

REFINITIV

DELTA REPORT

10-Q

AREB - AMERICAN REBEL HOLDINGS I

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	2319
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 CHANGES	278
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 DELETIONS	1025
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 ADDITIONS	1016
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

~~for~~ For the ~~quarterly period ended~~ Quarterly Period Ended ~~June~~ September 30, 2024

OR

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

for the transition period from ____ to ____

Commission file number 001-41267

AMERICAN REBEL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

**5115 Maryland Way, Suite 303
Brentwood, Tennessee**

(Address of principal executive offices)

47-3892903

(I.R.S. Employer
Identification No.)

37027

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

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 August 14, 2024, February 5, 2025 was 8,406,729 2,460,406 shares, which includes 67,723 shares of common stock authorized but unissued as of this date. .

AMERICAN REBEL HOLDINGS, INC.
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Part I. Financial Information

Item 1.- Interim Condensed Consolidated Financial Statements (unaudited) (Unaudited)

AMERICAN REBEL HOLDINGS, INC. UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2024	December 31, 2023		
		(audited)	September 30, 2024 (Unaudited)	December 31, 2023
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 452,785	\$ 1,147,696	\$ 127,688	\$ 1,077,028
Accounts receivable	2,143,808	2,816,541		
Accounts receivable, net			1,896,906	2,674,540
Prepaid expense	191,605	190,933	85,131	67,322
Inventory	6,357,118	5,787,993		
Inventory, net			5,320,800	5,574,371
Inventory deposits	315,084	315,083	-	21,968
Total Current Assets	9,460,400	10,258,246	7,430,525	9,415,229
Property and Equipment, net	310,776	360,495	285,698	360,495
OTHER ASSETS:				
Lease deposits and other	78,954	83,400	35,656	25,360
Right-of-use lease assets	1,312,831	1,946,567	636,530	1,244,496
Goodwill	2,000,000	2,000,000		
Intangible assets, net			462,500	500,000
Total Other Assets	3,391,785	4,029,967	1,134,686	1,769,856
TOTAL ASSETS	\$ 13,162,961	\$ 14,648,708	\$ 8,850,909	\$ 11,545,580
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				

CURRENT LIABILITIES:					
Accounts payable and other payables	\$	2,452,588	\$	1,978,768	\$ 3,255,085 \$ 2,041,370
Accrued expenses		413,160		271,076	
Loans – Officer – related parties		260,793		45,332	
Loan – Director – related party		480,000		-	
Loans – Working capital		3,731,790		1,954,214	
Accrued expense and other					1,807,923 683,110
Loan – Officers – related party					507,300 74,664
Loans – Working capital, net					4,424,473 1,944,410
Line of credit		1,992,129		1,456,929	1,992,129 1,456,929
Right-of-use lease liabilities, current		791,222		1,039,081	
Right-of-use lease liability, current					220,584 669,002
Total Current Liabilities		10,121,682		6,745,400	12,207,494 6,869,485
Right-of-use lease liabilities, long-term		521,609		907,486	
Right-of-use lease liability, long-term					472,155 602,278
TOTAL LIABILITIES		10,643,291		7,652,886	12,679,649 7,471,763
STOCKHOLDERS' EQUITY (DEFICIT):					
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 333,000, and 200,000 issued and outstanding, respectively at June 30, 2024 and December 31, 2023					
Series A Preferred Shares, 150,000 shares authorized; 125,000 and 125,000 issued and outstanding, respectively, at June 30, 2024 and December 31, 2023		125		125	

Series B Preferred Shares, 350,000 shares authorized; 75,143 and 75,143 issued and outstanding, respectively, at June 30, 2024 and December 31, 2023	75	75		
Series D Preferred Shares, 500,000 shares authorized; 133,334 and nil issued and outstanding, respectively, at June 30, 2024 and December 31, 2023	133	-		
Preferred stock value				
Common Stock, \$0.001 par value; 600,000,000 shares authorized; 5,879,920 issued and outstanding at June 30, 2024 and December 31, 2023	5,880	5,880		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 222,144, and 175,000 issued and outstanding, respectively at September 30, 2024 and December 31, 2023			-	-
Preferred Shares A			125	125
Preferred Shares B			75	75
Preferred Shares D			22	-
Common Stock, \$0.001 par value; 600,000,000 shares authorized; 9,399,283 and 5,879,920 issued and outstanding, respectively at September 30, 2024 and December 31, 2023, respectively			12,524	9,005
Additional paid in capital	55,681,333	52,203,336	53,342,589	51,546,448
Accumulated deficit	(53,167,876)	(45,213,594)	(57,184,075)	(47,481,836)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	2,519,670	6,995,822	(3,828,740)	4,073,817
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 13,162,961	\$ 14,648,708	\$ 8,850,909	\$ 11,545,580

See Notes to Financial Statements. Statements and Note 1 regarding non-reliance on financial information.

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

	For the three months ended June 30, 2024	For the three months ended June 30, 2023
Revenue	\$ 3,255,393	\$ 3,670,571
Cost of goods sold	3,224,738	2,982,688
Gross margin	<u>30,655</u>	<u>687,883</u>
Expenses:		
Consulting/payroll and other costs	445,166	828,520
Compensation expense – officers – related party	212,500	102,985
Compensation expense – officers – deferred comp – related party	1,344,125	-
Rental expense, warehousing, outlet expense	80,515	275,474
Product development costs	337,771	-
Marketing and brand development costs	299,655	172,617
Administrative and other	1,228,163	833,851
Depreciation and amortization expense	30,681	25,275
	<u>3,978,576</u>	<u>2,238,722</u>
Operating income (loss)	(3,947,921)	(1,550,839)
Other Income (Expense)		
Interest expense, net	(1,055,282)	(148,437)
Interest income	199	-
Employee retention credit funds, net of costs to collect	-	1,107,672
Gain/(loss) on settlement of debt instrument	(250,000)	-
Gain/(loss) on sale of equipment	-	1,400
	<u>(1,305,083)</u>	<u>960,635</u>
Net income (loss) before income tax provision	(5,253,004)	(590,204)
Provision for income tax	-	-
Net income (loss)	<u>\$ (5,253,004)</u>	<u>\$ (590,204)</u>
Basic and diluted income (loss) per share	<u>\$ (0.89)</u>	<u>\$ (0.87)</u>
Weighted average common shares outstanding - basic and diluted	<u>5,879,920</u>	<u>679,000</u>

See Notes to Financial Statements.

AMERICAN REBEL HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Revenue	\$ 7,299,230	\$ 8,072,670
Cost of goods sold	6,427,252	5,774,014
Gross margin	871,978	2,298,656
Expenses:		
Consulting/payroll and other costs	997,079	1,684,846
Compensation expense – officers – related party	425,000	191,258
Compensation expense – officers – deferred comp – related party	2,478,125	-
Rental expense, warehousing, outlet expense	232,181	502,134
Product development costs	436,400	16,495
Marketing and brand development costs	564,710	425,342
Administrative and other	1,908,677	1,195,000
Depreciation and amortization expense	54,996	54,365
	7,097,168	4,069,440
Operating income (loss)	(6,225,190)	(1,770,784)
Other Income (Expense)		
Interest expense, net	(1,479,141)	(155,547)
Interest income	711	-
Employee retention credit funds, net of costs to collect	-	1,107,672
Gain/(loss) on settlement of debt instrument	(250,000)	-
Gain/(loss) on sale of equipment	(662)	1,400
	(1,729,092)	953,525
Net income (loss) before income tax provision	(7,954,282)	(817,259)
Provision for income tax	-	-
Net income (loss)	\$ (7,954,282)	\$ (817,259)
Basic and diluted income (loss) per share	\$ (1.35)	\$ (1.21)
Weighted average common shares outstanding - basic and diluted	5,879,920	678,000

See Notes 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 – March 31, 2023	677,221	\$ 677	\$ 175	\$ 45,465,077	\$ (34,339,865)	\$ 11,126,064
Sale of common stock	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 per share	-	-	-	2,681,400	-	2,681,400
Pre-funded common stock warrant offering costs and fees	-	-	-	(529,324)	-	(529,324)
Effect of reverse stock split – round lot shares of 2,093,591	2,093,591	2,094	-	-	-	-
Post quarter effectuation of round lot share issuance	(2,093,591)	(2,094)	-	-	-	-
Net loss for the three months ending June 30, 2023	-	-	-	-	(590,204)	(590,204)
Balance – June 30, 2023	748,720	\$ 749	\$ 175	\$ 47,929,533	\$ (34,930,069)	\$ 13,000,388
Balance – March 31, 2024	5,879,920	\$ 5,880	\$ 200	\$ 53,337,336	\$ (47,914,872)	\$ 5,428,544
Compensation component of vested and non-vested common stock equivalents attributable to Series A preferred stock – three (3) related parties	-	-	-	1,344,125	-	1,344,125
Issuance of Series D preferred stock through the settlement and conversion of an original Revenue Interest Purchase note payable of \$500,000 and \$250,005 in accrued interest and \$250,000 premium payment as inducement to settle	-	-	133	999,872	-	1,000,005
Net loss for the three months ending June 30, 2024	-	-	-	-	(5,253,004)	(5,253,004)
Balance – June 30, 2024	5,879,920	\$ 5,880	\$ 333	\$ 55,681,333	\$ (53,167,876)	\$ 2,519,670

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue	2,337,786	3,345,552	9,637,016	11,418,222
Cost of goods sold	2,835,763	3,095,418	9,263,015	8,869,432

Gross margin	<u>(497,977)</u>	<u>250,134</u>	<u>374,001</u>	<u>2,548,790</u>
Expenses:				
Consulting/payroll and other costs	478,371	1,039,273	1,475,450	2,915,377
Compensation expense – officers – related party	(425,000)	-	-	-
Compensation expense – officers – deferred comp – related party	(1,985,936)	-	492,189	-
Rental expense, warehousing, outlet expense	103,562	230,226	335,743	732,360
Product development costs	277,483	20,326	713,883	36,821
Marketing and brand development costs	624,509	517,345	1,189,219	942,687
Administrative and other	1,414,889	1,347,181	3,323,566	2,542,181
Depreciation and amortization expense	54,817	24,895	109,813	79,260
Total operating expenses	<u>542,695</u>	<u>3,179,246</u>	<u>7,639,863</u>	<u>7,248,686</u>
Operating loss	<u>(1,040,672)</u>	<u>(2,929,112)</u>	<u>(7,265,862)</u>	<u>(4,699,896)</u>
Other Income (Expense)				
Interest expense	(649,216)	(95,330)	(2,128,357)	(250,877)
Interest expense – pre-emptive rights release	-	-	-	-
Interest income	348	3,203	1,059	3,203
Employee retention credit funds, net of costs to collect	-	-	-	1,107,672
Gain/(loss) on sale of equipment	4,088	-	3,426	1,400
Tangible asset valuation adjustment	-	-	-	-
Impairment adjustment – goodwill	-	-	-	-
Gain/(loss) on settlement of debt instrument	(62,505)	-	(312,505)	-
Gain on settlement of liability	-	227,569	-	227,569
Net loss before income tax provision	<u>(1,747,957)</u>	<u>(2,793,670)</u>	<u>(9,702,239)</u>	<u>(3,610,929)</u>
Provision for income tax	-	-	-	-
Net loss	<u>(1,747,957)</u>	<u>(2,793,670)</u>	<u>(9,702,239)</u>	<u>(3,610,929)</u>
Basic and diluted loss per share	<u>(0.67)</u>	<u>(0.95)</u>	<u>(1.48)</u>	<u>(2.50)</u>
Weighted average common shares outstanding - basic and diluted	<u>2,594,057</u>	<u>2,930,700</u>	<u>6,550,790</u>	<u>1,442,600</u>

See Notes to Financial Statements, Statements and Note 1 regarding non-reliance on financial information.

AMERICAN REBEL HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY/(DEFICIT)
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024 AND 2023

	Common Stock	Common Stock Amount	Preferred Stock	Preferred Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance – June 30, 2024	5,879,920	9,005	333,334	333	53,967,072	(55,436,118)	(1,459,708)
Conversion of Series D Preferred Stock to Common Stock	2,232,143	2,232	(111,190)	(111)	786,064	-	788,186
Issuance of Common Stock	673,382	673	-	-	301,002	-	301,675
Compensation expense – officers – deferred comp – related party	-	-	-	-	(1,985,936)	-	(1,985,936)
Issuance of Common Stock in connection with the Amended Convertible Note Payable	223,214	223	-	-	99,777	-	100,000
Issuance of Common Stock in connection with Amended VGR working capital loan - August 2024	167,410	167	-	-	74,833	-	75,000
Issuance of Common Stock in connection with Amended VGR working capital loan - September 2024	223,214	223	-	-	99,777	-	100,000
Net loss	-	-	-	-	-	(1,747,957)	(1,747,957)
Balance – September 30, 2024	9,399,283	\$ 12,524	222,144	\$ 222	53,342,589	\$ (57,184,075)	\$ (3,828,740)

	Common Stock	Common Stock Amount	Preferred Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance – December 31, 2022 (audited)	677,221	\$ 677	\$ 175	\$ 45,465,077	\$ (34,112,810)	\$ 11,353,119
Sale of common stock	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 per share	-	-	-	2,681,400	-	2,681,400
Pre-funded common stock warrant offering costs and fees	-	-	-	(529,324)	-	(529,324)
Effect of reverse stock split – round lot shares of 2,093,591	2,093,591	2,094	-	-	-	-

Post quarter effectuation of round lot share issuance	(2,093,591)	(2,094)	-	-	-	-
Net loss for the six months ending June 30, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(817,259)</u>	<u>(817,259)</u>
Balance – June 30, 2023	<u>748,720</u>	<u>\$ 749</u>	<u>\$ 175</u>	<u>\$ 47,929,533</u>	<u>\$ (34,930,069)</u>	<u>\$ 13,000,388</u>
Balance – December 31, 2023 (audited)	5,879,920	\$ 5,880	\$ 200	\$ 52,203,336	\$ (45,213,594)	\$ 6,995,822
Compensation component of vested and non-vested common stock equivalents attributable to Series A preferred stock – three (3) related parties	-	-	-	2,478,125	-	2,478,125
Issuance of Series D preferred stock through the settlement and conversion of an original Revenue Interest Purchase note payable of \$500,000 and \$250,005 in accrued interest and \$250,000 premium payment as inducement to settle	-	-	133	999,872	-	1,000,005
Net loss for the six months ending June 30, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,954,282)</u>	<u>(7,954,282)</u>
Balance – June 30, 2024	<u>5,879,920</u>	<u>\$ 5,880</u>	<u>\$ 333</u>	<u>\$ 55,681,333</u>	<u>\$ (53,167,876)</u>	<u>\$ 2,519,670</u>

	Common Stock	Common Stock Amount	Preferred Stock	Preferred Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance – June 30, 2023	748,720	749	175,000	175	47,929,533	(34,930,069)	13,000,388
Effect of reverse stock split round lot shares	1,488,615	1,488	-	-	(1,488)	-	-
Warrant inducement and exercise of 2,988,687 repriced common stock warrants at \$1.10 per share	2,988,687	2,989	-	-	32,84,567	-	32,87,556
Warrant inducement offering costs and fees			-	-	(4,53,756)	-	(4,53,756)
Exercise of prefunded common stock warrants at \$0.01 per share	6,15,000	615	-	-	5,535	-	6,150
Common stock issued as compensation	34,241	34	-	-	25,950	-	25,984
Net loss			-	-		(27,93,670)	(27,93,670)
Balance – September 30, 2023	<u>58,75,263</u>	<u>\$ 5,875</u>	<u>1,75,000</u>	<u>\$ 175</u>	<u>5,07,90,341</u>	<u>\$ (3,77,23,739)</u>	<u>\$ 1,30,72,652</u>

	Common Stock	Common Stock Amount	Preferred Stock	Preferred Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance – December 31, 2023	5,879,920	9,005	200,000	200	51,546,448	(47,481,836)	4,073,817
Issuance of Common Stock	673,382	673	-	-	301,002	-	301,675
Compensation expense – officers – deferred comp – related party	-	-	-	-	492,189	-	492,189
Issuance of Common Stock in connection with the Amended Convertible Note Payable	223,214	223	-	-	99,777	-	100,000
Issuance of Common Stock in connection with Amended VGR working capital loan - August 2024	167,410	167	-	-	74,833	-	75,000
Issuance of Common Stock in connection with Amended VGR working capital loan - September 2024	223,214	223	-	-	99,777	-	100,000
Series D Convertible Preferred Stock issued in connection with two amended Revenue Interest Agreements and subsequently converted to Common Stock	2,232,143	2,233	22,144	22	728,563	-	730,818
Net loss	-	-	-	-	-	(9,702,239)	(9,702,239)
Balance – September 30, 2024	9,399,283	\$ 12,524	222,144	\$ 222	53,342,589	\$ (57,184,075)	\$ (3,828,740)

	Common Stock	Common Stock Amount	Preferred Stock	Preferred Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance – December 31, 2022	677,221	677	175,000	175	45,465,077	(34,112,810)	11,353,119
Sale of common stock, net	71,499	71	-	-	312,381	-	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 fee	-	-	-	-	(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	-	-	-	-	-	(3,610,929)	(3,610,929)
Balance – September 30, 2023	5,875,263	\$ 5,875	175,000	\$ 175	50,790,341	\$ (37,723,739)	\$ 13,072,652

See Notes to Financial Statements, Statements and Note 1 regarding non-reliance on financial statements.

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

	For the Nine Months Ended	
	September 30, 2024	September 30, 2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	(9,702,239)	(3,610,929)
Depreciation and amortization	109,813	79,260
Gain on disposition of property	(3,426)	(1,400)
Compensation paid through issuance of common stock	-	25,984
Compensation paid through issuance of common stock – related parties	492,189	-
Loss on settlement of debt instrument	312,505	-
Adjustments to reconcile net loss to cash (used in) operating activities (net of acquired amounts from Champion):	-	-
Accounts receivable	777,634	(1,017,950)
Prepaid expense and other	(17,809)	40,915
Inventory	253,571	(1,089,198)
Inventory deposits	21,968	(41,074)
Lease deposits and other	(10,296)	-
Accounts payable and accrued expenses	2,640,204	(474,827)
Right-of-use lease liabilities	29,425	-
Net Cash (Used in) Operating Activities	<u>(5,096,461)</u>	<u>(6,089,219)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Champion Entities	-	(275,000)
Disposition of property and equipment	5,910	1,402
Net Cash (Used in) Investing Activities	<u>5,910</u>	<u>(273,598)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock, prefunded warrants and warrant inducement, net of offering costs	-	5,298,330
Proceeds from warrant exercise	-	6,150
Proceeds from line of credit	535,200	1,700,000
Principal payments on line of credit, net	-	(10,837)
Proceeds from loans - officer - related party	432,636	95,332
Proceeds from working capital loans, net	3,173,375	1,000,000
Principal payments on working capital loan	-	(449,675)
Net Cash Provided by Financing Activities	<u>4,141,211</u>	<u>7,639,300</u>
CHANGE IN CASH	(949,340)	1,276,483
CASH AT BEGINNING OF PERIOD	<u>1,077,028</u>	<u>356,754</u>
CASH AT END OF PERIOD	<u><u>127,688</u></u>	<u><u>1,633,237</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		

Interest	\$	1,148,957	\$	245,874
Income taxes	\$	-	\$	-

See Notes to Financial Statements and Note 1 regarding non-reliance on financial information.

