning of Period	464,250	1,188,529
Cash at End of Period	\$ 287,032	\$ 353,948
Supplemental Disclosure of non-cash activity:		
Interest paid	\$ 86,930	\$ —
Taxes paid	\$ —	\$ —

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

OM HOLDINGS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2022
(Unaudited)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

OM Holdings International, Inc. (formerly Portage Resources Inc.) (the “Company”) was incorporated under the laws of the State of Nevada on July 20, 2006.

On June 24, 2020, Mark Vanterpool purchased 1 billion shares of common stock of the Company representing the control block of the Company. Mr. Vanterpool was appointed Director and CEO of the Company.

On August 31, 2020, the Company entered into a Share Exchange Agreement with K-Mark’s Foods (1996) Limited (“KMF”), a British Virgin Islands corporation. Pursuant to the terms of the agreement 100% ownership in KMF will be exchanged for 44,000,000 shares of common stock of the Company. The transaction has been accounted for as a “reverse acquisition” and recapitalization, with KMF being the accounting acquirer. A reverse merger transaction with a public company is considered and accounted for as a capital transaction in substance; it is equivalent to the issuance of the Company’s common stock for the net monetary assets and liabilities of KMF, accompanied by a recapitalization. Accordingly, the accounting does not contemplate the recognition of unrecorded assets of the accounting acquiree, such as goodwill. Consolidated financial statements presented herein reflect the consolidated financial assets and liabilities of the Company at their historical costs, giving effect to the recapitalization, as if it had been KMF during the periods presented.

K-Mark was incorporated in the British Virgin Islands (“BVI”) under the Companies Act, Cap 285, on February 7, 1996 and was determined to be re-registered as a BVI Business Company under the BVI Business Companies Act of, 2004. The principal activities of the Company are the wholesaling and retaining of foods and household merchandise.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and the rules and regulations of the Securities and Exchange Commission (“SEC”). These financial statements and the notes attached hereto should be read in conjunction with the financial statements and notes included in the Company’s 10-K for its fiscal year ended August 31, 2021. In the opinion of the Company, all adjustments, including normal recurring adjustments necessary to present fairly the financial position of the Company, as of May 31, 2022, and the results of its operations and cash flows for the nine months then ended have been included. The results of operations for the interim period are not necessarily indicative of the results for the full year ending August 31, 2022.

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.

Reclassifications

Certain reclassifications have been made to the prior period financial information to conform to the presentation used in the financial statements for the three and nine months ended May 31, 2022.

Concentrations of Credit Risk

We maintain our cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. We continually monitor our banking relationships and consequently have not experienced any losses in our accounts. We believe we are not exposed to any significant credit risk on cash.

Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of May 31, 2022 or August 31, 2021.

Inventories

Inventories are valued at the lower of cost or net realizable value. In general cost is determined by applying either the first in first out (FIFO) or percentages mark-up to the selling price valuations for the inventory item. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. Allowances is made for obsolete, slow moving and defective inventories. All of the Company's inventories consists of merchandise held for sale.

Net income (loss) per common share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average number of common shares outstanding and potentially outstanding common shares assumes that the Company incorporated as of the beginning of the first period presented. There are no potentially dilutive shares of common stock.

Revenue recognition

Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Accounts receivable

Accounts receivable, which generally have thirty-day terms are recognized and carried at original invoice amount, less an allowance for uncollectible amounts, if applicable.

The Company maintains an allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management based on collection experience and other factors affecting the accounts such as customer relationship and market factors.

Taxes

Under current legislation in the British Virgin Islands effective January 1, 2005, the Company is subject to a 14% payroll tax on the gross remunerations of each of its employees over \$10,000 per year of which up to 8% is deductible from the employee under the Payroll Taxes Act of 2004. By the introduction of the Payroll Taxes Act, the rate of income tax for individuals and business was reduced to zero.

Fair Value Measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritize the inputs used to measure fair value into three levels and bases the categorization with the hierarchy upon the lowest level of input that is available and significant to the fair value measurement.

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g. interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

The Company's cash and cash equivalents and short-term investments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The carrying amounts of accounts payable, advances payable and short-term loans approximate their fair value due to short term maturities.

