

REFINITIV

DELTA REPORT

10-Q

AREB - AMERICAN REBEL HOLDINGS I

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2371

█	CHANGES	4
█	DELETIONS	1579
█	ADDITIONS	788

UNITED STATES
SECURITIES **THE ISSUANCE AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) **SALE** OF THE SECURITIES EXCHANGE REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1934

for the quarterly period ended September 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 1933, AS AMENDED, OR 15(d) OF APPLICABLE STATE SECURITIES LAWS. THE SECURITIES EXCHANGE MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1934 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT.

for the transition period from ___ to ___ THE ISSUE PRICE OF THIS NOTE IS \$111,550.00

THE ORIGINAL ISSUE DISCOUNT IS \$14,550.00

Commission file number **001-41267**

Issue Date:

**AMERICAN REBEL HOLDINGS,
INC.** Principal Amount: \$111,550.00

(Exact name of registrant as specified in its charter)

Nevada

47-3892903

(State or other jurisdiction

(I.R.S. Employer

of incorporation or organization)

Identification No.)

909 18th Avenue South, Suite A

37212

Nashville, Tennessee

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (833)267-3235

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AREB	The Nasdaq Stock Market LLC
Common Stock Purchase Warrants	AREBW	The Nasdaq Stock Market LLC

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 such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark 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 is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes No The number of shares of the registrant's common stock outstanding as of November 14, 2023, was 5,019,920 shares, which does not include an additional 860,000 shares that are authorized but not yet outstanding.

PROMISSORY NOTE

FOR VALUE RECEIVED, AMERICAN REBEL HOLDINGS, INC., a Nevada corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of Coventry Enterprises, LLC, a Delaware company, or registered assigns (the "Holder") the sum of \$111,550.00 together with any interest as set forth herein, on February 28, 2025 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof from the date hereof (the "Issue Date") as set forth herein. This Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of twenty two percent (22%) per annum from the due date thereof until the same is paid ("Default Interest"). All payments due hereunder (to the extent not converted into common stock, \$0.001 par value per share (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities Purchase Agreement dated the date hereof, pursuant to which this Note was originally issued (the "Purchase Agreement").

INDEX TO QUARTERLY REPORT ON FORM 10-Q

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of stockholders of the Borrower and will not impose personal liability upon the holder thereof.

	Page No.
PART I. FINANCIAL INFORMATION	3
Item 1. Interim Condensed Consolidated Financial Statements (unaudited)	3
Condensed Consolidated Balance Sheets of American Rebel Holdings, Inc. at September 30, 2023 (unaudited) and December 31, 2022 (audited)	3
Condensed Consolidated Statements of Operations of American Rebel Holdings, Inc. for the nine months and three months ended September 30, 2023 and 2022 (unaudited)	4
Condensed Consolidated Statements of Stockholders Equity (Deficit) of American Rebel Holdings, Inc. for the nine months ended September 30, 2023 and 2022 (unaudited)	6
Condensed Consolidated Statements of Cash Flows of American Rebel Holdings, Inc. for the nine months ended September 30, 2023 and 2022 (unaudited)	7
Notes to the Condensed Financial Statements (unaudited)	8
Item 2. Management's Discussion and Analysis	26
Item 3. Quantitative and Qualitative Disclosures about Market Risk	36
Item 4. Controls and Procedures	36
PART II. OTHER INFORMATION	37
Item 1. Legal Proceedings	37
Item 1A. Risk Factors	37
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	37
Item 3. Defaults upon Senior Securities	38
Item 4. Mine Safety Disclosure	38
Item 5. Other Information	38
Item 6. Exhibits	38
Signatures	40

The following terms shall apply to this Note:

ARTICLE I. GENERAL TERMS

1.1 Interest. A one-time interest charge of twelve percent (12%) (the "Interest Rate") shall be applied on the Issuance Date to the principal amount (\$111,550.00 * twelve percent (12%) = \$13,386.00). Interest hereunder shall be paid as set forth herein to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding

registration and transfers of Notes in cash or, in the Event of Default, at the Option of the Holder, converted into share of Common Stock as set forth herein.

1.2 Mandatory Monthly Payments. Accrued, unpaid Interest and outstanding principal, subject to adjustment, shall be paid in nine (9) payments each in the amount of \$13,881.78 (a total payback to the Holder of \$124,936.00). The first payment shall be due June 30, 2024 with eight (8) subsequent payments on the last day of each month thereafter. The Company shall have a five (5) day grace period with respect to each payment. The Company has right to accelerate payments or prepay in full at any time with no prepayment penalty. All payments shall be made by bank wire transfer to the Holder's wire instructions, attached hereto as Exhibit A. For the avoidance of doubt, a missed payment shall be considered an Event of Default.

ARTICLE II. CERTAIN COVENANTS

2.1 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business in one or a series of transactions which would render the Borrower a "shell company" as such term is defined in Rule 144 (as defined herein).

Part I. Financial Information**ARTICLE III. EVENTS OF DEFAULT****Item 1.- Interim Condensed Consolidated Financial Statements (unaudited)**

If any of the following events of default (each, an "Event of Default") shall occur:

AMERICAN REBEL HOLDINGS, INC.**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**3.1 Failure to Pay Principal and Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise and such breach continues for a period of five (5) business days after written notice from the Holder.

	September 30, 2023	December 31, 2022		
	(audited)			
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,633,238	\$ 356,754		
Accounts receivable	2,631,439	1,613,489		
Prepaid expense	166,137	207,052		
Inventory	8,509,992	7,421,696		
Inventory deposits	310,587	309,684		
Total Current Assets	13,251,393	9,908,675		
Property and Equipment, net	377,264	456,525		
OTHER ASSETS:				
Lease deposits and other	59,106	18,032		
Right-of-use lease assets	1,237,618	1,977,329		
Goodwill	4,525,000	4,200,000		
Total Other Assets	5,821,724	6,195,361		
TOTAL ASSETS	\$ 19,450,381	\$ 16,560,561		
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES:				
Accounts payable and other accrued expense	\$ 2,173,725	\$ 2,523,551		
Accrued interest	28,919	103,919		
Loan – Officer – related party	95,332	-		
Loans – Working capital	1,152,972	602,643		
Line of credit	1,689,163	-		
Right-of-use lease liabilities, current	798,136	992,496		
Total Current Liabilities	5,938,247	4,222,609		
Right-of-use lease liabilities, long-term	439,482	984,833		
TOTAL LIABILITIES	6,377,729	5,207,442		
STOCKHOLDERS' EQUITY (DEFICIT):				

Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 175,000, and 175,000 issued and outstanding, respectively at September 30, 2023 and December 31, 2022		
Series A Preferred Shares	100	100
Series B Preferred Shares	75	75
Common Stock, \$0.001 par value; 600,000,000 shares authorized; 5,875,263 and 677,221 issued and outstanding, respectively at September 30, 2023 and December 31, 2022	5,875	677
Additional paid in capital	50,790,341	45,465,077
Accumulated deficit	(37,723,739)	(34,112,810)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	13,072,652	11,353,119
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 19,450,381	\$ 16,560,561

See Notes 3.2 Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained in this Note and any collateral documents including but not limited to Financial Statements, the Purchase Agreement and such breach continues for a period of twenty (20) days after written notice thereof to the Borrower from the Holder.

3.3 Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Purchase Agreement), shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.4 Receiver or Trustee. The Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

3.5 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower on or after the Issue Date.

3.6 Delisting of Common Stock. The Borrower shall fail to maintain the listing of the Common Stock on the Nasdaq National Market, the Nasdaq SmallCap Market, the New York Stock Exchange, or the NYSE American Stock Exchange (collectively, the "Exchanges").

3.7 Failure to Comply with the Exchange Act. The Borrower shall fail to materially comply with the reporting requirements of the Exchange Act; and/or the Borrower shall cease to be subject to the reporting requirements of the Exchange Act.

3.8 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

3.9 Cessation of Operations. Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

3.10 [intentionally deleted].

3.11 Replacement of Transfer Agent. In the event that the Borrower proposes to replace its transfer agent, the Borrower fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to the Purchase Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Borrower and the Borrower.

AMERICAN REBEL HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three months ended September 30, 2023	For the three months ended September 30, 2022
Revenue	\$ 3,345,552	\$ 4,102,761
Cost of goods sold	3,095,418	3,124,657
Gross margin	<u>250,134</u>	<u>978,104</u>
Expenses:		
Consulting/payroll and other costs	1,039,273	1,227,953
Rental expense, warehousing, outlet expense	230,226	314,314
Product development costs	20,326	-
Marketing and brand development costs	517,345	119,122
Administrative and other	1,347,181	1,077,005
Depreciation and amortization expense	<u>24,895</u>	<u>9,956</u>
Operating income (loss)	<u>3,179,246</u>	<u>2,748,350</u>
	(2,929,112)	(1,770,246)
Other Income (Expense)		
Interest expense, net	(95,330)	(31,584)
Interest expense – pre-emptive rights release	-	(350,000)
Interest Income	3,203	4,428
Employee retention credit funds, net of costs to collect	-	-
Gain/(loss) on sale of equipment	-	-
Gain/(loss) on extinguishment of debt	<u>227,569</u>	<u>-</u>
	135,442	(377,156)
Net income (loss) before income tax provision	(2,793,670)	(2,147,402)
Provision for income tax	-	-
Net income (loss)	<u>\$ (2,793,670)</u>	<u>\$ (2,147,402)</u>
Basic and diluted income (loss) per share	<u>\$ (0.95)</u>	<u>\$ (8.90)</u>
Weighted average common shares outstanding - basic and diluted	<u>2,930,700</u>	<u>241,300</u>

See NotesUpon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Borrower shall pay to Financial Statements.

AMERICAN REBEL HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Revenue	\$ 11,418,222	\$ 4,595,547
Cost of goods sold	8,869,432	3,462,454
Gross margin	<u>2,548,790</u>	<u>1,133,093</u>
Expenses:		
Consulting/payroll and other costs	2,915,377	1,937,349
Rental expense, warehousing, outlet expense	732,360	314,314
Product development costs	36,821	146,463
Marketing and brand development costs	942,687	349,341
Administrative and other	2,542,181	2,687,728
Depreciation and amortization expense	79,260	11,311
	<u>7,248,686</u>	<u>5,446,506</u>
Operating income (loss)	(4,699,896)	(4,313,413)
Other Income (Expense)		
Interest expense	(250,877)	(341,990)
Interest expense – pre-emptive rights release	-	(350,000)
Interest income	3,203	4,428
Employee retention credit funds, net of costs to collect	1,107,672	-
Gain/(loss) on sale of equipment	1,400	-
Gain/(loss) on extinguishment of debt	227,569	(1,376,756)
	<u>1,088,967</u>	<u>(2,064,318)</u>
Net income (loss) before income tax provision	(3,610,929)	(6,377,731)
Provision for income tax	-	-
Net income (loss)	<u>\$ (3,610,929)</u>	<u>\$ (6,377,731)</u>
Basic and diluted income (loss) per share	<u>\$ (2.50)</u>	<u>\$ (33.62)</u>
Weighted average common shares outstanding - basic and diluted	<u>1,442,600</u>	<u>189,700</u>

See Notes the Holder, in full satisfaction of its obligations hereunder, an amount equal to Financial Statements.

AMERICAN REBEL HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY/(DEFICIT)

	Common Stock	Common Stock Amount	Preferred Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance – December 31, 2021	63,895	\$ 64	\$ 377	\$ 22,798,839	\$ (26,969,657)	\$ (4,170,337)
Sale of common stock, net	106,345	106	-	9,038,350	-	9,038,456
Common stock issued as compensation	9,345	9	-	969,526	-	969,535
Preferred stock converted into common stock	10,068	10	(202)	192	-	-
Conversion of debt into warrants	-	-	-	1,566,559	-	1,566,559
Sale of common stock	20,372	20	-	565,315	-	565,335
Sale of 492,902 pre-funded common stock warrants \$27.50 per share, exercise price of \$0.25	-	-	-	12,322,542	-	12,322,542
Offering costs and fees associated with offering	-	-	-	(1,972,578)	-	(1,972,578)
Issuance of shares as compensation	4,000	4	-	60,996	-	61,000
Exercise of pre-funded warrants	124,936	125	-	31,109	-	31,234
Net loss for the nine months ending September 30, 2022	-	-	-	-	(6,377,731)	(6,377,731)
Balance – September 30, 2022	338,961	\$ 338	\$ 175	\$ 45,380,850	\$ (33,347,388)	\$ 12,033,975
Balance – December 31, 2022	677,221	\$ 677	\$ 175	\$ 45,465,077	\$ (34,112,810)	\$ 11,353,119
Sale of common stock, net	71,499	72	-	312,380	-	312,452
Sale of 615,000 pre-funded common stock warrants \$4.36 per share, exercise price of \$0.01	-	-	-	2,681,400	-	2,681,400
Prefunded common stock warrant offering costs and fees	-	-	-	(529,324)	-	(529,324)
Effect of reverse stock split round lot shares	1,488,615	1,489	-	(1,489)	-	-
Warrant inducement and exercise of 2,988,687 repriced common stock warrants at \$1.10 per share	2,988,687	2,989	-	3,284,567	-	3,287,556
Warrant inducement offering costs and fees	-	-	-	(453,756)	-	(453,756)
Exercise of prefunded common stock warrants at \$0.01 per share	615,000	615	-	5,535	-	6,150
Common stock issued as compensation	34,241	34	-	25,950	-	25,984
Net loss for the nine months ending September 30, 2023	-	-	-	-	(3,610,929)	(3,610,929)

Balance – September 30, 2023	5,875,263	\$ 5,875	\$ 175	\$ 50,790,341	\$ (37,723,739)	\$ 13,072,652
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See Notes 150% times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to Financial Statements.

AMERICAN REBEL HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (3,610,929)	\$ (6,377,731)
Depreciation and amortization	79,260	11,311
Gain on sale of equipment	(1,400)	-
Expense paid through issuance of common stock	25,984	1,030,535
Amortization of loan discount	-	1,000,457
Adjustments to reconcile net loss to cash (used in) operating activities:		
Accounts receivable	(1,017,950)	(219,697)
Prepaid expenses	40,915	20,184
Inventory	(1,089,198)	(869,985)
Inventory deposits and other	(41,074)	(224,894)
Accounts payable and accrued expense	(474,827)	(297,513)
Net Cash (Used in) Operating Activities	<u>(6,089,219)</u>	<u>(5,927,333)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Champion Entities	-	(10,247,420)
Disposition/(purchase) of fixed assets	1,402	(13,651)
Partial payment made on settlement of outstanding liability – Champion Entities purchase	(275,000)	-
Net Cash Provided by/(Used in) Investing Activities	<u>(273,598)</u>	<u>(10,261,071)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock, prefunded warrants and warrant inducement, net of offering costs paid of \$983,080 and \$3,434,122, respectively	5,298,330	19,953,755
Proceeds from warrant exercise	6,150	31,234
Proceeds from line of credit	1,700,000	-
Principal payments on line of credit, net	(10,837)	-
Proceeds (repayments) of loans – officer - related party, net	95,332	(81,506)
Proceeds from working capital loans	1,000,000	60,000
Principal payments on working capital loans	(449,675)	-
Principal payment on loans – nonrelated parties	-	(2,607,108)
Net Cash Provided by Financing Activities	<u>7,639,300</u>	<u>17,356,375</u>
CHANGE IN CASH	1,276,483	1,167,971
CASH AT BEGINNING OF PERIOD	<u>356,754</u>	<u>17,607</u>
CASH AT END OF PERIOD	<u>\$ 1,633,238</u>	<u>\$ 1,185,578</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		

Cash paid for:		
Interest	\$ 245,874	\$ 234,146
Income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Conversion of debt into equity	\$ -	\$ 2,011,224

See Notes the date of payment (the “Mandatory Prepayment Date”) plus (y) Default Interest, if any, on the amounts referred to Financial Statements.

AMERICAN REBEL HOLDINGS, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
(unaudited)

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Company was incorporated on December 15, 2014, under the laws of the State of Nevada, as CubeScape, Inc. Effective January 5, 2017, the Company amended its articles of incorporation and changed its name to American Rebel Holdings, Inc. On June 19, 2017, the Company completed a business combination with its majority stockholder, American Rebel, Inc. As a result, American Rebel, Inc. became a wholly-owned subsidiary of the Company.

Nature of operations

The Company develops and sells branded products in the self-defense, safe storage and other patriotic product areas using a wholesale distribution network, utilizing personal appearances, musical venue performances, as well e-commerce and television. The Company's products are marketed under the American Rebel Brand and are proudly imprinted with such branding. Through its acquisition of the "Champion Entities" (which consists of Champion Safe Co., Inc., Superior Safe, LLC, Safe Guard Security Products, LLC, and Champion Safe De Mexico, S.A. de C.V.) the Company promotes and sells its safe and storage products through a growing network of dealers, in select regional retailers and local specialty safe, sporting goods, hunting and firearms retail outlets, as well as through online avenues, including website and e-commerce platforms. The Company sells its products under the Champion Safe Co., Superior Safe Company and Safe Guard Safe Co. brands as well as the American Rebel Brand. On August 9, 2023, the Company entered into a Master Brewing Agreement (the "Brewing Agreement") with Associated Brewing Company, a Minnesota limited liability company ("Associated Brewing"). Under the terms of the Brewing Agreement, Associated Brewing has been appointed as the exclusive producer and seller of American Rebel branded spirits, with the initial product being the American Rebel Light Beer ("American Rebel Beer"). American Rebel Beer plans to launch regionally in early 2024.

To varying degrees, the consequences of the COVID-19 pandemic continue to affect our operating business. Significant government and private sector actions have taken place to control the spread and mitigate the economic effects of the virus and its variants. The development of geopolitical conflicts, supply chain disruptions and government actions to slow rapid inflation in recent years have produced varying effects on our business. The economic effects from these events over long term cannot be reasonably estimated at this time. Accordingly, estimates used in the preparation of our financial statements, including those associated with the evaluation of certain long-lived assets, goodwill and other intangible assets for impairment, expected credit losses on clauses (w) and/or (x) plus (z) any amounts owed to us (through accounts receivable) the Holder pursuant to Article IV hereof (the then outstanding principal amount of this Note to the date of payment plus the amounts referred to in clauses (x), (y) and (z) shall collectively be known as the "Default Amount") and all other amounts payable hereunder shall immediately become due and payable, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the estimations Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

ARTICLE IV. CONVERSION RIGHTS

4.1 Conversion Right. After the occurrence of certain losses assumed under warranty and other liability contracts, may be subject an Event of Default, at any time, the Holder shall have the right, to significant adjustments in future periods.

Interim Financial Statements and Basis of Presentation

The accompanying unaudited interim financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and with the rules and regulations convert all or any part of the SEC set forth in Article 8 outstanding and unpaid amount of Regulation S-X. Accordingly, they do not include all this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the information and footnotes required by the U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring accruals) Borrower into which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Unaudited interim results are not necessarily indicative of the results for the full fiscal year. These financial statements should such Common Stock shall hereafter be read along with the Annual Report filed on Form 10-K of the Company for the period ended December 31, 2022, and notes thereto contained, filed on April 14, 2023.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, American Rebel, Inc., and the Champion Entities. All significant intercompany accounts and transactions have been eliminated.

Year-end

The Company's year-end is December 31.

Cash and cash equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Inventory and Inventory Deposits

Inventory consists of backpacks, jackets, safes, other storage products and accessories manufactured to our design and held for resale and are carried at the lower of cost (First-in, First-out Method) or market value. The Company determines an estimate for conversion price determined as provided herein (a “Conversion”); provided, however, that in no event shall the reserve of slow moving or obsolete inventories by regularly evaluating individual inventory levels, projected sales and current economic conditions. The Company makes deposit payments on certain inventory to be manufactured that are carried separately until the manufactured goods are received into inventory.

Fixed assets and depreciation

Property and equipment are stated at cost, net of accumulated depreciation. Additions and improvements are capitalized while ordinary maintenance and repair expenditures are charged to expense as incurred. Depreciation is recorded using the straight-line method over the estimated useful life of the asset, which ranges from five to seven years.

Revenue recognition

In accordance with Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers, revenues are recognized when control of the promised goods or services is transferred to our clients, in an amount that reflects the consideration to which we expect to be entitled to convert any portion of this Note in exchange for those goods and services. To achieve excess of that portion of this core principle, we apply Note upon conversion of which the following five steps: (1) *Identify sum of (1) the contract with a client;* (2) *Identify the performance obligations in the contract;* (3) *Determine the transaction price;* (4) *Allocate the transaction price to performance obligations in the contract; and* (5) *Recognize revenues when or as the company satisfies a performance obligation.*

These steps are met when an order is received, a price is agreed to, and the product is shipped or delivered to that customer.

Advertising costs

Advertising costs are expensed as incurred; Marketing costs which we consider to be advertising costs incurred were \$172,617 and \$119,122 for the three-month periods ended September 30, 2023, and 2022, respectively, and \$942,687 and \$349,341 for the nine-month period then ended, respectively.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2023, and December 31, 2022, respectively. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, and accounts payable. Fair values were assumed to approximate carrying values for cash and payables because they are short term in nature and their carrying amounts approximate fair values or they are payable on demand.

Level 1: The preferred inputs to valuation efforts are “quoted prices in active markets for identical assets or liabilities,” with the caveat that the reporting entity must have access to that market. Information at this level is based on direct observations of transactions involving the same assets and liabilities, not assumptions, and thus offers superior reliability. However, relatively few items, especially physical assets, actually trade in active markets.