AMERICAN REBEL HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (7,954,282)	\$ (817,259)
Depreciation and amortization	54,996	54,365
(Gain)/loss on sale of equipment	662	(1,400)
Loss on settlement of debt	250,000	-
Settlement of revenue interest purchase note through the issuance of preferred stock	750,005	-
Recognition of deferred compensation attributable to convertibility of Series A preferred stock issued to three (3) related parties	2,478,125	-
Adjustments to reconcile net loss to cash (used in) operating activities:		
Accounts receivable	672,733	(368,993)
Prepaid expenses	3,774	46,756
Inventory, deposits and other	(569,126)	(1,153,758)
Accounts payable	473,820	(234,630)
Accrued expenses	142,084	-
Net Cash (Used in) Operating Activities	<u>(3,697,209)</u>	<u>(2,474,919)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Disposition/(purchase) of fixed assets, net	(5,939)	1,402
Net Cash Provided by Investing Activities	<u>(5,939)</u>	<u>1,402</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock, net of offering costs	-	312,452
Proceeds from the sale of prefunded warrants, net of offering costs	-	2,152,076
Proceeds from initial drawdown of line of credit	-	1,700,000
Proceeds from line of credit, net of payments	535,200	(340,317)
Proceeds from loans – officer - related parties, net	215,461	146,000
Proceeds from loan – director - related party, net	400,000	-
Proceeds from working capital loans	2,091,503	1,000,000
Principal payments on working capital loans	(233,927)	(120,195)
Net Cash Provided by Financing Activities	<u>3,008,237</u>	<u>4,850,016</u>
CHANGE IN CASH	(694,911)	2,376,499
CASH AT BEGINNING OF PERIOD	<u>1,147,696</u>	<u>356,754</u>
CASH AT END OF PERIOD	<u><u>\$ 452,785</u></u>	<u><u>\$ 2,733,253</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		

Interest	\$ 281,666	\$ 156,252
Income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Note payable principal and interest associated with revenue interest purchase conversion - Series D preferred stock	\$ 1,000,005	\$ -
Notes payable - related party principal increase from assessed interest obligations	\$ 80,000	\$ -
Notes payable principal increase from assessed interest obligations	\$ 1,189,795	\$ -

See Notes to Financial Statements.

AMERICAN REBEL HOLDINGS, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE SEPTEMBER 30, 2024
(unaudited) (Unaudited)

NOTE 1 – PREVIOUSLY ISSUED FINANCIAL STATEMENTS

On May 3, 2024, the SEC entered an order instituting settled administrative and cease-and-desist proceedings against BF Borgers CPA PC (“Borgers”) and its sole audit partner, Benjamin F. Borgers CPA, permanently barring Mr. Borgers and Borgers (collectively, “BF Borgers”) from appearing or practicing before the SEC as an accountant (the “Order”). As a result of the Order, BF Borgers may no longer serve as the Company’s independent registered public accounting firm, nor can BF Borgers issue any audit reports included in Commission filings or provide consents with respect to audit reports.

As reported in the Current Report on Form 8-K filed with the Commission on May 6, 2024, in light of the Order, the Audit Committee (the “Committee”) of the Board of Directors of the Company on May 6, 2024, unanimously approved to dismiss, and dismissed BF Borgers as the Company’s independent registered public accounting firm.

On May 14, 2024, the Committee approved the engagement of GBQ Partners LLC (“GBQ”) as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2024 and the reaudits of the years ended December 31, 2023 and 2022.

The Company filed its Form 10-K/A with the reaudits of the years ended December 31, 2023 and 2022 with the SEC on January 29, 2025.

The Company has included the comparative three and nine months ended September 30, 2023 in this filing; however, these figures have not been restated due to the undue burden it would place on the Company. Additionally, the Company has not restated its Form 10-Qs for the periods ended March 31, 2024 and June 30, 2024 due to the undue burden this would also have on the Company. The impact of any adjustments to the quarters ended March 31, 2024 and June 30, 2024 have been included in the three months ended September 30, 2024. Accordingly, the accompanying consolidated statements of operations for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2023, the consolidated statements of stockholders’ equity/(deficit) for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2023, the consolidated statement of cash flows for the nine months ended September 30, 2023, and the accompanying notes for the three months ended September 30, 2024 and 2023 and nine months ended September 30, 2023 should not be relied upon.

NOTE 2 – 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.

Nature of Operations

The Company develops and sells branded products in the beverage, 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 “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”). We The Company established American Rebel Beverages, LLC as a wholly-owned subsidiary to hold our the licenses with respect to the beer business. American Rebel Beer launched regionally in 2024.

To varying degrees, the development of geopolitical conflicts, supply chain disruptions, government actions to slow rapid inflation in recent years and predictable sales cycles have produced varying effects on our the business. The economic effects from these events over the long term cannot be reasonably estimated at this time. Accordingly, estimates used in the preparation of our the financial statements, including those associated with the evaluation of certain long-lived assets, goodwill and other intangible assets for impairment, expected credit losses on amounts owed to us the Company (through accounts receivable) and the estimations of certain losses assumed under warranty and other liability contracts, may be subject 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 of the SEC set forth in Article 8 of Regulation S-X. Accordingly, they do not include all 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) 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 be read along with the Amended Annual Report filed on Form 10-K 10-K/A of the Company for the period ended December 31, 2023, and notes thereto contained, filed on April 12, 2024 January 29, 2025.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, American Rebel, Inc., American Rebel Beverages, LLC, 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 beer, backpacks, jackets, safes, other storage products and accessories manufactured to our the Company's design and held for resale and are carried at the lower of cost (First-in, First-out Method) or net realizable value. The Company determines an estimate for 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. 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, customers, in an amount that reflects the consideration to which we expect the Company expects to be entitled in exchange for those goods and services. To achieve this core principle, we apply the Company applies the following five steps: (1) Identify 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.

The following table sets forth the approximate percentage of revenue by primary category:

Percentage of revenue	2024	2023	2024	2023	2024	2023	2024	2023
	For the three months ended June 30,		For the six months ended June 30,		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Percentage of revenue	2024	2023	2024	2023	2024	2023	2024	2023
Safes	98.7 %	98.8 %	99.2 %	98.6 %	97.5 %	98.6 %	98.2 %	96.9 %
Soft goods	0.6 %	1.2 %	0.5 %	1.4 %	1.6 %	1.4 %	1.6 %	3.1 %
Beverages	0.7 %	0.0 %	0.3 %	0.0 %	0.9 %	0.0 %	0.2 %	0.0 %
Total	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Percentage of revenue					100 %	100 %	100 %	100 %

Accounts receivable totaled \$2,143,808 1,896,906, \$2,674,540, and \$2,816,541 1,372,234 as of June 30, 2024 September 30, 2024, December 31, 2023, and December 31, 2023 January 1, 2023, respectively.

The carrying amount of accounts receivables is reduced by a valuation allowance for expected credit losses, as necessary, that reflects management's best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions and, as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to be uncollectible. The allowance for doubtful accounts was not material as of June 30, 2024 September 30, 2024 and December 31, 2023.

Advertising Costs

Advertising costs are expensed as incurred; incurred. Marketing costs, which we consider to be advertising costs, incurred were \$299,655 624,509 and \$172,617 517,345 for the three-month three months ended September 30, 2024 and 2023, respectively, and \$564,710 1,189,219 and \$425,342 942,687 for the six-month periods nine months ended June 30, 2024 September 30, 2024, and 2023, respectively.

Convertible Promissory Notes

The Company accounts for convertible promissory notes under ASC Topic 815, Derivatives and Hedging (“ASC 815”). Under ASC 815-15-25, the election can be made at the inception of a financial instrument to account for the instrument under the fair value option under ASC 815. The Company has not made any such elections for its promissory notes that may be convertible in the event of default (see Note 7 – Notes Payable – Working Capital). Using fair value option, the convertible promissory note would be required to be recorded at its initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the notes are recognized as non-cash change in the fair value of the convertible promissory note in the condensed consolidated statements of operations. The fair value of the option to convert into common stock would be valued utilizing either the Monte Carlo model or Black Scholes pricing model.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the grant date and is then re-valued at each reporting date, with changes in the fair value reported in the condensed consolidated statement of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the condensed consolidated balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of **June 30, 2024**, **September 30, 2024**, and December 31, 2023, respectively. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts receivable, and accounts payable, and the line of credit. 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.

Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

Level 1: Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.

Level 2: Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Inputs are significant unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which the fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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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.

Net Loss 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 losses per common share ("EPS") calculations are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted loss per common share calculations are determined by dividing net loss by the weighted average number of common shares and dilutive common share equivalents outstanding. Dilutive common share equivalents are negligible or immaterial as dilutive shares to be issued during net loss years were non-existent. For the three months and **six** **nine** months ended **June 30, 2024**, **September 30, 2024** and **June 30, 2023**, **2023**, net loss per share was \$(**0.89**)(**0.67**) and \$(**0.87**)(**1.48**) (for 2024), and \$(**1.35**)(**0.95**) and \$(**1.21**)(**2.50**) (for 2023), 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 of the incremental common shares issuable upon the exercise of dilutive securities, calculated using 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. In periods of losses, diluted loss per share is computed on the same basis as basic loss per share as the inclusion 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 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 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 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 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 June 30, 2024 September 30, 2024, and December 31, 2023, 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 classifies tax-related penalties and net interest as income tax expense. For the three and six-month nine-month periods ended June 30, 2024 September 30, 2024, and 2023, respectively, no income tax benefit has been recorded due to the recognition of a full valuation allowance.

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 the warranty liability is nominal or negligible based on the superior quality of products and our excellent customer relationships. Warranty liability recorded as of June 30, 2024 and December 31, 2023 was approximately \$85,000 and \$82,238, respectively.

Right of Use Assets and Lease Liabilities

ASC 842, Leases 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 Company 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 June 30, 2024 September 30, 2024, and believes that none have a material effect on the Company's financial statements.

Concentration Risks

Prior to the closing The Company did not have any vendor or customer concentrations as of the Champion Entities in 2022, the Company purchased a substantial portion (over 20%) of its inventory from two third-party vendors. With the closing of the Champion Entities, the Company no longer purchases a substantial portion (over 20%) of its inventory from these third-party vendors. As of June 30, 2024 September 30, 2024 and December 31, 2023, the net amount due to these third-party vendors (accounts payable and accrued expense) was \$0.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation.

NOTE 23 – 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 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 significant net losses for the six nine months ended June 30, 2024 September 30, 2024, and 2023 of (\$7,954,282 9,702,239) and (\$817,259 3,610,929), respectively. The Company's accumulated deficit was (\$53,167,876 57,184,075) as of June 30, 2024 September 30, 2024, and (\$45,213,594 47,481,836) as of December 31, 2023. The Company's working capital deficit was \$(129,940 4,776,970) as of June 30, 2024 September 30, 2024, compared to working capital of \$4,551,927 2,545,744 as of December 31, 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. The Company is currently conducting a Reg. A+ offering on Form 1-A that became effective on March 13, 2024. Total amount to be sought under this Reg. A+ offering is approximately \$20.0 million. The Company due to its notification and termination of its prior PCAOB accountants is required to re-audit its financial statements for the past two years for inclusion in the Reg. A+ offering documents. Until that time that the financial statements are re-audited and opined on by its new PCAOB accountants it is not able to intake any of the proceeds committed to the offering.

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. As indicated in our the footnotes to our the consolidated financial statements, most of our the current debt instruments are charging high interest rates. These interest payments and/or premium repayments and prepayments may make it difficult for us the Company to enter into new debt agreements. 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 34 – INVENTORY AND DEPOSITS

Inventory and deposits include the following:

	June 30, 2024	December 31, 2023
	(unaudited)	(audited)
Inventory – Finished Goods and Work in Progress	\$ 4,348,031	\$ 4,017,381
Inventory – Raw Materials	2,009,087	1,770,612
Total Inventory	\$ 6,357,118	\$ 5,787,993

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Inventory – raw materials	\$ 1,970,586	\$ 2,152,823
Inventory – finished goods	3,572,809	3,538,134
Less reserve for excess and obsolete inventory	(222,595)	(116,586)
Total Inventory	\$ 5,320,800	\$ 5,574,371

The Company accounts for excess or obsolete inventory with a reserve that is established based on management’s estimates of the net realizable value of the related products. These reserves are product specific and are based upon analyses of product lines that are slow moving or expected to become obsolete due to significant product enhancements.

Included in inventory – finished goods and work in progress is approximately \$60,000 218,000 in finished products related to our American Rebel branded beer lager as of June 30, 2024 September 30, 2024. This inventory is immediately available to the consumer and for distribution. During the three and six-month nine-month periods ended June 30, 2024 we September 30, 2024 the Company wrote off approximately \$180,000 and \$180,000, respectively, of this finished product branded beer lager inventory. This is considered a one-time event.

When inventory is physically disposed of, we account the Company accounts for the write-offs by making a debit to the reserve and a credit to inventory for the standard cost of the inventory item. Our The valuation reserve is applied as an estimate to specific product lines. Since the inventory item retains its standard cost until it is either sold or written off, the reserve estimates will differ from the actual write-off. There were no other material write-offs or inventory reserves during the three and six-months nine-months ended June 30, 2024 September 30, 2024 and 2023 other than what is described above with respect to our branded beer lager.

NOTE 45 – PROPERTY AND EQUIPMENT

Property and equipment include the following:

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(unaudited)	(audited)	(Unaudited)	(Audited)
Plant, property and equipment	\$ 375,316	\$ 353,885	\$ 502,244	\$ 353,885
Vehicles	398,121	435,153	390,421	435,153
	773,437	789,038	892,665	789,038
Less: Accumulated depreciation	(462,661)	(428,543)	(606,967)	(428,543)
Net property and equipment	\$ 310,776	\$ 360,495	\$ 285,698	\$ 360,495

For the three-month and six-month periods three months ended June 30, 2024 September 30, 2024 and 2023, we the Company recognized \$30,681 17,317 and \$25,275 24,895 ,in depreciation expense, respectively. For the nine months ended September 30, 2024 and 2023, the Company recognized \$54,996 72,313 and \$54,365 79,260 in depreciation expense, respectively. We depreciate these assets over a period of 5 – 7 years, which has been deemed their useful life.

NOTE 56 – RELATED PARTY NOTES PAYABLE AND RELATED PARTY TRANSACTIONS

Employment Agreements

Charles A. Ross, Jr. serves as the Company's Chief Executive Officer. Compensation for Mr. Ross was \$86,154 and \$60,000 plus stock awards (granted and issued) of \$0 and \$0, respectively for the three months ended June 30, 2024 September 30, 2024 and 2023 and \$162,500 and \$120,000 plus stock awards (granted and issued) of \$0 and \$0, respectively for the six nine months ended June 30, 2024 September 30, 2024 and 2023.

Doug E. Grau serves as the Company's President and Interim Principal Accounting Officer. Compensation for Mr. Grau was \$70,000 and \$30,000 plus stock awards (granted and issued) of \$0 and \$0, respectively for the three months ended June 30, 2024 September 30, 2024 and 2023 and \$132,500 and \$70,000 plus stock awards (granted and issued) of \$0 and \$0, respectively for the six nine months ended June 30, 2024 September 30, 2024 and 2023.

Both Messrs. Ross and Grau serve as the Company's Chief Executive Officer and President, respectively. Compensation for both, Messrs. Ross and Grau, includes a base salary and a bonus based upon certain performance measures approved by the board of directors. Three of our the Company's officers lent the Company approximately \$260,793, net of repayments during the six nine months ended June 30, 2024, the September 30, 2024. The loans are unsecured non-interest-bearing demand notes. These officers provided these loans as short-term funding and usually receives repayment a few months later, pending working capital needs. funding.

Corey Lambrecht serves as the Company's Chief Operating Officer. Mr. Lambrecht and the Company entered into an employment agreement on November 20, 2023. Mr. Lambrecht's employment agreement provides for an initial annual base salary of \$260,000, which may be adjusted by the board of directors of the Company. Mr. Lambrecht at this time continues as a director but ceased being an independent director of the Company. Mr. Lambrecht received approximately \$130,000 and \$0 for his services as an officer of the Company for six the three months ended June 30, 2024 September 30, 2024, and \$45,000 as an independent consultant for the Company for the six three months ended June 30, 2023 September 30, 2023, respectively. Mr. Lambrecht received approximately \$130,000 and \$0 for his services as an officer of the Company for nine months ended September 30, 2024, and \$45,000 as an independent consultant for the Company for the nine months ended September 30, 2023, respectively.

Series A Preferred Stock

The Company, in connection with its employment agreements, as amended, reserved for issuance of 62,500,000 shares of its common stock that are convertible under the Series A preferred stock conversion terms.

Per Mr. Lambrecht's employment agreement entered into on November 20, 2023, the share-award grant is to vest 1/4th upon the signing of Mr. Lambrecht's employment, another 1/4th on January 1, 2024, another 1/4th on January 1, 2025 and the remaining 1/4th on January 1, 2026. Mr. Lambrecht's employment agreement has a term running from November 20, 2023 through December 31, 2026, a term of 37 and ½ months. The Company on November 20, 2023 for Mr. Lambrecht recognized \$4,612,500 625,000 as a total value for the share-award grant and \$246,000 312,500 in compensation expense for the 4th quarter of 2023 for the share award grant and respective earn-outs of the common stock equivalents underlying that share award. For the six nine months ended June 30, 2024 September 30, 2024 the Company recognized an additional \$1,007,334 117,188 in compensation expense attributable to the share award grant and respective earn-out. On January 1, 2024 another 6,250 shares of Series A preferred stock vested for Mr. Lambrecht, providing for a total of 6,250,000 of shares of common stock that Mr. Lambrecht may convert his Series A preferred shares into.

Per Mr. Ross's amended employment agreement with had an effective date of November 20, 2023, the already issued or existing. The share-award grant is to will vest 1/5th on January 1, 2024, another 1/5th on January 1, 2025, 1/5th on January 1, 2026, 1/5th on January 1, 2027 and the remaining 1/5th on January 1, 2028. Mr. Ross's amended employment agreement has an effective term running from November 20, 2023 through December 31, 2026, a term of 37 and ½ months. The On October 31, 2023, the Company on October 31, 2023 for Mr. Ross recognized \$8,752,500 1,250,000 as a total value for the share-award grant and recognized \$466,800 250,000 in compensation expense for the 4th quarter of 2023 for the share award grant and respective earn-outs of the common stock equivalents underlying that share award. For the six nine months ended June 30, 2024 September 30, 2024 the Company recognized an additional \$2,079,834 187,500 in compensation expense attributable to the share award grant and respective earn-out. On January 1, 2024 10,000 shares of Series A preferred stock vested for Mr. Ross, providing for a total of 5,000,000 of shares of common stock that Mr. Ross may convert his Series A preferred shares into at any time.

Per Mr. Grau's amended employment agreement with had an effective date of November 20, 2023, the already issued or existing. The share-award grant is to will vest 1/5th on January 1, 2024, another 1/5th on January 1, 2025, 1/5th on January 1, 2026, 1/5th on January 1, 2027 and the remaining 1/5th on January 1, 2028. Mr. Grau's amended employment agreement has an effective term running from November 20, 2023 through December 31, 2026, a term of 37 and ½ months. The On October 31, 2023, the Company on October 31, 2023 for Mr. Grau recognized \$8,752,500 1,250,000 as a total value for the share-award grant and recognized \$466,800 250,000 in compensation expense for the 4th quarter of 2023 for the share award grant and respective earn-outs of the common stock equivalents underlying that share award. For the six nine months ended June 30, 2024 September 30, 2024 the Company recognized an additional \$2,079,834 187,500 in compensation expense attributable to the share award grant and respective earn-out.

Stock-based Compensation

The Company, in connection with various employment and independent directors’ agreements, is required to issue shares of its common stock as payment for services performed or to be performed. The value of the shares issued is determined by the fair value of the Company’s common stock that trades on the Nasdaq Capital Market. This value on the date of grant is afforded to the Company for the recording of stock compensation to employees and other related parties or control persons and the recognition of this expense over the period in which the services were incurred or performed. Most of the Company’s agreement for stock compensation provide for services performed to have been satisfied by the initial grant, thereby incurring the cost immediately from the grant.

Stock-based compensation is presented in accordance with the guidance of ASC Topic 718, “Compensation – Stock Compensation” (“ASC 718”). Under the provisions of ASC 718, the Company is required to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our statements of operations. Where the stock-based compensation is not an award, option, warrant or other common stock equivalent, the Company values the shares based on fair value with respect to its grant date and the price that investors may have been paying for the Company’s common stock on that date in its various exempt private placement offerings. Stock-based compensation expense totaled approximately \$492,000 for the nine months ended September 30, 2024. Estimated future compensation expense related to the Series A preferred stock awards is approximately \$164,000 for the three months ended December 31, 2024 and \$653,000, \$500,000 and \$500,000 for the years ended December 31, 2025, 2026 and 2027, respectively.

Taxable value of the stock-based compensation is recorded in accordance with the Internal Revenue Service’s regulations as it pertains to employees, control persons and others whereby they receive share-based payments. This may not always align with what the Company records these issuances in accordance with GAAP. There are no provisional tax agreements or gross-up provisions with respect to any of our share-based payments to these entities. The payment or withholding of taxes is strictly left to the recipient of the share-based payments, or the modification of share-based payments.