Recently issued accounting pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 – PREPAYMENTS AND OTHER CURRENT ASSETS

On June 3, 2020, the Company entered into a Stock Purchase and Consulting Services Escrow Agreement with Capital Hill Management Inc ('CHM') and a Trust Attorney. Per the terms of the agreement CHM will sell the Company its control block of a public company for \$575,000 to be deposited with the Trust Attorney along with other applicable fees. As of May 31, 2022 and August 31, 2021, the balance in this account, included in prepayments and other current assets is \$855,120 and \$782,620, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and Equipment are first recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets.

Long lived assets, including property and equipment, to be held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Impairment losses are recognized if expected future cash flows of the related assets are less than their carrying values. Measurement of an impairment loss is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Maintenance and repair expenses, as incurred, are charged to expense. Betterments and renewals are capitalized in plant and equipment accounts. Cost and accumulated depreciation applicable to items replaced or retired are eliminated from the related accounts with any gain or loss on the disposition included as income.

Property and equipment stated at cost, less accumulated depreciation consisted of the following:

	May 31, 2022	August 31, 2021
Furniture and Equipment	\$ 3,145,588	\$ 2,566,938
Automobiles	613,465	590,465
Leasehold Improvements	2,163,913	2,137,505
Less: accumulated depreciation	(2,385,599)	(2,115,599)
Property and equipment, net	<u>\$ 3,537,367</u>	<u>\$ 3,179,309</u>

Depreciation expense for the nine months ended May 31, 2022 and 2021, was \$270,000 and \$268,238, respectively.

NOTE 5 – OPERATING LEASES

The Company currently has nine operating lease agreements for supermarket, office and parking space.

<u>Asset</u>	<u>Balance Sheet Classification</u>	<u>May 31, 2022</u>	<u>August 31, 2021</u>
Operating lease assets	Right of use assets	\$ 21,869,055	22,306,921
Total lease assets		\$ 21,869,055	22,306,921
<u>Liability</u>			
Operating lease liability – current portion	Current operating lease liability	\$ 726,442	721,022
Operating lease liability – noncurrent portion	Long-term operating lease liability	22,203,850	22,457,611
Total lease liability		\$ 22,930,292	23,178,633

Lease obligations at May 31, 2022 consisted of the following:

<u>For the year ended August 31:</u>		
2022	\$	403,625
2023		1,406,496
2024		1,406,496
2025		1,406,496
2026		1,400,496
Thereafter		25,434,233
Total payments	\$	31,457,842
Amount representing interest	\$	(8,527,550)
Lease obligation, net		22,930,292
Less current portion		(726,442)
Lease obligation – long term	\$	22,203,850

The lease expense for the nine months ended May 31, 2022 was \$1,274,115 which consisted of amortization expense of \$750,198 and interest expense of \$532,918.

The lease expense for the nine months ended May 31, 2021 was \$1,279,409, which consisted of amortization expense of \$747,067 and interest expense of \$532,342.

At May 31, 2022, the weighted average remaining lease term is approximately 18.7 years and the weighted average monthly discount rate is .25%.

NOTE 6 – NOTE PAYABLE

On December 19, 2019, the Company received a \$2,500,000 Demand Instalment Loan from First Caribbean International Bank. The loan incurs interest at the US prime rate minus 0.25% per annum. The loan requires sixty monthly payments of principal and interest of \$19,124.83. Due to the pandemic the bank granted the Company a moratorium on the loan. The Company accrued an additional \$39,745 of interest related to the granting of the moratorium.

The following sets forth the principal loan payments for the years ended August 31:

2022	\$	7,534
2023	\$	131,158

2024	\$ 137,183
2025	\$ 143,485
2026	\$ 150,077
Thereafter	\$ 1,686,944
Total	\$ 2,256,381

NOTE 7 – RELATED PARTY TRANSACTIONS

As of May 31, 2022, included within “Prepayments and other current assets” is advanced rent paid of \$4,318,663 paid by the Company to a related company, Shoreside Development (BVI) Limited, to complete the store building at End/Fat Hogs Bay.