Level 2: FASB acknowledged that active markets for identical assets and liabilities are relatively uncommon and, even when they do exist, they may be too thin to provide reliable information. To deal with this shortage of direct data, the board provided a second level of inputs that can be applied in three situations.

Level 3: If inputs from levels 1 and 2 are not available, FASB acknowledges that fair value measures of many assets and liabilities are less precise. The board describes Level 3 inputs as “unobservable,” and limits their use by saying they “shall be used to measure fair value to the extent that observable inputs are not available.” This category allows “for situations in which there is little, if any, market activity for the asset or liability at the measurement date”. Earlier in the standard, FASB explains that “observable inputs” are gathered from sources other than the reporting company and that they are expected to reflect assumptions made by market participants.

Stock-based compensation

The Company records stock-based compensation in accordance with the guidance in ASC Topic 505 and 718 which requires the Company to recognize expense related to the fair value of its employee stock option awards. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 718-10 and the conclusions reached ASC 505-50. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by ASC 505-50.

Earnings per share

Net loss per common share is computed by dividing net loss by the weighted average common shares outstanding during the period as defined by ASC 260 - Earnings per Share. Basic earnings per common share (“EPS”) calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income Common Stock beneficially owned by the weighted average number Holder and its affiliates (other than shares of common shares and dilutive common share equivalents outstanding. Dilutive common share equivalents are negligible or immaterial as dilutive shares to Common Stock which may be issued during net loss years were non-existent. For deemed beneficially owned through the three months ended September 30, 2023 and September 30, 2022, net loss per share was \$(0.95) and \$(8.90), respectively, and for the nine months ended September 30, 2023 and September 30, 2022, net loss per share was \$(2.50) and \$(33.62), respectively

Fully diluted shares outstanding is the total number of shares that the Company would theoretically have if all dilutive securities were exercised and converted into shares. Dilutive securities include options, warrants, convertible debt, preferred stock and anything else that can be converted into shares. Potential dilutive shares consist ownership of the incremental common shares issuable upon unconverted portion of the exercise of dilutive securities, calculated using Notes or the treasury stock method. The calculation of dilutive shares outstanding excludes out-of-the-money options (i.e., such options’ exercise prices were greater than the average market price of our common shares for the period) because their inclusion would have been antidilutive. Out-of-the-money stock options totaled none and none as of September 30, 2023 and December 31, 2022, respectively. All other dilutive securities are listed below.

The following table illustrates the total number of common shares that would be converted from common stock equivalents issued and outstanding at the end of each period presented; as of September 30, 2023 and as of September 30, 2022, respectively.

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Shares used in computation of basic earnings per share for the periods ended	1,442,600	189,700
Total dilutive effect of outstanding stock awards or common stock equivalents	1,714,700	344,000
Shares used in computation of fully diluted earnings per share for the periods ended September 30, 2023 and September 30, 2022, respectively	3,157,300	533,700
Net income (loss)	\$ (3,610,929)	\$ (6,377,731)
Fully diluted income (loss) per share	\$ (1.14)	\$ (11.95)

In periods of losses, diluted loss per share is computed on the same basis as basic loss per share as the inclusion unexercised or unconverted portion of any other potential shares outstanding would be anti-dilutive.

Income taxes

The Company follows ASC Topic 740 for recording provision for income taxes. Deferred tax assets and liabilities are computed based upon **security** of the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset **Borrower** subject to a limitation on conversion or **liability** is expected to be realized or settled. Deferred income tax expense or benefit is based on the changes in the asset or liability for each period. If available evidence suggests that it is more likely than not that some portion or the entire **deferred tax asset** will not be realized, a valuation allowance is required to reduce the deferred tax asset exercise analogous to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income tax in the period of change. Deferred income tax may arise from temporary differences resulting from **income limitations contained herein** and **expense items** reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

The Company applies a more-likely-than-not recognition threshold for all tax uncertainties. ASC Topic 740 only allows the recognition of tax benefits that have a greater than fifty percent likelihood of being sustained upon examination by taxing authorities. As of September 30, 2023, and December 31, 2022, the Company reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities, therefore this standard has not had a material effect on the Company.

The Company does not anticipate any significant changes to its total unrecognized tax benefits within the next 12 months.

The Company classifies tax-related penalties and net interest as income tax expense. For the three-month and nine-month periods ended September 30, 2023, and 2022, respectively, no income tax expense has been recorded.

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 revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Warranties

The Company's safe manufacturing business estimates its exposure to warranty claims based on both current and historical (with respect to the Champion Entities) product sales data and warranty costs (actual) incurred. The Company assesses the adequacy of its recorded warranty liability each quarter and adjusts the amount as necessary. Warranty liability is included in our accrued expense accounts in the accompanying condensed consolidated balance sheets. We estimate that warranty liability is nominal or negligible based on the superior quality of products and our excellent customer relationships. Warranty liability recorded as of December 31, 2022 and September 30, 2023 was approximately \$100,000.

Business Combinations

The Company accounts for business combinations in accordance with ASC Topic 805, Business Combinations, and as further defined by ASU 2017-01, Business Combinations (Topic 805), which requires the purchase price to be measured at fair value. When the purchase consideration consists entirely of shares of our common stock, the Company calculates the purchase price by determining the fair value, as of the acquisition date, of shares issued in connection with the closing of the acquisition and, if the transaction involves contingent consideration based on achievement of milestones or earn-out events, the probability-weighted fair value, as of the acquisition date, of shares issuable upon the occurrence of future events or conditions pursuant to the terms of the agreement governing the business combination. If the transaction involves such contingent consideration, our calculation of the purchase price involves probability inputs that are highly judgmental due to the inherent unpredictability of future results, particularly by growth-stage companies. The Company recognizes estimated fair values of the tangible assets and intangible assets acquired, including in process research and development ("IPR&D"), and liabilities assumed as of the acquisition date, and we record as goodwill any amount of the purchase price of the tangible and intangible assets acquired and liabilities assumed in excess of the fair value (see Note 8 - Goodwill and Acquisition of Champion Entities for further information in accordance with ASC 805-10-55-37 through ASC 805-10-55-50).

Right of Use Assets and Lease Liabilities

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842). The standard requires lessees to recognize almost all leases on the balance sheet as a Right-of-Use ("ROU") asset and a lease liability and requires leases to be classified as either an operating or a finance type lease. The standard excludes leases of intangible assets or inventory. The standard became effective for the Company beginning January 1, 2019. The Company adopted ASC 842 using the modified retrospective approach, by applying the new standard to all leases existing at the date of initial application. Results and disclosure requirements for reporting periods beginning after January 1, 2019, are presented under ASC 842, while prior period amounts have not been adjusted and continue to be reported in accordance with our historical accounting under ASC 840. The Company elected the package of practical expedients permitted under the standard, which also allowed the Company to carry forward historical lease classifications. The Company also elected the practical expedient related to treating lease and non-lease components as a single lease component for all equipment leases as well as electing a policy exclusion permitting leases with an original lease term of less than one year to be excluded from the ROU assets and lease liabilities.

Under ASC 842, the Company determines if an arrangement is a lease at inception. ROU assets and liabilities are recognized at commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. As most of the Company's leases do not provide an implicit rate, the Company estimated the incremental borrowing rate in determining the present value of lease payments. The ROU asset also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

Operating leases are included in operating lease Right-of-Use assets and operating lease liabilities, current and non-current, on the Company's condensed consolidated balance sheets.

Recent pronouncements

The Company evaluated recent accounting pronouncements through September 30, 2023, and believes that none have a material effect on the Company's financial statements.

Concentration risks

Prior to the closing of the Champion Entities, the Company purchased a substantial portion (over 20%) of its inventory from 2 third-party vendors. With the closing and integration of the Champion Entities, the Company no longer purchases a substantial portion (over 20%) of its inventory from the 2 third-party vendors. As of September 30, 2023, the net amount due to these 2 third-party vendors (accounts payable and accrued expense) was \$0. The loss of vendor relationships could have a material effect on the Company; however, the Company believes sufficient suppliers could be substituted should these third-party vendors/suppliers become unavailable or non-competitive for us.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. As noted above, the Company is in the growth and acquisition stage and, accordingly, has not yet reached profitability from its operations. Since inception, the Company has been engaged in financing activities and executing its business plan of operations and incurring costs and expenses related to product development, branding, inventory buildup and product launch. As a result, the Company has continued to incur net losses for the nine months ended September 30, 2023, and 2022 of (\$3,610,929) and (\$6,377,731), respectively. The Company's accumulated deficit was (\$37,723,739) as of September 30, 2023, and (\$34,112,810) as of December 31, 2022. The Company's working capital was \$8,111,282 as of September 30, 2023, compared to \$6,678,562 as of December 31, 2022. The increase in working capital from December 31, 2022, to September 30, 2023, is due to the Company increasing its overall inventory and accounts receivable balances offset by smaller increases in liabilities as well as incurring a sizeable net loss during the nine months ending September 30, 2023.

The ability of the Company to continue as a going concern is dependent upon its ability to raise capital from the sale of its equity and, ultimately, the achievement of significant operating revenues and profitability.

Management believes that sufficient funding can be secured through the obtaining of loans, as well as future offerings of its preferred and common stock. However, no assurance can be given that the Company will obtain this additional working capital, or if obtained, that such funding will not cause substantial dilution to its existing stockholders. If the Company is unable to secure such additional funds from these sources, it may be forced to change or delay some of its business objectives and efforts. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 – INVENTORY AND DEPOSITS

Inventory and deposits include the following:

	September 30, 2023	December 31, 2022
	(unaudited)	(audited)
Inventory – finished goods	\$ 8,509,992	\$ 7,421,696
Inventory deposits	310,587	309,684
Total Inventory and deposits	\$ 8,820,579	\$ 7,731,380

With the integration of Champion, we eliminated the need to hold inventory with our American Rebel, Inc. subsidiary at its facility. We do not believe we have a risk of concentration in our purchasing of inventory materials, sourcing needs or manufacturing. As reported in our Annual Report filed on Form 10-K Champion added approximately \$5,400,000 in inventory on the date of purchase less intercompany deposits of approximately \$600,000 which is included in our balances as of December 31, 2022.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment include the following:

	September 30, 2023	December 31, 2022
	(unaudited)	(audited)
Plant, property and equipment	\$ 367,317	\$ 367,317
Vehicles	423,515	448,542
Property and equipment gross	790,832	815,859
Less: Accumulated depreciation	(413,568)	(359,334)
Net property and equipment	\$ 377,264	\$ 456,525

For the nine months ended September 30, 2023, and 2022 we recognized \$79,260 and \$11,311 in depreciation expense, respectively. We depreciate these assets over a period of sixty (60) months which has been deemed their useful life.

NOTE 5 – RELATED PARTY NOTE PAYABLE AND RELATED PARTY TRANSACTIONS

Charles A. Ross, Jr. serves as the Company's CEO. Compensation for Mr. Ross includes a base salary and a bonus based upon certain performance measures approved by the Board of Directors.

Doug Grau serves as the Company's President. Compensation for Mr. Grau includes a base salary and a bonus based upon certain performance measures approved by the Board of Directors. Mr. Grau lent the Company approximately \$95,332, net of repayments during the nine months ended September 30, 2023, the loan is an unsecured non-interest-bearing demand note.

NOTE 6 – LINE OF CREDIT – FINANCIAL INSTITUTION

During February 2023, the Company entered into a \$2 million master credit agreement (credit facility) with a major financial institution ("Line of Credit"). The Line of Credit accrues interest at a rate determined by the Bloomberg Short-Term Bank Yield Index ("BSBY") Daily Floating Rate plus 2.05 percentage points (which at September 30, 2023 for the Company was 7.48%), and is secured by all the assets of the Champion Entities. The Line of Credit expires February 28, 2024. The outstanding amount due on the Line of Credit at September 30, 2023 and December 31, 2022 was, respectively.

	<u>September 30, 2023</u> (unaudited)	<u>December 31, 2022</u> (audited)
Line of credit from a financial institution.	\$ <u>1,689,163</u>	\$ <u>-</u>
Total recorded as a current liability	<u>\$ 1,689,163</u>	<u>\$ -</u>

Current and long-term portion. As of September 30, 2023 the total balance due of \$1,689,163 reported as current as the Line of Credit is to be repaid within one year, with subsequent drawdowns as needed by the Company. The Company paid a one-time loan fee equal to 0.1% of the Line of Credit amount available. In the likelihood of default, the default interest automatically increases to 6% over the BSBY plus an additional 2.05% rate.

The Company drew down on the Line of Credit initially in the amount of \$1.7 million, with subsequent net payments and draws on the Line of Credit in the amount of approximately \$10,000. The Company as of September 30, 2023 has not increased the Line of Credit amount beyond its initial drawdown and has paid interest expense of approximately \$65,000 to the financial institution for the nine months ended September 30, 2023. The Company intends to keep the Line of Credit open and in existence to enhance the profitability and working capital needs of the Champion entities and may in the future seek to expand the Line of Credit as the Company grows in size.

NOTE 7 – NOTES PAYABLE – WORKING CAPITAL

	<u>September 30, 2023</u> (unaudited)	<u>December 31, 2022</u> (audited)
Working capital loan with a limited liability company domiciled in the state of Georgia. The working capital loan is demand loan and accrues interest at 12% per annum and interest only payments that are due by the 15 th of month following the close of the quarter.	- 600,000	
Working capital loans with an irrevocable trust established in the state of Georgia, managed and owned by the same entity as the limited liability company that previously held the \$600,000 in loans made June 30, 2022. The working capital loans are demand loans and accrue interest at 12% per annum and interest only payments that are due by the last day of the quarter. The 1 st loan in the amount of \$150,000 is due and payable on December 31, 2023, the 2nd loan in the amount of \$300,000 is due and payable on June 30, 2024.	450,000 - 450,000	
Working capital loans with a major financial institution converted from a revolving line of credit to a strict payoff loan agreement with the major financial institution. Annual interest rate approximates 22.5% per annum and consists of two revolving line of credit accounts.	- 2,643	

Working capital loan agreement with a limited liability company domiciled in the state of New York. The working capital loan is secured by all the assets of the Company that is not secured by the first priority interest of the major financial institution line of credit facility as well as a personal guaranty by our CEO, Mr. Charles A Ross. The working capital loan requires payments of \$20,000 each for 64 weeks on the Friday following funding. The working capital loan is due and payable on July 5, 2024 with a final payment of \$20,000.

702,972

-

\$ 1,152,972

\$ 602,643

Total recorded as a current liability

\$ 1,152,972

\$ 602,643

On April 14, 2023, the Company entered into a \$1,000,000 Business Loan and Security Agreement (the "Secured Loan") with an accredited investor lending source (the "Lender"). Under the Secured Loan, the Company received the loan net of fees of \$20,000. The Secured Loan requires 64 weekly payments of \$20,000 each, for a total repayment of \$1,280,000. The Secured Loan bears interest at 41.4%. The Secured Loan is secured by all of the assets of the Company and its subsidiaries second to a first priority lien secured the holder of the Line of Credit. Furthermore, the Company's Chief Executive Officer, provided a personal guaranty for the Secured Loan. The Secured Loan provides for a default fee of \$15,000 for any late payments on the weekly payments. No prepayment of the loan is allowed as well as any default by the Company allows the Lender to take necessary actions to secure its collateral and recovery of funds. The Company was also required to pay a fee associated with the Lender and its introduction to the Company of \$80,000 to be made in equity of the Company at the time the loan was entered into. The Company issued 3,721 post-reverse stock split shares, which on the date of issuance had a value of approximately \$2,900. Since (2) the number of shares had been established of Common Stock issuable upon consummation of the loan but not valued or recorded on the books at the time, because of the leeway on grant date; total cost to the Company for the issuance of the 3,721 shares of common stock on the grant date was \$2,900 which was recorded to interest expense and attributable to the loan.

On July 1, 2023, the Company entered into an assignment and assumption loan agreement (the "Assumption Loan") with an accredited lender. Under the Assumption Agreement the Company agreed to pay \$150,000 immediately to the holder of the \$600,000 working capital loans that the Company had in place. The Assumption Agreement provided for the accredited lender, who effectively had the same management and ownership as the old working capital holders and assumed the debt instruments under the same terms and conditions and is due one year from the date of the Assumption Agreement, June 30, 2024 for one of the loans and the other loan (in the amount of \$150,000) is due and payable on December 31, 2023. The Company made a one-time payment of \$150,000 to the holder and was released from the prior obligations and the default status that it had been in with that holder since March 31, 2023.

On July 1, 2023 the Company received a release from the lender of the working capital loans that were in default since March 31, 2023, and the accredited lender of the new working capital loans paid the holder of the old working capital loans \$450,000 which required no additional working capital outlay from the Company. The terms of the new loan are 12% per annum and interest only payments that are due by last day of the quarter based on a calendar year. This reduces the Company's interest payments on the working capital loans (old) of \$600,000 from \$18,000 per quarter to just \$13,500 per quarter (for quarter ending December 31, 2023) and \$9,000 per quarter thereafter (for quarters ending March 31, 2024 and June 30, 2024).

During the nine months ending September 30, 2022, the Company repaid several short-term notes under similar terms as its other short-term notes totaling \$60,000. The notes were secured by a pledge of certain inventory items and the Company's Chief Executive Officer's personal guaranty.

During the nine months ending September 30, 2022, the Company repaid \$2,541,634 of these short-term notes and completed the conversion of short-term notes with a face value of \$1,950,224 along with accrued interest into shares of common stock with a fair value of \$2,803,632, resulting in a loss on extinguishment of \$1,376,756. The conversion into common stock was done in connection with our registered public offering in February 2022 for which we recognized a loss on extinguishment.

At September 30, 2023, and December 31, 2022, the outstanding balance due on all of the working capital notes payable was \$1,152,972 and \$602,643, respectively. These amounts do not include any interest payable on the various notes where interest was not paid in full per the terms of the notes.

NOTE 8 – GOODWILL AND ACQUISITION OF THE CHAMPION ENTITIES

Goodwill

Goodwill is initially recorded as of the acquisition date and is measured as any excess of the purchase price over the estimated fair value of the identifiable net assets acquired. Goodwill is not amortized, but rather is subject to impairment testing annually (on the first day of the fourth quarter), or between annual tests whenever events or changes in circumstances indicate that the fair value of a reporting unit may be below its carrying amount. We first perform a qualitative assessment to evaluate goodwill for potential impairment. If based on that assessment it is more likely than not that the fair value of the reporting unit is below its carrying value, a quantitative impairment test is necessary. The quantitative impairment test requires determining the fair value of the reporting unit. We use the income approach, whereby we calculate the fair value based on the present value of estimated future cash flows using a discount rate that approximates our weighted average cost of capital. The process of evaluating the potential impairment of goodwill is subjective and requires significant estimates and assumptions about the future such as sales growth, gross margins, employment costs, capital expenditures, inflation and future economic and market conditions. Actual future results may differ from those estimates. If the carrying value of the reporting unit's assets and liabilities, including goodwill, exceeds its fair value, impairment is recorded for the excess, not to exceed the total amount of goodwill allocated to the reporting unit.

As of September 30, 2023 and December 31, 2022, we had goodwill of \$4,525,000 and \$4,200,000, respectively, presented within other long-term assets in our condensed consolidated balance sheets, primarily related to our 2022 acquisition of Champion Entities. During the 3rd quarter of 2023, we performed a qualitative assessment of potential goodwill impairment and determined it was more likely than not that the fair value of our reporting units exceeded its carrying value. Accordingly, no further impairment testing of goodwill was performed, and we did not recognize any goodwill impairment for the nine months ending September 30, 2023.

The Company policy is to review its goodwill for impairment periodically (based on economic conditions) and more specifically in the 4th quarter of its financial reporting year and determine whether impairment is to be recognized within its condensed consolidated statement of operations. See Note 1, Summary of Significant Accounting Policies to our Annual Report filed on Form 10-K, for more information on impairment testing.

Business Combination Consideration

On June 29, 2022, the Company entered into a stock and membership interest purchase agreement with Champion Safe Co., Inc., Superior Safe, LLC, Safe Guard Security Products, LLC, Champion Safe De Mexico, S.A. de C.V. (the “Champion Entities” or “Champion”) and Mr. Ray Crosby (the “Seller”) (the “Champion Purchase Agreement”), pursuant to which the Company agreed to acquire all of the issued and outstanding capital stock and membership interests of the Champion Entities from the Seller.

The acquisition occurred on July 29, 2022. Under the terms of the Champion Purchase Agreement, the Company paid the Seller (i) cash consideration of approximately \$9,150,000, along with (ii) cash deposits in the amount of \$350,000, and (iii) reimbursed the Seller for approximately \$400,000 of agreed upon acquisitions and equipment purchases completed by the Seller and the Champion Entities since June 30, 2021. In addition to the payments to the Seller, the Company paid costs specifically associated with the acquisition of Champion and its integration of \$350,000; \$200,000 was paid to our investment banker in analyzing the acquisition and purchase of Champion as well as we paid \$150,000 to Champion’s independent PCAOB registered accounting firm to conduct a two year of audit and subsequent interim review report of their financial condition and reports.

During the nine months ended September 30, 2023 the Company received a claim for refund or right of repayment from the Seller of the Champion Entities with respect to the CARES Act tax credits income the Company received. The Company prior to September 30, 2023 settled the matter with the Seller and agreed to pay an additional \$325,000 to the Seller. This amount was not offset against the CARES Act tax credit income but increased the purchase price of the Champion Entities and increased our determined Goodwill value by \$325,000.

Accounting for the Business Combination

Under the acquisition method of accounting, the acquired tangible and intangible assets and assumed liabilities are recognized based on their estimated fair values as of the business combination closing date. Pro forma adjustments were preliminary and based on estimates of the fair value and useful lives of the assets acquired and liabilities assumed as of December 31, 2022 which have been prepared to illustrate the estimated effect of the business combination (see Note 15 – Pro Forma Condensed Combined Financial Information (Unaudited) to our Annual Report filed on Form 10-K).