SCHEDULE OF SHARE BASED PAYMENTSDirector’s Note

	June 30, 2024	December 31, 2023
	(unaudited)	(audited)
Working capital loan with a director of the Company on June 28, 2024. The prepayment or purchase price prior to July 31, 2024 is 120.0% or \$480,000, the prepayment or purchase price after July 31, 2024 and prior to August 31, 2024 is 125.0% or \$500,000, thereafter the purchase price is \$520,000 or 130.0% on or before September 30, 2024.	480,000	-
Total recorded as a current liability	\$ 480,000	\$ -

On June 28, 2024, the Company entered into a short-term loan with a director, Lawrence Sinks (“Mr. Sinks”), evidenced by a promissory note in the principal amount of \$400,000 (the “Director’s Note”). Proceeds from the Director’s Note are to be utilized solely by the Company’s wholly-owned subsidiary, American Rebel Beverages, LLC. The Director’s Note is was due on September 30, 2024, with a repayment amount of \$520,000. The Company may reduce As of September 30, 2024, the repayment amount to \$500,000 if the Note is repaid on or before August 31, 2024, note remained outstanding.

NOTE 67 – LINE OF CREDIT – FINANCIAL INSTITUTION

During February 2023, the Company entered into a \$2 million master credit agreement (credit facility) with Bank of America (“LOC”). The LOC 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 June 30, 2024September 30, 2024 and December 31, 2023 for the Company was 7.457.25% and 7.48%, respectively), and is secured by all the assets of the Champion Entities. The LOC originally expired February 28, 2024, and was extended to April 30, 2024. The following table shows outstanding amountamounts due on under the LOC at June 30, 2024 and December 31, 2023 was, respectively, LOC:

Line of credit from a financial institution.

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(unaudited)	(audited)	(Unaudited)	(Audited)
	\$ 1,992,129	\$ 1,456,929	\$ 1,992,129	\$ 1,456,929
Total recorded as a current liability	\$ 1,992,129	\$ 1,456,929	\$ 1,992,129	\$ 1,456,929

As of June 30, 2024 September 30, 2024 and December 31, 2023 the total balance due of \$1,992,129 and \$1,456,929 is reported as current as the LOC was to be repaid within one year, with subsequent drawdowns as needed by the Company. Upon inception the Company paid a one-time loan fee equal to 0.1% of the LOC amount available. In the likelihood of default, the default interest automatically increases to 6% over the BSBY plus an additional 2.05% rate rate..

Initially the Company drew down on the LOC in the amount of \$1.7 million, with subsequent net payments and draws on the LOC. The Company during the first quarter of 2024 increased the LOC amount beyond its initial drawdown amount. The maturity date on the LOC was initially extended by Bank of America to April 30, 2024. The balance at the maturity was approximately \$1.9 million and access to the line of credit with Bank of America was terminated. The Company, through its wholly-owned subsidiary Champion, and Bank of America have continued meaningful dialogue and the Company is working with Bank of America regarding term loan repayment options for the original LOC.

On July 25, 2024, the Company received a notice of default and demand for payment from Bank of America regarding the Company's Line of Credit. The Company is currently negotiating a forbearance or other cure to the default and a plan for repayment of the credit facility within 60 to 90 days with its assigned relationship manager at the bank.

NOTE 78 –NOTES PAYABLE – WORKING CAPITAL

The Company has several working capital loan agreements in place, which are described in detail below.

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(unaudited)	(audited)	(Unaudited)	(Audited)
Working capital loans with an irrevocable trust established in the state of Georgia, which assumed a previous loan held by a different limited liability company in the amount of \$600,000 made on or about June 30, 2022. The two working capital loans are demand loans and accrue interest at 12% per annum with interest only payments that are due by the last day of the quarter. The 1 st loan in the amount of \$150,000 was due and payable on December 31, 2023 was partially repaid with the remaining \$75,000 due on June 30, 2024, the 2 nd loan in the amount of \$300,000 is due and payable on June 30, 2024.	375,000	450,000		

Working capital loan agreement with a limited liability company domiciled in the state of Virginia. The working capital loan requires an initial payment of \$162,667.20 on June 30, 2024 with six (6) additional payments of \$18,074.14 on the 30th of each month following funding. The working capital loan is due and payable on December 31, 2024. The working capital loan has an effective interest rate of 35.4% without taking into account the 15% original issue discount charged upon entering into the loan. This working capital loan has a conversion right associated with it in the case of an Event of Default as that term is defined below. The conversion price subject to the conversion right allows the holder of the working capital loan to receive shares not subject to Rule 144 issued as full payment for principal and (all) accrued interest at a 25% discount to market, and that market price is the lowest trading price of the Company's common stock during the ten (10) trading days prior to the notice of conversion by the holder. No Black Scholes calculation has been made with respect to the working capital loan as the Event of Default is highly unlikely. The holder of the working capital loan has required the Company to hold sufficient enough shares in reserve to satisfy the conversion at a factor of four (4) for one (1).

235,750	-
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Working capital loan agreement with a limited liability company domiciled in the state of Virginia. The working capital loan requires an initial payment of \$13,881.78 on June 30, 2024 with eight (8) additional payments of \$13,881.78 on the 30th of each month following funding. The working capital loan is due and payable on February 28, 2025. The working capital loan has an effective interest rate of 18.8% without taking into account the 12% original issue discount charged upon entering into the loan. This working capital loan has a conversion right associated with it in the case of an Event of Default as that term is defined below. The conversion price subject to the conversion right allows the holder of the working capital loan to receive shares not subject to Rule 144 issued as full payment for principal and (all) accrued interest at a 25% discount to market, and that market price is the lowest trading price of the Company's common stock during the ten (10) trading days prior to the notice of conversion by the holder. No Black Scholes calculation has been made with respect to the working capital loan as the Event of Default is highly unlikely. The holder of the working capital loan has required the Company to hold sufficient enough shares in reserve to satisfy the conversion at a factor of four (4) for one (1).

111,550	-
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<p>Working capital loan agreement with a limited liability company domiciled in the state of Delaware. The working capital loan requires an initial payment of \$13,881.78 on June 30, 2024 with eight (8) additional payments of \$13,881.78 on the 30th of each month following funding. The working capital loan is due and payable on February 28, 2025. The working capital loan has an effective interest rate of 18.8% without taking into account the 12% original issue discount charged upon entering into the loan. This working capital loan has a conversion right associated with it in the case of an Event of Default as that term is defined below. The conversion price subject to the conversion right allows the holder of the working capital loan to receive shares not subject to Rule 144 issued as full payment for principal and (all) accrued interest at a 25% discount to market, and that market price is the lowest trading price of the Company's common stock during the ten (10) trading days prior to the notice of conversion by the holder. No Black Scholes calculation has been made with respect to the working capital loan as the Event of Default is highly unlikely. The holder of the working capital loan has required the Company to hold sufficient enough shares in reserve to satisfy the conversion at a factor of four (4) for one (1).</p>	<p>111,550</p>	<p>-</p>
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with a corporate entity domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$75,000 per month (beginning on May 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to April 1, 2024 is 125% or \$625,000, the repurchase price after April 1, 2024 and prior to May 5, 2024 is 137.5% or \$675,000, thereafter the repurchase price is \$687,500 plus payments of \$75,000 per month due on the fifth calendar day of each month until repurchased in its entirety. On May 13, 2024 the Company and the holder of the revenue participation interest entered into a settlement and conversion agreement whereby the Company issued Series D preferred stock as full satisfaction for the revenue participation interest loan.

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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$10,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$140,000, the repurchase price after June 1, 2024 is 154% or \$154,000, plus payments of \$10,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 5.15% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.		
	154,000	-

<p>Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$10,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$140,000, the repurchase price after June 1, 2024 is 154% or \$154,000, plus payments of \$10,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 5.15% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.</p>	<p>154,000</p>	<p>-</p>
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<p>Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$10,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$140,000, the repurchase price after June 1, 2024 is 154% or \$154,000, plus payments of \$10,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 5.15% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.</p>	<p>154,000</p>	<p>-</p>
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<p>Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$7,500 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$105,000, the repurchase price after June 1, 2024 is 154% or \$115,500, plus payments of \$7,500 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 3.86% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.</p>	<p>115,500</p>	<p>-</p>
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with a limited liability company domiciled in the state of Colorado. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$30,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$420,000, the repurchase price after June 1, 2024 is 154% or \$462,000, plus payments of \$30,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 15.45% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.	462,000	-
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<p>Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$50,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$700,000, the repurchase price after June 1, 2024 is 154% or \$770,000, plus payments of \$50,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 25.6% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.</p>	<p>770,000</p>	<p>-</p>
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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 Chief Executive Officer, Mr. Charles A Ross. The working capital loan requires payments of \$26,000 each for 64 weeks on the Friday following funding. The working capital loan is due and payable on June 20, 2025 with a final payment of \$26,000. Interest rate approximates 40.95% per annum if the Company does not prepay the working capital loan prior to June 20, 2025.	1,088,440	-
Working capital loans with an irrevocable trust established in the state of Georgia, which assumed a previous loan held by a different limited liability company in the amount of \$600,000 made on or about June 30, 2022. The two working capital loans are demand loans and accrue interest at 12% per annum with interest only payments that are due by the last day of the quarter. The 1 st loan in the amount of \$150,000 was due and payable on December 31, 2023 was partially repaid with the remaining \$75,000 due on June 30, 2024, the 2 nd loan in the amount of \$300,000 is due and payable on June 30, 2024.		\$ 100,000 \$ 450,000

<p>Working capital loan agreement with a limited liability company domiciled in the state of Virginia. The working capital loan requires an initial payment of \$162,667.20 on June 30, 2024 with six (6) additional payments of \$18,074.14 on the 30th of each month following funding. The working capital loan is due and payable on December 31, 2024. The working capital loan has an effective interest rate of 35.4% without taking into account the 15% original issue discount charged upon entering into the loan. This working capital loan has a conversion right associated with it in the case of an Event of Default as that term is defined below. The conversion price subject to the conversion right allows the holder of the working capital loan to receive shares not subject to Rule 144 issued as full payment for principal and (all) accrued interest at a 25% discount to market, and that market price is the lowest trading price of the Company's common stock during the ten (10) trading days prior to the notice of conversion by the holder. No Black Scholes calculation has been made with respect to the working capital loan as the Event of Default is highly unlikely. The holder of the working capital loan has required the Company to hold sufficient enough shares in reserve to satisfy the conversion at a factor of four (4) for one (1).</p>	<div>51,592</div> <div>-</div>
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<p>Working capital loan agreement with a limited liability company domiciled in the state of Virginia. The working capital loan requires an initial payment of \$13,881.78 on June 30, 2024 with eight (8) additional payments of \$13,881.78 on the 30th of each month following funding. The working capital loan is due and payable on February 28, 2025. The working capital loan has an effective interest rate of 18.8% without taking into account the 12% original issue discount charged upon entering into the loan. This working capital loan has a conversion right associated with it in the case of an Event of Default as that term is defined below. The conversion price subject to the conversion right allows the holder of the working capital loan to receive shares not subject to Rule 144 issued as full payment for principal and (all) accrued interest at a 25% discount to market, and that market price is the lowest trading price of the Company's common stock during the ten (10) trading days prior to the notice of conversion by the holder. No Black Scholes calculation has been made with respect to the working capital loan as the Event of Default is highly unlikely. The holder of the working capital loan has required the Company to hold sufficient enough shares in reserve to satisfy the conversion at a factor of four (4) for one (1).</p>	<div>66,673</div> <div>-</div>
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$10,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$140,000, the repurchase price after June 1, 2024 is 154% or \$154,000, plus payments of \$10,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 5.15% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.	100,000	-
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$10,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$140,000, the repurchase price after June 1, 2024 is 154% or \$154,000, plus payments of \$10,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 5.15% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.	100,000	-
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$10,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$140,000, the repurchase price after June 1, 2024 is 154% or \$154,000, plus payments of \$10,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 5.15% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.	100,000	-
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$7,500 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$105,000, the repurchase price after June 1, 2024 is 154% or \$115,500, plus payments of \$7,500 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 3.86% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.	75,000	-
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with a limited liability company domiciled in the state of Colorado. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$30,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$420,000, the repurchase price after June 1, 2024 is 154% or \$462,000, plus payments of \$30,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 15.45% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.	300,000	-
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Working capital loan agreement structured as a Revenue Interest Purchase Agreement (“revenue participation interest”) with an individual domiciled in the state of California. The working capital loan provided for a purchase of an ownership interest in the revenues of our Champion subsidiary. The revenue participation interest requires payments of \$50,000 per month (beginning on July 5, 2024) until the revenue participation interest is repurchased by the Company. The revenue participation interest is subject to a repurchase option by the Company. The repurchase price prior to May 31, 2024 is 140% or \$700,000, the repurchase price after June 1, 2024 is 154% or \$770,000, plus payments of \$50,000 per month due on the fifth calendar day of each month until repurchased in its entirety. The repurchase price after June 1, 2024 is reduced by any amounts paid by the Company to the lender prior to that date. The Revenue Interest Purchase Agreement also requires the Company to make payments commencing after June 1, 2024 equal to 25.6% of the net proceeds received by the Company from the Regulation A Offering. In the event of default, the Company is obligated to pay an additional 25% of any and all amounts due, immediately.

500,000 -

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 Chief Executive Officer, Mr. Charles A Ross. The working capital loan requires payments of \$26,000 each for 64 weeks on the Friday following funding. The working capital loan is due and payable on June 20, 2025 with a final payment of \$26,000. Interest rate approximates 40.95% per annum if the Company does not prepay the working capital loan prior to June 20, 2025.			870,064	-
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 Chief Executive Officer, Mr. Charles A Ross. The working capital loan requires payments of \$11,731 each for 62 weeks on the Friday following funding. The working capital loan was due and payable on December 27, 2024 with a final payment of \$11,731.	-	500,000	-	500,000

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 Chief Executive Officer, Mr. Charles A Ross (Secured Loan #1). The working capital loan requires payments of \$20,000 each for 64 weeks on the Friday following funding. The working capital loan was due and payable on July 5, 2024 with a final payment of \$20,000.

-	504,214	-	494,410
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<u>\$ 3,731,790</u>	<u>\$ 1,954,214</u>
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On June 28, 2024, the Company entered into a short-term loan with a director, Lawrence Sinks (“Mr. Sinks”), evidenced by a promissory note in the principal amount of \$400,000 (the “Director’s Note”). Proceeds from the Director’s Note are to be utilized solely by the Company’s wholly-owned subsidiary, American Rebel Beverages, LLC. The Director’s Note is due on September 30, 2024, with a repayment amount of \$520,000. The Company may reduce the repayment amount to \$500,000 if the Note is repaid on or before August 31, 2024.

400,000	-
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Standard Merchant Cash Advance Agreement (the “Factoring Agreement”), with an accredited investor lending source (“Financier”). Under the Factoring Agreement, our wholly-owned subsidiary sold to Financier a specified percentage of its future receipts (as defined by the Factoring Agreement, which include any and future revenues of Champion Safe Company, Inc. (“Champion”), another wholly-owned subsidiary of the Company, and the Company) equal to \$357,500 for \$250,000, less origination and other fees of \$12,500. Our wholly-owned subsidiary agrees to repay this purchased receivable amount in equal weekly installments of \$17,875. Financier has specified customary collection procedures for the collection and remittance of the weekly payable amount including direct payments from specified authorized bank accounts. The Factoring Agreement expressly provides that the sale of the future receipts shall be construed and treated for all purposes as a true and complete sale and includes customary provisions granting a security interest under the Uniform Commercial Code in accounts and the proceeds, subject to existing liens. The Factoring Agreement also provides customary provisions including representations, warranties and covenants, indemnification, arbitration and the exercise of remedies upon a breach or default. The obligations of our wholly-owned subsidiary, Champion and the Company under the Factoring Agreement are irrevocably, absolutely, and unconditionally guaranteed by Charles A. Ross, Jr., the Company’s Chairman and Chief Executive Officer. The Personal Guaranty of Performance by Mr. Ross to Financier provides customary provisions, including representations, warranties and covenants.

161,968 -

Working Capital loan agreement with an accredited investor lending source and a subsidiary to that accredited investor lending source as collateral agent, which provides for a term loan in the amount of \$1,312,500 which principal and interest (of \$577,500) is due on January 20, 2025. Commencing July 15, 2024, the Company is required to make weekly payments of \$67,500 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$62,500 was initially paid on the loan. A default interest rate of 5% becomes effective upon the occurrence of an event of default. In connection with the loan, the holder was issued a subordinated secured promissory note, dated July 8, 2024, in the principal amount of \$1,312,500 which note is secured by all of the borrower's assets, including receivables, subject to certain outstanding liens and agreements.

986,367 -

On September 4, 2024, the Company entered into a Securities Purchase Agreement with Coventry Enterprises, LLC, an accredited investor ("the Lender"), pursuant to which the Lender made a loan to the Company, evidenced by a promissory note in the principal amount of \$300,000 (the "Note"). A one-time interest charge of 12% (\$36,000) was applied to the Note upon issuance. Further, an original issue discount of \$45,000, \$75,436.02 was utilized to repay a June 2024 note with the Lender, commissions to a broker dealer of \$8,000, and fees of \$10,000 were applied on the issuance date, resulting in net loan proceeds to us of \$161,563.98. Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid in eight payments; the first payment shall be in the amount of \$37,333.33 and is due on September 30, 2024 with seven (7) subsequent payments each in the amount of \$37,333.33 due on the last day of each month thereafter (a total payback to the Lender of \$336,000.00).

300,000 -

On August 9, 2024, the Company entered into a Securities Purchase Agreement with 1800 Diagonal Lending, LLC, an accredited investor ("the Lender"), pursuant to which the Lender made a loan to the Company, evidenced by a promissory note in the principal amount of \$179,400.

179,400 -

On September 11, 2024, the Company entered into an agreement with Dallas C. Salazar for a principal amount of \$115,000.

115,000 -

On September 12, 2024, the Company entered into an agreement with Dallas C. Salazar for a principal amount of \$57,500.			57,500	-
On September 13, 2024, the Company entered into an agreement with Dallas C. Salazar for a principal amount of \$57,500.			57,500	-
On August 27, 2024, the Company entered into an agreement with Kingdom Building, Inc. for a principal amount of \$115,000.			115,000	-
Less: note discount			(211,591)	-
Total recorded as a current liability	\$	3,731,790	\$	1,954,214
	\$		\$	
		4,424,473		1,944,410

At June 30, 2024, September 30, 2024, and December 31, 2023, the outstanding balance due on all of the working capital notes payable was \$3,731,790, 4,424,473 and \$1,954,214, 1,944,410, respectively.

Accrued expenses and other in the accompanying consolidated balance sheets includes approximately \$1.2 million of accrued interest at September 30, 2024. Accrued interest was not material at December 31, 2023.

NOTE 89 – 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 The Company first perform performs 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 Company uses the income approach, whereby we calculate the fair value is calculated based on the present value of estimated future cash flows using a discount rate that approximates our the 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 June 30, 2024 September 30, 2024 and December 31, 2023, we the Company had goodwill intangible assets, representing a trade name subject to amortization over a 10-year life, of \$2,000,000462,500 presented within other long-term assets in our consolidated balance sheets, and \$500,000, respectively, directly related to our the 2022 acquisition of the Champion Entities. The Company recognized amortization expense related to intangible assets of \$37,500 and \$0 for the three months ended September 30, 2024 and 2023, respectively. The Company recognized amortization expense related to goodwill of \$37,500 and \$0 for the nine months ended September 30, 2024 and 2023, respectively.

The Company will review its goodwill intangible assets for impairment periodically (based on economic conditions) and determine whether impairment is to be recognized within its consolidated statement of operations. No impairment charges were recognized during the three months and six nine months ended June 30, 2024 September 30, 2024 and 2023.

NOTE 9 – INCOME TAXES

At June 30, 2024 and December 31, 2023, the Company had a net operating loss carry forward of \$55,856,751 and \$45,213,594, respectively, which begins to expire in 2034.

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

	June 30, 2024	December 31, 2023
	(unaudited)	(audited)
Deferred tax asset:		
Net operating loss carryforward	\$ 11,729,920	\$ 9,494,850
Total deferred tax asset	11,729,920	9,494,850
Less: Valuation allowance	(11,729,920)	(9,494,850)
Net deferred tax asset	\$ -	\$ -

Valuation allowance for deferred tax assets as of June 30, 2024, and December 31, 2023, was \$11,729,920 and \$9,494,850, 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 June 30, 2024, and December 31, 2023, and recognized 100% valuation allowance for each period.