NOTE 8 – PREFERRED STOCK

On July 9, 2020, the Company authorized 10,000,000 shares of preferred stock, par value \$0.0001.

1,000,000 shares of preferred stock are designated Series A Preferred. The holder of Series A are not entitled to receive dividends nor do they have any liquidation rights. The Series A preferred stock is not convertible into common stock. The holders of Series A are entitled to 1,000,000 votes per every share of Series A held.

5,000,000 shares of preferred stock are designated Series B Preferred. The holder of Series B are not entitled to receive dividends nor do they have any liquidation rights or voting rights. One share of Series B is convertible into 1,000 shares of common stock.

During the year ended August 31, 2021, the holder of the Series B preferred stock converted 4,200 shares of Series B into 6,000,000 shares of common stock.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855, from the balance sheet date through the date the financial statement were issued and has determined that there are no material subsequent events that require disclosure in these financial statements.

Item 4 Management’s Discussion and Analysis or Plan of Operation.

A. Plan of Operation.

Over the next 12 months the company plans to execute further growth by opening additional retail locations and launching its delivery and transportation app in multiple locations. The company's positive operating cash flow is sufficient to maintain current sales volume into next year. However, the company is preparing to up list to Nasdaq in the upcoming fiscal year to increase liquidity, raise capital, and become a fully reporting company subject to reporting obligations pursuant to Section 13 or Section 15(d) of the Exchange Act.

The company anticipates the roll-out of the DoGetGo app with a taxi association called JUTA in Montego Bay, Jamaica. The app will then be used in conjunction with OneMart's existing and newly opening stores in the next 12 months. This application will be launched and managed by the company's subsidiary Rydeum Caribbean, Inc.

The company anticipates that significant equipment will be purchased for new stores to be opened over the next 12 months.

The company anticipates an increase of employees by 20% to operate the new stores and meet the demands of the sales increase in the food service and yacht provisioning department.

B. Management's Discussion and Analysis of Financial condition and Results of Operations.

The company's 3rd quarter performance continues to show a much greater than expected financial year. There was a \$2,231,198 or a 30.3% increase over the previous year's 3rd quarter revenue: \$9,592,490 3rd quarter 2022 revenue versus \$6,693,296 in 2021.

This puts the 9 months revenue in 2022 to \$27,651,573, a 34% increase over 2021 of \$20,629,528.

The revised budget for the fiscal year ending 31st August 2022 is 35,000,000.

This would be a record performance for the company's 36-year history.

This increase in revenue is primarily due to greater activity in the country's tourism sector of the economy. Many hotels reopened after the 2017 hurricanes and the 2020 and 2021 Covid 19 pandemic. In addition, the charter boat industry rebounded very strongly with great demand by visitors primarily from the USA and the UK.

We expect to see an increase in revenue in the coming years due to new stores and an expected increase in tourism business.

Results of Operations for the three months ended May 31, 2022, compared to the three months ended May 31, 2021

Revenues and Cost of Revenue

For the three months ended May 31, 2022, we recognized revenue of \$9,592,490 compared to \$7,361,292 for the three months ended May 31, 2021, an increase of \$2,231,198, or 30.3%. We had \$6,693,296 of cost of revenue for the three months ended May 31, 2022, compared to \$5,317,903 for the three months ended May 31, 2021, an increase of \$1,375,393, or 25.9%. Food Service Revenue increased as restaurants reopened following the 2020 Covid-19 lockdown. Supermarket and non-food revenue remained stable.

Operating Expenses

For the three months ended May 31, 2022, professional fees decreased \$7,800 or 7.4% to \$97,466 compared to \$105,266 for the three months ended May 31, 2021. Professional fees consist of accounting, audit, legal, security and management fees.

Payroll expense was \$709,413 compared to \$739,296 for the three months ended May 31, 2022 and 2021, respectively, a decrease of \$29,883 or 4%.

Director fees were \$14,500 and \$15,200 for the three months ended May 31, 2022 and 2021, respectively, a decrease of \$700, or 4.6%.

Lease expense was \$428,247 and \$425,128 for the three months ended May 31, 2022 and 2021, respectively, an increase of \$3,119, or 0.7%. Our lease liability has decreased due to depreciated value over the year.