The Company may recognize a negligible deferred tax benefit as a result of the acquisition. Due to the acquisition, a temporary difference between book and tax basis for the intangible assets acquired may result in a deferred tax liability and additional goodwill, which we believe to be negligible.

The acquisition was accounted for as a business combination in accordance with ASC 805. As such, the total purchase consideration was allocated to the assets acquired and liabilities assumed based on their fair values as of July 29, 2022. The purchase price allocation is dependent upon certain valuation and other studies that have not yet been completed, nor may never be completed. Accordingly, the pro forma purchase price allocation may be subject to further adjustments. There can be no assurances that additional analyses and final determination of valuations will result in a change to the estimates of fair value set forth below.

The following is the estimate of the fair value of the assets acquired, liabilities assumed, and ensuing goodwill identified, reconciled to the purchase price transferred:

Cash	\$ -
Accounts receivable	1,337,130
Inventory	5,229,426
Fixed assets	473,326
Deposits and other assets	53,977
Customer list and other intangibles**	637,515
Accounts payable	(1,609,657)
Accrued expenses and other	(84,297)
Goodwill	4,525,000
Consideration	<u>\$ 10,562,420</u>
Consideration:	
Payments of cash direct to Seller	\$ 8,455,177
Additional payments of cash to Seller in 2023	275,000
Amounts due on accounts payable to Seller (over the next 12 months)	50,000
Debt payments on behalf of Seller - guarantor	1,442,243
Payments to various service providers	340,000
	<u>\$ 10,562,420</u>

The Company's estimates of fair values of the net assets acquired are based on the information that was available at the date of the acquisition, and the Company may continue to evaluate the underlying inputs and assumptions used in its valuations and would be subject to change. Preliminary estimates are subject to change during the measurement period, which we have determined to be one year from the date of the acquisition, which is July 29, 2023. (**- Customer lists and other intangibles are combined with goodwill at the end of each period and evaluated as to fair value. At September 30, 2023 and December 31, 2022, it was determined that total intangible assets (which includes goodwill) had a fair value of \$4.5 million and \$4.2 million, respectively).

NOTE 9 – INCOME TAXES

At September 30, 2023 and December 31, 2022, the Company had a net operating loss carryforward of \$37,723,739 and \$34,112,810, respectively, which begins to expire in 2034.

Components of net deferred tax asset, including a valuation allowance, are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
	(unaudited)	(audited)
Deferred tax asset:		
Net operating loss carryforward	\$ 7,922,000	\$ 7,163,690
Total deferred tax asset	<u>7,922,000</u>	<u>7,163,690</u>
Less: Valuation allowance	<u>(7,922,000)</u>	<u>(7,163,690)</u>

Net deferred tax asset	\$	-	\$	-
Valuation allowance for deferred tax assets as of September 30, 2023, and December 31, 2022, was \$7,922,000 and \$7,163,690, respectively. In assessing the recovery of the deferred tax asset, management considers whether it is more likely than not that some portion or the entire deferred tax asset will not be realized. The ultimate realization of the deferred tax asset is dependent upon the generation of future taxable income in the periods in which those temporary differences become deductible. Management considers the scheduled reversals of future deferred tax assets, projected future taxable income, and tax planning strategies in making this assessment. As a result, management determined it was more likely than not deferred tax assets will not be realized as of September 30, 2023, and December 31, 2022, and recognized 100% valuation allowance for each period.				

Reconciliation between the statutory rate and the effective tax rate for both periods and as of September 30, 2023 and December 31, 2022:

Federal statutory rate	(21.0)%
State taxes, net of federal benefit	(0.0)%
Change in valuation allowance	21.0%
Effective tax rate	0.0%

On August 16, 2022, the Inflation Reduction Act of 2022 ("the 2022 act") was signed into law. The 2022 act contains numerous provisions, including a 15% corporate alternative minimum income tax on "adjusted financial statement income", expanded tax credits for clean energy incentives and a 1% excise tax on corporate stock repurchases. The provisions of the 2022 act become effective for tax years beginning after December 31, 2022. On December 27, 2022, the IRS and Department of Treasury issued initial guidance for taxpayers subject to the corporate alternative minimum tax. The guidance addresses several, but not all, issues that needed clarification. The IRS and Department of Treasury intend to release additional guidance in the future. We will continue to evaluate the impact of the 2022 act as more guidance becomes available. We currently do not expect an impact on our consolidated financial statements.

NOTE 10 – SHARE CAPITAL

The Company is authorized to issue 600,000,000 shares of its \$0.001 par value common stock and 10,000,000 shares of its \$0.001 par value preferred stock.

On June 27, 2023, the Company effectuated a reverse split of its issued and outstanding shares of common stock at a ratio of 1-for-25. The share numbers and pricing information in this report are adjusted to reflect the reverse stock split as of September 30, 2023.

Common stock and preferred stock

For the month of February 2022, the following transactions occurred: On February 3, 2022, multiple Series B Convertible Preferred stockholders converted 201,358 shares of their Series B Convertible preferred stock to 10,068 shares of common stock of the Company. On February 3, 2022, the Company converted two outstanding notes into 7,443 shares of common stock of the Company. On February 10, 2022, the Company received an equity investment of \$10,500,000 to purchase 101,205 shares of the Company's common stock through a registered public offering at \$103.75 per share.

For the month of July 2022 the following transactions occurred: On July 12, 2022, we entered into a PIPE transaction with Armistice Capital Master Fund Ltd. ("Armistice Capital") for the purchase and sale of \$12,887,976.31 of securities, consisting of (i) 20,372 shares of common stock at \$27.75 per share, (ii) prefunded warrants (the "Prefunded Warrants") that are exercisable into 448,096 shares of common stock (the "Prefunded Warrant Shares") at \$27.50 per Prefunded Warrant, and (iii) immediately exercisable warrants to purchase up to 936,937 shares of common stock at an initial exercise price of \$21.50 per share and will expire five years from the date of issuance.

For the month of August 2022, the following transactions occurred: On August 22, 2022, 4,000 shares of common stock were issued in return for services as a component of a February 2022 services agreement. During the month of August 2022, Armistice Capital exercised 17,618 Prefunded Warrants. Along with the exercise notice and payment of \$4,404.41, 17,618 shares of common stock were issued.

For the month of September 2022, the following transactions occurred: During the month of September 2022, Armistice Capital exercised 107,318 Prefunded Warrants. Along with several exercise notices and payments totaling \$26,829.60, 107,318 shares of common stock were issued.

For the month of October 2022, the following transactions occurred: During the month of October 2022, Armistice Capital exercised 323,160 Prefunded Warrants. Along with several exercise notices and payments totaling \$80,790.00, 323,160 shares of common stock were issued.

For the month of November 2022, the following transactions occurred: During the month of November 2022, Calvary Fund exercised 15,099 Calvary Warrants (see Note 11 – Warrants and Options). Along with an exercise notice and payment totaling \$3,774.84, 15,099 shares of common stock were issued.

For the month of June 2023 the following transactions occurred: On June 27, 2023, we entered into a PIPE transaction with Armistice Capital for the purchase and sale of \$2,993,850.63 of securities, consisting of (i) 71,499 shares of common stock at \$4.37 per share, (ii) prefunded warrants (the "2023 Prefunded Warrants") that are exercisable into 615,000 shares of common stock (the "2023 Prefunded Warrant Shares") at \$4.37 per Prefunded Warrant, and (iii) immediately exercisable warrants to purchase up to 686,499 shares of common stock at an initial exercise price of \$4.24 per share and will expire five years from the date of issuance.

For the month of July 2023, the following transactions occurred: Approximately 1,488,615 shares of the Company's common stock were issued pursuant to the 100-share lot roundup caused by the reverse stock split on June 27, 2023. The Depository Trust and Clearing Corporation (the "DTCC") which handles the clearing and settlement of virtually all broker-to-broker equity, listed corporate and municipal bond and unit investment trust (UIT) transactions in the U.S. equities markets submitted numerous requests for share allocations. In connection with the Company's June 27, 2023 1-for-25 reverse split DTCC made these requests. An additional 1.488 million shares of the Company's common stock were newly issued and added to its post-reverse stock split numbers. As described in the Company's Information Statement filed on Schedule 14C dated December 14, 2022, shareholders holding at least a "round lot" (100 shares or more) prior to the reverse stock split shall have no less than one round lot (100 shares) after the reverse stock split.

Pursuant to the PIPE transaction 71,499 shares of common stock were issued to Armistice Capital. The 2023 Prefunded Warrants held by Armistice Capital were not exercised for the month of July.

For the month of August 2023, the following transactions occurred: On August 21, 2023 245,000 of the 2023 Prefunded Warrants were exercised. Along with an exercise notice and payment totaling \$2,450.00, 245,000 shares of common stock were issued.

For the month of September 2023, the following transactions occurred: On September 8, 2023, the Company, entered into an inducement offer letter agreement (the "Inducement Letter") with Armistice Capital the holders of existing common stock purchase warrants to purchase shares of common stock of the Company. The existing common stock purchase warrants were issued on July 8, 2022 and June 28, 2023 and had an exercise price of \$4.37 and \$4.24, respectively per share.

Pursuant to the Inducement Letter, Armistice Capital agreed to exercise for cash their existing common stock purchase warrants to purchase an aggregate of 2,988,687 shares of the Company's common stock at a reduced exercise price of \$1.10 per share in consideration for the Company's agreement to issue new common stock purchase warrants (the "New Warrants"), to purchase up to 5,977,374 shares of the Company's common stock (the "New Warrant Shares"). The Company received aggregate gross proceeds of approximately \$3,287,555.70 from the exercise of the existing common stock purchase warrants by Armistice Capital. Armistice Capital received 2 New Warrant for each existing common stock purchase warrant that they exercised. No compensation or expense was recognized as the repricing of the existing common stock purchase warrants was in excess of the current market price of the Company's common stock, and the New Warrants were not compensatory as well due to the market conditions. The Company issued 2,988,687 shares of the Company's common stock, of which 2,242,000 shares of common stock are held in reserve by the Company's transfer agent. Armistice Capital Fund Ltd. is limited to total ownership at one time to be no more than 9.99% of the Company's issued and outstanding common stock. Armistice Capital took ownership and possession of 356,687 shares of common stock (September 21st) and 390,000 shares of common stock (September 12th), representing less than 9.99% ownership interest by Armistice Capital on such dates.

On September 8, 2023 370,000 of the 2023 Prefunded Warrants were exercised. Along with an exercise notice and payment totaling \$3,700.00, 370,000 shares of common stock were issued. On September 19, 2023 the Company issued 6,391 shares of common stock pursuant to the Company's 2019 LTIP equity plan. The shares were valued at \$4,984.98 with a per share value of \$0.78 which was the Company's common stock closing market price on the grant date and date of issuance. Approximately 3,954 shares of common stock were issued to Mr. Ross our CEO and 2,237 shares of common stock were issued to Mr. Grau our COO and interim CFO pursuant to the LTIP plan. Additionally, September 19, 2023 3,721 shares of common stock were granted and issued to a vendor associated with our current working capital loan. The shares were valued at \$2,902.38 with a per share value of \$0.78 on that date. On September 20, 2023 the Company issued 24,129 shares of common stock pursuant to the Company's board compensation plan. The shares were valued at \$18,096.75 with a per share value of \$0.75 which was the Company's common stock closing market price on the grant date and date of issuance. The Company recognized approximately \$228,000 in gain on settlement of debt through the issuance of common stock on this date.

At September 30, 2023 and December 31, 2022, there were 5,875,263 and 677,221 shares of common stock issued and outstanding, respectively; and 75,143 and 75,143 shares of Series B preferred stock issued and outstanding, respectively, and 100,000 and 100,000 shares of its Series A preferred stock issued and outstanding, respectively.

See Note 15 – Subsequent Events, the Company on October 31, 2023, approved amending and restating the certificate of designation of the Company's Series A Convertible Preferred Stock to increase the number of shares from 100,000 to 150,000 and allow for the conversion of the Series A Preferred Stock under certain circumstances portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and vesting requirements. On November 3, 2023, its affiliates of more than 4.99% of the Company approved outstanding shares of Common Stock. For purposes of the designation of a new Series C Convertible Cumulative Preferred Stock (the "Series C Designation"). The rights, preferences, restrictions and other matters relating proviso to the Series C Convertible Cumulative Preferred Stock (the "Series C Preferred Stock") are further described in Note 15 – Subsequent Events.

NOTE 11 – WARRANTS AND OPTIONS

On February 10, 2022, the Company received an equity investment of \$10,500,000 to purchase 101,205 shares of the Company's common stock through a registered public offering at \$103.75 per share. Along with the issuance of the shares of common stock, the Company issued immediately exercisable warrants (the "Uplist Warrants") to purchase up to 101,205 shares of common stock with an exercise price of \$129.6875 per warrant and will expire five years from the date of issuance. Commensurate with the February 10, 2022 offering the Company issued to its underwriters immediately exercisable warrants to purchase up to 15,181 shares of common stock with an exercise price of \$129.6875 per warrant and will expire five years from the date of issuance. On July 8, 2022, the Company issued a dilutive issuance notice that preceding sentence, beneficial ownership shall be determined in accordance with Section 3(b) of the Uplist Warrants, upon closing of the July 12, 2022 PIPE transaction, the exercise price of the Uplist Warrants shall be reduced from the current exercise price of \$129.6875 to \$50.25.

On February 11, 2022, we entered into a transaction with Calvary Fund, the provider of our 2021 bridge financing for the retirement of its debt instrument, principal and interest with a combined value of \$1,566,659.00 through the issuance of securities, consisting of (i) prefunded warrants (the "Calvary Warrants") that are exercisable into 15,099 shares of common stock (the "Calvary Warrant Shares") at \$103.75 per Calvary Warrant, and (iii) immediately exercisable Uplist Warrants to purchase up to 15,099 shares of common stock with an exercise price of \$129.6875 per warrant and will expire five years from the date of issuance. On July 8, 2022, the Company issued a dilutive issuance notice that in accordance with Section 3(b) of the Uplist Warrants, upon closing of the July 12, 2022 PIPE transaction, the exercise price of the Uplist Warrants shall be reduced from the current exercise price of \$129.6875 to \$50.25.

On July 12, 2022, we entered into a PIPE transaction with Armistice Capital for the purchase and sale of \$12,887,976.31 of securities, consisting of (i) 20,372 shares of common stock at \$27.75 per share, (ii) prefunded warrants (the "Prefunded Warrants") that are exercisable into 448,096 shares of common stock (the "Prefunded Warrant Shares") at \$27.50 per Prefunded Warrant, and (iii) immediately exercisable warrants to purchase up to 936,937 shares of common stock with an exercise price of \$21.50 per warrant and will expire five years from the date of issuance. As part of the June 27, 2023 transaction with Armistice the Company was required along with its transaction an additional 1,365,251 immediately exercisable warrants to purchase up to 1,365,251 shares of common stock with an exercise price of \$21.50 per warrant and will expire five years from the original date.

On June 27, 2023, we entered into a PIPE transaction with Armistice Capital for the purchase and sale of \$2,993,850.63 of securities, consisting of (i) 71,499 shares of common stock at \$4.37 per share, (ii) prefunded warrants (the "2023 Prefunded Warrants") that are exercisable into 615,000 shares of common stock (the "2023 Prefunded Warrant Shares") at \$4.37 per Prefunded Warrant, and (iii) immediately exercisable warrants to purchase up to 686,499 shares of common stock at an initial exercise price of \$4.24 per share and will expire five years from the date of issuance. The 686,499 warrants were repriced to \$1.10 per share as part of the Inducement Letter and exercise terms with Armistice Capital.

On September 8, 2023, the Company, entered into an inducement offer letter agreement with Armistice Capital the holders of existing common stock purchase warrants to purchase shares of common stock of the Company. The existing common stock purchase warrants were issued on July 8, 2022 and June 28, 2023 and had an exercise price of \$4.37 and \$4.24, respectively per share.

Pursuant to the Inducement Letter, Armistice Capital agreed to exercise for cash their existing common stock purchase warrants to purchase an aggregate of 2,988,687 shares of the Company's common stock at a reduced exercise price of \$1.10 per share in consideration for the Company's agreement to issue new common stock purchase warrants (the "New Warrants"), to purchase up to 5,977,374 shares of the Company's common stock (the "New Warrant Shares"). The Company received aggregate gross proceeds of approximately \$3,287,555.70 from the exercise of the existing common stock purchase warrants by Armistice Capital. Armistice Capital received 2 New Warrant for each existing common stock purchase warrant that they exercised. No compensation or expense was recognized as the repricing of the existing common stock purchase warrants was in excess of the current market price of the Company's common stock, and the New Warrants were not compensatory as well due to the market conditions. The Company issued 2,988,687 shares of the Company's common stock, of which 2,242,000 shares of common stock are held in reserve by the Company's transfer agent. Armistice Capital Fund Ltd. is limited to total ownership at one time to be no more than 9.99% of the Company's issued and outstanding common stock. Armistice Capital took ownership and possession of 356,687 shares of common stock (September 21st) and 390,000 shares of common stock (September 12th), representing less than 9.99% ownership interest by Armistice Capital on such dates. The common stock purchase warrants that were induced into being exercised were all held by Armistice Capital and consisted of the July 12, 2022 immediately exercisable warrants with an exercise price of \$21.50, the additional issuance of warrants to Armistice Capital that contractually were part of the July 12, 2022 issuance but were triggered by the June 27, 2023 offering that occurred with Armistice Capital and resulting in an additional 1,365,251 immediately exercisable warrants with an exercise price of \$21.50, along with 686,499 immediately exercisable warrants with an exercise price of \$4.24 that were issued on June 27, 2023.

On August 21, 2023 245,000 of the 2023 Prefunded Warrants were exercised. Along with an exercise notice and payment totaling \$2,450.00, 245,000 shares of common stock were issued. On September 8, 2023 370,000 of the 2023 Prefunded Warrants were exercised. Along with an exercise notice and payment totaling \$3,700.00, 370,000 shares of common stock were issued. A total of 615,000 2023 Prefunded Warrants were exercised along with 746,687 warrants per the Inducement Letter.

As of December 31, 2022, no Prefunded Warrants remained issued and outstanding with respect to the July PIPE transaction. The Prefunded Warrants were purchased in their entirety by the holders of the warrants for \$27.50 per warrant. The Prefunded Warrants required the payment of an additional \$0.25 per warrant and the written notice of exercise to the Company to convert the Prefunded Warrant into one share of common stock of the Company. During the period from July 12, 2022 through December 31, 2022, the Company received notice on 448,096 Prefunded Warrants converting into 448,096 shares of common stock.

Calvary Fund exercised all of its Calvary Warrants by November 30, 2022 requiring the payment of an additional \$0.25 per warrant and the written notice of exercise to the Company to convert the Calvary Warrant into one share of common stock of the Company. Calvary Fund continues to hold the 15,099 warrants exercisable at a price of \$50.25 per warrant.

Along with the Prefunded Warrants the PIPE investors were issued immediately exercisable warrants to purchase up to 936,937 shares of the Company's common stock with an exercise price of \$21.50 per share expiring five years from the date of issuance, or July 11, 2027. Each Prefunded Warrant and share of common stock issued in the PIPE transaction received two warrants that were exercisable at \$21.50 per share with a five-year expiry. None of these warrants have been exercised by the holders. These warrants were repriced to \$1.10 per share as part of the Inducement Letter and exercise agreement by Armistice Capital.

As of December 31, 2022, there were 1,096,455 warrants issued and outstanding to acquire additional shares of common stock. As of September 30, 2023, there were 6,136,892 warrants issued and outstanding to acquire additional shares of common stock.

The Company evaluates outstanding warrants as derivative liabilities and will recognize any changes in the fair value through earnings. The Company determined that the warrants have an immaterial fair value at December 31, 2022 and September 30, 2023. The warrants do not trade in a highly active securities market, and as such, the Company estimated the fair value of these common stock equivalents using Black-Scholes and the following assumptions:

Expected volatility was based primarily on historical volatility. Historical volatility was computed using daily pricing observations for recent periods. The Company believes this method produced an estimate that was representative of the Company's expectations of future volatility over the expected term which due to their maturity period as expiry, it was three years. The Company had no reason to believe future volatility over the expected remaining life of these common stock equivalents was likely to differ materially from historical volatility. Expected life was based on three years due to the expiry of maturity. The risk-free rate was based on the U.S. Treasury rate that corresponded to the expected term of the common stock equivalents.

	September 30, 2023	December 31, 2022
	(unaudited)	(audited)
Stock Price	\$ 0.70	\$ 4.75
Exercise Price	\$ 1.10	\$ 21.50
Term (expected in years)	3.2	4.5
Volatility	40.12 %	38.14 %
Annual Rate of Dividends	0.0 %	0.0 %
Risk Free Rate	5.46 %	4.69 %

Stock Purchase Warrants

The following table summarizes all warrant activity for the year ended December 31, 2022, and for the nine months ended September 30, 2023.