Reconciliation between the statutory rate and the effective tax rate for both periods and as of June 30, 2024 and December 31, 2023:

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, 2023. 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. At **June 30, 2024** **September 30, 2024**, the 10,000,000 shares of \$0.001 par value preferred stock were comprised of 150,000 shares authorized and 125,000 shares issued and outstanding of its Series A convertible preferred stock, 350,000 shares authorized and 75,143 shares issued and outstanding of its Series B convertible preferred stock, 3,100,000 shares authorized and 0 shares issued and outstanding of its Series C convertible preferred stock, and 500,000 shares authorized and 133,334 shares issued and outstanding of its Series D convertible 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 for the 2023 comparative periods presented.

On April 23, 2024, **During July 2023, approximately 1,493,272 shares of the Company** received notice from Nasdaq indicating that, while the Company has not regained compliance with the Bid Price Requirement, Nasdaq has determined that the Company is eligible for an additional 180-day period, or until October 21, 2024, to regain compliance. According **Company's common stock were issued pursuant to the notification from Nasdaq, 100-share lot roundup caused by the staff's determination was based on (i) the Company meeting the continued listing requirement for market value of its publicly held shares and all other applicable Nasdaq initial listing standards, with the exception of the minimum bid price requirement, and (ii) the Company's written notice to Nasdaq of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split if necessary. If at any time during this second 180-day compliance period, on June 27, 2023. The Depository Trust and Clearing Corporation (the "DTCC"), which handles the closing bid price 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 is were 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 \$1 per share for a minimum of 10 consecutive business days, Nasdaq will provide "round lot" (100 shares or more) prior to the Company with written confirmation of compliance. If compliance cannot be demonstrated by October 21, 2024, Nasdaq will provide written notification that reverse stock split shall have no less than one round lot (100 shares) after the common reverse stock will be delisted. At that time, the Company may appeal Nasdaq's determination to a Hearings Panel. split.**

On **April 24, 2024** **June 27, 2023**, the Company received notice from Nasdaq indicating that Staff determined to grant the Company an extension until June 15, 2024 to regain compliance with the rule by holding an annual meeting of shareholders. At the annual meeting, shareholders must be afforded the opportunity to discuss company affairs with management and, if required by the company's governing documents, to elect directors. The Company expects to hold an annual meeting within such timeframe. While the compliance plan is pending, the Company's securities will continue to trade on NASDAQ.

On May 3, 2024, the Securities and Exchange Commission (the "Commission") entered an order instituting settled administrative and cease-and-desist proceedings against BF Borgers CPA PC ("Borgers") and its sole audit partner, Benjamin F. Borgers CPA, permanently barring Mr. Borgers and Borgers (collectively, "BF Borgers") from appearing or practicing before the Commission as an accountant (the "Order"). As a result of the Order, BF Borgers may no longer serve as the Company's independent registered public accounting firm, nor can BF Borgers issue any audit reports included in Commission filings or provide consents with respect to audit reports.

On May 3, 2024, the Company dismissed BF Borgers as its independent registered public accounting firm. The Company's audit committee unanimously approved the decision to dismiss BF Borgers.

The Company is required to re-audit its financial statements for the years ending December 31, 2022 and 2023. The Company and its auditors are in process of completing these audits for the two years described above and if any changes to the financial statements are needed to be made the Company will issue a non-reliance notice to the public on Current Report on Form 8-K. No report is needed as of the date of this Report.

Common Stock and Preferred Stock

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.

On August 21, 2023. For the month of July 2023, the following transactions occurred: Approximately 1,493,272 245,000 shares of the Company’s common stock 2023 Prefunded Warrants 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. exercised.

Pursuant to the PIPE transaction 71,499 245,000 shares of common stock were issued to Armistice Capital. The 2023 Prefunded Warrants held by Armistice Capital were not exercised for the month a total payment 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 2,450,000.

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 \$3,287,555.70 from the exercise of the existing common stock purchase warrants by Armistice Capital. Armistice Capital received 2 New Warrant Warrants 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 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 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. issued for a total payment of \$3,700,000.

On September 19, 2023, the Company issued 6,391 shares of common stock pursuant to the Company's 2021 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. Under the 2021 LTIP equity plan 3,954 shares of common stock were issued to Mr. Ross our Chief Executive Officer and 2,237 shares of common stock were issued to Mr. Grau our President and Interim Principal Accounting Officer. Grau.

Additionally, on September 19, 2023, 3,721 shares of common stock were granted and issued to a vendor associated with our one of the Company's current working capital loan. loans. The shares were valued at \$2,902.38 with a per share value of \$0.78.

On September 20, 2023, the Company issued 24,129 shares of common stock pursuant to the Company's board compensation plan for its independent directors. 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 as well as issuance date. The Company recognized approximately \$228,000 in gain on settlement of debt through the issuance of 24,129 shares of common stock to its independent directors on this date.

Shares Reserved for Issuance Pursuant to Certain Executive Employment Agreements

The Company in connection with its employment agreement with Messrs. Ross, Grau and Lambrecht reserved for issuance 62,500,000 124,812,000 shares of its common stock that are convertible under the Series A preferred stock. Per Mr. Lambrecht's employment agreement entered into on November 20, 2023, the share-award grant is to vest 1/4th upon the signing of Mr. Lambrecht's employment, another 1/4th on January 1, 2024, another 1/4th on January 1, 2025 and the remaining 1/4th on January 1, 2026. Mr. Lambrecht's employment agreement has a term running from November 20, 2023 through December 31, 2026, a term of 37 and ½ months. The Company values the shares granted and earned out, as well as the additional shares granted but not earned out in accordance with ASC 718 and employee share-awards. Market value for the Company's publicly traded stock at the time of grant for Mr. Lambrecht's shares was \$0.369.

Per Mr. Ross's amended employment agreement with an effective date of November 20, 2023, the already issued or existing share-award grant is to vest 1/5th on January 1, 2024, another 1/5th on January 1, 2025, 1/5th on January 1, 2026, 1/5th on January 1, 2027 and the remaining 1/5th on January 1, 2028. Mr. Ross's amended employment agreement has an effective term running from November 20, 2023 through December 31, 2026, a term of 37 and ½ months. The Company values the shares granted and earned out, as well as the additional shares granted but not earned out in accordance with ASC 718 and employee share-awards. Market value for the Company's publicly traded stock at the time of modification of the terms of the Series A preferred stock for Mr. Ross's shares was \$0.3501.

Per Mr. Grau's amended employment agreement with an effective date of November 20, 2023, the already issued or existing share-award grant is to vest 1/5th on January 1, 2024, another 1/5th on January 1, 2025, 1/5th on January 1, 2026, 1/5th on January 1, 2027 and the remaining 1/5th on January 1, 2028. Mr. Grau's amended employment agreement has an effective term running from November 20, 2023 through December 31, 2026, a term of 37 and ½ months. The Company values the shares granted and earned out, as well as the additional shares granted but not earned out in accordance with ASC 718 and employee share-awards. Market value for the Company's publicly traded stock at the time of modification of the terms of the Series A preferred stock for Mr. Grau's shares was \$0.3501.

Shares Issued as Compensation

The Company in connection with various consulting and advisory agreements is required to issue shares of its common stock. The value of the shares issued is determined by the fair value of the Company's common stock that trades on the Nasdaq Capital Market. This value on the date of grant is afforded to the Company for the recording of stock compensation to non-employees and the recognition of this expense over the period in which the services were incurred or performed. Most of the Company's agreement for stock compensation provide for services to have been satisfied upon the initial grant, thereby incurring the cost immediately from the grant.

Stock-based compensation is presented in accordance with the guidance of ASC 718. Under the provisions of ASC 718, the Company is required to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our statements of operations. Where the stock-based compensation is not an award, option, warrant or other common stock equivalent, the Company values the shares based on fair value with respect to its grant date and the price that investors may have been paying for the Company's common stock on that date in its various exempt private placement offerings.

Modified Terms of Series A Preferred Stock

On October 31, 2023, the Company board of directors 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 to allow for the conversion of the Series A Preferred Stock under certain circumstances and vesting requirements. On November 20, 2023 the Company issued 25,000 shares of its Series A Preferred Stock to Mr. Lambrecht, pursuant to his employment agreement as Chief Operating Officer. Mr. Lambrecht's shares of Series A Preferred Stock will vest in the following manner, 25% upon signing of the employment agreement, 25% on the 1st of January 2024, and 25% for the following two anniversaries. Messrs. Ross and Grau who are holders of the Series A Preferred Stock will also enjoy the vesting of their shares of Series A Preferred Stock in the following manner; 20% on the 1st of January 2024 and 20% thereafter for the following 4 anniversaries. The Company has determined, and appropriately recorded in its statement of operations a compensation expense associated with the conversion or convertibility of the Series A Preferred Stock into common stock of the Company on a 500:1 basis. Based on the vesting schedule afforded to the holders of the Series A Preferred Stock, 3,125,000 shares of common stock could be issued upon the conversion of 6,250 shares of Series A Preferred Stock as of December 31, 2023, and immediately subsequent to December 31, 2023, another 13,125,000 shares of common stock could be issued upon the conversion of 26,250 shares of Series A Preferred Stock on January 1, 2024. The conversion of the Series A Preferred Stock is at the discretion of the holder unless there are special circumstances. The Company will recognize the stock compensation expense attributable to each awarded employee over the vesting term.

New Preferred Stock Series and Designations and Reg. A+ Offering

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 Company filed a registration statement on Form 1-A offering up to 2,666,666 shares of Series C Preferred Stock, at an offering price of \$7.50 per share, for a maximum offering amount of \$19,999,995. There is a minimum initial investment amount per investor of \$300.00 for the Series C Preferred Stock and any additional purchases must be made in increments of at least \$7.50. No Series C Preferred Stock was issued and outstanding at **June 30, 2024** **September 30, 2024** and December 31, 2023.

On May 10, 2024, the Company's board of directors approved the designation of a new Series D Convertible Preferred Stock (the "Series D Designation"). The Series D Designation was filed by the Company with the Secretary of State of Nevada on May 10, 2024, and designated 2,500,000 shares of Series D Preferred Stock, \$0.001 par value per share. The Series D Preferred Stock has the following rights:

Stated Value. Each share of Series D 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 D Preferred Stock.

Conversion at Option of Holder. Each share of Series D Preferred Stock shall be convertible into shares of Common Stock at a fixed 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 D Preferred Stock at the Company's office or any transfer agent for such stock. The conversion price (\$1.50) shall not be adjusted for stock splits, stock dividends, recapitalizations or similar events.

Forced Conversion – If the closing price of the Company's Common Stock during any ten consecutive trading day period has been at or above \$2.25 per share (as adjusted for stock splits, stock dividends recapitalizations and similar events), then the Company shall have the right to require the holder of the Series D Preferred Stock to convert all, or any portion of, the shares of Series D Preferred Stock held by such holder for shares of Common Stock. If the Company elects to cause a forced conversion of the shares of Series D Preferred Stock, then it must simultaneously take the same action with respect to all of the other shares of Series D Preferred Stock then outstanding on a pro rata basis.

Voting Rights. The Series D 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 amend its articles of incorporation or the Series D Designation (whether by merger, consolidation, or otherwise) to materially and adversely change the rights, preferences or voting power of the Series D 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 D Preferred Stock, voting together as a class.

Conversion of Revenue Interest Loan for Preferred Stock Series D and Potential Issuance of Common Stock Equivalents from the Conversion of Series D

On May 13, 2024 the Company and the holder of one of the Revenue Interest Loan #1 Loans entered into a settlement and conversion agreement (“Securities Exchange Agreement”), whereby the Company is to issue a certain number of shares of Series D convertible preferred stock as full satisfaction for the revenue participation interest agreement or loan. The Series D convertible preferred stock was purchased at \$7.50 per share. Total loan balance and premium payment for inducement for this Revenue Interest Loan #1 on the date of settlement and conversion was \$1,000,005. The Series D convertible preferred stock is convertible at the option of the holder into common stock of the Company at a fixed price per share of \$1.50 per share.

The Company issued one hundred thirty-three thousand three hundred thirty-four (133,334) shares of the Series D Preferred Stock. The Securities Exchange Agreement is intended to be effected as an exchange of securities issued by the Company pursuant to Section 3(a)(9) of the Securities Act. For the purposes of Rule 144, the Company acknowledges that the holding period of the Securities Exchange Agreement (and upon conversion thereof, if any, into shares of the Company's common stock) may be tacked onto the holding period of the Series D Preferred Stock received by the holder. The Company agrees not to take a position contrary to this unless required by regulatory authorities and their determination to the contrary.

At June 30, 2024 and December 31, 2023, there were 22,129,920 and 9,004,920 shares of common stock issued (which includes reserved for) and outstanding, respectively; and 75,143 and 75,143 shares of Series B preferred stock issued and outstanding, respectively, and 125,000 and 125,000 shares of its Series A preferred stock issued and outstanding, respectively; and 133,334 and 0 shares of its Series D preferred stock issued and outstanding, respectively. No Series C preferred stock was issued or outstanding at June 30, 2024 or December 31, 2023.

NOTE 11 – WARRANTS AND OPTIONS

As of June 30, 2024, 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, 2023, 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 \$129.6875 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.

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.

Along with the Prefunded Warrants the previous year’s 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 and between Armistice Capital and the Company.

As of June 30, 2024 and December 31, 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, 2023 and June 30, 2024. 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.

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Stock Price	\$ 0.47	\$ 0.31
Exercise Price	\$ 1.10	\$ 1.10
Term (expected in years)	4.1	4.7
Volatility	54.84 %	17.18 %
Annual Rate of Dividends	0.0 %	0.0 %
Risk Free Rate	5.09 %	4.79 %

Stock Purchase Warrants

The following table summarizes all warrant activity for the year ended December 31, 2023, and for the six months ended June 30, 2024.

	Shares	Weighted-Average Exercise Price Per Share	Remaining term	Intrinsic value
Outstanding and Exercisable at December 31, 2022 (audited)	1,096,455	\$ 30.50	4.50 years	-
Granted	615,000	\$ 4.37	5.00 years	-
Granted in Debt Conversion	686,499	\$ 4.24	5.00 years	-
Granted Prefunded Warrants	1,365,251	\$ 1.10	4.00 years	-
Granted in PIPE transaction	5,977,374	\$ 1.10 *	5.00 years	-
Exercised	(3,603,687)	\$ 0.88	5.00 years	-
Expired	-	-	-	-
Outstanding and Exercisable at December 31, 2023 (audited)	6,136,892	\$ 3.15	4.70 years	-
Granted	-	\$ -	-	-
Exercised	-	\$ -	-	-
Expired	-	\$ -	-	-
Outstanding and Exercisable at June 30, 2024 (unaudited)	6,136,892	\$ 3.15	4.10 years	-

- *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 its facilities. Lease terms on the various spaces’ expiry from a month-to-month lease (30 days) to a long-term lease expiring in September of 2028.

Rent expense for operating leases totaled approximately \$185,000 and \$225,000 and \$370,000 and \$450,000 for the three and six-months ended June 30, 2024, and 2023, respectively. These amounts are included in our condensed consolidated statement of operations in Rental expense, warehousing, outlet expense and Administrative and other. Rental expense, warehousing, outlet expense is specific to warehousing and final manufacturing of our products.

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.

Right of Use Assets and Lease Liabilities

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.

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. The Company added approximately \$1,000,000 in right-of-use lease assets offset by right-of-use lease liabilities during the 4th quarter for the year ended December 31, 2023, this included multiple leases that were increased in size and as well as several leases that were extended or options to extend were added in the lease terms.

Balance sheet information related to our leases is presented below:

	Balance Sheet location	June 30, 2024	December 31, 2023
		(unaudited)	(unaudited)
Operating leases:			
Right-of-use lease assets	Right-of-use operating lease assets	\$ 1,312,831	\$ 1,946,567
Right-of-use lease liability, current	Other current liabilities	791,222	1,039,081
Right-of-use lease liability, long-term	Right-of-use operating lease liability	521,609	907,486

Other information related to leases is presented below:

	Six Months Ended June 30,	
	2024	2023
	(unaudited)	(unaudited)
Cash Paid for Amounts Included in Measurement of Liabilities:		
Operating cash flows from operating leases	\$ 328,118	\$ 243,501
Weighted Average Remaining Lease Term:		
Operating leases	2.8 years	3.0 years
Weighted Average Discount Rate:		
Operating leases	10.00 %	5.00 %
The minimum future annual payments under non-cancellable leases during the next five years and thereafter, at rates now in force, are as follows:		

	Operating leases
July 1, 2024 – June 30, 2025	\$ 638,836
July 1, 2025 – June 30, 2026	312,295
July 1, 2026 – June 30, 2027	267,302
July 1, 2027 – June 30, 2028	256,782
July 1, 2028 – June 20, 2029	64,754
Thereafter	-
Total future minimum lease payments, undiscounted	1,539,969
Less: Imputed interest	(227,138)
Present value of future minimum lease payments	\$ 1,312,831

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

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 June 30, 2024 and December 31, 2023 there were no outstanding letters of credit issued during the normal course of business. These letters of credit could reduce our available borrowings. During the six months ended June 30, 2024 the Company continues to hold a line of credit with a major financial institution. The amount due on the line of credit as of June 30, 2024 was \$1,992,129. The Company is currently not in compliance with its terms and covenants; however, it intends on renegotiating the terms and covenants of the line of credit.

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 preparation of tax filings for (tax) credits available under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). During the year ended December 31, 2023, the Company received approximately \$1,291,000 in tax credits under the CARES Act from the US Department of Treasury and paid approximately \$178,000 to the service provider, netting the Company approximately \$1,113,000 in credits for the retaining of its employees during COVID.

NOTE 15 – SUBSEQUENT EVENTS

The Company evaluated all events that occurred after the balance sheet date of June 30, 2024, through the date the financial statements were issued and determined that there were the following subsequent events:

The maturity date on the Champion line of credit was initially extended by Bank of America to April 30, 2024. The balance at the maturity date was approximately \$1.9 million and access to the line of credit with Bank of America was terminated. Champion and Bank of America have continued dialogue and the Company is working with Bank of America regarding term loan repayment options.

On July 2, 2024, American Rebel, Inc., a wholly-owned subsidiary of the Company, entered into a Standard Merchant Cash Advance Agreement (the “Factoring Agreement”), with an accredited investor lending source (“Financier”). Under the Factoring Agreement, our wholly-owned subsidiary sold to Financier a specified percentage of its future receipts (as defined by the Factoring Agreement, which include any and future revenues of Champion Safe Company, Inc. (“Champion”), another wholly-owned subsidiary of the Company, and the Company) equal to \$357,500 for \$250,000, less origination and other fees of \$12,500. Our wholly-owned subsidiary agrees to repay this purchased receivable amount in equal weekly installments of \$17,875. Financier has specified customary collection procedures for the collection and remittance of the weekly payable amount including direct payments from specified authorized bank accounts. The Factoring Agreement expressly provides that the sale of the future receipts shall be construed and treated for all purposes as a true and complete sale and includes customary provisions granting a security interest under the Uniform Commercial Code in accounts and the proceeds, subject to existing liens. The Factoring Agreement also provides customary provisions including representations, warranties and covenants, indemnification, arbitration and the exercise of remedies upon a breach or default. The obligations of our wholly-owned subsidiary, Champion and the Company under the Factoring Agreement are irrevocably, absolutely, and unconditionally guaranteed by Charles A. Ross, Jr., the Company’s Chairman and Chief Executive Officer. The Personal Guaranty of Performance by Mr. Ross to Financier provides customary provisions, including representations, warranties and covenants.

On July 8, 2024, the Company, and two of its subsidiaries (American Rebel, Inc. and Champion Safe Company, Inc.) entered into a subordinated business loan and security agreement (“Loan”) with an accredited investor lending source and a subsidiary to that accredited investor lending source as collateral agent, which provides for a term loan in the amount of \$1,312,500 which principal and interest (of \$577,500) is due on January 20, 2025. Commencing July 15, 2024, the Company is required to make weekly payments of \$67,500 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$62,500 was initially paid on the loan. A default interest rate of 5% becomes effective upon the occurrence of an event of default. In connection with the loan, the holder was issued a subordinated secured promissory note, dated July 8, 2024, in the principal amount of \$1,312,500 which note is secured by all of the borrower’s assets, including receivables, subject to certain outstanding liens and agreements.