General and administrative expense was \$931,490 and \$202,698 for the three months ended May 31, 2022 and 2021, respectively, an increase of \$728,792, or 359.5%. The increase can be attributed to an increase in promotional expense, utilities and depreciation expense. Sales promotions in 2021 were negligible as there were pandemic restrictions during that time. An aggressive sales campaign was pursued in 2022 including discounts on food products in demand.

Other Income/Expense

Total other expense for the three months ended May 31, 2022, was \$18,414 compared to \$6,158, for three months ended May 31, 2021. Although our interest expense increased \$12,256 in the current period, this was offset with \$12,000 of other income.

Net Income

For the three months ended May 31, 2022 we had net income of \$699,664 as compared to \$549,643 for the three months ended May 31, 2021.

Results of Operations for the nine months ended May 31, 2022, compared to the nine months ended May 31, 2021

Revenues and Cost of Revenue

For the nine months ended May 31, 2022, we recognized revenue of \$27,651,573 compared to \$20,629,528 for the nine months ended May 31, 2021, an increase of \$7,022,045, or 34%. We had \$18,853,543 of cost of revenue for the nine months ended May 31, 2022, compared to \$14,688,619 for the nine months ended May 31, 2021, an increase of \$4,164,924, or 28.4%. Food Service Revenue increased as restaurants reopened following the 2020 Covid-19 lockdown. Supermarket and non-food revenue remained stable.

Operating Expenses

For the nine months ended May 31, 2022, professional fees increased \$583,325 or 293.2% to \$782,296 compared to \$198,971 for the nine months ended May 31, 2021. Professional fees consist of accounting, audit, legal, security and management fees. During the current period the largest increases were with management and security expense. Management fees were shifted from the Directors fees in the current period.

Payroll expense was \$2,080,464 compared to \$1,891,264 for the nine months ended May 31, 2022 and 2021, respectively, an increase of \$189,200 or 10%. We had an increase in payroll expense as our staff went from a 32-hour work week during the Covid-19 curfews, back to a reinstated 40 hours.

Director fees were \$36,547 and \$15,200 for the nine months ended May 31, 2022 and 2021, respectively, an increase of \$21,347, or 140.4%.

Lease expense was \$1,274,115 and \$1,279,409 for the nine months ended May 31, 2022 and 2021, respectively, a decrease of \$5,294 0.4%. Our lease liability has decreased due to depreciated value over the year.

General and administrative expense was \$2,834,860 and \$1,456,469 for the nine months ended May 31, 2022 and 2021, respectively, an increase of \$1,378,391 or 94.6%. The increase can be attributed to an increase in promotional expense, utilities and depreciation expense. Sales promotions in 2021 were negligible as there were pandemic restrictions during that time. An aggressive sales campaign was pursued in 2022 including discounts on food products in demand.

Other Income/Expense

Total other expense for the nine months ended May 31, 2022, was \$42,252 compared to total other expense of \$19,506, for nine months ended May 31, 2021. Our interest expense increased \$31,424 in the current period.

Net Income

For the nine months ended May 31, 2022 we had net income of \$1,747,496 as compared to \$1,080,090 for the nine months ended May 31, 2021, an increase of \$667,406.

Liquidity and Capital Resources

As of May 31, 2022, we had cash of \$287,032, accounts receivable of \$3,064,810 and working capital of \$4,671,941.

C. Off-Balance Sheet Arrangements.

The Company has no off-balance sheet arrangements.

Item 5 Legal Proceedings

Nothing new to report.

Item 6 Defaults upon senior securities

None

Item 7 Other information

None

Item 8 Exhibits

None

Item 9 Issuer's Certifications.

I, **Mark Vanterpool**, certify that:

1. I have reviewed this quarterly disclosure statement of **OM Holdings International, Inc;**
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material factor omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: July 13, 2022

/s/ Mark Vanterpool
Chief Executive Officer

I, **Michael Robbins**, certify that:

4. I have reviewed this quarterly disclosure statement of **OM Holdings International, Inc;**
5. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material factor omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
6. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: July 13, 2022

/s/ Michael Robbins
Chief Financial Officer