	Shares	Weighted-Average Exercise Price Per Share	Remaining term	Intrinsic value
Outstanding and Exercisable at December 31, 2021				
Granted	28,072	\$ 220.00	2.95 years	-
Granted in Debt Conversion	116,386	\$ 50.25	5.00 years	-
Granted Prefunded Warrants	15,099	\$ 50.25	5.00 years	-
Granted in PIPE transaction	463,195	\$ 0.25	5.00 years	-
Exercised	936,937	\$ 21.50*	5.00 years	-
Expired	(463,195)	\$ 0.25	-	-
	<u>(39)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outstanding and Exercisable at December 31, 2022 (audited)				
Granted Prefunded Warrants	1,096,455	\$ 30.05	4.95 years	-
Granted in PIPE transaction	615,000	\$ 4.37	5.00 years	-
Granted pursuant to repricing transaction	686,499	\$ 4.24*	5.00 years	-
Granted pursuant to Inducement Agreement – New Warrants	1,365,251	\$ 1.10*	4.00 years	-
Exercised	5,977,374	\$ 1.10	5.00 years	-
Expired	(3,603,687)	\$ 0.88	5.00 years	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outstanding and Exercisable at September 30, 2023 (unaudited)				
	<u>6,136,892</u>	<u>\$ 3.15</u>	<u>4.70 years</u>	<u>-</u>

*Pursuant to the Inducement Agreement the following warrants were repriced with an exercise price of \$1.10 per warrant.

NOTE 12 – LEASES AND LEASED PREMISES

Rental Payments under Non-cancellable Operating Leases and Equipment Leases

The Company through its purchase of Champion acquired several long term (more than month-to-month) leases for two manufacturing facilities, three office spaces, five distribution centers and five retail spaces. Four of its distribution centers also have retail operations for which it leases facilities. Lease terms on the various spaces' expiry from a month-to-month lease (30 days) to a long-term lease expiring in March of 2027.

Rent expense for operating leases totaled approximately \$630,000 and \$300,000 for the nine months ended September 30, 2023, and 2022, respectively.

The Company does not have any equipment leases whereby we finance this equipment needed for operations at competitive finance rates. New equipment to be financed in the near term, if necessary, may not be obtainable at competitive pricing with increasing interest rates.

Rental equipment expense for finance leases totaled approximately \$0 and \$0 for the nine months ended September 30, 2023, and 2022, respectively.

Right of Use Assets and Lease Liabilities

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The standard requires lessees to recognize almost all leases on the balance sheet as a Right-of-Use ("ROU") asset and a lease liability and requires leases to be classified as either an operating or a finance type lease. The standard excludes leases of intangible assets or inventory. The standard became effective for the Company beginning January 1, 2019. The Company adopted ASC 842 using the modified retrospective approach, by applying the new standard to all leases existing at the date of initial application. Results and disclosure requirements for reporting periods

beginning after January 1, 2019, are presented under ASC 842, while prior period amounts have not been adjusted and continue to be reported in accordance with our historical accounting under ASC 840. The Company elected the package of practical expedients permitted under the standard, which also allowed the Company to carry forward historical lease classifications. The Company also elected the practical expedient related to treating lease and non-lease components as a single lease component for all equipment leases as well as electing a policy exclusion permitting leases with an original lease term of less than one year to be excluded from the ROU assets and lease liabilities.

Under ASC 842, the Company determines if an arrangement is a lease at inception. ROU assets and liabilities are recognized at commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. As most of the Company's leases do not provide an implicit rate, the Company estimated the incremental borrowing rate in determining the present value of lease payments. The ROU asset also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

On January 1, 2019, the Company adopted ASC 842 which increases transparency and comparability by recognizing a lessee's rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. ASC 842 requires the recognition of the right-of-use ("ROU") assets and related operating and finance lease liabilities on the balance sheet. The Company adopted the new guidance using the modified retrospective approach with a cumulative-effect adjustment recorded on January 1, 2019.

The adoption of ASC 842 resulted in the recognition of ROU assets of \$0 and lease liabilities for operating leases of \$0 on the Company's condensed consolidated balance sheet as of January 1, 2019, with no material impact to its condensed consolidated statements of operations. The difference between the ROU assets and the operating lease liability represents the reclassification of (i) deferred rent balances, resulting from the historical operating leases, and (ii) certain accrued restructuring liabilities. The Company's accounting for finance leases remained substantially unchanged from its accounting for capital leases in prior periods. The Company elected the package of practical expedients permitted within the standard, which allow an entity to forgo reassessing (i) whether a contract contains a lease, (ii) classification of leases, and (iii) whether capitalized costs associated with a lease meet the definition of initial direct costs. Also, the Company elected the expedient allowing an entity to use hindsight to determine the lease term and impairment of ROU assets and the expedient related to land easements which allows the Company not to retrospectively treat land easements as leases; however, the Company must apply lease accounting prospectively to land easements if they meet the definition of a lease.

For contracts entered into on or after the effective date, at the inception of a contract the Company will assess whether the contract is, or contains, a lease. The Company's assessment is based on: (i) whether the contract involves the use of a distinct identified asset, (ii) whether the Company obtained the right to substantially all the economic benefit from the use of the asset throughout the period, and (iii) whether the Company has the right to direct the use of the asset. Leases entered into prior to January 1, 2019, are accounted for under ASC 840 and were not reassessed for classification.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases, and is subsequently measured at amortized cost using the effective interest method. The Company generally uses its incremental borrowing rate as the discount rate for leases, unless an interest rate is implicitly stated in the lease. The lease term for all of the Company's leases includes the noncancelable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise, or an option to extend the lease controlled by the lessor. All ROU assets are reviewed for impairment.

Lease expense for operating leases consists of the lease payments plus any initial direct costs, net of lease incentives, and is recognized on a straight-line basis over the lease term. Lease expense for finance leases consists of the amortization of the asset on a straight-line basis over the earlier of the lease term or its useful life and interest expense determined on an amortized cost basis. The lease payments are allocated between a reduction of the lease liability and interest expense.

The Company's operating leases are comprised primarily of facility leases and as such we have no finance leases for our vehicles or equipment currently at this time.

Balance sheet information related to our leases is presented below:

	Balance Sheet location	September 30,	
		2023	2022
<i>Operating leases:</i>			
Right-of-use lease assets	Right-of-use operating lease assets	\$ 1,237,618	\$ -
Right-of-use lease liability, current	Other current liabilities	798,136	-
Right-of-use lease liability, long-term	Right-of-use operating lease liability	439,482	-
<i>Finance leases:</i>			
Right-of-use lease assets	Property, plant and equipment	-	-
Right-of-use lease liability, current	Current portion of long-term debt	-	-
Right-of-use lease liability, long-term	Long-term debt	-	-

The following provides details of the Company's lease expense:

	Nine Months Ended September 30,	
	2023	2022
Operating lease expense, net	\$ 632,420	\$ -
Finance lease expense:		
Amortization of assets	-	-
Interest on lease liabilities	-	-
Total finance lease expense	-	-
Operating lease expense, net	\$ 632,420	\$ -

Other information related to leases is presented below:

	2023	2022
Right-of-use assets acquired in exchange for operating lease obligations	\$ 1,237,618	\$ -
Cash Paid for Amounts Included in Measurement of Liabilities:		
Operating cash flows from finance leases	-	-
Operating cash flows from operating leases	739,710	-
Weighted Average Remaining Lease Term:		
Operating leases	2.7 years	0.0 years
Finance leases	0.0 years	0.0 years
Weighted Average Discount Rate:		
Operating leases	5.00 %	5.00 %
Finance leases	n/a %	n/a %

The minimum future annual payments under non-cancellable leases during the next five years and thereafter, at rates now in force, are as follows:

	Finance leases	Operating leases
2023 (three months remaining)	\$ -	\$ 265,965
2024	-	688,526
2025	-	163,794
2026	-	62,792
2027	-	3,733
Thereafter	-	-
Total future minimum lease payments, undiscounted	-	1,184,810
Less: Imputed interest	(-)	(46,410)
Present value of future minimum lease payments	\$ -	\$ 1,138,330

Rental expense totaled approximately \$630,000 and \$300,000 for the nine months ended September 30, 2023 and 2022, respectively.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

During the nine-month periods ended September 30, 2023 and 2022, various claims and lawsuits, incidental to the ordinary course of our business, may be brought against the Company from time-to-time. In the opinion of management, and after consultation with legal counsel, resolution of any of these matters (of which there are none) is not expected to have a material effect on the condensed consolidated financial statements.

Contractual Obligations

The Company does not believe there are any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on the condensed consolidated financial statements. As of September 30, 2023 and December 31, 2022 there was approximately \$0 and \$0, respectively, in outstanding letters of credit issued during the normal course of business. These letters of credit could reduce our available borrowings, if we had any. During the nine months ended September 30, 2023 the Company entered into a line of credit with a major financial institution. The amount due on the line of credit as of September 30, 2023 was \$1,689,163. The Company is in compliance with the terms and covenants.

Executive Employment Agreements and Independent Contractor Agreements

The Company has written employment agreements with various other executive officers. All payments made to its executive officers and significant outside service providers are analyzed and determined by the board of directors' compensation committee; some payments made to independent contractors (or officer payments characterized as non-employee compensation) may be subject to backup withholding or general withholding of payroll taxes, may make the Company responsible for the withholding and remittance of those taxes. Generally outside service providers are responsible for their own withholding and payment of taxes. Certain state taxing authorities may otherwise disagree with that analysis and Company policy.

NOTE 14 – OTHER INCOME – EMPLOYEE RETENTION CREDIT

The Company retained the services of a tax service professional to provide the Company with the specialized tax services. The services included identifying various tax initiatives as well as specifically tasking the tax service professional in applying for and the tax filings for (tax) credits available under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Company received approximately \$1,286,000 in tax credits under the CARES Act from the US Department of Treasury and paid approximately \$178,500 to the service provider, netting the Company approximately \$1,107,500 in credits for retaining its employees during COVID.

NOTE 15 – SUBSEQUENT EVENTS

The Company evaluated all events that occurred after the balance sheet date of September 30, 2023, through the date the financial statements were issued and determined that there were the following subsequent events:

On October 31, 2023, the Company approved amending and restating the certificate of designation of the Company's Series A Convertible Preferred Stock to increase the number of shares from 100,000 to 150,000 and allow for the conversion of the Series A Preferred Stock under certain circumstances and vesting requirements.

On November 3, 2023, the Company's board of directors approved the designation of a new Series C Convertible Cumulative Preferred Stock (the "Series C Designation"). The rights, preferences, restrictions and other matters relating to the Series C Convertible Cumulative Preferred Stock (the "Series C Preferred Stock") are as follows:

- The Series C Preferred Stock ranks, as to dividend rights and rights upon liquidation, dissolution, or winding up, junior to the Company's Series A Preferred Stock and senior to its Common Stock and Series B Preferred Stock. The terms of the Series C Preferred Stock do not limit the Company's ability to (i) incur indebtedness or (ii) issue additional equity securities that are equal or junior in rank to the shares of its Series C Preferred Stock as to distribution rights and rights upon liquidation, dissolution or winding up.
- Each share of Series C Preferred Stock has an initial stated value of \$7.50, subject to appropriate adjustment in relation to certain events, such as recapitalizations, stock dividends, stock splits, stock combinations, reclassifications or similar events affecting the Series C Preferred Stock.

- Dividends on the Series C Preferred Stock are cumulative and payable quarterly in arrears to all holders of record on the applicable record date. Holders of Series C Preferred Stock are entitled to receive cumulative quarterly dividends at a per annum rate of 8.53% of the stated value (or \$0.16 per share per quarter based on the liquidation preference per share); provided that upon an event of default (generally defined as the Company's failure to pay dividends when due or to redeem shares when requested by a holder), such amount shall be increased to \$0.225 per quarter, which is equivalent to the annual rate of 12% of the \$7.50 liquidation preference per share. In the Company's sole discretion, dividends may be paid in cash or in kind in the form of Common Stock equal to the closing price of Common Stock on the last day of the quarter. Dividends on each share begin accruing on, and are cumulative from, the date of issuance and regardless of whether the Board declares and pays such dividends. Dividends on shares of Series C Preferred Stock will continue to accrue even if any of the Company's agreements prohibit the current payment of dividends or it does not have earnings.

- Upon a liquidation, dissolution or winding up of the Company, holders of shares of Series C Preferred Stock are entitled to receive, before any payment or distribution is made to the holders of Common Stock or Series B Preferred Stock and on a *junior* basis with holders of Series A Preferred Stock, a liquidation preference equal to the stated value per share, plus accrued but unpaid dividends thereon (whether or not declared).
- The Company may redeem the shares of Series C Preferred Stock, in whole or in part at any time after the fifth anniversary of the initial closing of offering selling such shares and continuing indefinitely thereafter, at the Company's option, for cash, at \$11.25 per share of Series C Preferred Stock, plus any accrued and unpaid dividends.
- Once per calendar quarter beginning any time after the fifth-year anniversary of date of issuance, a Holder of record of shares of Series C Preferred Stock may elect to cause the Company to redeem all or any portion of their shares of Series C Preferred Stock for an amount equal to \$11.25 per share plus any accrued and unpaid dividends, which amount may be settled by delivery of cash or shares of Common Stock, at the option of the holder. If the holder elects settlement in shares of Common Stock, the Company will deliver such number of shares of Common Stock equal to \$11.25 per share of Series C Preferred Stock to be redeemed plus any accrued and unpaid dividends corresponding to the redeemed shares, divided by \$2.25 per share (subject to pro rata adjustment in connection with any stock splits, stock dividends, or similar changes to the Company's capitalization occurring after the date of this Certificate), with any fraction rounded up to the next whole share of Common Stock. A holder making such election shall provide written notice thereof to the Company specifying the name and address of the holder, the number of shares to be redeemed and whether settlement shall be in cash or shares of Common Stock. The Company shall redeem the specified shares of Series C Preferred Stock for shares of Common Stock no later than ten (10) days, or for cash no later than 365 days, following receipt of such notice.
- The Company is not be obligated to redeem or repurchase shares of Series C Preferred Stock if it is restricted by applicable law or its articles of incorporation from making such redemption or repurchase or to the extent any such redemption or repurchase would cause or constitute a default under any borrowing agreements to which it or any of its subsidiaries are a party or otherwise bound. In addition, the Company has no obligation to redeem shares in connection with a redemption request made by a holder if it determines, as of the redemption date, that it does not have sufficient funds available to fund that redemption. In this regard, the Company will have complete discretion under the certificate of designation for the Series C Preferred Stock to determine whether it is in possession of "sufficient funds" to fund a redemption request. Redemptions will be limited to five percent (5%) of the total outstanding shares of Series C Preferred Stock per quarter. To the extent the Company is unable to complete redemptions it may have earlier agreed to make, the Company will complete those redemptions promptly after it becomes able to do so, with all such deferred redemptions being satisfied on a first come, first served, basis.
- The Series C Preferred Stock has no voting rights relative to matters submitted to a vote of the Company's stockholders (other than as required by law). The Company may not authorize or issue any class or series of equity securities ranking senior to the Series C Preferred Stock as to dividends or distributions upon liquidation (including securities convertible into or exchangeable for any such senior securities) or amend its articles of incorporation (whether by merger, consolidation, or otherwise) to materially and adversely change the terms of the Series C Preferred Stock without the affirmative vote of at least two-thirds of the votes entitled to be cast on such matter by holders of the Company's outstanding shares of Series C Preferred Stock, voting together as a class.
- The Company will not be required to redeem shares of Series C Preferred Stock at any time except as otherwise described above. Accordingly, the shares of Series C Preferred Stock will remain outstanding indefinitely, unless the Company decides, at its option, to exercise its call right, or the holder of the Series C Preferred Stock exercises their put right. The shares of Series C Preferred Stock will not be subject to any sinking fund.
- Each share of Series C Preferred Stock shall be convertible into shares of Common Stock at a price per share of \$1.50 (1 share of Series C Preferred Stock converts into 5 shares of Common Stock), at the option of the holder thereof, at any time following the issuance date of such share of Series C Preferred Stock and on or prior to the fifth (5th) day prior to a redemption date, if any, as may have been fixed in any redemption notice with respect to the shares of Series C Preferred Stock, at the Company's office or any transfer agent for such stock.

FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Quarterly Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso. The beneficial ownership limitations on conversion as set forth in the section may NOT be waived by the Holder. These forward-looking statements are not historical facts but rather are based on the number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on current expectations, estimates and projections. We may use words such as the date specified in the notice of conversion, in the form attached hereto as "may," "could," "should," "anticipate," "expect," "project," "position," "intend," "target," "plan," "seek," "believe," "foresee," "outlook," "estimate" and variations of Exhibit B (the "Notice of Conversion") to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted. These risks and uncertainties include, but are not limited to ("Conversion"), delivered to the following:

- we recently consummated the purchase of our safe manufacturer and sales organizations, and future acquisitions and operations of new manufacturing facilities and/or sales organizations might prove unsuccessful and could fail;
- our success depends on our ability to introduce new products that track customer preferences;
- if we are unable to protect our intellectual property, we may lose a competitive advantage or incur substantial litigation costs to protect our rights;
- as a significant portion of our revenues are derived from Borrower by demand for our safes and the personal security products for firearms storage, we depend on the availability and regulation of ammunition and firearm storage;
- as we continue to integrate the purchase of our safe manufacturer and sales organization, any compromised operational capacity may affect our ability to meet the demand for our safes, which in turn may affect our generation of revenue;
- shortages of components and materials, as well as supply chain disruptions, may delay or reduce our sales and increase our costs, thereby harming our results of operations;
- we do not have long-term purchase commitments from our customers, and their ability to cancel, reduce, or delay orders could reduce our revenue and increase our costs;
- our inability to effectively meet our short- and long-term obligations;
- given our limited corporate history it is difficult to evaluate our business and future prospects and increases the risks associated with an investment in our securities;
- our inability to raise additional financing for working capital;
- our ability to generate sufficient revenue in our targeted markets to support operations;
- significant dilution resulting from our financing activities;
- the actions and initiatives taken by both current and potential competitors;
- our ability to diversify our operations;
- the fact that our accounting policies and methods are fundamental to how we report our financial condition and results of operations, and they may require management to make estimates about matters that are inherently uncertain;
- changes in U.S. GAAP or in the legal, regulatory and legislative environments in the markets in which we operate;
- the deterioration in general of global economic, market and political conditions;
- the inability to efficiently manage our operations;
- the inability to achieve future operating results;
- the unavailability of funds for capital expenditures;
- the inability of management to effectively implement our strategies and business plans; and
- the other risks and uncertainties detailed in this report.

Because the factors Holder in accordance with Section 4.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to the Borrower before 6:00 p.m., New York,

New York time on such conversion date (the “Conversion Date”); however, if the Notice of Conversion is sent after 6:00pm, New York, New York time the Conversion Date shall be the next business day. The term “Conversion Amount” means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Holder’s option, accrued and unpaid interest, if any, on such principal amount at the interest rates provided in this Note to the Conversion Date, plus (3) at the Holder’s option, Default Interest, if any, on the amounts referred to above could cause actual results in the immediately preceding clauses (1) and/or outcomes (2) plus (4) at the Holder’s option, any amounts owed to differ materially from those expressed in any forward-looking statements made by us, you should not place undue reliance on any such forward-looking statements. New factors emerge from time the Holder pursuant to time, and their emergence is impossible for us to predict. 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.

This Quarterly Report should be read completely and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements included Sections 4.4 hereof. Notwithstanding anything in this Quarterly Report Agreement to the contrary, and in addition to the limitations set forth herein, if the Borrower has not obtained Stockholder Approval, the Borrower shall not issue a number of shares of Common Stock under this Agreement, which when aggregated with all other securities that are made required to be aggregated for purposes of Rule 5635(d), would exceed 19.99% of the shares of Common Stock outstanding as of the date of definitive agreement with respect to the first of such aggregated transactions (the “Conversion Limitation”). For purposes of this Quarterly Report section, “Stockholder Approval” means such approval as may be required by the applicable rules and should regulations of the Nasdaq Stock Market LLC (or any successor entity) from the stockholders of the Company with respect to the issuance of the shares under this Agreement that, when taken together with any other securities that are required to be evaluated aggregated with consideration the issuance of any changes occurring after the shares issued under this Agreement for purposes of Rule 5635(d) of the Nasdaq Stock Market LLC (“Rule 5635(d)”), would exceed 19.99% of the issued and outstanding common stock as of the date of this Quarterly Report. We will not update forward-looking statements even though our situation may change in definitive agreement with respect to the future and we assume no obligation to update any forward-looking statements, whether as a result first of new information, future events or otherwise.

Except as otherwise indicated such aggregated transactions. “Principal Market” means the Exchanges, the quotation platforms maintained by the context, references OTC Markets Group) or an equivalent replacement exchange, and all rules and regulations relating to such exchange. Upon the occurrence of an Event of Default pursuant to Section 3.6 hereof, the Conversion Limitation shall no longer apply to limit the issuance of shares in conversion of this report to “Company,” “American Rebel Holdings,” “American Rebel,” “we,” “us” and “our” are references to American Rebel Holdings, Inc. and its operating subsidiaries, American Rebel, Inc., Champion Safe Co., Inc., Superior Safe, LLC, Safe Guard Security Products, LLC and Champion Safe De Mexico, S.A. de C.V. All references to “USD” or United States Dollar refer to the legal currency of the United States of America. Note.

Item 2. Management's Discussion

4.2 Conversion Price. The Conversion Price shall mean 75% multiplied by the Market Price (as defined herein) (representing a discount rate of 25%) (subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Borrower relating to the Borrower's securities or the securities of any subsidiary of the Borrower, combinations, recapitalization, reclassifications, extraordinary distributions and Analysis similar events). "Market Price" means the lowest Trading Price (as defined below) for the Common Stock during the ten (10) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date. "Trading Price" means, for any security as of Financial Condition any date, the closing bid price on the or applicable exchange or trading market (the "Trading Market") as reported by a reliable reporting service ("Reporting Service") designated by the Holder (i.e. Bloomberg) or, if the Trading Market is not the principal trading market for such security, the closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets". If the Trading Price cannot be calculated for such security on such date in the manner provided above, the Trading Price shall be the fair market value as mutually determined by the Borrower and Results the holders of Operationsa majority in interest of the Notes being converted for which the calculation of the Trading Price is required in order to determine the Conversion Price of such Notes. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the Trading Market, or on the principal securities exchange or other securities market on which the Common Stock is then traded.