On July 10, 2024, the Company entered into a Conversion Agreement (the “Conversion Agreement”) with Series D convertible preferred stock holder, pursuant to which the holder agreed to convert the 133,334 shares of Series D convertible preferred stock it held into 2,232,143 shares of common stock, par value \$0.001 per share, of the Company. The shares of common stock underlying the Series D convertible preferred stock was reduced and repriced from \$1.50 per share to \$0.448 per share (which this price represents the closing price for the Company’s common stock on NASDAQ for the day immediately preceding the date of the Conversion Agreement).

As a result of the July 10, 2024 conversion of Series D convertible preferred stock, the exercise price of 2,988,687 current warrants was reduced from \$1.10 per share to \$0.448 per share.

On July 22, 2024, the Company and an accredited investor lending source entered into an agreement whereby \$300,000 of the Assumption Loan was acquired by the accredited investor lending source from the original holder. The agreement entered into was structured as an installment purchase between the two accredited investor lending sources. The Company entered into an amended note payable, which by its terms became a \$300,000 no interest convertible note, due and payable on July 22, 2025 (“Amended Convertible Note Payable”). The conversion price is fixed at \$0.448 per share, with the normal share reserve and conversion mechanics. The Company issued 223,214 shares of common stock to the holder of the amended note payable and retired \$100,000

of this \$300,000 debt. The shares were issued to the holder without restrictive legend and a new amended convertible note payable of \$200,000, due and payable on July 22, 2025.

On July 23, 2024, the Company received notice of a complaint filed in the U.S. District Court for the District of Utah by Liberty Safe and Security Products, Inc. ("Liberty"), in connection with the marketing and sale of the Company's and its subsidiaries, Champion Safe Company, Inc., line of safe products. As of the date of this Report, the complaint has not been served on the Company or Champion Safe. In the complaint, Liberty alleges trademark infringement as a result of the purported use of the term "Freedom" in the sale of safes, federal false designation of origin and unfair competition, violation of Utah deceptive trade practices, Utah unfair competition, and damages to Liberty. Management believes that this lawsuit is without merit and intends to vigorously contest these allegations. However, management believes that the costs of defending these claims and any liability that could arise as a result of these allegations could have a material adverse effect on its business, financial condition or results of operations.

On July 25, 2024, Champion Safe Company received a notice of default and demand for payment from Bank of America regarding the Company's Line of Credit. The current balance owing to the bank is \$2,017,539.27 and interest is accruing at \$743.38 per day. The Company is currently negotiating a forbearance or other cure to the default and a plan for repayment of the credit facility within sixty (60) to ninety (90) days with its assigned relationship manager at the bank.

Effective August 5, 2024, the Company entered into two securities exchange and amendment agreements with two accredited investors, whereby the Company agreed to issue the investor 10,010 shares of Series D Convertible Preferred Stock in exchange for a portion of a \$75,000 revenue interest owned by one such investor, and whereby the Company agreed to issue the investor 12,134 shares of Series D Convertible Preferred Stock in exchange for a portion of a \$100,000 revenue interest owned by a second such investor. Commencing on October 1, 2024, and continuing thereafter until all amounts are repurchased by the Company pursuant to the terms of the Revenue Agreement, the investors have the right to receive \$7,500 and \$10,000 per month, respectively, from the Company generated from its operating subsidiaries.

At September 30, 2024 and December 31, 2023, there were 9,399,283 and 5,879,920 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 125,000 and 125,000 shares of its Series A preferred stock issued and outstanding, respectively; and 222,144 and 0 shares of its Series D preferred stock issued and outstanding, respectively. No Series C preferred stock was issued or outstanding at September 30, 2024 or December 31, 2023.

NOTE 11 – 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 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 its facilities. Lease terms on the various spaces' range from a month-to-month lease (30 days) to a long-term lease expiring in September of 2028.

Rent expense for operating leases totaled \$103,562 and \$230,226 and \$335,743 and \$732,360 for the three and nine months ended September 30, 2024, and 2023, respectively. These amounts are included in the condensed consolidated statement of operations within Rental expense, warehousing, outlet expense and Administrative and other. Rental expense, warehousing, outlet expense is specific to warehousing and final manufacturing of products.

Effective August 5, 2024

Right of Use Assets and Lease Liabilities

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.

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. The Company added approximately \$1,000,000 in right-of-use lease assets offset by right-of-use lease liabilities during the 4th quarter for the year ended December 31, 2023, this included multiple leases that were increased in size and as well as several leases that were extended or options to extend were added in the lease terms.

Balance sheet information related to our leases is presented below:

	Balance Sheet location	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Operating leases:			
Right-of-use lease assets	Right-of-use operating lease assets	\$ 636,530	\$ 1,244,496
Right-of-use lease liability, current	Other current liabilities	220,584	669,002
Right-of-use lease liability, long-term	Right-of-use operating lease liability	472,155	602,278

As of September 30, 2024, weighted-average remaining lease term and discount rate were as follows:

	September 30, 2024 (Unaudited)
Weighted Average Remaining Lease Term:	
Operating leases	2.6 years
Weighted Average Discount Rate:	
Operating leases	10.00 %

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

	Operating leases
October 1, 2024 – September 30, 2025	\$ 297,006
October 1, 2025 – September 30, 2026	199,924
October 1, 2026 – September 30, 2027	175,937
October 1, 2027 – September 30, 2028	180,233
October 1, 2028 – September 20, 2029	-
Thereafter	-
Total future minimum lease payments, undiscounted	853,100
Less: Imputed interest	(160,361)
Present value of future minimum lease payments	\$ 692,739

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Various claims and lawsuits, incidental to the ordinary course of our business, may be brought against the Company from time-to-time.

On July 23, 2024, the Company entered into three Amended Revenue Interest Purchase received notice of a complaint filed in the U.S. District Court for the District of Utah by Liberty Safe and Security Products, Inc. (“Liberty”), in connection with the marketing and sale of the Company’s and its subsidiaries, Champion Safe Company, Inc., line of safe products. As of the date of this Report, the complaint has not been served on the Company or Champion Safe. In the complaint, Liberty alleges trademark infringement as a result of the purported use of the term “Freedom” in the sale of safes, federal false designation of origin and unfair competition, violation of Utah deceptive trade practices, Utah unfair competition, and damages to Liberty. Management believes that this lawsuit is without merit; however has initiated settlement discussions with Liberty and anticipates an amicable settlement to be forthcoming. At this time, Management does not believe a settlement with Liberty will have a material effect on its business or financial condition.

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, 2024 and December 31, 2023 there were no outstanding letters of credit issued during the normal course of business. These letters of credit could reduce the Company’s available borrowings. During the nine months ended September 30, 2024 the Company continues to hold a line of credit with a major financial institution. The amount due on the line of credit as of September 30, 2024 was \$1,992,129. The Company is currently not in compliance with its terms and covenants; however, it intends on renegotiating the terms and covenants of the line of credit.

Nasdaq Compliance

On April 23, 2024, the Company received notice from Nasdaq indicating that, while the Company has not regained compliance with the Bid Price Requirement, Nasdaq has determined that the Company is eligible for an additional 180-day period, or until October 21, 2024, to regain compliance. On October 16, 2024, the Company received a written notification from Nasdaq indicating that, as of October 15, 2024, the Company had regained compliance with the Bid Price Requirement.

On February 28, 2024 the Registrant received a written notice from the Listing Qualifications department of The Nasdaq Stock Market stating that because the Company has not yet held an annual meeting of shareholders within 12 months of the end of the Company’s 2022 fiscal year end, it no longer complies with Nasdaq Listing Rule 5620(a) for continued listing on The Nasdaq Capital Market. The Company had until April 15, 2024, which was 45 days from the date of the notice, to submit a plan to regain compliance and, if Nasdaq accepted the plan, it may grant an exception of up to 180 calendar days from the fiscal year end, or until June 28, 2024, to regain compliance. The Company held its annual meeting of stockholders on June 27, 2024, thereby regaining compliance with the Nasdaq annual meeting requirement.

On November 22, 2024, the Company received a notice from Nasdaq indicating that, as a result of not having timely filed the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, the Company is not in compliance with Nasdaq Listing Rules which require timely filing of periodic reports with the SEC. Pursuant to the Nasdaq Listing Rules, the Company has until January 21, 2025 to submit a plan to regain compliance. If the plan is accepted, an extension may be granted of up to 180 calendar days from the due date of the Initial Delinquent Filing, or May 19, 2025, to regain compliance. The Company submitted a compliance plan on January 20, 2025 and will satisfy the delinquency through the filing of this Report.

Executive Employment Agreements and Independent Contractor Agreements

The Company has written employment agreements with two individual accredited investors various other executive officers. All payments made to its executive officers and one corporate accredited investor. Commencing on October 1, 2024, significant outside service providers are analyzed and continuing thereafter until all amounts are repurchased determined by the Company pursuant board of directors’ compensation committee; some payments made to the terms independent contractors (or officer payments characterized as non-employee compensation) may be subject to backup withholding or general withholding of the Revenue Agreement, the investors have the right to receive \$10,000, \$10,000 and \$30,000 per month, respectively, from payroll taxes, may make the Company generated from its operating subsidiaries. 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 13 – SUBSEQUENT EVENTS

The Company evaluated all events that occurred after the balance sheet date of September 30, 2024, through the date the financial statements were issued and determined that there were the following subsequent events:

On August 9, 2024 October 4, 2024, the Company entered into a Securities Purchase Agreement with 1800 Diagonal Lending, LLC, an accredited investor (“the Lender”), pursuant to which the Lender made a loan to the Company, evidenced by a promissory note in the principal amount of \$179,400 122,960 (the “Note”). An original issue discount of \$16,960 and fees of \$6,000 were applied on the issuance date, resulting in net loan proceeds to the Company of \$100,000.

Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid in nine payments of \$15,574.89, with the first payment due on October 30, 2024, and remaining eight payments due on the 30th day of each month thereafter (a total payback to the Lender of \$140,174). Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Company will be obligated to pay to the Lender, in full satisfaction of its obligations, an amount equal to 150% times the sum of (w) the then outstanding principal amount of the Note plus (x) accrued and unpaid interest on the unpaid principal amount of the Note to the date of payment plus (y) default interest, if any, at the rate of 22% per annum on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Lender pursuant to the conversion rights referenced below. Only upon an occurrence of an event of default under the Note, the Lender may convert the outstanding unpaid principal amount of the Note into restricted shares of common stock of the Company at a discount of 25% of the market price. The Lender agreed to limit the amount of stock received to less than 4.99% of the total outstanding common stock. There are no warrants or other derivatives attached to this Note. The Company agreed to reserve a number of shares of common stock equal to four times the number of shares of common stock which may be issuable upon conversion of the Note at all times.

As previously disclosed in a Current Report on Form 8-K dated October 27, 2023, on October 23, 2023, the Registrant received a written notification (the “Notice”) from the Nasdaq Stock Market LLC (“Nasdaq”) indicating that the Registrant was not in compliance with Nasdaq Listing Rule 5550(a)(2) (the “Bid Price Requirement”), as the Registrant’s closing bid price for its common stock, par value \$0.001 per share, was below \$1.00 per share for the thirty (30) consecutive business days prior to the date of the Notice from Nasdaq. On April 23, 2024, the Registrant received notice from Nasdaq indicating that, while the Registrant had not regained compliance with the Bid Price Requirement, Nasdaq determined that the Registrant was eligible for an additional 180-day period, or until October 21, 2024, to regain compliance. On October 16, 2024, the Registrant received a written notification from the Staff indicating that, as of October 15, 2024, the Registrant had regained compliance with the Minimum Bid Price Requirement.

On October 23, 2024, (the “Closing Date”), the Company entered into an Exchange and Settlement Agreement (the “Securities Exchange Agreement”) with an individual accredited investor (the “Investor”). On April 19, 2024, the Company and the Investor had entered into a \$500,000 Revenue Interest Purchase Agreement (the “Revenue Agreement”). Pursuant to the Securities Exchange Agreement, AREB and the Investor exchanged the Revenue Agreement and all rights and preferences thereunder for 57,000 shares of common stock, valued at \$2.75 per share, and a three-year pre-funded warrant to purchase 486,030 shares of common stock at \$0.01 per share, valued at \$2.74 per share.

On October 30, 2024, the Company entered into a Securities Purchase Agreement with Alumni Capital LP, a Delaware limited partnership (“the Lender”), pursuant to which the Lender made a loan to the Company, evidenced by a promissory note in the principal amount of \$420,000 (the “Note”). An original issue discount of \$70,000 and commissions to a broker dealer of \$28,000 were applied on the issuance date, resulting in net loan proceeds to the Company of \$322,000. Accrued, unpaid interest at the rate of 10% and outstanding principal, subject to adjustment, is required to be paid on or before December 31, 2024. In addition to the Note, the Company issued the Lender a five-year common stock purchase warrant to purchase up to 72,165 shares of Common Stock at \$5.82 per share (the “Warrant”). Pursuant to the Securities Purchase Agreement, the Company granted piggyback registration rights to the Lender on the shares of common stock underlying the Warrant and the shares of common stock potentially issuable upon default of the Note. Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Company will be obligated to pay to the Lender, in full satisfaction of its obligations, an amount equal to (w) the then outstanding principal amount of the Note plus (x) accrued and unpaid interest on the unpaid principal amount of the Note to the date of payment plus (y) default interest, if any, at the rate of 22% per annum on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Lender pursuant to the conversion rights referenced below. Only upon an occurrence of an event of default under the Note, the Lender may convert the outstanding unpaid principal amount of the Note (along with any interest, penalties, and all other amounts under the Note) into restricted shares of common stock of the Company at a discount of 20% of the market price. The Lender agreed to limit the amount of stock received to less than 9.99% of the total outstanding common stock. The Company agreed to reserve 600,000 shares of common stock, which may be issuable upon conversion of the Note.

On November 6, 2024, the Company entered into a Securities Purchase Agreement with 1800 Diagonal Lending, LLC, an accredited investor (the “Lender”), pursuant to which the Lender made a loan to the Company, evidenced by a promissory note in the principal amount of \$122,960 (the “Note”). An original issue discount of \$16,960 and fees of \$6,000 were applied on the issuance date, resulting in net loan proceeds to the Company of \$100,000. Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid in nine payments of \$15,574.89, with the first payment due on December 15, 2024, and remaining eight payments due on the 15th day of each month thereafter (a total payback to the Lender of \$140,174). Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Company will be obligated to pay to the Lender, in full satisfaction of its obligations, an amount equal to 150% times the sum of (w) the then outstanding principal amount of the Note plus (x) accrued and unpaid interest on the unpaid principal amount of the Note to the date of payment plus (y) default interest, if any, at the rate of 22% per annum on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Lender pursuant to the conversion rights referenced below. Only upon an occurrence of an event of default under the Note, the Lender may convert the outstanding unpaid principal amount of the Note into restricted shares of common stock of the Company at a discount of 25% of the market price. The Lender agreed to limit the amount of stock received to less than 4.99% of the total outstanding common stock. There are no warrants or other derivatives attached to this Note. The Company agreed to reserve a number of shares of common stock equal to four times the number of shares of common stock which may be issuable upon conversion of the Note at all times.

On November 11, 2024, the Company entered into a Purchase and Exchange Agreement among an investor (the “Purchaser”) and Altbanq Lending LLC (the “Seller”), pursuant to which the Purchaser agreed to purchase from the Seller a portion (\$150,469.11) of a promissory note dated March 27, 2024 in the original principal amount of \$1,330,000 (the “Note”), with a current balance payable of \$1,229,350 (the “Note Balance”). Contemporaneously with assignment of the assigned note portion to the Purchaser, the Company exchanged the \$150,469.11 of assigned note portion for 78,615 shares of the Company’s common stock as a 3(a)(9) exchange. At any time during the ninety days after the initial closing, the Purchaser may purchase additional portions of the Note, at one or more closing, by sending an additional closing notice in the amount set forth in the additional note notice and the Company will exchange such additional portions for shares of its common stock as a 3(a)(9) exchange. The additional shares will be calculated by dividing the relevant additional portion by 75% of the average of the three lowest bids for the Company’s common stock on its principal trading market on the five trading days prior to the closing of the purchase of the additional portion. The Purchase and Exchange Agreement contains a beneficial ownership limitation of 4.99% of the number of the common shares outstanding immediately after giving effect to the issuance of common shares issuable upon any closing of the purchase of an additional portion by the Purchaser. No closing of the purchase of any additional portion shall take effect nor shall the Purchaser be able to purchase any additional portion to the extent that after giving effect to such issuance after closing, the Purchaser (together with the Purchaser’s Affiliates, and any other Persons acting as a group together with the Purchaser or any of the Purchaser’s Affiliates), would beneficially own in excess of the beneficial ownership limitation. The Company will not issue shares of common stock in excess of 19.99% of the shares outstanding as of the date of the Purchase and Exchange Agreement. In the event the previous sentence restricts the Company’s ability to completely convert the Note, the Company will seek stockholder approval to allow the issuance shares of common stock in excess of 19.99% of the shares outstanding. For a period of ninety days after the closing, the Seller and Company shall not further amend the Note nor allow any payments to be made on account of the Note. In the event there has been a material adverse event with the Company or tother reasonable cause, upon fifteen (15) days written notice, the Seller may accelerate the termination of this period.

On December 13, 2024, the Company entered into a three-month promissory note with an accredited investor (the “Lender”) in the principal amount of \$213,715 (the “Note”). An original issue discount of \$63,715 was applied on the issuance date and was paid through the issuance of 36,830 shares of the Company’s common stock to the Lender, resulting in net loan proceeds to the Company of \$150,000. Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid in one lump sum payment of \$155,625 on or before March 13, 2025. Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Company will be obligated to pay to the Lender, in full satisfaction of its obligations, an amount equal to 130% times the sum of (w) the then outstanding principal amount of the Note plus (x) accrued and unpaid interest on the unpaid principal amount of the Note to the date of payment plus (y) any amounts owed to the Lender pursuant to the conversion rights referenced below. At any time after the issuance date of the Note, the Lender may convert the outstanding unpaid principal amount of the Note into restricted shares of common stock of the Company at the lesser of (i) \$1.73 per share, or (ii) the average of the three (3) lowest VWAP’s in the preceding five (5) day trading period to the conversion date. The Lender agreed to limit the amount of stock received to less than 4.99% of the total outstanding common stock. There are no warrants or other derivatives attached to this Note. The Company agreed to reserve a number of shares of common stock equal to three times the number of shares of common stock which may be issuable upon conversion of the Note at all times.

On December 26, 2024, the Company entered into a Settlement Agreement and Stipulation (the “Settlement Agreement”) with Silverback Capital Corporation (“SCC”) to settle outstanding claims owed to SCC. Pursuant to the Settlement Agreement, SCC has agreed to purchase certain outstanding payables between the Company and designated vendors of the Company totaling \$1,843,595.18 (the “Payables”) and will exchange such Payables for a settlement amount payable in shares of common stock of the Company (the “Settlement Shares”). The Settlement Shares shall be priced at 75% of the average of the three lowest traded prices during the five trading day period prior to a share request, which is subject to a floor price. In the event the Company’s market price decreases to or below \$1.00 per share, then either the Company or SCC may declare a default. SCC has agreed that it will not become the beneficial owner of more than 4.99% of common stock of the Company at any point in time. Further, the Settlement Agreement provides that Settlement Shares may not be issued to SCC if such issuance would exceed 19.9% of the outstanding common stock as of the date of the Settlement Agreement, until such time as the Settlement Agreement is approved by the Company’s stockholders. The Settlement Agreement and the issuance of the Settlement Shares was approved by the Circuit Court of the Twelfth Judicial Circuit Court for Manatee County, Florida (the “Court”) on January 3, 2025 (Case No. 2024 CA 2116). The Court entered an Order confirming the fairness of the terms and conditions of the Settlement Agreement and the issuance of the Settlement Shares. On January 6, 2025, SCC requested the issuance of 78,000 shares of Common Stock to SCC, representing a payment of approximately \$99,645, plus 15,000 shares of Common Stock as a settlement fee. On January 13, 2025, SCC requested the issuance of 70,000 shares of Common Stock to SCC, representing a payment of approximately \$99,750. On January 15, 2025, SCC requested the issuance of 103,500 shares of Common Stock to SCC, representing a payment of approximately \$147,487.50. On January 24, 2025, SCC requested the issuance of 110,000 shares of Common Stock to SCC, representing a payment of approximately \$133,200. On February 3, 2025, SCC requested the issuance of 115,000 shares of Common Stock to SCC, representing a payment of approximately \$99,187.50.