Management's Discussion The Holder shall be entitled to deduct \$1,500.00 from the conversion amount in each Notice of Conversion to cover Holder's deposit fees associated with each Notice of Conversion. Any additional expenses incurred by Holder with respect to the Borrower's transfer agent, for the issuance of the Common Stock into which this Note is convertible into, shall immediately and Analysis should automatically be read along with added to the financial statements included balance of the Note at such time as the expenses are incurred by Holder.

4.3 Authorized Shares. The Borrower covenants that during the period that the Note is outstanding, the Borrower will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note issued pursuant to the Purchase Agreement. The Borrower is required at all times to have authorized and reserved four times the number of shares that is actually issuable upon full conversion of the Note (based on the Conversion Price of the Note in this Quarterly Report on Form 10-Q effect from time to time initially 1,675,868 shares) (the "Financial Statements" "Reserved Amount"). The Financial Statements have been prepared Reserved Amount shall be increased (or decreased) from time to time (and in the case of each payment received by the Holder hereunder) in accordance with generally accepted accounting policies in the United States ("GAAP"). Except as otherwise disclosed, all dollar figures included therein Borrower's obligations hereunder. The Borrower represents that upon issuance, such shares will be duly and in the following management discussion validly issued, fully paid and analysis are quoted in United States dollars.

Description of Business

Overview

The Company established America's Patriotic Brand and operates as a designer, manufacturer, and marketer of safes and other storage products, as well as other personal security products, particularly branded accessories and apparel with advantageous concealment pockets for 2nd Amendment enthusiasts.

We are focused on using U.S.-made steel as the primary component of our safes and personal security products. We believe our products are designed to safely store firearms, as well as safely store our customers' priceless keepsakes, family heirlooms and other treasured memories, with an aim to make our products accessible at various price points for home and personal use. We believe our products are designed for safety, quality, reliability, abundance of features and performance. Our safes are designed, manufactured and sold under the American Rebel, Champion Safe Co., Superior Safe Company and Safe Guard Safe Co. brands that are well known and well respected in the safe industry.

non-assessable. In addition, if the Borrower shall issue any securities or make any change to our branded safes, we offer an assortment its capital structure which would change the number of personal security products shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, the Borrower shall at the same time make proper provision so that include apparel and accessories for both men and women, and children under the American Rebel name, America's Patriotic Brand. Our backpacks utilize what we believe to thereafter there shall be a distinctive sandwich-method concealment pocket, which we refer to as our Personal Protection Pocket, to hold customers firearms in place, securely sufficient number of shares of Common Stock authorized and safely. Concealment pockets on our Freedom 3.0 and Freedom 2.0 Concealed Carry Jackets incorporate a

silent operation method allowing reserved, free from preemptive rights, for opening and closing conversion of the pockets outstanding Note. The Borrower (i) acknowledges that it has irrevocably instructed its transfer agent to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the use duty of a magnetic closure executing stock certificates to execute and issue the necessary certificates for stealth and safety.

On August 9, 2023, the Company entered into a Master Brewing Agreement (the "Brewing Agreement") shares of Common Stock in accordance with Associated Brewing Company, a Minnesota limited liability company ("Associated Brewing"). Under the terms and conditions of the Brewing Agreement, Associated Brewing has been appointed as the exclusive producer and seller of American Rebel branded spirits, with the initial product being American Rebel Light Beer ("American Rebel Beer"). American Rebel Beer plans to launch regionally in early 2024. The beer industry in the United States is a more than \$110 billion dollar market. We believe there is a substantial opportunity to enter the beer market at this time to present our customers with a beer they can support that aligns with their core values. Note.

We believe we can continue If, at any time the Borrower does not maintain the Reserved Amount it will be considered an Event of Default under this Note.

4.4 Method of Conversion.

(a) Mechanics of Conversion. As set forth in Section 4.1 hereof, at any time following an Event of Default, and during the continuation thereof, the balance due pursuant to create a strong American brand community presence, this Note may be converted by the Holder in whole or in part through at any time from time to time after the personal efforts our Chief Executive Officer, Mr. Charles A. "Andy" Ross, who has written, recorded and performed Issue Date, by (A) submitting to the Borrower a number Notice of hit songs about the true American spirit Conversion (by facsimile, e-mail or other reasonable means of independence. We believe our customers identify with these core values expressed by our Chief Executive Officer through the "American Rebel" brand, America's Patriotic Brand. American Rebel, its executives and employees live and breathe the America First philosophy and further those efforts utilizing social media wherever they can and are not censored for their words which we are all afforded under the First Amendment.

Through our growing network of dealers, we promote and sell our products in select regional retailers, as well as local specialty safe, sports, hunting and firearms stores, along with available e-commerce marketplaces. The Company shares a commitment to offering products of what we believe are enduring quality and comfort that allow our customers to keep their valuable belongings safe communication dispatched on the go Conversion Date prior to 6:00 p.m., New York, New York time) and express their patriotism and style, which is synonymous (B) subject to Section 4.4(b), surrendering this Note at the principal office of the Borrower (upon payment in full of any amounts owed hereunder).

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the American Rebel, America's Patriotic Brand. terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and the Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion.

We generate revenue from the following activities:

- a. Safes – we offer a wide range of home, office and personal safe models, in a broad assortment of sizes, features and styles, which are constructed with U.S.-made steel. Demand for our safes is relatively strong across all segments of our customers, including individuals and families seeking to protect their valuables, businesses seeking to protect valuables and irreplaceable items such as artifacts and jewelry, and dispensaries servicing the community that seek to protect their inventory and cash flow. In addition, the demand for our safes has also been relatively strong among responsible gun owners, sportsmen, competitive shooters and hunters seeking a premium and responsible solution to secure valuables and firearms, to prevent theft and to protect loved ones. We expect to benefit from increasing awareness of and need for safe storage of firearms in future periods. Below is a summary of the different safes we currently make:

- i. *Large Safes* – All of our large safes share the same high-quality workmanship, are constructed out of U.S.-made steel and feature double plate steel doors, double-steel door casements and reinforced door edges. Each of these safes provide up to 90 minutes of fire protection at 1200 degrees Fahrenheit. Many of our safes offer a fully adjustable interior to fit our customers' needs. Depending on the model, one side of the interior may have shelves and the other side set up to accommodate long guns. There are optional additions such as Rifle Rod Kits and Handgun Hangers to increase the storage capacity of the safe. These large safes offer greater capacity for secure storage and protection, and our safes are designed to prevent unauthorized access, including in the event of an attempted theft, natural disaster or fire. We believe that a large, highly visible safe also acts as a deterrent to any prospective thief.
- ii. *Personal Safes* – The safes in our compact safe collection are easy to operate and carry as they fit into briefcases, desks or under vehicle seats. These personal safes meet Transportation Security Administration (“TSA”) airline firearm guidelines and fit comfortably in luggage when required by travel regulations.

- iii. **Vault Doors** – Our U.S.-made vault doors combine style with what we believe are superior theft and fire protection for an elegant look that fits any decor. Newly-built, higher-end homes often add vault rooms and we believe our vault doors, which we designed to facilitate secure access to such vault rooms, provide ideal solutions for the protection of valuables and shelter from either storms or intruders. Whether it's in the context of a safe room, a shelter, or a place to consolidate valuables, our American Rebel, Champion and Superior in- and out-swinging vault doors provide maximum functionality to facilitate a secure vault room. Our vault doors are constructed of 4 1/2" double steel plate thickness, A36 carbon steel panels with sandwiched fire insulation, a design that provides greater rigidity, security and fire protection. Active bolt works, which is the locking mechanism that bolts the safe door closed so that it cannot be pried open, and which is considered to be by some locksmiths among the smoothest and strongest in the industry, and three external hinges that support the weight of the door, are some of the features of the vault door. For safety and when the door is used for a panic or safe room, a quick release lever is installed inside the door.
- iv. **Dispensary Safes** - Our HG-INV Inventory Safe, a safe tailor-made for the cannabis industry, provides cannabis and horticultural plant home growers a reliable and safe solution. Designed with medical marijuana or recreational cannabis dispensaries in mind, including with respect to increasing governmental and insurance industry regulation to lock inventory after hours, our HG-INV Inventory Safe delivers a high level of user experience.

b. **Personal Security** - our concealed carry backpack selection consists of an assortment of sizes, features and styles.

c. **Apparel and Accessories** - we offer a wide range of concealed carry jackets, vests and coats for men and women. We also offer patriotic apparel for the whole family, with the American Rebel imprint. Our apparel line serves as "point man" for the brand, often acting as the first point of exposure that people have to all things American Rebel. Our apparel line is designed and branded to be stylish, patriotic and bold. We emphasize styling that complements our enthusiasts' and customers' lifestyle, representing the values of our community and quintessential American character. We believe the American Rebel clothing line style is not only a fashion statement; we seek to cultivate a sense of pride of belonging to our patriotic family, in our customers' adventures and in life.

Costs

(c) Delivery of revenue primarily consist Common Stock Upon Conversion. Upon receipt by the Borrower from the Holder of production costs, product development, consulting, a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 4.4, the Borrower shall issue and marketing deliver or cause to be issued and brand development fees. Our results of operations and financial condition may be impacted positively and negatively by certain general macroeconomic and industry wide conditions, such as delivered to or upon the effects order of the COVID-19 pandemic. The consequences Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt subject to the terms hereof and applicable rules of the pandemic and impact on Principal Market (as defined hereinbelow) (the "Deadline") (and, solely in the U.S. and global economies continue to evolve case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the full extent Purchase Agreement. Upon receipt by the Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the impact is uncertain Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless the Borrower defaults on its obligations hereunder, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, the Borrower's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the date absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of the Borrower to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to the Borrower, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion.

(d) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Borrower is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder and its compliance with the provisions set forth herein, the Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock

issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit and Withdrawal at Custodian ("DWAC") system.

(e) **Failure to Deliver Common Stock Prior to Deadline.** Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this filing. The pandemic has had a significant effect on the safe and personal security industry and on the apparel industry. If the recovery from the COVID-19 pandemic Note is not robust, delivered by the impact could Deadline due to willful and purposeful action and/or inaction of the Borrower, the Borrower shall pay to the Holder \$2,000 per day in cash, for each day beyond the Deadline that the Borrower fails to deliver such Common Stock (the "Fail to Deliver Fee"); provided; however that the Fail to Deliver Fee shall not be prolonged due if the failure is a result of a third party (i.e., transfer agent; and severe. While to date the Company has not been required to stop operating, management is evaluating its use of its office space, virtual meetings and the like. While our manufacturing capabilities have been suffering, and could continue to suffer from mandatory, forced production disruptions and supply chain shortages, which negatively impact our ability to satisfy the demand for our products, as the result of any failure to pay such transfer agent) despite the pandemic, we expect best efforts of the Borrower to effect delivery of such Common Stock. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to the Borrower by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. The Borrower agrees that the impact of such attrition would be mitigated by right to convert is a valuable right to the addition of new customers Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly, the increasing demand parties acknowledge that the liquidated damages provision contained in this Section 4.4(e) are justified.

4.5 **Concerning the Shares.** The shares of Common Stock issuable upon conversion of this Note may not be sold or transferred unless: (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) the Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for home, office and personal safety and security. The extent to which the COVID-19 pandemic will impact our operations, ability to obtain financing or future financial results is uncertain at this time. Due opinions of counsel in comparable transactions) to the effects effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration (such as Rule 144 or a successor rule) ("Rule 144"); or (iii) such shares are transferred to an "affiliate" (as defined in Rule 144) of COVID-19, management worked the Borrower who agrees to reduce unnecessary marketing expenditures sell or otherwise transfer the shares only in accordance with this Section 4.5 and worked to improve staff and human capital expenditures, while maintaining overall workforce levels. The Company expects but cannot guarantee that demand for its safes and personal security products will continue to keep growing who is an Accredited Investor (as defined in 2023 and beyond, as customers continue to spend more time working remotely, and increasing regulation in many states mandating safe ammunition storage, accelerating the demand for our responsible solution safes and making them a necessary appliance for any household, providing protection for expensive firearms and other valuables. Overall, management is focused on effectively positioning the Company for meeting the increasing demand for our safes and faster production turnaround. Purchase Agreement).

Recent Developments and Trends

Our Growth Strategy

Our goal is to enhance our position as a designer, manufacturer and marketer of premium safes and personal security products. In addition, we recently announced we are entering the beverage business, through the introduction of American Rebel Beer. We have established plans to grow our business by focusing on three key areas: (1) organic growth and expansion in existing markets; (2) targeted strategic acquisitions that increase our on-premise and online product offerings, distributor and retail footprint and/or have the ability to increase and improve our manufacturing capabilities and output, and (3) expanding the scope of our operation activities to the dispensaries U.S. community.

We

Any restrictive legend on certificates representing shares of Common Stock issuable upon conversion of this Note shall be removed and the Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if the Borrower or its transfer agent shall have developed what we believe received an opinion of counsel from Holder's counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that (i) a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be accepted by the Company so that the sale or transfer is a multi-pronged growth strategy, as described below, to help us capitalize on a sizable opportunity. Through methodical sales and marketing efforts, we believe we have implemented several key initiatives we can use to grow our business more effectively. We believe we made significant progress in 2022 effected; or (ii) in the largest growing segment case of the safe industry, sales Common Stock issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act; or otherwise may be sold pursuant to first-time buyers. We also intend an exemption from registration. In the event that the Company does not reasonably accept the opinion of counsel that properly conforms to opportunistically pursue applicable securities laws provided by the strategies described below to continue our upward trajectory and enhance stockholder value. Key elements of our strategy to achieve this goal are as follows:

Organic Growth and Expansion in Existing Markets - Build our Core Business

The cornerstone of our business has historically been safe product offerings. We are focused on continuing to develop our home, office and personal safes product lines. We are investing in adding what we believe are distinctive and advanced technological solutions for our safes and protective product lines.

We are also working to increase floor space dedicated to our safes and strengthen our online presence in order to expand our reach to new enthusiasts and build our devoted American Rebel community. We intend to continue to endeavor to create and provide retailers and customers Holder with what we believe are responsible, safe, reliable and stylish products, and we expect to concentrate on tailoring our supply and distribution logistics in response respect to the specific demands transfer of our customers. Securities pursuant to an exemption from registration (such as Rule 144), it will be considered an Event of Default pursuant to this Note.

Additionally, our Concealed Carry Product line 4.6 Effect of Certain Events.

(a) Effect of Merger, Consolidation, Etc. At the option of the Holder, the sale, conveyance or disposition of all or substantially all of the assets of the Borrower, the effectuation by the Borrower of a transaction or series of related transactions in which more than 50% of the voting power of the Borrower is disposed of, or the consolidation, merger or other business combination of the Borrower with or into any other Person (as defined below) or Persons when the Borrower is not the survivor shall be deemed to be an Event of Default (as defined in Article III) pursuant to which the Borrower shall be required to pay to the Holder upon the consummation of and Safe line serve a large and growing market segment. We believe that interest in safes increase, as well as in our complimentary concealed carry backpacks and apparel as a by-product, condition to such transaction an amount equal to the Default Amount (as defined in Article III). "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

(b) Adjustment Due to Merger, Consolidation, Etc. If, at any time when interest this Note is issued and outstanding and prior to conversion of all of the general population in firearms increase. To this extent, the FBI's National Instant Criminal Background Check System (NICS), which we believe serves Note, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a proxy for gun sales since result of which shares of Common Stock of the Borrower shall be changed into the same or a background check is generally needed to purchase a firearm, reported a record different number of background checks shares of another class or classes of stock or securities of the Borrower or another entity, or in 2020, 39,695,315. case of any sale or conveyance of all or substantially all of the assets of the Borrower other than in connection with a plan of complete liquidation of the Borrower, then the Holder of this Note shall thereafter have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Borrower shall not affect any transaction described in this Section 4.6(b) unless (a) it first gives, to the extent practicable, ten (10) days prior annual written notice (but in any event at least five (5) days prior written notice) of the record date of the special meeting of stockholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange

of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (b) the resulting successor or acquiring entity (if not the Borrower) assumes by written instrument the obligations of this Note. The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If the Borrower shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to the Borrower's stockholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for background checks was 2019's 28,369,750. In 2021, there were 38,876,673 background checks conducted, similar determining stockholders entitled to that such Distribution, to receive the amount of 2020's annual record such assets which was 40% higher than would have been payable to the previous annual record in 2019. Background checks in 2023 are continuing on a pace Holder with respect to exceed the 2019 totals as well. While we do not expect this increase in background checks to necessarily translate to an equivalent number shares of additional safes purchased, we do believe it might be an indicator Common Stock issuable upon such conversion had such Holder been the holder of the increased demand in the safe market. In addition, certain states (such as Massachusetts, California, New York and Connecticut) are starting to legislate new storage requirements in respect such shares of firearms, which is expected to have a positive impact Common Stock on the sale record date for the determination of safes. We have also recognized a growth in first-time gun buyers and their propensity stockholders entitled to purchase a gun safe simultaneously with their first-time gun purchase. The previous trend was that gun buyers would wait to purchase a gun safe until multiple firearms were owned, such Distribution. We continue to strive to strengthen our relationships and our brand awareness with our current distributors, dealers, manufacturers, specialty retailers and consumers and to attract other distributors, dealers, and retailers. We believe that the success of our efforts depends on the distinctive features, quality, and performance of our products; continued manufacturing capabilities and meeting demand for our safes; the effectiveness of our marketing and merchandising programs; and the dedicated customer support. In addition, we seek to improve customer satisfaction and loyalty by offering distinctive, high-quality products on a timely and cost-attractive basis and by offering efficient customer service. We regard the features, quality, and performance of our products as the most important components of our customer satisfaction and loyalty efforts, but we also rely on customer service and support for growing our business. Furthermore, we intend to continue improving our business operations, including research and development, component sourcing, production processes, marketing programs, and customer support. Thus, we are continuing our efforts to enhance our production by increasing daily production quantities through equipment acquisitions, expanded shifts and process improvements, increased operational availability of our equipment, reduced equipment down times, and increased overall efficiency. We believe that by enhancing our brand recognition, our market share might grow correspondingly. Champion Safe and its legacy of nearly 25 years of craftsmanship and quality position its products as viable alternatives to Liberty Safe product. Firearm industry sources estimate that 70 million to 80 million people in the United States own an aggregate of more than 400 million firearms, creating a large potential market for our safes and personal security products. We are focusing on the premium segment of the market through the quality, distinctiveness, and performance of our products; the effectiveness of our marketing and merchandising efforts; and the attractiveness of our competitive pricing strategies.

Targeted Strategic Acquisitions for Long-term Growth

We are consistently evaluating and considering acquisition opportunities that fit our overall growth strategy as part of our corporate mission to accelerate long-term value for our stockholders and create integrated value chains.

Champion Safe

ARTICLE V. MISCELLANEOUS

On June 29, 2022

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the Company entered into first business day following such delivery (if delivered other than on a stock business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

AMERICAN REBEL HOLDINGS, INC.
5115 Maryland Way, Suite 303
Brentwood, Tennessee 37027
Attn: Charles A. Ross, Jr., Chief Executive Officer
Email: andy@andyross.com

If to the Holder:

Coventry Enterprises, LLC
80 SW 8th Street, Suite 2000
Miami, FL 33130
Attn: Jack Bodenstein

5.3 Amendments. This Note and membership interest purchase agreement with Champion Safe Co., Inc., Superior Safe, LLC, Safe Guard Security Products, LLC, Champion Safe De Mexico, S.A. de C.V. (the "Champion Entities" or "Champion") any provision hereof may only be amended by an instrument in writing signed by the Borrower and Mr. Ray Crosby (the "Seller") (the "Champion Purchase Agreement"), the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to which the Company agreed Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to acquire all be the benefit of the issued Holder and outstanding capital stock its successors and membership interests assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the Champion Entities from Securities and Exchange Commission). Notwithstanding anything in this Note to the Seller.

The acquisition occurred on July 29, 2022. Under contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement; and may be assigned by the terms Holder without the consent of the Champion Purchase Agreement, the Company paid the Seller (i) cash consideration Borrower.

5.5 Cost of approximately \$9,150,000, along with (ii) cash deposits Collection. If default is made in the amount payment of \$350,000, and (iii) reimbursed this Note, the Seller for approximately \$400,000 Borrower shall pay the Holder hereof costs of agreed upon acquisitions and equipment purchases completed by the Seller and the Champion Entities since June 30, 2021. In addition to the payments to the Seller, the Company paid costs on behalf of and specifically associated with the acquisition of Champion and its integration into the Company's operations of \$350,000; \$200,000 was paid to our investment banker in analyzing the acquisition and purchase of Champion prior to the purchase and subsequent financing in July as well as \$150,000 paid to Champion's independent PCOAB registered accounting firm to conduct their two years of audit and subsequent interim review reports. collection, including reasonable attorneys' fees.

Based in Provo, Utah and founded in 1999, Champion Safe is what we believe to be one of the premier designers, manufacturers and marketers of home and gun safes in North America. Champion Safe Co. has three safe lines, which we believe feature some of

the most secure and highest quality gun safes.

Following the acquisition, we operate Champion Safe in the same manner as it operated pre-acquisition. Champion Safe, Superior Safe and Safe Guard Security Products are valuable and prominent identifiable brands in the safe industry. We plan to expand our manufacturing throughput to fill our significant backlog of orders and aggressively open new dealer accounts. As a division of the combined company, Champion Safe Company will shift its emphasis to growing revenue and increasing profitability for the combined company.

Champion Safe employs over 100 employees in their Utah factory and over 300 employees in their Nogales, Mexico facility just south of the U.S. border. The majority of the midline and value priced safes industry-wide are manufactured in China, but Champion had the foresight to build his own facility in Mexico and utilize American-made steel exclusively. Steep tariffs were imposed on China manufactured safes by the Trump administration and were continued for a time under the Biden administration. The prices of components for the made-in-China safes have dramatically increased as well as the transportation costs to import these Chinese-made safes. Champion's decision to build his own facility in Mexico as opposed to importing Chinese-made safes has proven to be insightful and beneficial for Champion Safe.

Champion has expanded his paint-line capacity and hinge assembly workstations to seize upon the growth opportunities in the safe business. Champion has experience in many prior economic cycles and has found the safe business to be sound in good and bad economic times. Furthermore, the current emphasis on safe storage and the capital infusion from American Rebel positions the Champion operation to grow its footprint.

In addition to the access to capital for Champion to grow its business, American Rebel will benefit from Champion's 350 dealers, nationwide distribution network and seniority with buying groups and trade shows. American Rebel will also benefit from the increased Champion manufacturing throughput as capacity restrictions have limited American Rebel's inventory and potential growth. The collaboration between Champion and American Rebel management teams will focus on increased manufacturing efficiencies and volume expansion.

Expand into New Business Categories

5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the Circuit Court of Fairfax County, Virginia or in the Alexandria Division of the United States District Court for the Eastern District of Virginia. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any objection or defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Borrower and Holder waive trial by jury. The Holder shall be entitled to recover from the Borrower its reasonable attorney's fees and costs incurred in connection with or related to any Event of Default by the Company, as defined in Article III hereof. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof or any agreement delivered in connection herewith. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note, any agreement or any other document delivered in connection with this Note by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

We recently entered into an agreement to introduce American Rebel Beer as a new product offering, which is anticipated to launch regionally in early 2024. The Company has strived

5.7 Purchase Agreement. By its acceptance of this Note, each party agrees to be innovative, building products around bound by the applicable terms of the Purchase Agreement.

5.8 Remedies. The Borrower acknowledges that a breach by it of its brand, obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and is committed to becoming purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a leading innovator breach of its obligations under this Note will be inadequate and agrees, in the industries in which it competes. To that end, event of a breach or threatened breach by the Company plans to continually test new alcohol beverages and may sell them under various brand labels for evaluation of drinker interest. The Company will also continue to consider new markets for its safe products and new product applications. The Company has already identified opportunities in the cannabis industry to lock inventory after hours as well as locking cabinets for tools and automotive parts in garages. Also, Champion Safe has focused on the middle and premium segments Borrower of the safe market. We believe introducing a value line series will grow customer provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and dealer loyalty to our brands as nearly 60% of current safe industry sales are going to value line products. We believe our value line product will have features and benefits other value line safes won't offer and that our value line safe will be a better product.

Further, we believe that we are being effective in establishing American Rebel as America's Patriotic Brand. An almost limitless list of potential product launches is available to management. Currently, American Rebel has significant potential for its branded products as a lifestyle brand. As the American Rebel Brand continues to grow in popularity, we anticipate generating additional revenues from licensing fees earned from third parties who wish to engage the American Rebel community. While the Company does not generate material revenues from licensing fees, management believes the American Rebel brand name may in the future have significant licensing value to third parties that seek the American Rebel name to brand their products to market to the American Rebel target demographic. For example, a tool manufacturer that wants to pursue an alternative marketing plan for a different look and feel could license the American Rebel brand name for their line of tools and market their tools under our distinct brand. This licensee would benefit from the strong American Rebel brand with their second line of American Rebel branded tools as they would continue to sell both of the lines of tools. Conversely, American Rebel could potentially also benefit as a licensee of products. If American Rebel determines a third party has designed, engineered, and manufactured a product that would be a strong addition to the American Rebel catalog penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of products, American Rebel could license that product this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer this on June 14, 2024.

AMERICAN REBEL HOLDINGS, INC.

By:

Charles A. Ross, Jr.
Chief Executive Officer

Exhibit 10.30

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the “Agreement”), dated as of June 14, 2024, by and between **AMERICAN REBEL HOLDINGS, INC.**, a Nevada corporation, with its address at 5115 Maryland Way, Suite 303, Brentwood, Tennessee 37027 (the “Company”), and Coventry Enterprises, LLC, a Delaware limited liability company, with its address at 80 SW 8th Street, Suite 2000 Miami, FL 33130 (the “Buyer”).

WHEREAS:

A. The Company and the Buyer are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “1933 Act”); and

B. Buyer desires to purchase and the Company desires to issue and sell, upon the terms and conditions set forth in this Agreement, a promissory note of the Company, in the form attached hereto as Exhibit A, in the aggregate principal amount of \$111,550.00 (including \$14,550.00 of Original Issue Discount) (the “Note”) with additional tranches of financing of up to \$1,000,000.00 during the next twelve (12) months following the date hereof subject to further agreement by and between the Company and the Buyer; and

NOW THEREFORE, the Company and the Buyer severally (and not jointly) hereby agree as follows:

1. Purchase and Sale of the Securities.

a. **Purchase of the Securities.** On the Closing Date (as defined below), the Company shall issue and sell to the Buyer and the Buyer agrees to purchase from the **third-party** Company the Securities as is set forth immediately below the Buyer’s name on the signature pages hereto.

b. **Form of Payment.** On the Closing Date (as defined below), (i) the Buyer shall pay the purchase price for the Securities be issued and **sell** sold to it at the **licensed product** Closing (as defined below) (the “Purchase Price”) by wire transfer of immediately available funds to the Company, in accordance with the Company’s written wiring instructions, against delivery of the Securities, and (ii) the Company shall deliver such duly executed Note on behalf of the Company against delivery of such Purchase Price.

c. **Closing Date.** Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Section 6 and Section 7 below, the date and time of the issuance and sale of the Securities pursuant to this Agreement (the “Closing Date”) shall be 12:00 noon, Eastern Standard Time on or about June 14, 2024, or such other mutually agreed upon time. The closing of the transactions contemplated by this Agreement (the “Closing”) shall occur on the Closing Date at such location as may be agreed to by the parties.

2. **Buyer’s Representations and Warranties.** The Buyer represents and warrants to the Company that:

a. **Investment Purpose.** As of the date hereof, the Buyer is purchasing the Note and the shares of Common Stock issuable upon conversion of or otherwise pursuant to the Note (such shares of Common Stock being collectively referred to herein as the “Conversion Shares” and, collectively with the Note, the “Securities”) for its own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the **American Rebel brand** 1933 Act.

b. **Accredited Investor Status.** The Buyer is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D (an “Accredited Investor”).

c. **Reliance on Exemptions.** The Buyer understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and the Buyer’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Securities.

30

Results of Operations

From inception through September 30, 2023, we have generated an operating deficit of \$37,723,739. We expect to incur additional losses during fiscal year ending December 31, 2023, and beyond, principally as a result of our increased investment in inventory, manufacturing capacity, marketing and sales expenses, and other growth initiatives.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Revenue ('Sales') and cost of goods sold ('Cost of Sales')

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Revenue	\$ 11,418,222	\$ 4,595,547
Cost of goods sold	8,869,432	3,462,454
Gross margin	<u>2,548,790</u>	<u>1,133,093</u>
Expenses:		
Consulting/payroll and other costs	2,915,377	1,937,349
Rental expense, warehousing, outlet expense	732,360	314,314
Product development costs	36,821	146,463
Marketing and brand development costs	942,687	349,341
Administrative and other	2,542,181	2,687,728
Depreciation and amortization expense	<u>79,260</u>	<u>11,311</u>
Operating income (loss)	<u>7,248,686</u>	<u>5,446,506</u>
Operating income (loss)	(4,699,896)	(959,076)
Other Income (Expense)		
Interest expense, net	(250,877)	(341,990)
Interest expense – pre-emptive rights release	-	(350,000)
Interest Income	3,203	4,428
Employee retention credit funds, net of costs to collect	1,107,672	-
Gain/(loss) on sale of equipment	1,400	-
Gain/(loss) on extinguishment of debt	<u>227,569</u>	<u>(1,376,756)</u>
	1,088,967	(2,064,318)
Net income (loss) before income tax provision	(3,610,929)	(6,377,731)
Provision for income tax	-	-
Net income (loss)	<u>\$ (3,610,929)</u>	<u>\$ (6,377,731)</u>

For the nine months ended September 30, 2023, we reported Revenues of \$11,418,222 compared to Revenues of \$4,595,547 for the nine months ended September 30, 2022. **Information**. The increase in Revenues of \$6,822,675 (or 148% period over period (PoP)) for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, **Buyer** any material nonpublic information and will not disclose such information unless such information is primarily attributable to the closing of public prior to or promptly following such disclosure to the Champion acquisition on July 29, 2022 and a general increase from Champion's average quarterly sales of product. For the nine months ended September 30, 2023, we reported Cost of Goods Sold of \$8,869,432, compared to Cost of Goods Sold of \$3,462,454 for the nine months ended September 30, 2022 **Buyer**.

e. **Legends**. The increase **Buyer** understands that the Securities have not been registered under the 1933 Act; and may bear a restrictive legend in **Cost of Goods Sold of \$5,406,978 (or 156% period over period (PoP))** for substantially the current period is due to following form:

"THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE

"SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (2) THE ISSUER OF SUCH SECURITIES RECEIVES AN OPINION OF COUNSEL TO THE BUYER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY ACCEPTABLE TO THE ISSUER'S TRANSFER AGENT, THAT SUCH SECURITIES MAY BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS."

The legend set forth above shall be removed and the Company shall issue a significantly greater number of sales of product during the period compared certificate without such legend to the nine months ending September 30, 2022 and again attributable Buyer of any Security upon which it is stamped, if, unless otherwise required by applicable state securities laws, (a) such Security is registered for sale under an effective registration statement filed under the 1933 Act or otherwise may be sold pursuant to the closing of the Champion acquisition on July 29, 2022. For the nine months ended September 30, 2023, we reported Gross Margin of \$2,548,790, compared an exemption from registration without any restriction as to Gross Margin of \$1,133,093 for the nine months ended September 30, 2022. The increase in Gross Margin of \$1,415,697 (or 125% period over period (PoP)) for the nine months ending September 30, 2023, compared to the nine months ending September 30, 2022 is again due to the closing of the Champion acquisition on July 29, 2022. Gross Margin percentages for the nine months ended September 30, 2023 was 22.3% compared to 24.6% for the nine months ended September 30, 2022. We expect our Gross Margin percentages to remain consistent in the mid-20% range until we achieve sufficient sales volume to increase our margins from better pricing power, to better buying power on our costs of goods, inventory and inventory management.

Operating Expenses

Total operating expenses for the nine months ended September 30, 2023 were \$7,248,686 compared to \$5,446,506 for the nine months ended September 30, 2022 as further described below. Overall, we saw a \$1,802,180 increase in operating expenses or a 33% period over period (PoP) increase in operating expenses from the prior year comparable period. With the acquisition and integration of the Champion acquisition we expect this to be about the same going forward dropping as a percentage of Revenues as we increase our overall sales volume.

For the nine months ended September 30, 2023, we incurred consulting/payroll and other costs of \$2,915,377 compared to consulting/payroll and other costs of \$1,937,349 for the nine months ended September 30, 2022. The increase in consulting/payroll and other costs of \$978,028 (or 50% period over period (PoP)) was due to the increase in the number of employees and the size securities as of a particular date that can then be immediately sold, or (b) such Buyer provides the Company post-acquisition with an opinion of the Champion Entities as well as increased payroll costs from a competitive jobs market. The Company expects to maintain its current consulting/payroll counsel, in form, substance and other costs as we further expand our sales volume.

For the nine months ended September 30, 2023, we incurred rental expense, warehousing, outlet expense scope customary for opinions of \$732,360, compared to rental expense, warehousing, outlet expense of \$314,314 for the nine months ended September 30, 2022. The increase counsel in rental expense, warehousing, outlet expense of \$418,046 is due comparable transactions, to the significant number effect that a public sale or transfer of leases and properties such Security may be made without registration under the 1933 Act, which opinion shall be accepted by the Company so that the sale or transfer is effected. The Buyer agrees to sell all Securities, including those represented by a certificate(s) from which the legend has been removed, in compliance with applicable prospectus delivery requirements, if any. In the event that the Company rents does not reasonably accept the opinion of counsel that properly conforms to conduct applicable securities laws provided by the Champion business. Prior Buyer with respect to the Champion transfer of any Securities pursuant to an exemption from registration, such as Rule 144, at the Deadline, it will be considered an Event of Default pursuant to Section 3.2 of the Note.

f. Authorization; Enforcement. This Agreement has been duly and validly authorized. This Agreement has been duly executed and delivered on behalf of the Buyer, and this Agreement constitutes a valid and binding agreement of the Buyer enforceable in accordance with its terms.

3. Representations and Warranties of the Company. The Company represents and warrants to the Buyer that:

a. Organization and Qualification. The Company and each of its Subsidiaries (as defined below), if any, is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business acquisition, as and where now owned, leased, used, operated and conducted. "Subsidiaries" means any corporation or other

organization, whether incorporated or unincorporated, in which the Company included lease expense in the Administrative and owns, directly or indirectly, any equity or other account. The significant number of leases and properties that the Company rents to conduct its Champion business provides a better presentation of expenses through a separate line item in its Statement of Operations. The Company expects to maintain this level of expense on a go-forward basis with its leases and rented properties. The Company may look to consolidate some of its space as it fine tunes the Champion business ownership interest.

For the nine months ended September 30, 2023, we incurred product development expenses of \$36,821, compared to product development expenses of \$146,463 for the nine months ended September 30, 2022. The decrease in product development expenses of \$109,642 (or -75% period over period (PoP)) is due to some of the Company's current product development expenses being included in consulting/payroll and other costs account which provides for a better presentation of those expenses than pure product development expense, offset by new efforts over these past few months where we've incurred some significant expenses that are attributable to our private label brewery efforts and should be separated and identified. The Company expects to maintain some level of expense on a go-forward basis with new products and efforts being expended for future sales growth and product needs.

For the nine months ended September 30, 2023, we incurred marketing and brand development expenses of \$942,687, compared to marketing and brand development expenses of \$349,341 for the nine months ended September 30, 2022. The increase in marketing and brand development expenses of \$593,346 (or 170% period over period (PoP)) relates primarily to an increase of activities including major trade shows and the availability of working capital for these types of expenses as well as increased costs attributable to our acquisition and integration of the Champion business.

For the nine months ended September 30, 2023, we incurred administrative and other expense of \$2,542,181, compared to administrative and other expense of \$2,687,728 for the nine months ended September 30, 2022

b. Authorization; Enforcement. The decrease in administrative and other expense of \$145,547 (or -5% period over period (PoP)) relates primarily to the significant legal and other professional fees that we incurred during 2022 in anticipation of our registered public offerings, offset by additional expenses picked up from our acquisition of Champion and other recent financing efforts. (i) The Company believes as it grows its sales base it will need has all requisite corporate power and authority to increase its administrative enter into and other expenses commensurate perform this Agreement, the Note and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with an overall increased profit for the future.

For terms hereof and thereof, (ii) the nine months ended September 30, 2023, we incurred depreciation execution and amortization expense delivery of \$79,260, compared to depreciation and amortization expense of \$11,311 for this Agreement, the nine months ended September 30, 2022. The increase in depreciation and amortization expense relates primarily to the acquisition of Champion and its significant and additional depreciable asset base that it provided to the Company's financial position.

Other income and expenses

For the nine months ended September 30, 2023, we incurred interest expense of \$250,877, compared to interest expense of \$341,990 for the nine months ended September 30, 2022. The decrease in interest expense of \$91,113 is due to a significant number of notes being paid during 2022 that were able to be paid in full from the various financings, offset Note by the increased borrowing costs that we have on our working capital notes payable Company and line of credit. We are currently paying an interest rate of approximately 7% on our line of credit, 12% on our existing working capital notes payable, and our new working capital notes payable we are paying approximately 40% per annum on this debt instrument. During the nine months ended September 30, 2023, we incurred a gain on extinguishment of debt of \$227,569, compared to \$1,376,756 during the nine months ended September 30, 2022. The decrease in loss on extinguishment of debt is due to the charges necessary through the amortization consummation by it of the debt discount recorded for transactions contemplated hereby and thereby (including without limitation, the issuance of the Note has been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its shareholders is required, (iii) this Agreement has been duly executed and delivered by the Company by its authorized representative, and such authorized representative is the true and official representative with authority to sign this Agreement and the other documents executed in connection herewith and bind the Company accordingly, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Note, each of such instruments will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

c. Capitalization. As of the date hereof, the authorized common stock of the Company consists of 600,000,000 authorized shares of common Common Stock, \$0.001 par value per share, of which 5,947,643 shares are issued and outstanding. All of such outstanding shares of capital stock are, or upon issuance will be, duly authorized, validly issued, fully paid and non-assessable.

d. Issuance of Shares. The Securities are duly authorized and reserved for issuance in accordance with working capital loans retired during 2022. The Company expects to manage its respective terms, will be validly issued, fully paid and maintain its interest expense exposure despite the increase in interest rates for this year over last year, as well keeping our debt obligations to a minimum as we grow the business non-assessable, and its sales volume. The gain on extinguishment of debt for the nine months ended September 30, 2023 is directly attributable to equity issuances that were static or an agreed upon number of shares for the services at the time (which was much higher) free from all taxes, liens, claims and the settlement of the shares as payment for the services at a time when the shares were significantly less valuable. For the nine months ended September 30, 2023 we received approximately \$1,286,000 in tax credits under the CARES Act from the US Department of Treasury and in turn paid approximately \$178,500 to the service provider, netting the Company approximately \$1,107,500 in credits for retaining its employees during COVID. As part of the collection process the Company retained the services of a tax service professional to provide the Company with the specialized tax services. The services included identifying various tax initiatives as well as specifically tasking the tax service professional in applying for and the tax filings for (tax) credits available under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). This is a one-time other income item and we do not expect to receive this type of special income in the future. During the nine months ended September 30, 2023 the Company received a claim for refund or right of repayment from the Seller of the Champion Entities encumbrances with respect to the CARES Act tax credits income, issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Company and will not impose personal liability upon the Buyer thereof.

e. No Conflicts. The execution, delivery and performance of this Agreement, the Note by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) conflict with or result in a

violation of any provision of the Certificate of Incorporation or By-laws, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, patent, patent license or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). The businesses of the Company and its Subsidiaries, if any, are not being conducted, and shall not be conducted so long as the Buyer owns any of the Securities, in violation of any law, ordinance or regulation of any governmental entity. "Material Adverse Effect" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Company or its Subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith.

f. SEC Documents; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act") (all of the foregoing filed prior to **September 30, 2023** settled the date hereof and all exhibits included therein and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). As a result of the May 3, 2024 BF Borgers SEC action and the inability of BF Borgers to appear or practice before the SEC, all of the Company's financial statements, references and disclosures are specifically excluded from the definition of SEC Documents, the Company cannot rep or warrant to any such financial statements. Upon written request the Company will deliver to the Buyer true and complete copies of the SEC Documents, except for such exhibits and incorporated documents. As of their respective dates or if amended, as of the dates of the amendments, the SEC Documents complied in all material respects with the **Seller** requirements of the 1934 Act and **agreed to pay an additional \$325,000** the rules and regulations of the SEC promulgated thereunder applicable to the **seller**. This amount was not offset against the CARES Act tax credit income but increased the purchase price SEC Documents, and none of the **Champion Entities** and increased our determined Goodwill value by \$325,000.

Net Loss

Net loss SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for the **nine months ended September 30, 2023, amounted to \$3,610,929**, resulting in a loss per share re-audit of \$2.50, compared to \$6,377,731 the Company's financial statements for the **nine months years ended September 30, 2022**, resulting December 31, 2022 and 2023 and except for such statements as have been amended or updated in a loss per share of \$33.62. subsequent filings prior the date hereof). The decrease in the net loss from the **nine months ended September 30, 2022** Company is subject to the **nine months ended September 30, 2023** is primarily due to one-time transactional costs related to 2022 financings and as well our preparation costs for reporting requirements of the Champion acquisition and integration, offset by increasing costs due to a tightening jobs market and inflation. The Company's management believes with increasing sales volume and strict adherence on cost cutting measures and best practices that net positive income can be achieved for the business into the future.1934 Act.

Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022

Revenue ('Sales') and cost of goods sold ('Cost of Sales')

	Three months ended September 30, 2023	Three months ended September 30, 2022
Revenue	\$ 3,345,552	\$ 4,102,761
Cost of goods sold	3,095,418	3,124,657
Gross margin	250,134	978,104
 Expenses:		
Consulting/payroll and other costs	1,039,273	1,227,953
Rental expense, warehousing, outlet expense	230,226	314,314
Product development costs	20,326	-
Marketing and brand development costs	517,345	119,122

Administrative and other	1,347,181	1,077,005
Depreciation and amortization expense	24,895	9,956
	<hr/>	<hr/>
Operating income (loss)	3,179,246	2,748,350
	<hr/>	<hr/>
Other Income (Expense)		
Interest expense, net	(95,330)	(31,584)
Interest expense – pre-emptive rights release	-	(350,000)
Interest income	3,203	4,428
Employee retention credit funds, net of costs to collect	-	-
Gain/(loss) on sale of equipment	-	-
Gain/(loss) on extinguishment of debt	227,569	-
	<hr/>	<hr/>
	135,442	(377,156)
Net income (loss) before income tax provision	(2,793,670)	(2,147,402)
Provision for income tax	-	-
Net income (loss)	<hr/> \$ (2,793,670)	<hr/> \$ (2,147,402)

32

For

g. Absence of Certain Changes. Since December 31, 2023, except as set forth in the three months ended September 30, 2023, we reported Revenues of \$3,345,552 compared to Revenues of \$4,102,761 SEC Documents and for the three months ended September 30, 2022. The decrease in Revenues of \$757,209 (or -18% period over period (PoP)) for the current period compared to the three months ended September 30, 2022, is attributable to slower sales for 2023 BF Borgers SEC action, there has been no material adverse change and current market conditions. For the three months ended September 30, 2023, we reported Cost of Goods Sold of \$3,095,418, compared to Cost of Goods Sold of \$3,124,657 for the three months ended September 30, 2022. The decrease in Cost of Goods Sold of \$29,239 (or -1% period over period (PoP)) for the current period is primarily attributable to a marginal decrease in sales for the period. For the three months ended September 30, 2023, we reported Gross Margin of \$250,134, compared to Gross Margin of \$978,104 for the three months ended September 30, 2022. The decrease in Gross Margin of \$727,970 (or -74% period over period (PoP)) for the three months ending September 30, 2023, compared to the three months ending September 30, 2022 is again due a decrease in sales and increased costs of sales. Gross Margin percentages for the three months ended September 30, 2023 was 8% compared to 24% for the three months ended September 30, 2022. We expect our Gross Margin percentages for this time of year to be consistently no material adverse development in the 20% range. If not within this range we will try to increase our sales volume to in order to increase our margins, with better pricing power, better buying power on costs assets, liabilities, business, properties, operations, financial condition, results of goods, inventory and of course inventory management. In general, second amendment businesses have experienced a slowdown in sales volume during the past twelve months and this is in line with what we have experienced in our business.

Operating Expenses

Total operating expenses for the three months ended September 30, 2023 were \$3,179,246 compared to \$2,748,350 for the three months ended September 30, 2022 as further described below. Overall, we experienced a \$430,896 increase in operating expenses operations, prospects or a 16% period over period (PoP) increase in operating expenses from the prior year comparable period. With the successful integration of the Champion acquisition, we believe this will begin to drop or decrease as a percentage of Revenues as we increase our sales volume.

For the three months ended September 30, 2023, we incurred consulting/payroll and other costs of \$1,039,273 compared to consulting/payroll and other costs of \$1,227,953 for the three months ended September 30, 2022. The decrease in consulting/payroll and other costs of \$188,680 (or -15% period over period (PoP)) was due to cost controls put in place on the post-acquisition of the Champion Entities. The Company expects to try and maintain its consulting/payroll and other costs as we endeavor to further expand our sales volume.

For the three months ended September 30, 2023, we incurred rental expense, warehousing, outlet expense of \$230,226, compared to rental expense, warehousing, outlet expense of \$314,314 for the three months ended September 30, 2022. The decrease in rental expense, warehousing, outlet expense of \$84,088 is due to cost cutting on leases and properties that the Company rents to conduct the Champion business acquisition as well as other cost cutting measures or efficiencies put in place. Prior to the Champion business acquisition, the Company included lease expense in the Administrative and other account. With the significant number of leases and properties that the Company rents to conduct the Champion business we believe provides a better presentation of expenses with a separate account line item. The Company expects to maintain this level of expense on a go-forward basis with its leases and rented properties for the near term. The Company may look to consolidate some of its space as needed as it fine tunes the Champion business.

For the three months ended September 30, 2023, we incurred product development expenses of \$20,326, compared to product development expenses of \$- for the three months ended September 30, 2022. The increase in product development expenses of \$20,326 (or ~% period over period (PoP)) is due to some of the Company's current product development expenses being included in consulting/payroll and other costs account which we believe provides for a better presentation of our historical business expenses than pure product development expense. For these three months ended September 30, 2023 we've incurred expenses that are attributable to our private label brewery efforts and should be separated and identified. The Company expects to maintain some level of expense on a go-forward basis with new products and efforts being expended for future sales growth and product needs.

For the three months ended September 30, 2023, we incurred marketing and brand development expenses of \$517,345, compared to marketing and brand development expenses of \$119,122 for the three months ended September 30, 2022. The increase in marketing and brand development expenses of \$398,223 (or 334% period over period (PoP)) relates primarily to an increase of activities including major trade shows and the availability of working capital for these types of expenses as well as increased costs attributable to our acquisition and integration of the Champion business, as well as expenses associated with our Tony Stewart activities and general push forward on sales efforts.

For the three months ended September 30, 2023, we incurred administrative and other expense of \$1,347,181, compared to administrative and other expense of \$1,077,005 for the three months ended September 30, 2022. The increase in administrative and other expense of \$270,176 (or 25% period over period (PoP)) relates directly to increased legal and other professional fees that we incurred in our registered public offerings and capital raising efforts, along with additional expenses picked up from our acquisition of Champion. The Company believes as it grows its sales base it will also increase its administrative and other expense commensurate with the increased profits for the future.

For the three months ended September 30, 2023, we incurred depreciation and amortization expense of \$24,895, compared to depreciation and amortization expense of \$9,956 for the three months ended September 30, 2022. The increase in depreciation and amortization expense relates primarily to the acquisition of Champion and its significant and additional depreciable asset base that it provided to the Company's financial position.

Other income and expenses

For the three months ended September 30, 2023, we incurred interest expense of \$95,330, compared to interest expense of \$31,584 for the three months ended September 30, 2022. The increase in interest expense of \$63,746 is due to a significant number of notes being paid during 2022 that were able to be paid in full from the various financings, offset by the increased borrowing costs that we have on our working capital notes payable and line of credit. We are currently paying an interest rate of approximately 7% on our line of credit, 12% on our existing working capital notes payable, and on our new working capital notes payable we are paying approximately 40% per annum on this debt instrument. The Company expects to manage and maintain its interest expense exposure despite the increase in interest rates for this year over last year, as well keeping our debt obligations to a minimum as we grow the business and its sales volume.

Net Loss

Net loss for the three months ended September 30, 2023, amounted to \$2,793,670, resulting in a loss per share of \$0.95, compared to \$2,147,402 for the three months ended September 30, 2022, resulting in a loss per share of \$8.90. The increase in the net loss from the three months ended September 30, 2022 to the three months ended September 30, 2023 is from a myriad of expenses that the Company incurred in the quarter, such as professional and legal fees, increased costs in marketing and the softening of gross margin on sales. The Company's management believes with increasing sales volume and strict adherence to cost cutting measures and best practices that net positive income can be achieved for the business.

Liquidity and Capital Resources

We are a company still in the growth and acquisition stage and our revenue from operations does not cover our operating expenses. Working capital increased by \$725,021 period over period where we had a working capital balance of \$6,678,562 at December 31, 2022 compared to a working capital balance of \$7,403,583 at September 30, 2023. This working capital increase was due to the successful closings of three financing transactions (one in February 2022, the second in July 2022 and a third one recently in June 2023) despite incurring a deficit of over \$37.7 million from inception to September 30, 2023. We have funded our operations primarily through the issuance of capital stock, convertible debt, and other securities and will continue so into the near future and beyond.

During the nine months ended September 30, 2023, we raised net cash of approximately \$5,304,000 through the issuance of equity (which included the inducement to accelerate the conversion of certain warrants into equity), as compared to approximately \$19,985,000 for the nine months ended September 30, 2022. During the nine months ended September 30, 2023, we raised net cash of approximately \$2,386,000 through the issuance of notes payable and entering into a line of credit with a national financial institution secured by inventory and other assets, as compared to approximately \$60,000 for the nine months ended September 30, 2022. During the nine months ended September 30, 2022 we paid down approximately \$2,607,000 in loan principal which we did not replenish.

As we continue with the launch of the American Rebel branded safes and concealed carry product line as well our Champion line of products, we expect to continue to devote significant resources in the areas of capital expenditures and marketing, sales, and operational expenditures. We may from time to time incur significant capital needs for these expenditures and our business; we cannot fully predict what those needs will be and the impact to our business.

We expect to require additional funds to further develop our business and acquisition plan, including the launch of additional products in addition to aggressively marketing our safes and concealed carry product line. Since it is impossible to predict with certainty the timing and amount of funds required to establish profitability, we anticipate that we will raise additional funds through equity or debt offerings or otherwise in order to meet our expected future liquidity requirements. Any such financing that we undertake will likely be dilutive to existing stockholders.

In addition, we expect to need additional funds to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, developing or acquiring new lines of business and enhancing our operating infrastructure. While we may need to seek additional funding for such purposes, we may not be able to obtain financing on acceptable terms, or at all. In addition, the terms of our financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may also seek additional funds through arrangements with collaborators or other third parties. We may not be able to negotiate any such arrangements on acceptable terms, if at all. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all of our product lines.

Debt Restructuring

The Company during early 2022 engaged in and completed a financial restructuring (the “Debt Restructuring”), that included extending, renewing, and restructuring the terms of loans with several investors and third-party creditors. The completion of the registered public offering in February 2022 provided the necessary funds to pay off multiple loans with several investors and third-party creditors, leaving a small but manageable amount of debt on the books.

Promissory Notes – Working Capital

As part of the Debt Restructuring (as defined above), the Company entered into several replacement notes to extend the maturities on certain notes with working capital lending partners.

On July 1, 2022, the Company entered into a \$600,000 unsecured promissory note with an accredited investor, our working capital lending partner. The unsecured promissory note bears interest at 12% per annum. The principal of the unsecured promissory note was due on March 31, 2023. The unsecured promissory note contains customary warranties, covenants and representations of the Company. This note was refinanced with a new note with an accredited investor dated July 1, 2023 in the amount of \$450,000. \$150,000 will be due on December 31, 2023 and \$300,000 will be due on June 30, 2024. Interest on outstanding principal amounts will be payable quarterly at an annual rate of 12%. The unsecured promissory note contains customary warranties, covenants and representations of the Company.

On April 14, 2023, the Company entered into a \$1,000,000 Business Loan and Security Agreement (the “Secured Loan”) with an accredited investor lending source (the “Lender”). Under the Secured Loan, the Company received the loan net of fees of \$20,000. The Secured Loan requires 64 weekly payments of \$20,000 each, for a total repayment of \$1,280,000. The Secured Loan bears interest at 41.4%. The Secured Loan is secured by all of the assets 1934 Act reporting status of the Company and or any of its subsidiaries second to a first priority lien secured the holder Subsidiaries.

h. Absence of the Line of Credit. Furthermore, the Company’s Chief Executive Officer, provided a personal guaranty for the Secured Loan. The Secured Loan provides for a default fee of \$15,000 for any late payments on the weekly payments. No prepayment of the loan is allowed as well as any default by the Company allows the Lender to take necessary actions to secure its collateral and recovery of funds. We paid approximately \$300,000 in principal payments to the lender under the Secured Loan. We intend to make the payments in a timely manner, with no early repayment of the principal.

Line of Credit

During February 2023, the Company, through its wholly-owned subsidiary Champion entered into a \$2 million line of credit facility (the “Line of Credit”) **Litigation**. The Line of Credit accrues interest at a rate determined by BSBY Daily Floating Rate plus 2.05 percentage points (which at September 30, 2023 was 7.48%), and is secured by all of the assets of the Champion Entities. The Line of Credit expires February 28, 2024. The outstanding liability of the Line of Credit at September 30, 2023 was \$1.69 million. The Company has the ability to draw upon the line to the full \$2 million if necessary.

Acquisition, Integration of Champion Entities and PIPE Transaction Used to Fund Acquisition

On July 12, 2022, we sold \$12,887,976 of securities to Armistice Capital, an institutional purchaser. Such securities consisted of (i) 20,372 shares of common stock at \$27.75 per share, (ii) prefunded warrants that are exercisable into 448,096 shares of common stock at \$27.50 per prefunded warrant, and (iii) immediately exercisable warrants to purchase up to 936,937 shares of common stock at an initial exercise price of \$21.50 per share, subject to adjustments Except as set forth therein, and will expire five years from the date of issuance. EF Hutton, a division of Benchmark Investments, LLC, acted as exclusive placement agent for the offering and was paid: (i) a commission of 10% of the gross proceeds (\$1,288,798); (ii) non-accountable expenses of 1% of the gross proceeds (\$128,880); and (iii) placement agent expenses of \$125,000.

On June 29, 2022, the Company entered into a stock and membership interest purchase agreement with Champion Safe Co., Inc. (“Champion Safe”), Superior Safe, LLC (“Superior Safe”), Safe Guard Security Products, LLC (“Safe Guard”), Champion Safe De Mexico, S.A. de C.V. (“Champion Safe Mexico” and, together with Champion Safe, Superior Safe, and Safe Guard, collectively, the “Champion Entities”) and Mr. Ray Crosby (“Seller”) (the “Champion Purchase Agreement”), pursuant to which the Company agreed to acquire all of the issued and outstanding capital stock and membership interests of the Champion Entities from the Seller. The closing of the acquisition occurred on July 29, 2022. Under the terms of the Champion Purchase Agreement, the Company paid the Seller (i) cash consideration in the amount of \$9,150,000, along with (ii) cash deposits in the amount of \$350,000, and (iii)

reimbursed Seller for \$397,420 of agreed upon acquisitions and equipment purchases completed by the Seller and the Champion Entities since June 30, 2021.

During the nine months ended September 30, 2023 the Company received a claim for refund or right of repayment from the Seller. The Company settled with the Seller and agreed to pay an additional \$325,000 to the Seller in the following manner. \$275,000 upon signing of the agreement and another \$50,000 to be paid over the next twelve months. The Company increased its purchase price of the Champion Entities by the \$325,000 during the nine months ended September 30, 2023. The funds for this pricing adjustment came from general working capital.

Critical Accounting Policies

The preparation of financial statements and related footnotes requires us to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements.

Financial Reporting Release No. 60 requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. There are no critical policies or decisions that rely on judgments that are based on assumptions about matters that are highly uncertain at the time the estimate is made. Note 1 to the financial statements, included elsewhere in this report, includes a summary of the significant accounting policies and methods used in the preparation of our financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer, Mr. Charles A. Ross, Jr., and our Interim Principal Accounting Officer, Mr. Doug E. Grau, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. Based on their evaluation, Messrs. Ross and Grau concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to us required to be included in our periodic SEC filings. The Company hired a financial expert with experience in creating and managing internal control systems as well to continue to improve the effectiveness of our internal controls and financial disclosure controls.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2023, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Part II: Other Information

Item 1 - Legal Proceedings

We are currently not involved in any material litigation that we believe could have a material adverse effect on our financial condition or results of operations. There ~~Documents~~, there is no action, suit, ~~claim~~, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the ~~executive officers of our company~~ ~~Company~~ or any of ~~our subsidiaries~~, ~~its Subsidiaries~~, threatened against or affecting our company, our common stock, the Company or any of ~~our subsidiaries~~, ~~its Subsidiaries~~, or of ~~our companies or our subsidiaries~~, ~~their officers or directors in their capacities~~ capacity as such, in which an adverse decision ~~that could have a material adverse effect~~.

Item 1a – Risk Factors

Factors that could cause Material Adverse Effect. The Company and its Subsidiaries are unaware of any facts or contribute ~~circumstances~~ which might give rise to ~~differences in our future financial and operating results~~ include those discussed in the risk factors set forth in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022. These risks are not the only risks that we face. Additional risks not presently known to us or that we do not currently consider significant may also have an adverse effect on the Company. If any of the risks actually occur, our business, results of operations, cash flows or financial condition could suffer ~~foregoing~~.

Item 2 - Unregistered Sales of Equity Securities

On September 8, 2023, i. No Integrated Offering. Neither the Company, entered into an inducement offer letter agreement (the “Inducement Letter”) with Armistice Capital the ~~holders~~ nor any of ~~existing common stock purchase warrants to purchase shares of common stock of the Company~~. The existing common stock purchase warrants were issued on July 8, 2022 and June 28, 2023 and had an exercise price of \$4.37 and \$4.24, respectively per share.

Pursuant to the Inducement Letter, Armistice Capital agreed to exercise for cash their existing common stock purchase warrants to purchase an aggregate of 2,988,687 shares of the Company's common stock at a reduced exercise price of \$1.10 per share in consideration for the Company's agreement to issue new common stock purchase warrants (the “New Warrants”), to purchase up to 5,977,374 shares of the Company's common stock (the “New Warrant Shares”). The Company received aggregate gross proceeds of approximately \$3,287,555.70 from the exercise of the existing common stock purchase warrants by Armistice Capital. Armistice Capital received 2 New Warrants for each existing common stock purchase warrant that they exercised. EF Hutton, a division of Benchmark Investments LLC acted as the underwriters on the transaction and charged the Company the usual 9% and 1% fees along with a placement agent fee of \$125,000.

Subsequent Issuances after Quarter End

During the period covered by this Report until the date of filing of this Report, November 14, 2023, the Company has not issued or authorized the sale of any equity securities.

All of the above-described issuances (if any) were exempt from registration pursuant to Section 4(a)(2) and/or Regulation D of the Securities Act as transactions not involving a public offering. With respect to each transaction listed above, no general solicitation was made by either the Company or its affiliates, nor any person acting on its behalf. All such or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the 1933 Act of the issuance of the Securities to the Buyer. The issuance of the Securities to the Buyer will not be integrated with any other issuance of the Company's securities ~~issued~~ (past, current or future) for purposes of any shareholder approval provisions applicable to the Company or its securities.

j. No Brokers. The Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby.

k. No Investment Company. The Company is not, and upon the issuance and sale of the Securities as contemplated by this Agreement will not be an “investment company” required to be registered under the Investment Company Act of 1940 (an “Investment Company”). The Company is not controlled by an Investment Company.

l. Breach of Representations and Warranties by the Company. If the Company breaches any of the material representations or warranties set forth in this Section 3 which is continuing after the applicable cure period as set forth in the Note, if any, and in addition to any other remedies available to the Buyer pursuant to ~~such exemptions are restricted securities~~ this Agreement, it will be considered an Event of default under Article III of the Note.

4. COVENANTS.

a. Reasonable Commercial Efforts. The Company shall use its reasonable commercial efforts to satisfy timely each of the conditions described in Section 7 of this Agreement.

b. Use of Proceeds. The Company shall use the proceeds for general working capital purposes.

c. Expenses. At the Closing, the Company's obligation with respect to the transactions contemplated by this Agreement is to reimburse Buyer' expenses shall be \$7,000.00 for Buyer's legal fees and due diligence fee.

d. Corporate Existence. So long as ~~defined~~ the Buyer beneficially owns any Note, the Company shall maintain its corporate existence and shall not sell all or substantially all of the Company's assets, except with the prior written consent of the Buyer.

e. Breach of Covenants. If the Company breaches any of the material covenants set forth in ~~Rule 144(a)(3)~~ promulgated under this Section 4, and in addition to any other remedies available to the Securities Act, appropriate legends have been placed on the documents evidencing the securities, and may not be offered or sold absent registration or ~~Buyer~~ pursuant to this Agreement which is continuing after the applicable cure period as set forth in the Note, it will be considered an ~~exemption~~ therefrom. event of default under Article III of the Note.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the quarter ended September 30, 2023.

Item 3 – Defaults

f. Failure to Comply with the 1934 Act. So long as the Buyer beneficially owns the Note, the Company shall comply with the reporting requirements of the 1934 Act; and the Company shall continue to be subject to the reporting requirements of the 1934 Act.

g. The Buyer is Not a “Dealer”. The Buyer and the Company hereby acknowledge and agree that the Buyer has not: (i) acted as an underwriter; (ii) acted as a market maker or specialist; (iii) acted as “de facto” market maker; or (iv) conducted any other professional market activities such as providing investment advice, extending credit and lending securities in connection; and thus that the Buyer is not a “Dealer” as such term is defined in the 1934 Act.

h. Trading Activities. Neither the Buyer nor its affiliates has an open short position in the common stock of the Company and the Buyer agrees that it shall not, and that it will cause its affiliates not to, engage in any short sales of or hedging transactions with respect to the common stock of the Company.

5. Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent to issue certificates, registered in the name of the Buyer or its nominee, for the shares underlying any conversion of the Note upon Senior default of the Note (the “Conversion Shares”) in such amounts as specified from time to time by the Buyer to the Company upon conversion of the Note in accordance with the terms thereof (the “Irrevocable Transfer Agent Instructions”). In the event that the Company proposes to replace its transfer agent, the Company shall provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to this Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount as such term is defined in the Note) signed by the successor transfer agent to Company and the Company. Prior to registration of the Conversion Shares under the 1933 Act or the date on which the Conversion Shares may be sold pursuant to an exemption from registration, all such certificates shall bear the restrictive legend specified in Section 2(e) of this Agreement. The Company warrants that: (i) no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5, will be given by the Company to its transfer agent and that the Securities shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the Note; (ii) it will not direct its transfer agent not to transfer or delay, impair, and/or hinder its transfer agent in transferring (or issuing)(electronically or in certificated form) any certificate for Conversion Shares to be issued to the Buyer upon conversion of or otherwise pursuant to the Note as and when required by the Note and this Agreement; and (iii) it will not fail to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any Conversion Shares issued to the Buyer upon conversion of or otherwise pursuant to the Note as and when required by the Note and/or this Agreement. If the Buyer provides the Company and the Company’s transfer, at the cost of the Buyer, with an opinion of counsel in form, substance and scope customary for opinions in comparable transactions, to the effect that a public sale or transfer of such Securities may be made without registration under the 1933 Act, the Company shall permit the transfer, and, in the case of the Conversion Shares, promptly instruct its transfer agent to issue one or more certificates, free from restrictive legend, in such name and in such denominations as specified by the Buyer. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyer, by vitiating the intent and purpose of the transactions contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5 may be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section, that the Buyer shall be entitled, in addition to all other available remedies, to an injunction restraining any breach and requiring immediate transfer, without the necessity of showing economic loss and without any bond or other security being required.