On January 10, 2025, the Company authorized the issuance of 55,000 shares of common stock to a consultant pursuant to the terms of an amendment to a current consulting agreement.

On January 10, 2025, the Company entered into two six-month promissory notes with accredited investors (the “Lenders”) in the principal amounts of \$617,100 (“Note 1”) and \$123,420 (“Note 2”). An original issue discount of \$117,100 was applied to Note 1 and \$23,420 was applied to Note 2 on the issuance date and was paid through the issuance of 15,613 (Note 1) and 3,123 (Note 2) shares of the Company’s Series D Convertible Preferred Stock to the Lenders, resulting in net loan proceeds to the Company of \$500,000 (Note 1) and \$100,000 (Note 2). Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid on or before July 10, 2025 (a total payback to the Lender of \$537,500 (Note 1) and \$107,500 (Note 2)). Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Company will be obligated to pay to the Lenders, in full satisfaction of its obligations, an amount equal to 130% times the sum of (w) the then outstanding principal amount of the Note plus (x) accrued and unpaid interest on the unpaid principal amount of the Note to the date of payment plus (y) any amounts owed to the Lender pursuant to the conversion rights referenced below. At any time after the issuance date of the Notes, the Lenders may convert the outstanding unpaid principal amount of the Notes into restricted shares of Series D Convertible Preferred Stock of the Company at \$7.50 per share, or upon the sale of common stock below \$1.50 per share, the Lenders have the ability to convert the outstanding amounts of the Notes into shares of common stock at the lowest price sold prior to the registration of the common stock. Each Lender agreed to limit the amount of stock received to less than 4.99% of the total outstanding common stock. There are no warrants or other derivatives attached to these Notes. The Company granted the Lenders piggy-back registration rights on the shares of common stock issuable upon conversion of the Series D Convertible Preferred Stock. The Company agreed to reserve a number of shares of Series D Convertible Preferred Stock, and common stock issuable upon conversion thereof, equal to three times the number of shares of Series D Convertible Preferred Stock, and common stock issuable upon conversion thereof, which may be issuable upon conversion of the Notes at all times.

On January 14, 2025, the Company authorized the issuance of 43,335 shares of Series D Convertible Preferred Stock to seven service providers to the Company and its subsidiaries.

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 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections. We may use words such as “may,” “could,” “should,” “anticipate,” “expect,” “project,” “position,” “intend,” “target,” “plan,” “seek,” “believe,” “foresee,” “outlook,” “estimate” and variations of these words and similar expressions 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, the following:

- our ability to maintain compliance with the continued listing standards of Nasdaq;
- the effect of new tariffs on our business and financial condition;
- 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;
- risk that we will not be able to remediate identified material weaknesses in our internal control over financial reporting and disclosure controls and procedures;
- our failure to timely file certain periodic reports with the SEC and our prior restatements have had, and may in the future have further, material adverse consequences to our business, our financial condition, results of operations and our cash flows;
- 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 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 referred to above could cause actual results or outcomes 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 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 in this Quarterly Report are made as of the date of this Quarterly Report and should be evaluated with consideration of any changes occurring after the date of this Quarterly Report. We will not update forward-looking statements even though our situation may change in the future and we assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Except as otherwise indicated by the context, references in 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., American Rebel Beverages, LLC, 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis should be read along with the financial statements included in this Quarterly Report on Form 10-Q (the "Financial Statements"). As described in Note 1 to the Financial Statements, the Company has included the comparative three and nine months ended September 30, 2023 in this filing; however, these figures have not been restated due to the undue burden it would place on the Company. Additionally, the Company has not restated its Form 10-Qs for the periods ended March 31, 2024 and June 30, 2024 due to the undue burden this would also have on the Company. The impact of any adjustments to the quarters ended March 31, 2024 and June 30, 2024 have been included in the three months ended September 30, 2024. Accordingly, the accompanying consolidated statements of operations for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2023, the consolidated statements of stockholders' equity/(deficit) for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2023, the consolidated statement of cash flows for the nine months ended September 30, 2023, and the accompanying notes for the three months ended September 30, 2024 and 2023 and nine months ended September 30, 2023, including references thereon within Management's Discussion and Analysis, should not be relied upon.

Apart from the matter above, the Financial Statements have been prepared in accordance with generally accepted accounting policies in the United States ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in United States dollars.

Description of Our Business

Overview

American Rebel is We are boldly positioning itself ourselves as America's Patriotic Brand. The Company has We have identified the market opportunity to design, manufacture, and market beverages and innovative concealed carry products and safes. American Rebel accesses its We access our market uniquely through its our positioning as America's Patriotic Brand and the appeal of its our products as well as through the profile and public persona of its our founder and Chief Executive Officer, Andy Ross. Andy hosted his own television show for 12 years, has made multiple appearances over the years at trade shows, and is well-known in the archery world as the founder of Ross Archery, which was the world's fastest-growing bow company in 2007 and 2008. Andy has released 3 CDs, done numerous radio and print interviews, and performed many concerts in front of thousands of people. Andy has the ability to present American Rebel to large numbers of potential customers through the appeal of his music and other supporting appearances. For example, his appearance on the History Channel hit show *Counting Cars* in February 2014 has been viewed by over 2 million times. Bringing innovative products that satisfy an existing demand to the market through exciting means is the American Rebel blueprint for success.

As a corporate policy, we will not incur any cash obligations that we cannot satisfy with known resources, of which there are currently none except as described in "Liquidity" below or elsewhere in this Quarterly Report. We believe that the perception that many people have of a public company makes it more likely that they will accept restricted securities from a public company as consideration for indebtedness to them than they would from a private company. We have not performed any studies of this matter. Our conclusion is based on our own observations. Additionally, the issuance of restricted shares will dilute the percentage of ownership interest of our stockholders.

The Company operates primarily as a designer, manufacturer and marketer of beverages, branded safes and personal security and self-defense products. Additionally, the Company designs and produces branded apparel and accessories.

We believe that when it comes to their homes, consumers place a premium on their security and privacy. Our products are designed to offer our customers convenient, efficient and secure home and personal safes from a provider that they can trust. We are committed to offering products of enduring quality that allow customers to keep their valuable belongings protected and to express their patriotism and style, which is synonymous with the American Rebel brand.

Our safes and personal security products are constructed primarily of U.S.-made steel. We believe our products are designed to safely store firearms, as well as store our customers' priceless keepsakes, family heirlooms and treasured

memories and other valuables, and we aim to make our products accessible at various price points for home and office use. We believe our products are designed for safety, quality, reliability, features and performance.

To enhance the strength of our brand and drive product demand, we work with our manufacturing facilities and various suppliers to emphasize product quality and mechanical development in order to improve the performance and affordability of our products while providing support to our distribution channel and consumers. We seek to sell products that offer features and benefits of higher-end safes at mid-line price ranges.

We believe that safes are becoming a ‘must-have appliance’ in a significant portion of households. We believe our current safes provide safety, security, style and peace of mind at competitive prices.

In addition to branded safes, we offer an assortment of personal security products as well as apparel and accessories for men and women under the Company’s American Rebel brand. Our backpacks utilize what we believe is a distinctive sandwich-method concealment pocket, which we refer to as Personal Protection Pocket, to hold firearms in place securely and safely. The concealment pockets on our Freedom 2.0 Concealed Carry Jackets incorporate a silent operation opening and closing with the use of a magnetic closure.

We believe that we have the potential to continue to create a brand community presence around the core ideals and beliefs of America, in part through our Chief Executive Officer, Charles A. “Andy” Andy Ross, who has written, recorded and performs a number of songs about the American spirit of independence. We believe our customers identify with the values expressed by our Chief Executive Officer through the “American Rebel” brand.

Through our growing network of dealers, we promote and sell our products in select regional retailers and local specialty safe, sporting goods, hunting and firearms stores, as well as online, including our website and e-commerce platforms such as Amazon.com.

American Rebel is boldly positioning itself as “America’s Patriotic Brand” in a time when national spirit and American values are being rekindled and redefined. American Rebel is an advocate for the 2nd Amendment and conveys a sense of responsibility to teach and preach good common practices of gun ownership. American Rebel products keep you concealed and safe inside and outside the home. American Rebel Safes protect your firearms and valuables from children, theft, fire and natural disasters inside the home; and American Rebel Concealed Carry Products provide quick and easy access to your firearm utilizing American Rebel’s Proprietary Protection Pocket in its backpacks and apparel outside the home. The initial company product releases embrace the “concealed carry lifestyle” with a focus on concealed carry products, apparel, personal security and defense. “There’s a growing need to know how to protect yourself, your family, your neighbors or even a room full of total strangers,” says American Rebel’s Chief Executive Officer, Andy Ross. “That need is in the forethought of every product we design.”

The “concealed carry lifestyle” refers to a set of products and a set of ideas around the emotional decision to carry a gun everywhere you go. The American Rebel brand strategy is similar to the successful Harley-Davidson Motorcycle philosophy, referenced in this quote from Richard F. Teerlink, Harley’s chairman and former chief executive, “It’s not hardware; it is a lifestyle, an emotional attachment. That’s what we have to keep marketing to.” As an American icon, Harley has come to symbolize freedom, rugged individualism, excitement and a sense of “bad boy rebellion.” American Rebel – America’s Patriotic Brand has significant potential for branded products as a lifestyle brand. Its innovative Concealed Carry Product line and Safe line serve a large and growing market segment; but it is important to note we have product opportunities beyond Concealed Carry Products and Safes. One such opportunity is American Rebel Light Lager. American Rebel Light Beer is “America’s Patriotic, God-Fearing, Constitution-Loving, National Anthem-Singing, Stand Your Ground Beer.” Management believes a significant opportunity exists to enter the \$110+ billion dollar billion-dollar beer industry with a premium domestic beer. Current distribution agreements are in place for the states of Kansas and Tennessee and portions of Ohio and Connecticut.

American Rebel Safes

Keeping your guns in a location only appropriate trusted members of the household can access should be one of the top priorities for every responsible gun owner. Whenever a new firearm is purchased, the owner should look for a way to store and secure it. Storing the firearm in a gun safe will prevent it from being misused by young household members, and it will prevent it from being stolen in a burglary or damaged in a fire or natural disaster. Gun safes may seem pricy at first glance, but once the consumer is educated on their role to protect expensive firearms and other valuables such as jewelry and important documents, the price is justified.

American Rebel produces large floor safes in a variety of sizes as well as small portable keyed safes. Additional opportunities exist for the Company us to develop Wall Safes and Handgun Boxes.

Reasons gun owners should own a gun safe:

- If you are a gun owner and you have children, many states have a law in place that require you have to have store your gun locked in a safe, away from children. This will prevent your children from getting the gun and hurting themselves or someone else.
- Some states have a law in place that require you have to keep your gun locked away when it is not in use, even if you don’t have children in your home. California has a law that requires you have to have your gun locked in a firearms safety device that is considered safe by the California Department of Justice (DOJ). When you buy a safe, you should see if it has approval from the California DOJ.
- Many gun owners own more guns than insurance will cover. Many insurance companies only cover \$3,000 worth of guns. Are your weapons worth more? If so, you should invest in a gun safe to make sure your guns are protected from fire, water, and thieves.
- Many insurance companies may give you a discount if you own a gun safe. If you own a gun safe or you purchase one, you should see if your insurance company is one that offers a discount for this. A safe can protect your guns and possibly save you money.
- Do people know you own guns? You might not know that many burglaries are carried out by people they know.
- If a person you know breaks into your home, steals your gun, and murders someone, you could be charged with a crime you didn’t commit, or the victim’s family could sue you.
- Gun safes can protect your guns in the event your home goes up in flames. When buying a safe, you should see if it will protect your firearm or any other valuables from fire damage.

- You might be the type of person that has a gun in your home for protection. A gun locked in a safe can still offer you protection. There are quick access gun safes on the market. With a quick access gun safe, you can still retrieve your gun in a few seconds, but when it isn't is not needed, it will be protected.

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A gun safe is the best investment a gun owner can make because the safe can protect guns from thieves, fire, water, or accidents. Bills or ballot measures to require safe storage have been discussed in Delaware, Washington, Oregon, Missouri and Virginia; and various laws are on the books in California and Massachusetts. Even a figure as staunchly pro-gun as Texas's Republican lieutenant governor, Dan Patrick, called on gun-owning parents to lock up their weapons after the Santa Fe shooting. The gun safe industry is experiencing rapid growth and innovation. American Rebel Chief Executive Officer Andy Ross and the rest of the American Rebel team are committed to fulfilling the opportunity in the gun safe market and filling the identified void with American Rebel Gun Safes.

Below is a summary of the different safes we offer:

- i. *Large Safes* – our current large model safe collection consists of six premium safes. All of our large safes share the same high-quality workmanship, are constructed out of 11-gauge U.S.-made steel and feature a double plate steel door, double-steel door casements and reinforced door edges. Each of these safes provide up to 75 minutes of fire protection at 1200 degrees Fahrenheit. 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 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 theft and fire protection for a 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 in-and out-swinging vault doors provide maximum functionality to facilitate a secure vault room. American Rebel vault doors are constructed of 4 ½" double steel plate thickness, A36 carbon steel panels with sandwiched fire insulation, a design that provides greater rigidity, security and fire protection. Active boltworks, which is the locking mechanism that bolts the safe door closed so that it cannot be pried open 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 community, provides cannabis and horticultural plant home growers a reliable and safe solution to protect their inventory. Designed with medical marijuana or recreational cannabis dispensaries in mind and increasing governmental and insurance industry regulation to lock inventory after hours, we believe our HG-INV Inventory Safe delivers a high-level user experience.

Upcoming Product Offerings

To further complement our diverse product offerings, we intend to introduce additional products in 2025.

Below is a summary of potential upcoming product offerings:

i. Biometrics Safes – we intend to introduce a line of handgun boxes with biometrics, Wi-Fi and Bluetooth technologies. These Biometric Safes have been designed, engineered and are ready for production.

ii. 2A Lockers – we have developed a unique steel lockbox with a 5-point locking mechanism to provide a secure place to lock up ammunition and other items that may not require the safety and security of a safe, but prevents unauthorized access. We believe there is a strong market for this product that is priced between \$349 - \$449 depending on the model.

iii. Wall Safes – wall safes can be easily hidden and provide “free” storage space since they are able to be tucked into the space between your wall and studs.

iv. Economy Safe Line – we are exploring enhancing our safe line through the introduction of entry level safes built in North America to compete with other safes imported from overseas.

Our results of operations and financial condition may be impacted positively and negatively by certain general macroeconomic and industry wide conditions such as the effects of the COVID-19 pandemic. The consequences of the pandemic and impact on the U.S. and global economies continue to evolve and the full extent of the impact is uncertain as of the date 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 is not robust, the impact could be prolonged 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 the pandemic, we expect that the impact of such attrition would be mitigated by the addition of new customers resulting from the increasing demand 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 to the effects of COVID-19, management worked to reduce unnecessary marketing expenditures 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 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.

Recent Developments

Establishment of American Rebel Beer

On August 9, 2023, the Company we entered into a Master Brewing Agreement with 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 American Rebel Light Beer. American Rebel Light Beer will launch regionally in 2024. The Company We paid a setup fee and security deposit to Associated Brewing. We established American Rebel Beverages, LLC as a wholly-owned subsidiary specifically to hold our alcohol licenses and conduct operations for our beer business.

Acquisition of Champion Entities

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, Safe Guard and Champion Safe Mexico, collectively, the (“Champion Entities”) and Mr. 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 Crosby. This transaction was completed on July 29, 2022. As of the date of this Report, the Champion Entities have been integrated with our existing operations and are under the control of our management team.

Champion Safe Combined Group

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”, “Champion Safe Combined Group” or “Champion”) and Mr. Ray Crosby (“Crosby”) (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 Crosby. The closing occurred on July 29, 2022.

“Champion Safe Combined Group” consists of Champion Safe Co., Inc. (“Champion Safe”) a Utah corporation, Superior Safe, LLC (“Superior Safe”) a Utah limited liability company, Safe Guard Security Products, LLC (“Safe Guard”) a Utah limited liability company, Champion Safe De Mexico, S.A. de C.V. (“Champion Safe Mexico”) a corporation duly organized and existing under the laws of Mexico. Each of these entities is under common control and ownership by American Rebel Holdings, Inc.

Champion Safe Combined Group develops and sells branded products in the safe storage product using a wholesale distribution network, utilizing personal appearances, musical venue performances, as well e-commerce and television. Champion Safe Combined Group’s products are marketed under the Champion, Superior and Safe Guard brands. Champion Safe Combined Group 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. Champion Safe Combined Group sells its products under the Champion Safe Co., Superior Safe Company and Safe Guard Safe Co. brands.

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.

Expansion into New Business Categories

Expanding Scope of Operations Activities by Offering Servicing Dispensaries and Brand Licensing

We continually seek to target new consumer segments for our safes. As we believe that safes are becoming a must-have household appliance, we strive to establish authenticity by selling our products to additional groups, and to expand our direct-to-consumer presence through our website and our showroom currently in Lenexa, Kansas.

Further, we expect the cannabis dispensary industry to be a material growth segment for our business. Several cannabis dispensary operators have expressed interest in the opportunity to help them with their inventory locking needs. Cannabis dispensaries have various insurance requirements and local ordinances requiring them to secure their inventory when the dispensary is closed. Dispensary operators have been purchasing gun safes and independently taking out the inside themselves to allow them to store cannabis inventory. Recognizing what seems to be a growing need for cannabis dispensary operators, we have designed a safe tailor-made for the cannabis industry. With the legal cannabis hyper-growth market expected to exceed \$43 billion by 2025, and an increasing number of states where the growth and cultivation of cannabis is legal (California, Colorado, Hawaii, Maine, Maryland, Michigan, Montana, New Mexico, Oregon, Rhode Island, Vermont and Washington), we believe we are well positioned to address the need of dispensaries. American Rebel has a long list of dispensary operators, growers, and processors interested in the Company's inventory control solutions. We believe that dispensary operators, growers, and processors are another fertile new growth market for our Vault Doors products, as many in the cannabis space have chosen to install entire vault rooms instead of individual inventory control safes—the American Rebel Vault Door has been the choice for that purpose.

Further, we believe that American Rebel has significant potential for 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 currently generate material revenues from licensing fees, our management team 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 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 of products, American Rebel could license that product from the third-party and sell the licensed product under the American Rebel brand.

Results of Operations

From inception through **June 30, 2024** **September 30, 2024**, we have generated an **operating accumulated** deficit of **\$55,856,751**. **\$53,991,446**. We expect to incur additional losses during fiscal year ending December 31, 2024, and beyond, principally as a result of our increased investment in inventory, manufacturing capacity, marketing and sales expenses, and other growth initiatives.

*Three Months Ended **June 30, 2024** **September 30, 2024** Compared to Three Months Ended **June 30, 2023** **September 30, 2023***
Revenue ('Sales') and cost of goods sold ('Cost of Sales')

	Three months ended June 30, 2024	Three months ended June 30, 2023
Revenue	\$ 3,255,393	\$ 3,670,571
Cost of goods sold	3,224,738	2,982,688
Gross margin	30,655	687,883
Expenses:		
Consulting/payroll and other costs	445,166	828,520
Compensation expense – officers – related party	212,500	102,985
Compensation expense – officers – deferred comp – related party	1,344,125	-
Rental expense, warehousing, outlet expense	80,515	275,474
Product development costs	337,771	-
Marketing and brand development costs	299,655	172,617
Administrative and other	1,228,163	833,851
Depreciation and amortization expense	30,681	25,275
	3,978,576	2,238,722
Operating income (loss)	(3,947,921)	(1,550,839)
Other Income (Expense)		
Interest expense	(1,055,282)	(148,437)
Interest income	199	-
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	(250,000)	-
	(1,305,083)	960,635
Net income (loss) before income tax provision	(5,253,004)	(590,204)
Provision for income tax	-	-
Net income (loss)	\$ (5,253,004)	\$ (590,204)
	For the Three Months Ended	
	September 30, 2024	September 30, 2023
Revenue	2,337,786	3,345,552
Cost of goods sold	2,835,763	3,095,418
Gross margin	(497,977)	250,134

Expenses:		
Consulting/payroll and other costs	478,371	1,039,273
Compensation expense – officers – related party	(425,000)	-
Compensation expense – officers – deferred comp – related party	(1,985,936)	-
Rental expense, warehousing, outlet expense	103,562	230,226
Product development costs	277,483	20,326
Marketing and brand development costs	624,509	517,345
Administrative and other	1,414,889	1,347,181
Depreciation and amortization expense	54,817	24,895
Total operating expenses	542,695	3,179,246
Operating loss	(1,040,672)	(2,929,112)
Other Income (Expense)		
Interest expense	(649,216)	(95,330)
Interest income	348	3,203
Gain/(loss) on sale of equipment	4,088	-
Gain/(loss) on settlement of debt instrument	(62,505)	-
Gain on settlement of liability	-	227,569
Net loss before income tax provision	(1,747,957)	(2,793,670)
Provision for income tax	-	-
Net loss	(1,747,957)	(2,793,670)

For the three months ended **June 30, 2024** **September 30, 2024**, we reported Revenues of **\$3,255,393** **\$2,337,786** compared to Revenues of **\$3,670,571** **\$3,345,552** for the three months ended **June 30, 2023** **September 30, 2023**. The decrease in Revenues of **\$415,178** **\$1,007,766** (or **-11%** **-30%** period over period (PoP) period) for the current period compared to the three months ended **June 30, 2023** **September 30, 2023**, is attributable to slower sales for 2024 and current market conditions. For the three months ended **June 30, 2024** **September 30, 2024**, we reported Cost of Goods Sold of **\$3,224,738** **\$2,835,763**, compared to Cost of Goods Sold of **\$2,982,688** **\$3,095,418** for the three months ended **June 30, 2023** **September 30, 2023**. The **increase** **decrease** in Cost of Goods Sold of **\$242,050** **\$259,655** (or **8%** **-8%** period over period (PoP) period) for the current period is primarily attributable to a **marginal** of the decrease in sales along with higher costs of goods sold for the period. **revenue**. For the three months ended **June 30, 2024** **September 30, 2024**, we reported Gross Margin of **\$30,655** **\$(497,977)**, compared to Gross Margin of **\$687,883** **\$250,134** for the three months ended **June 30, 2023** **September 30, 2023**. The decrease in Gross Margin of **\$657,228** **\$748,111** (or **-96%** **-299%** period over period (PoP) period) for the three months **ending June 30, 2024** **ended September 30, 2024**, compared to the three months **ending June 30, 2023** **ended September 30, 2023** is again due a decrease in sales and increased costs of goods sold. Gross Margin percentages for the three months ended **June 30, 2024** **September 30, 2024** was **1%** **-18%** compared to **19%** **8%** for the three months ended **June 30, 2023** **September 30, 2023**. We expect our Gross Margin percentages for this time of year to be consistently 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 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 June 30, 2024 September 30, 2024 were \$3,978,576 \$542,695 compared to \$2,238,722 \$3,179,246 for the three months ended June 30, 2023 September 30, 2023 as further described below. Overall, we experienced a \$1,739,854 increase \$2,636,551 decrease in operating expenses or a 77%-83% period over period (PoP) increase decrease in operating expenses from the prior year comparable period. This increase decrease is primarily due to the recognition of an adjustment in the deferred compensation expense. 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 June 30, 2024 September 30, 2024, we incurred consulting/payroll and other costs (along with officer compensation) of \$2,001,691 \$(1,932,565) compared to consulting/payroll and other costs (along with officer compensation) of \$931,505 \$1,039,273 for the three months ended June 30, 2023 September 30, 2023. The increase decrease in consulting/payroll and other costs of \$1,070,186 (or 115% period over period (PoP)) \$(2,971,838) was due to the recognition of adjustment in the deferred compensation expense due to common stock equivalents on our Series A preferred stock. The Company expects to try and maintain its consulting/payroll and other costs as we endeavor endeavour to further expand our sales volume.

For the three months ended June 30, 2024 September 30, 2024, we incurred rental expense, warehousing, outlet expense of \$80,515, \$103,562, compared to rental expense, warehousing, outlet expense of \$275,474 \$230,226 for the three months ended June 30, 2023 September 30, 2023. The decrease in rental expense, warehousing, outlet expense of \$194,959 \$126,664 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. 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 June 30, 2024 September 30, 2024, we incurred product development expenses of \$337,771, \$277,483, compared to product development expenses of \$0 \$20,326 for the three months ended June 30, 2023 September 30, 2023. The increase in product development expenses of \$337,771 (or incalculable period over period (PoP)) \$257,157 is due to some of the Company's current product development expenses in the three months ended June 30, 2023 September 30, 2023 period being included in consulting/payroll and other costs accounts which we believe provides for a better presentation of our historical business expenses than pure product development expense. For these the three months ended June 30, 2024 we've September 30, 2024, we have 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 June 30, 2024 September 30, 2024, we incurred marketing and brand development expenses of \$299,655, \$624,509, compared to marketing and brand development expenses of \$172,617 \$517,345 for the three months ended June 30, 2023 September 30, 2023. The increase in marketing and brand development expenses of \$127,038 \$107,164 (or 74% 21% period over period (PoP)) period relates primarily to initial market awareness efforts for American Rebel Beer as well as expenses associated with our Tony Stewart activities and general push forward on sales efforts.

For the three months ended June 30, 2024 September 30, 2024, we incurred administrative and other expense of \$1,228,163, \$1,414,889, compared to administrative and other expense of \$833,851 \$1,347,181 for the three months ended June 30, 2023 September 30, 2023. The increase decrease in administrative and other expense of \$394,312 \$67,708 (or 47% 5% period over period (PoP)) period relates directly to increased legal and other decreased 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 June 30, 2024 September 30, 2024, we incurred depreciation and amortization expense of \$30,681, \$54,817, compared to depreciation and amortization expense of \$25,275 \$24,895 for the three months ended June 30, 2023 September 30, 2023. The increase in depreciation and primarily relates to amortization expense relates primarily related to the acquisition of Champion and its significant and additional depreciable asset base that it provided to the Company's financial position. goodwill.

Other income and expenses

For the three months ended June 30, 2024 September 30, 2024, we incurred interest expense of \$1,055,282, \$649,216, compared to interest expense of \$148,437 \$95,330 for the three months ended June 30, 2023 September 30, 2023. The increase in interest expense of \$906,845 \$553,886 is due to a significant number of notes being paid during 2023 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, in excess of 18% on our existing working capital notes payable, and more than 40% per annum on our new working capital notes payable payable. We believe we are paying more than 40% per annum on these debt instruments. The Company believes that it will manage and maintain its our interest expense exposure despite the increase in interest rates for this year over last year, as well keeping our debt obligations to a reasonable amount as we grow the business and its sales volume. For the three months ended June 30, 2024, we incurred a loss on settlement of debt of \$250,000. This loss on the settlement of debt was in association with the Company negotiating with a revenue interest purchase note payable holder to convert their debt into equity of the Company. This payment was to induce the holder to settle and convert this debt instrument prior to June 30, 2024. This was a one-time event.

Net Loss

Net loss for the three months ended June 30, 2024, September 30, 2024 amounted to \$5,253,004, \$1,747,957, resulting in a loss per share of \$0.89, \$(0.67), compared to \$590,204 a net loss of \$2,793,670 for the three months ended June 30, 2023, September 30, 2023, resulting in a loss per share of \$0.87, \$(0.95). The increase decrease in the net loss from the three months ended June 30, 2023, September 30, 2023 to the three months ended June 30, 2024, September 30, 2024 is from primarily due to adjustments made to deferred compensation expense in connection with the Series A Preferred shares partially offset by 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, and the recognition of deferred compensation expense. The Company's management believes with increasing sales volume, launching new products and strict adherence to cost cutting measures in its legacy business and best practices that net positive income can be achieved for the business. sales.

Six Nine Months Ended June 30, 2024, September 30, 2024 Compared to Six Nine Months Ended June 30, 2023, September 30, 2023

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

	Six months ended June 30, 2024	Six months ended June 30, 2023
Revenue	\$ 7,299,230	\$ 8,072,670
Cost of goods sold	6,427,252	5,774,014
Gross margin	871,978	2,298,656
Expenses:		
Consulting/payroll and other costs	997,079	1,684,846
Compensation expense – officers – related party	425,000	191,258
Compensation expense – officers – deferred comp – related party	2,478,125	-
Rental expense, warehousing, outlet expense	232,181	502,134
Product development costs	436,400	16,495
Marketing and brand development costs	564,710	425,342
Administrative and other	1,908,677	1,195,000
Depreciation and amortization expense	54,996	54,365
	7,097,168	4,069,440
Operating income (loss)	(6,225,190)	(1,770,784)
Other Income (Expense)		
Interest expense	(1,479,141)	(155,547)
Interest income	711	-
Employee retention credit funds, net of costs to collect	-	1,107,672
Gain/(loss) on sale of equipment	(662)	1,400
Gain/(loss) on extinguishment of debt	(250,000)	-
	(1,729,092)	953,525
Net income (loss) before income tax provision	(7,954,282)	(817,259)
Provision for income tax	-	-
Net income (loss)	\$ (7,954,282)	\$ (817,259)

	For the Nine Months Ended	
	September 30, 2024	September 30, 2023
Revenue	9,637,016	11,418,222
Cost of goods sold	9,263,015	8,869,432
Gross margin	374,001	2,548,790
Expenses:		
Consulting/payroll and other costs	1,475,450	2,915,377
Compensation expense – officers – related party	-	-
Compensation expense – officers – deferred comp – related party	492,189	-
Rental expense, warehousing, outlet expense	335,743	732,360
Product development costs	713,883	36,821
Marketing and brand development costs	1,189,219	942,687
Administrative and other	3,323,566	2,542,181
Depreciation and amortization expense	109,813	79,260
Total operating expenses	7,639,863	7,248,686
Operating income (loss)	(7,265,862)	(4,699,896)
Other Income (Expense)		
Interest expense	(2,128,357)	(250,877)
Interest income	1,059	3,203
Employee retention credit funds, net of costs to collect	-	1,107,672
Gain/(loss) on sale of equipment	3,426	1,400
Gain/(loss) on settlement of debt instrument	(312,505)	-
Gain on settlement of liability	-	227,569
Net income (loss) before income tax provision	(9,702,239)	(3,610,929)
Provision for income tax	-	-
Net income (loss)	(9,702,239)	(3,610,929)

For the **six** nine months ended **June 30, 2024** September 30, 2024, we reported Revenues of **\$7,299,230** \$9,637,016 compared to Revenues of **\$8,072,670** \$11,418,222 for the **six** nine months ended **June 30, 2023** September 30, 2023. The decrease in Revenues of **\$773,440** \$1,781,206 (or **-10%** **-16%** period over **period (PoP)** period) for the current period compared to the **six** nine months ended **June 30, 2023**, September 30, 2023 is attributable to slower sales for 2024 and current market conditions. For the **six** nine months ended **June 30, 2024** September 30, 2024, we reported Cost of Goods Sold of **\$6,427,252** \$9,263,015, compared to Cost of Goods Sold of **\$5,774,014** \$8,869,432 for the **six** nine months ended **June 30, 2023** September 30, 2023. The increase in Cost of Goods Sold of **\$653,238** \$393,583 (or **10%** **4%** period over **period (PoP)** period) for the current period is primarily attributable to a marginal decrease in sales along with higher costs of goods sold for the period. For the **six** nine months ended **June 30, 2024** September 30, 2024, we reported Gross Margin of **\$871,978** \$374,001 compared to Gross Margin of **\$2,298,656** \$2,548,790 for the **six** nine months ended **June 30, 2023** September 30, 2023. The decrease in Gross Margin of **\$1,426,678** \$2,174,789 (or **-62%** **-85%** period over **period (PoP)** period) for the **six** nine months ending **June 30, 2024**, ended September 30, 2024 compared to the **six** nine months ending **June 30, 2023** ended September 30, 2023 is again due a decrease in sales and increased costs of goods sold. Gross Margin percentages for the **six** nine months ended **June 30, 2024** September 30, 2024 was **12%** **4%** compared to **28%** **29%** for the **six** nine months ended **June 30, 2023** September 30, 2023. We expect our Gross Margin percentages for this time of year to be consistently 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 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 ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024 were ~~\$7,097,168~~ \$7,639,863 compared to ~~\$4,069,440~~ \$7,248,686 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023 as further described below. Overall, we experienced a ~~\$3,027,728~~ \$391,177 increase in operating expenses or a ~~74%~~ 5% period over period (PoP) increase in operating expenses from the prior year comparable period. This increase is directly attributable ~~period due to the recognition~~ a myriad of deferred compensation expense. 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. ~~professional service expenses incurred~~

For the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, we incurred consulting/payroll and other costs (along with officer compensation) of ~~\$3,900,204~~ \$1,967,639 compared to consulting/payroll and other costs (along with officer compensation) of ~~\$1,876,104~~ \$2,915,377 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. The ~~increase~~ decrease in consulting/payroll and other costs of ~~\$2,024,100~~ (or 108% period over period (PoP)) ~~\$947,738~~ was due to cost controls put in place on the post-acquisition of the Champion Entities ~~offset by increased~~ and an adjustment to compensation costs due to common stock equivalents on our Series A preferred stock. ~~The Company expects~~ We expect to try and maintain ~~its~~ our consulting/payroll and other costs as we ~~endeavor~~ endeavour to further expand our sales volume.

For the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, we incurred rental expense, warehousing, outlet expense of ~~\$232,181~~ \$335,743 compared to rental expense, warehousing, outlet expense of ~~\$502,134~~ \$732,360 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. The decrease in rental expense, warehousing, outlet expense of ~~\$269,953~~ \$396,617 is due to cost cutting on leases and properties that ~~the Company rents~~ we rent 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~~ we included lease expense in the Administrative and other account. With the significant number of leases and properties that ~~the Company rents~~ we rent to conduct the Champion business, we believe ~~provides this is~~ a better presentation of ~~expenses with a separate account line item~~ The Company expects the expenses. We expect to maintain this level of expense on a go-forward basis with ~~its~~ our leases and rented properties for the near term. ~~The Company~~ We may look to consolidate some of ~~its~~ our space as needed as ~~it~~ we fine ~~tunes~~ tune the Champion business.

For the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, we incurred product development expenses of ~~\$436,400~~ \$713,883, compared to product development expenses of ~~\$16,495~~ \$36,821 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. The increase in product development expenses of ~~\$419,905~~ \$677,062 (or ~~2,546%~~ 1,839% period over period (PoP)) ~~period~~ is due to some of the Company's current product development expenses being ~~included in~~ reclassified from 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 six~~ the nine months ended ~~June 30, 2024~~ September 30, 2024, we have 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 ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, we incurred marketing and brand development expenses of ~~\$564,710~~ \$1,189,219 compared to marketing and brand development expenses of ~~\$425,342~~ \$942,687 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. The increase in marketing and brand development expenses of ~~\$139,368~~ \$246,532 (or ~~33%~~ 26% period over period (PoP)) ~~period~~ relates primarily to an increase of activities related to the launch of American Rebel Beer as well as expenses associated with our Tony Stewart activities and general push forward on sales efforts.

For the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, we incurred administrative and other expense of ~~\$1,908,667~~ \$3,323,566 compared to administrative and other expense of ~~\$1,195,000~~ \$2,542,181 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. The increase in administrative and other expense of ~~\$713,677~~ \$781,385 (or ~~60%~~ 31% period over period (PoP)) ~~period~~ 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~~ We believe as ~~it grows its~~ we grow our sales base, ~~it~~ we will also increase ~~its~~ our administrative and other expense commensurate with the increased profits for the future.

For the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024, we incurred depreciation and amortization expense of ~~\$54,996~~ \$109,813 compared to depreciation and amortization expense of ~~\$54,365~~ \$79,260 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. The increase in depreciation and amortization expense ~~primarily~~ primarily relates ~~primarily~~ primarily to the ~~acquisition~~ amortization expense of Champion and its significant and additional depreciable asset base that it provided to the Company's financial position.~~goodwill.~~

Other income and expenses

For the six nine months ended June 30, 2024 September 30, 2024, we incurred interest expense of \$1,479,141, \$2,128,357 compared to interest expense of \$155,547 \$250,877 for the six nine months ended June 30, 2023 September 30, 2023. The increase in interest expense of \$1,323,594 \$1,877,480 is due to a significant number of notes being paid during 2023 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, in excess of 18% on our existing working capital notes payable, and on our new working capital notes payable we are paying more than 40% per annum on these debt instruments. The Company believes our new working capital notes. We believe that it we will manage and maintain its our interest expense exposure despite the increase in interest rates for this year over last year, as well as keeping our debt obligations to a reasonable amount as we grow the business and its sales volume. For the six months ended June 30, 2024, we incurred a loss on settlement of debt instrument of \$250,000. This loss on the settlement of debt was in association with the Company negotiating with revenue interest purchase note payable holder to convert their debt into equity of the Company. This payment was to induce the holder to settle and convert this debt instrument prior to June 30, 2024. This was a one-time event.

Net Loss

Net loss for the six nine months ended June 30, 2024, September 30, 2024 amounted to \$7,954,282, \$9,702,239, resulting in a loss per share of \$1.35, \$(1.48), compared to \$817,259 a net loss of \$3,610,929 for the six nine months ended June 30, 2023 September 30, 2023, resulting in a loss per share of \$1.21, \$(2.50). The increase in the net loss from the six nine months ended June 30, 2023 September 30, 2023 to the six nine months ended June 30, 2024 September 30, 2024 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, and the recognition of deferred compensation expense, sales. The Company's management believes with increasing sales volume from the launch of new products, strict adherence to cost cutting measures in its legacy business, 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 decreased by \$4,421,987 \$7,322,713 period over period where we had a working capital balance of \$4,551,927 \$2,545,744 at December 31, 2023 compared to a working capital deficit balance of \$129,940 \$(4,776,970) at June 30, 2024 September 30, 2024. This working capital decrease was due to increased expenses launching new products and slowing sales in its legacy business. 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 six nine months ended June 30, 2024 September 30, 2024, we raised net cash of approximately \$0 through the issuance of equity, as compared to approximately \$2,464,528 \$5,304,000 for the six nine months ended June 30, 2023 September 30, 2023 (which included the inducement to accelerate the conversion of certain warrants into equity). During the six nine months ended June 30, 2024 September 30, 2024, we raised net cash of approximately \$3,000,000 \$3,500,000 through the issuance of notes payable and maintaining a line of credit with a national financial institution secured by inventory and other assets, as compared to approximately \$1,700,000 \$2,386,000 for the six nine months ended June 30, 2023 September 30, 2023.

As we continue with the launch of American Rebel Beer and continue to maintain 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 for our business; we 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.

Over the past twelve months we entered into the following:

On April 14, 2023, the Company entered into a \$1,000,000 Business Loan and Security Agreement (the “Secured Loan #1”) with an accredited investor lending source. Under the Secured Loan #1, the Company received the loan net of fees of \$20,000. The Secured Loan #1 requires 64 weekly payments of \$20,000 each, for a total repayment of \$1,280,000. The Secured Loan #1 bears interest at 41.4%. The Secured Loan #1 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 #1. The Secured Loan #1 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 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 the number of shares had been established 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 received a release from the lender of the working capital loans that were in default since June 30, 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 ended December 31, 2023) and \$9,000 per quarter thereafter (for quarters ending June 30, 2024 three and June 30, 2024 nine months ended September 30, 2024).

On December 19, 2023, the Company entered into a \$500,000 Revenue Interest Purchase Agreement (the “Revenue Interest Loan #1”) with an accredited lender. Under the Revenue Interest Loan #1, the Company received the purchase price/loan net of fees of \$5,000. The Revenue Interest Loan #1 required monthly payments of \$75,000, until the Revenue Interest Loan #1 is repurchased by the Company. Upon entering into the agreement, the Revenue Interest Loan #1 bore an effective interest of more than 100%. The Revenue Interest Loan #1 is secured by all of the product revenues of the Company and its subsidiaries second to a first priority lien secured the holder of the line of credit. Furthermore, the Company’s is obligated to provide for 50% of the Reg. 1-A offering proceeds to the holder of the Revenue Interest Loan #1 as payment towards the amounts due. The Revenue Interest Loan #1 may be repurchased by the Company at any time. The repurchase price for the Revenue Interest Loan #1 prior to April 1, 2024 is 125% or \$625,000, the repurchase price for the Revenue Interest Loan #1 after April 1, 2024 and prior to May 5, 2024 is 137.5% or \$687,500, thereafter the repurchase price of the Revenue Interest Loan #1 is \$687,500 plus monthly payments of \$75,000 due and payable on the fifth calendar day until repurchased by the Company in its entirety.