None.6. Conditions to the Company’s Obligation to Sell. The obligation of the Company hereunder to issue and sell the Securities to the Buyer at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions thereto, provided that these conditions are for the Company’s sole benefit and may be waived by the Company at any time in its sole discretion:

Item 4 – Mine Safety Disclosures. The Buyer shall have executed this Agreement and delivered the same to the Company.

Not applicable.b. The Buyer shall have delivered the Purchase Price in accordance with Section 1(b) above.

Item 5 – Other Information. The representations and warranties of the Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and the Buyer shall have performed, satisfied and complied in all material respects

with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to the Closing Date.

None.

Item 6 – Exhibits

Exhibit No.	Description
2.1	Securities Purchase Agreement, dated June 9, 2016, by and among CubeScape, Inc., American Rebel, Inc., and certain individual named therein (Incorporated by reference to Exhibit 2.1 to Form 8-K, filed June 15, 2016)
2.2	Champion Safe Co., Inc. Stock Membership Interest Purchase Agreement dated June 29, 2022 (Incorporated by reference to Exhibit 2.1 to Form 8-K, filed July 6, 2022)
3.1	Second Amended and Restated Articles of Incorporation effective January 22, 2022 (Incorporated by reference to Exhibit 3.4 to Form 10-K, filed March 31, 2022)
3.2	Amended and Restated Bylaws of American Rebel Holdings, Inc. effective as of February 9, 2022 (Incorporated by reference to Exhibit 3.1 to Form 8-K, filed February 15, 2022)
3.3	Certificate of Amendment to the Second Amended and Restated Articles effectuating 1-for-25 Reverse Stock Split (Incorporated by reference to Exhibit 3.1 to Form 8-K filed on June 26, 2023)
4.1	Certificate of Designation of Series A Preferred Stock (Incorporated by reference to Exhibit 4.1 to Form 8-K filed on February 24, 2020)
4.2	Certificate of Designation of Series B Preferred Stock (Incorporated by reference to Exhibit 4.1 to Form 8-K filed on June 3, 2021)
4.3	Amended Certificate of Designation of Series B Preferred Stock ((Incorporated by reference to Exhibit 4.1 to Form 8-K filed on July 28, 2021)
4.4	Warrant Agency Agreement with Action Stock Transfer dated February 9, 2022 (Incorporated by reference to Exhibit 4.2 to Form 8-K, filed February 10, 2022)
4.5	Form of Pre-funded Warrant (Incorporated by reference to Exhibit 4.1 to Form 8-K, filed February 15, 2022)
4.6	Line of Credit Agreement dated February 10, 2023 (Incorporated by reference to Exhibit 4.6 to Form 10-Q filed May 15, 2023)
4.7	Financing Agreement dated April 14, 2023 (Incorporated by reference to Exhibit 4.1 to Form 8-K, filed May 1, 2023)
4.8	Armistice Form of New Warrant A (Incorporated by reference to Exhibit 4.1 to Form 8-K/A, filed on September 8, 2023)
4.9	Armistice Form of New Warrant B (Incorporated by reference to Exhibit 4.2 to Form 8-K/A, filed on September 8, 2023)
4.10	Amended and Restated Certificate of Designation of Series A Preferred Stock (Incorporated by reference to Exhibit 4.1 to Form 8-K, filed on November 6, 2023)
4.11	Certificate of Designation of Series C Preferred Stock (Incorporated by reference to Exhibit 4.2 to Form 8-K, filed on November 6, 2023)
10.1†	Ross Employment Agreement dated January 1, 2021 (Incorporated by reference to Exhibit 10.1 to Form 8-K, filed March 5, 2021)
10.2†	Grau Employment Agreement dated January 1, 2021 (Incorporated by reference to Exhibit 10.2 to Form 8-K, filed March 5, 2021)
10.3	2021 Long-Term Incentive Plan (Incorporated by reference to Exhibit 10.3 to Form 8-K, filed March 5, 2021)
10.4†	Ross Amendment to Employment Agreement dated April 9, 2021 (Incorporated by reference to Exhibit 10.42 to Form 10-K, filed May 17, 2021)
10.5†	Grau Amendment to Employment Agreement dated April 9, 2021 (Incorporated by reference to Exhibit 10.43 to Form 10-K, filed May 17, 2021)

10.6	Securities Purchase Agreement, dated July 7, 2022, between American Rebel Holdings, Inc. and the Armistice Capital Master Fund Ltd. (Incorporated by reference to Exhibit 10.1 to Form 8-K, filed July 8, 2022)
10.7	Armistice Form of Warrant (Incorporated by reference to Exhibit 10.2 to Form 8-K, filed July 8, 2022)
10.8	Armistice Form of Prefunded Warrant (Incorporated by reference to Exhibit 10.3 to Form 8-K, filed July 8, 2022)
10.9	Armistice Form of Registration Rights Agreement (Incorporated by reference to Exhibit 10.4 to Form 8-K, filed July 8, 2022)
10.10	Engagement Letter, dated July 8, 2022, between American Rebel Holdings, Inc. and EF Hutton (Incorporated by reference to Exhibit 10.5 to Form 8-K, filed July 18, 2022)
10.11	Securities Purchase Agreement, dated June 27, 2023, between American Rebel Holdings, Inc. and the Armistice Capital Master Fund Ltd. (Incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 28, 2023)
10.12	Armistice Form of Warrant (Incorporated by reference to Exhibit 10.2 to Form 8-K filed on June 28, 2023)
10.13	Armistice Form of Prefunded Warrant (Incorporated by reference to Exhibit 10.3 to Form 8-K filed on June 28, 2023)
10.14	Armistice Form of Registration Rights Agreement (Incorporated by reference to Exhibit 10.4 to Form 8-K filed on June 28, 2023)
10.15	Tony Stewart Racing Nitro Sponsorship Agreement dated July 1, 2023 (Incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 7, 2023)
10.16	Master Brewing Agreement dated August 9, 2023 (Incorporated by reference to Exhibit 10.16 to Form 10-Q filed on August 14, 2023)
10.17	Loan Agreement dated July 1, 2023 (Incorporated by reference to Exhibit 10.17 to Form 10-Q filed on August 14, 2023)
10.18	Form of Inducement Letter dated September 8, 2023 (Incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 8, 2023)
31.1#	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2#	Certification of Interim Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	Certification of Chief Executive Officer and Interim Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document**
101.SCH	Inline XBRL Taxonomy Extension Schema**
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase**
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase**
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase**
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase**
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Filed herewith.

‡ Furnished herewith.

† Indicates management contract d. No litigation, statute, rule, regulation, executive order, decree, ruling or compensatory plan injunction shall have been enacted, entered, promulgated or arrangement.

** The XBRL related information endorsed by or in Exhibit 101 shall not be deemed "filed" for purposes any court or governmental authority of Section 18 competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

7. Conditions to The Buyer's Obligation to Purchase. The obligation of the Buyer hereunder to purchase the Securities Exchange Act of 1934, as amended, or otherwise at the Closing is subject to liability the satisfaction, at or before the Closing Date of each of the following conditions, provided that section these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion:

- a. The Company shall have executed this Agreement and delivered the same to the Buyer.
- b. The Company shall have delivered to the Buyer the duly executed Note, in accordance with Section

1(b) above.

c. The Irrevocable Transfer Agent Instructions, in form and substance satisfactory to the Buyer, shall have been delivered to and acknowledged in writing by the Company's Transfer Agent.

d. The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date. The Buyer shall have received a certificate or certificates, executed by the chief executive officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer including, but not limited to certificates with respect to the Board of Directors' resolutions relating to the transactions contemplated hereby.

e. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

f. No event shall have occurred which could reasonably be expected to have a Material Adverse Effect on the Company including but not limited to a change in the 1934 Act reporting status of the Company or the failure of the Company to be timely in its 1934 Act reporting obligations.

8. Governing Law; Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the Circuit Court of Fairfax County, Virginia or in the Alexandria Division of the United States District Court for the Eastern District of Virginia. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not be incorporated assert any objection or defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Company and Buyer waive trial by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as jury. The Buyer shall be expressly set forth entitled to recover from the Company its reasonable attorney's fees and costs incurred in connection with or related to any Event of Default by specific reference the Company, as defined in Article III of the Note. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement, the Note or any related document or agreement by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such filing or document party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

SIGNATURES

Pursuantb. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the requirements other party.

c. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

d. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

e. Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by each of the parties hereto.

f. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be as set forth in the heading of this Agreement. Each party shall provide notice to the other party of any change in address.

g. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor the Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other. Notwithstanding the foregoing, the Buyer may assign its rights hereunder to any person that purchases Securities Exchange in a private transaction from the Buyer or to any of its "affiliates," as that term is defined under the 1934 Act, without the consent of 1934, the registrant has duly Company.

h. Survival. The representations and warranties of the Company and the agreements and covenants set forth in this Agreement shall survive the closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of the Buyer. The Company agrees to indemnify and hold harmless the Buyer and all their officers, directors, employees and agents for loss or damage arising as a result of or related to any breach or alleged breach by the Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

i. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

j. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

k. Remedies. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyer by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Agreement will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Agreement, that the Buyer shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Agreement and to enforce specifically the terms and provisions hereof, without the necessity of showing economic loss and without any bond or other security being required.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned Buyer and the Company have caused this report Agreement to be signed on its behalf by duly executed as of the undersigned, thereunto duly authorized, date first above written.

Dated: November 14, 2023

AMERICAN REBEL HOLDINGS, INC.

(Registrant)

By: _____

By: /s/ Charles A. Ross, Jr.

By: /s/
Doug
E.
Grau

Charles A. Ross, Jr., CEO Chief Executive Officer

COVENTRY ENTERPRISES, LLC

Doug
E.
Grau

(Principal Executive Officer)

By: _____

President (Interim Principal Accounting Officer)

Aggregate Principal Amount of Note:	\$ 111,550.00
Original Issue Discount	\$ 14,550.00
Aggregate Purchase Price:	\$ 97,000.00

40

EXHIBIT 31.1

CERTIFICATION

I, Charles A. Ross, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Rebel Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in

Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
- b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, 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;
- c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 14, 2023** **June 14, 2024**

/s/ Charles A. Ross, Jr.

Charles A. Ross, Jr.
Chief Executive Officer and Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Doug E. Grau, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Rebel Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented

in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 14, 2023** **June 14, 2024**

/s/ Doug E. Grau

Doug E. Grau

President and Interim Principal Accounting Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of American Rebel Holdings, Inc. (the "Company") on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each

of the undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Charles A. Ross, Jr.*

Charles A. Ross, Jr.
Chief Executive Officer and Principal Executive Officer

/s/ *Doug E. Grau*

Doug E. Grau
President and Interim Principal Accounting Officer

November June 14, 2023 2024

The foregoing certifications are not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), and are not to be incorporated by reference into any filing of American Rebel Holdings, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 99.2

American Rebel to Exhibit at the 153rd NRA Annual Meeting in Dallas, Texas

Nashville, TN, May 17, 2024 (GLOBE NEWSWIRE) — American Rebel Holdings, Inc. (NASDAQ: AREB) (“American Rebel” or the “Company”), a designer, manufacturer, and marketer of American Rebel Beer (www.americanrebelbeer.com) and branded safes, personal security and self-defense products and apparel, will exhibit in booth #4417 at the 2024 NRA Annual Meeting at the Kay Bailey Hutchison Convention Center in Dallas, Texas May 17 - 19. The Exhibit Hall is open all three days and will showcase over 14 acres of the latest guns and gear (and now beer) from the most popular companies in the industry.

“We always look forward to showcasing our safes and concealed carry apparel at the NRA Annual Meeting,” said American Rebel CEO Andy Ross. “But this year we can’t wait to introduce America’s Patriotic, God-fearing, Constitution-loving, National Anthem-singing, stand your ground beer to 75,000 or so like-minded patriots attending this year’s Annual Meeting. We sell quite a few safes and concealed carry backpacks and apparel out of the booth every year, and this year we’ll tell everyone about American Rebel Light Beer and hand out some promotional items to support our beer launch.”

“There are only five cities really that can hold us due to our size: Houston, Dallas, Indianapolis, Louisville and Atlanta,” said Nick Perrine, NRA spokesperson. The NRA Annual Meeting was last in Dallas in 2018, and this year the event is expected to bring in 70,000 to 75,000 attendees from across the country, and possibly internationally, generating millions of dollars for the local Dallas economy. Former President Donald Trump will be Saturday’s keynote speaker and Texas Governor Greg Abbott will also speak.

“Launching America’s Patriotic, God-fearing, Constitution-loving, National Anthem-singing, stand your ground beer into the marketplace is a primary goal of our company and introducing American Rebel Light Beer to up to 75,000 patriots helps deliver on that goal,” said Andy Ross. “Interested investors 18 years or older can log onto our public offering website at <http://invest.americanrebel.com> and register to receive updates when our investment opportunities are open to the public.”

About American Rebel Holdings, Inc.

American Rebel Holdings, Inc. (NASDAQ: AREB) has operated primarily as a designer, manufacturer and marketer of branded safes and personal security and self-defense products and has recently transitioned into the beverage industry through the introduction of American Rebel Beer. The Company also designs and produces branded apparel and accessories. To learn more, visit www.americanrebel.com and www.americanrebelbeer.com. For investor information, visit www.americanrebel.com/investor-relations.

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Exhibit 99.3

American Rebel Light Beer Set to Debut at Tony Stewart's Eldora Speedway for Dirt Track Late Model Dream Week June 5 - 8

Nashville, TN, June 04, 2024 (GLOBE NEWSWIRE) — American Rebel Holdings, Inc. (NASDAQ: AREB) ("American Rebel" or the "Company"), a designer, manufacturer, and marketer of American Rebel Beer (www.americanrebelbeer.com) and branded safes, personal security and self-defense products and apparel, is proud to announce that American Rebel Light Beer will be commercially available for the first time at Tony Stewart's Eldora Speedway for Dirt Track Late Model Dream Week June 5 – 8.

"I couldn't think of a better place to launch Rebel Light than the 'World's Greatest Dirt Track' – Eldora Speedway," said American Rebel Chief Executive Officer Andy Ross. "My band and I will perform Friday night at the speedway to mark the occasion and it's going to be great. We're very proud of our relationship with Eldora and our distributor for the speedway and the surrounding area, Bonbright Distributors."

"We are excited to partner with American Rebel. We look forward working with their team and grow the American Rebel brand in the state of Ohio," said Brock Anderson, Chairman and Chief Executive Officer of Bonbright Distributors.

"Bonbright Distributors and American Rebel Beer are going to do great things together in the state of Ohio," said Andy Ross. "Signing a distribution agreement with a distributor like Bonbright is a great achievement for American Rebel and is a great expansion of our growing distribution network across this great country. Tony Stewart's Eldora Speedway has committed to sell American Rebel Beer at their track and having a customer like Eldora Speedway will put American Rebel Light Lager on the map in west central Ohio. Launching America's Patriotic, God-Fearing, Constitution-Loving, National Anthem Singing, Stand Your Ground Beer into the marketplace is a primary goal of our company and having American Rebel Light Beer available in the state of Ohio helps deliver on that goal," said Andy Ross. "Interested investors 18 years or older can log onto our public offering website at <http://invest.americanrebel.com> and register to receive updates when our investment opportunities are open to the public."

Bonbright's 92 vehicles drive the open roads of nine Ohio counties to get their beers to their destinations. The counties they serve include Butler, Clinton, Darke, Greene, Mercer, Miami, Montgomery, Preble and Warren.

"I want to recognize the recent sudden passing of Eldora Speedway General Manager and 2023 Promoter of the Year Jerry Gappens," said Andy Ross. "Jerry was very enthusiastic about launching American Rebel Beer at Eldora and we're heartbroken he won't be there with us in person, but he'll certainly be with us in spirit."

"Jerry came to Eldora with a wealth of experience and an equal amount of humility," said NASCAR, IndyCar and USAC champion Tony Stewart, owner of Eldora Speedway. "No job was too big or too small. His attention to detail was impressive, and he made sure the fan experience at Eldora was exceptional, always finding ways to make improvements with each and every event he oversaw."

About Eldora Speedway

Since carved from a cornfield in the natural amphitheater that existed between the Eldora Ballroom and the Wabash River by bandleader Earl Baltes in 1954, Eldora Speedway has grown to be a frontrunner in motorsports growth and stability. Baltes chose to sell the legendary high-banked clay oval to motorsports entrepreneur and NASCAR, IndyCar and USAC champion Tony Stewart in 2004. Eldora hosts the biggest events in short-track racing including the Dirt Track Late Model Dream, Kings Royal and World 100. For more information go to www.eldoraspeedway.com.

About Bonbright Distributors

Starting with just one truck, Carl Bonbright created Bonbright Distributors in 1934 when he received the license to sell Schoenling Brewing products in Miami, Montgomery, Greene, Preble and Clark counties. In 1951, he received the distribution rights for Miller Brewing Company brands, and over seventy years later, Bonbright's annual sales approach 8 million cases annually.

In April 1983, H. Brockman Anderson acquired Bonbright Distributors from the Bonbright family. And that year, the company's total case sales reached 2,000,000. Under Bonbright's current ownership and management team, the business has grown by almost 300 percent, added nineteen additional counties, bought eight beer distributorships and acquired the rights to sell products from eight of the nation's top ten breweries. For more information go to www.bonbright.com.

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American Rebel Light to be Featured at Country Stampede in Bonner Springs, Kansas June 27 - 29

Nashville, TN, June 10, 2024 (GLOBE NEWSWIRE) — American Rebel Holdings, Inc. (NASDAQ: AREB) (“American Rebel” or the “Company”), a designer, manufacturer, and marketer of American Rebel Beer (www.americanrebelbeer.com) and branded safes, personal security and self-defense products and apparel, is proud to announce that American Rebel Light Lager (“Rebel Light”) will be featured at the Country Stampede Music Festival (www.countrystampede.com) in Bonner Springs, Kansas June 27 – 29. This will be the first time Rebel Light will be available for purchase in the state of Kansas, exclusively distributed in Kansas by Standard Beverage Corporation (www.standardbeverage.com).

“Being featured at Country Stampede is a great way to launch American Rebel Light in Kansas, “ said Andy Ross, Chief Executive Officer of American Rebel. “Launching America’s Patriotic, God-Fearing, Constitution-Loving, National Anthem-Singing, Stand Your Ground Beer into the marketplace is a primary goal of our current Reg A+ offering and having American Rebel Light Beer for sale at Country Stampede helps deliver on that goal. Interested investors 18 years or older can log onto our public offering website at <http://invest.americanrebel.com> and subscribe to the offering.”

Brian Skurdal, Director of National Sponsorships for Forward Sports Marketing, says, ““We are thrilled to play a small part in the launching of American Rebel Beer in the state of Kansas. The Country Stampede is one of the biggest and most historic country music festivals in the country; and American Rebel Beer will be a welcome addition for years to come.”

American Rebel Beer is a sponsor of the “Party Pit,” the standing-room area in front of the stage. Country Stampede attendees at the Azura Amphitheater, with a capacity of 18,000 music fans, will see ads for American Rebel Light Beer and the American Rebel Light logo will be emblazoned on 2,500 “Party Pit” wrist bands.

Chris Janson will be Thursday’s featured artist, Riley Green will be Friday’s featured artist and Jon Pardi will be Saturday’s featured artist. Other artists scheduled to appear include Billy Currington, LOCASH, Randy Houser, Drew Green, Dillon Carmichael, Jackson Dean, Jerrod Niemann, Redferrin, Neon Union, Casi Joy, Tanner Adell and DJ Hish.

American Rebel and Standard Beverage Corporation both have deep roots in the Kansas City suburb of Lenexa, Kansas, where Standard Beverage has a new 83,000-square-foot facility and American Rebel has its flagship retail store. Standard Beverage was started by Sam Rudd in the Wichita area in 1949, just a year after Kansas ended its prohibition laws, and received one of the first alcohol wholesaler licenses in the state. Standard Beverage is still run by the Rudd family, and today is “the largest single alcohol distributor” in Kansas. American Rebel CEO Andy Ross’s father, Bud Ross, founded two legendary Kansas publicly-traded companies, Kustom Electronics and Birdview Satellite.

About Country Stampede

The Country Stampede, owned by Kustom Entertainment, a subsidiary of Digital Ally, Inc. (NASDAQ: DGLY), is an annual 3-day outdoor music and camping festival that takes place in Bonner Springs, Kansas at Azura Amphitheater. The well-respected Country Stampede is nationally known as one of the largest music festivals in the Midwest. The biggest names in country music have performed at Country Stampede such as Kenny Chesney, Miranda Lambert, Reba McEntire, Taylor Swift, Chris Stapleton, Jason Aldean, Florida Georgia Line, Luke Bryan and so many more. For more information go to www.countrystampede.com.

About Standard Beverage Corporation

Standard Beverage Corporation is a leading distributor of fine wines, spirits and beer, and is the only large distributor that is Kansas owned. With offices in Lawrence, Lenexa and Wichita, Standard Beverage employs approximately 450+ dedicated people and provides the most diverse portfolio of the industry's best and most well-known brands. For more information on Standard Beverage go to www.standardbeverage.com.

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