On May 13, 2024 the Company and the holder of the Revenue Interest Loan #1 entered into a settlement and conversion agreement (“Securities Exchange Agreement”) whereby the Company issued 133,334 shares Series D convertible preferred stock as full satisfaction for the revenue participation interest agreement or loan. The Series D convertible preferred stock was purchased at \$7.50 per share. Total loan balance on the date of settlement and conversion was \$750,005. The Company paid approximately \$250,005 in interest on a loan balance of \$500,000 that it entered into on December 19, 2023. The Company also paid a premium payment of \$250,000 to induce the holder to settle and convert their debt instrument. The Series D convertible preferred stock is convertible at the option of the holder into common stock of the Company at a fixed price per share of \$1.50 per share.

On July 10, 2024, the Company entered into a Conversion Agreement (the “Conversion Agreement”) with Series D convertible preferred stock holder, pursuant to which the holder agreed to convert the 133,334 shares of Series D convertible preferred stock it held into 2,232,143 shares of common stock, par value \$0.001 per share, of the Company. The shares of common stock were priced at \$0.448 per share (which price represents the closing price for the Company’s common stock on NASDAQ for the day immediately preceding the date of the Conversion Agreement).

On December 29, 2023, the Company entered into a \$500,000 Business Loan and Security Agreement (the “Secured Loan #2”) with an accredited investor lending source. Under the Secured Loan #2, the Company received loan proceeds net of fees of \$10,000. The Secured Loan #2 requires 52 weekly payments of \$11,731 each, for a total repayment of \$610,000. The Secured Loan #2 bears interest at 40.5%. The Secured Loan #2 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 #2. The Secured Loan #2 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 is required to pay a fee associated with the lender and its introduction to the Company of \$40,000 to be made in equity of the Company at the time the loan was entered into.

On March 21, 2024, the Company entered into a securities purchase agreement with an accredited investor lending source, pursuant to which the lender made a loan to the Company, evidenced by a promissory note in the principal amount of \$235,750 (“Promissory Note #1). A one-time interest charge or points amounting to 15.0% (or \$35,362) and fees of \$5,000 were applied at the issuance date, resulting in net proceeds to the Company of \$200,000. Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid in seven payments; the first payment shall be in the amount of \$162,667.20 and is due on June 30, 2024 with six (6) subsequent payments each in the amount of \$18,074.14 due on the 30th of each month thereafter (total repayment of \$271,112 on or by **December 31, 2023** **December 31, 2024**). the Company has the right to prepay the note within one hundred eighty days at a discount of 5%.

On March 22, 2024, the Company entered into another Revenue Interest Purchase Agreement (the “Revenue Interest Loan #2”) with an individual accredited investor lending source, in the amount of \$100,000. As consideration for such payment, commencing on June 1, 2024 and continuing thereafter until all amounts are repurchased by the Company, pursuant to the terms of the Revenue Interest Loan #2, the holder has a right to receive \$10,000 per month from the Company generated from its operating subsidiaries. Furthermore, the **Company’s Company** is obligated to provide for 5.15% of the Reg. 1-A offering proceeds to the holder of the Revenue Interest Loan #2 as payment towards the amounts due. The Revenue Interest Loan #2 may be repurchased by the Company at any time. The repurchase price for the Revenue Interest Loan #2 prior to May 31, 2024 is 140% or \$140,000, the repurchase price for the Revenue Interest Loan #2 after May 31, 2024 and prior to July 5, 2024 is 154 % or \$154,000, thereafter the repurchase price of the Revenue Interest Loan #2 is \$154,000 plus monthly payments of \$10,000 due and payable on the fifth calendar day until repurchased by the Company in its entirety.

On March 27, 2024, the Company entered into a \$1,300,000 Business Loan and Security Agreement (the “Secured Loan #3”) with an accredited investor lending source. Under the Secured Loan #3, the Company received the loan net of fees of \$26,000. The Company repaid two outstanding secured notes payable (Secured Loan #1 and Secured Loan #2) to affiliates of the lender **totaling totalling** \$769,228, resulting in net proceeds to the Company of \$504,772. The Secured Loan #3 requires 64 weekly payments of \$26,000 each, for a total repayment of \$1,664,000. The Secured Loan #3 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 #3. The Secured Loan #3 provides for a default fee of \$15,000 for any late payments on the weekly payments. As long as the Secured Loan #3 is not in default, the Company may prepay the Secured Loan #3 pursuant to certain prepayment amounts set forth in the Secured Loan #3. Further, any default by the Company allows the lender to take necessary actions to secure its collateral and recovery of funds.

On April 1, 2024, the Company entered into a Revenue Interest Purchase Agreement with an accredited investor lending source, pursuant to which the holder purchased a revenue interest from the Company for \$100,000 ("Revenue Interest Loan #3). As consideration for such payment, commencing on June 1, 2024 and continuing thereafter until all amounts are repurchased by the Company pursuant to the terms of the Revenue Interest Loan #3, the holder has a right to receive \$10,000 per month from the Company generated from its operating subsidiaries. Under the Revenue Interest Loan #3, the Company has an option to repurchase the Revenue Interest Loan #3 at any time upon two days advance written notice. Additionally, the holder has an option to terminate the Revenue Interest Loan #3 and to require the Company to repurchase the Revenue Interest Loan #3 upon the Company consummating a public offering. The repurchase price to be paid by the Company will be, if the Call Option or the Put Option is exercised (i) \$140,000 if repurchased on or before May 31, 2024; and (ii) \$154,000 after June 1, 2024; in each case of (i) or (ii), minus all other payments made by the Company to the holder prior to such date.

On April 9, 2024, the Company entered into a Revenue Interest Purchase Agreement with an accredited investor lending source, pursuant to which the holder purchased a revenue interest from the Company for \$100,000 ("Revenue Interest Loan #4). As consideration for such payment, commencing on June 1, 2024 and continuing thereafter until all amounts are repurchased by the Company pursuant to the terms of the Revenue Interest Loan #4 the holder has a right to receive \$10,000 per month from the Company generated from its operating subsidiaries. Under the Revenue Interest Loan #4, the Company has an option to repurchase the Revenue Interest Loan #4 at any time upon two days advance written notice. Additionally, the holders has an option to terminate the Revenue Interest Loan #4 and to require the Company to repurchase the Revenue Interest Loan #4 upon the Company consummating a public offering. The repurchase price to be paid by the Company will be, if the Call Option or the Put Option is exercised (i) \$140,000 if repurchased on or before May 31, 2024; and (ii) \$154,000 after June 1, 2024; in each case of (i) or (ii), minus all other payments made by the Company to the holder prior to such date.

On April 9, 2024, the Company entered into a Revenue Interest Purchase Agreement with an accredited investor lending source, pursuant to which the holder purchased a revenue interest from the Company for \$300,000 (“Revenue Interest Loan #5). As consideration for such payment, commencing on June 1, 2024 and continuing thereafter until all amounts are repurchased by the Company pursuant to the terms of the Revenue Interest Loan #5, the holder has a right to receive \$30,000 per month from the Company generated from its operating subsidiaries. Under the Revenue Interest Loan #5, the Company has an option to repurchase the Revenue Interest Loan #5 at any time upon two days advance written notice. Additionally, the holder has an option to terminate the Revenue Interest Loan #5 and to require the Company to repurchase Revenue Interest Loan #5 upon the Company consummating a public offering. The repurchase price to be paid by the Company will be, if the Call Option or the Put Option is exercised (i) \$420,000 if repurchased on or before May 31, 2024; and (ii) \$462,000 after June 1, 2024; in each case of (i) or (ii), minus all other payments made by the Company to the holder prior to such date.

On April 9, 2024, the Company entered into a Revenue Interest Purchase Agreement with an individual accredited investor lending source, pursuant to which the holder purchased a revenue interest from the Company for \$75,000 (Revenue Interest Loan #6). As consideration for such payment, commencing on June 1, 2024 and continuing thereafter until all amounts are repurchased by the Company pursuant to the terms of the Revenue Interest Loan #6, the holder has a right to receive \$7,500 per month from the Company generated from its operating subsidiaries. Under the Revenue Interest Loan #6, the Company has an option to repurchase the Revenue Interest Loan #6 at any time upon two days advance written notice. Additionally, the holder has an option to terminate the Revenue Interest Loan #6 and to require the Company to repurchase the Revenue Interest Loan #6 upon the Company consummating a public offering. The repurchase price to be paid by the Company will be, if the Call Option or the Put Option is exercised (i) \$105,000 if repurchased on or before May 31, 2024; and (ii) \$115,500 after June 1, 2024; in each case of (i) or (ii), minus all other payments made by the Company to the holder prior to such date.

On April 19, 2024, the Company entered into a Revenue Interest Purchase Agreement with an accredited investor lending source, pursuant to which the holder purchased a revenue interest from the Company for \$500,000 (“Revenue Interest Loan #7”). As consideration for such payment, commencing on June 1, 2024 and continuing thereafter until all amounts are repurchased by the Company pursuant to the terms of the Revenue Interest Loan #7, the holder has a right to receive \$50,000 per month from the Company generated from its operating subsidiaries (the “Revenue Interest”). Under the Revenue Interest Loan #7, the Company has an option (the “Call Option”) to repurchase the Revenue Interest at any time upon two days advance written notice. Additionally, the Purchasers have an option (the “Put Option”) to terminate the Revenue Interest Loan #7 and to require the Company to repurchase the Revenue Interest Loan #7 upon the Company consummating a public offering. The repurchase price to be paid by the Company will be, if the Call Option or the Put Option is exercised (i) \$700,000 if repurchased on or before May 31, 2024; and (ii) \$770,000 after June 1, 2024; in each case of (i) or (ii), minus all other payments made by the Company to the holder prior to such date.

The Company entered into seven (7) Revenue Interest Purchase Agreements with seven (7) accredited investor lending sources. As part of the loan agreements the Company was not aware that in the aggregate the loan agreements required the holders have the right to receive certain payments per month from the Company generated from its operating subsidiaries that far exceeds its free-cash flow from these operating subsidiaries, subjecting the subsidiaries to borrow additional funding to supplement these required cash payments. Furthermore, the Company’s is obligated to provide in excess of 100.0% of the Reg. 1-A offering proceeds to the collective group of holders of the Revenue Interest Loan’s as payment towards the amounts due to the holders.

On May 28, 2024, the Company entered into a securities purchase agreement with an accredited investor lending source, pursuant to which the holder made a loan to the Company, evidenced by a promissory note in the principal amount of \$111,550 (“Promissory Note #2). An original issue discount of \$14,550 and fees of \$7,000 were applied on the issuance date, resulting in net loan proceeds to the Company of \$90,000. Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid in nine payments in the amount of \$13,881.78, with the first payment due on June 30, 2024, and remaining eight payments due on the last day of each month thereafter (a total payback to the holder of \$124,936.00). The securities purchase agreement allows for the holder to purchase shares of the Company’s common stock at a discount to market which as of the date of this Report has been determined to be \$0.448 per share. These shares and the conversion of the loan payable is triggered if the Company is in default or technical default with respect to the Promissory Note #2. The Company has reserved for 3X the number of shares that would be considered common stock equivalents under the terms of the Promissory Note #2.

On June 14, 2024, the Company entered into a securities purchase agreement with an accredited investor lending source, pursuant to which the holder made a loan to the Company, evidenced by a promissory note in the principal amount of \$111,550 (“Promissory Note #3”). An original issue discount of \$14,550 and fees of \$7,000 were applied on the issuance date, resulting in net loan proceeds to the Company of \$90,000. Accrued, unpaid interest and outstanding principal, subject to adjustment, is required to be paid in nine payments in the amount of \$13,881.78, with the first payment due on June 30, 2024, and remaining eight payments due on the last day of each month thereafter (a total payback to holder of \$124,936.00). The securities purchase agreement allows for the holder purchase shares of the Company’s common stock at a discount to market which as of the date of this Report has been determined to be \$0.448 per share. These shares and the conversion of the loan payable is triggered if the Company is in default or technical default with respect to Promissory Note #3. The Company has reserved for 3X the number of shares that would be considered common stock equivalents under the terms of Promissory Note #3.

On July 2, 2024, American Rebel, Inc., a wholly-owned subsidiary of the Company, entered into a Standard Merchant Cash Advance Agreement (the “Factoring Agreement”), with an accredited investor lending source (“Financier”). Under the Factoring Agreement, our wholly-owned subsidiary the Company sold to Financier a specified percentage of its future receipts (as defined by the Factoring Agreement, which include any and future revenues of Champion Safe Company, Inc. (“Champion”), another wholly-owned subsidiary of the Company, and the Company) equal to \$357,500 for \$250,000, less origination and other fees of \$12,500. Our wholly-owned subsidiary agrees The Company agreed to repay this purchased receivable amount in equal weekly installments of \$17,875. Financier has specified customary collection procedures for the collection and remittance of the weekly payable amount including direct payments from specified authorized bank accounts. The Factoring Agreement expressly provides that the sale of the future receipts shall be construed and treated for all purposes as a true and complete sale and includes customary provisions granting a security interest under the Uniform Commercial Code in accounts and the proceeds, subject to existing liens. The Factoring Agreement also provides customary provisions including representations, warranties and covenants, indemnification, arbitration and the exercise of remedies upon a breach or default. The obligations of our wholly-owned subsidiary, Champion and the Company under the Factoring Agreement are irrevocably, absolutely, and unconditionally guaranteed by Charles A. Ross, Jr., the Company’s Chairman and Chief Executive Officer. The Personal Guaranty of Performance by Mr. Ross to Financier provides customary provisions, including representations, warranties and covenants.

On July 8, 2024, the Company and two of its subsidiaries (American Rebel, Inc. and Champion Safe Company, Inc.) entered into a subordinated business loan and security agreement (“Loan”) with an accredited investor lending source and a subsidiary to that accredited investor lending source as collateral agent, which provides for a term loan in the amount of \$1,312,500 which principal and interest (of \$577,500) is due on January 20, 2025. Commencing July 15, 2024, the Company is required to make weekly payments of \$67,500 until the due date. The loan may be prepaid subject to a prepayment fee. An administrative agent fee of \$62,500 was initially paid on the loan. A default interest rate of 5% becomes effective upon the occurrence of an event of default. In connection with the loan, the holder was issued a subordinated secured promissory note, dated July 8, 2024, in the principal amount of \$1,312,500 which note is secured by all of the borrower’s assets, including receivables, subject to certain outstanding liens and agreements.

On July 10, 2024, the Company entered into a Conversion Agreement (the “Conversion Agreement”) with Series D convertible preferred stock holder, pursuant to which the holder agreed to convert the 133,334 shares of Series D convertible preferred stock it held into 2,232,143 shares of common stock, par value \$0.001 per share, of the Company. The shares of common stock underlying the Series D convertible preferred stock was were reduced and repriced from \$1.50 per share to \$0.448 per share (which this price represents the closing price for the Company’s common stock on NASDAQ for the day immediately preceding the date of the Conversion Agreement).

On July 22, 2024, the Company and an accredited investor lending source entered into an agreement whereby \$300,000 of the Assumption Loan was acquired by the accredited investor lending source from the original holder. The agreement entered into was structured as an installment purchase between the two accredited investor lending sources. The Company entered into an amended note payable, which by its terms became a \$300,000 no interest convertible note, due and payable on July 22, 2025 (“Amended Convertible Note Payable”). The conversion price is fixed at \$0.448 per share, with the normal share reserve and conversion mechanics. The Company issued 223, 214 shares of common stock to the holder of the amended note payable and retiring \$100,000 of this \$300,000 debt. The shares were issued to the holder without restrictive legend and a new amended convertible note payable of \$200,000, due and payable on July 22, 2025.

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”). The Line of Credit accrues interest at a rate determined by BSBY Daily Floating Rate plus 2.05 percentage points (which at June 30, 2024 was 7.44%), 7.25% as of September 30, 2024, and is secured by all of the assets of the Champion Entities. The maturity date on the line of credit was initially extended by Bank of America to April 30, 2024. The balance at the maturity date was approximately \$1.9 million and access to the line of credit with Bank of America was terminated. Subsequent to quarter end, Bank of America put the Company on notice that the Line of Credit is in default; however, Champion and Bank of America have continued dialogue and the Company is currently negotiating a forbearance or other cure to the default and a plan for repayment of the Line of Credit within sixty (60) to ninety (90) days with its assigned relationship manager at the bank.

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 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 (“Crosby”) (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 Crosby.

The closing of the acquisition occurred on July 29, 2022. Under the terms of the Champion Purchase Agreement, the Company paid Crosby (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 Crosby and the Champion Entities since June 30, 2021.

During 2023 the Company received a claim for refund or right of repayment from Crosby. The Company settled with Crosby and agreed to pay an additional \$325,000 to Crosby 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 2023. The funds for this pricing adjustment came from general working capital.

Critical Accounting Policies Estimates

The preparation of financial statements and related footnotes disclosures in conformity with U.S. GAAP, requires us management to make judgments, estimates and assumptions that affect the reported amounts of assets liabilities, revenue and expenses, and related liabilities, 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 liabilities 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 date 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 and income and expenses during the significant periods reported. Actual results could materially differ from those estimates. Management has determined that the Company has no critical accounting policies and methods used in the preparation of our financial statements. estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Our Chief Executive Officer, Mr. Charles A. Ross, Jr., disclosure controls and procedures include, without limitation, controls and procedures designed to

ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives, and management necessarily is required to use its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

An evaluation was carried out under the supervision and with the participation of the Company's management, including the CEO and Interim Principal Accounting Officer, Mr. Doug E. Grau, evaluated of 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. report as defined in Exchange Act Rule 13a-15(e) and Rule 15d-15(e). Based on their that evaluation, Messrs. Ross the CEO and Grau Interim Principal Accounting Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were not effective.

Management has concluded that there is a material weakness in internal control over financial reporting due to deficiencies in the design and operation of internal controls. The material weakness resulted in material adjustments to the financial statements included in the Original Form 10-K for the years ended December 31, 2023 and 2022, which were driven by the following: (1) inadequate management reviews and (2) insufficient technical accounting competencies within the organization.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis. As a result of the material weakness, our CEO and Interim Principal Accounting Officer have concluded that, as of September 30, 2024, the end of the period covered by this report, our disclosure controls and procedures are were not effective in timely alerting them to material information relating to us required to be included in our periodic SEC filings. The Company hired at 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. reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been Other than the material weakness discussed above, there were no changes in our the Company's internal control controls over financial reporting that occurred during the quarter period ended June 30, 2024, September 30, 2024 that have materially affected, or are is reasonably likely to materially affect, our internal control controls over financial reporting.

Part II: Other Information

Item 1 - Legal Proceedings

On July 23, 2024, we received notice of a complaint filed in the U.S. District Court for the District of Utah by Liberty Safe and Security Products, Inc. (“Liberty”), in connection with the marketing and sale of our and our subsidiary’s, Champion Safe Company, Inc., line of safe products. As of the date of this Quarterly Report, the complaint has not been served on us or Champion Safe. In the complaint, Liberty alleges trademark infringement as a result of the purported use of the term “Freedom” in the sale of safes, federal false designation of origin and unfair competition, violation of Utah deceptive trade practices, Utah unfair competition, and damages to Liberty. Management believes that this lawsuit is without merit; however has initiated settlement discussions with Liberty and intends to anticipate an amicable settlement to vigorously contest these allegations. However, management believes that the costs of defending these claims and any liability that could arise as be forthcoming. At this time, Management does not believe a result of these allegations could settlement with Liberty will have a material adverse effect on its business or financial condition or results of operations; therefore is seeking potential non-litigation remedies to settle this dispute. condition. Other than the Liberty dispute, 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 is no action, suit, 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 or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries’ officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1a – Risk Factors

Factors that could cause or contribute to differences in our future financial and operating results include those discussed in the risk factors set forth in Item 1A of our Amended Annual Report on Form 10-K 10-K/A for the year ended December 31, 2023. 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.

The following additional risk factors update or expand on those set forth in our Form 10-K/A for the year ended December 31, 2023:

Our financial results may be affected by new tariffs or border adjustment taxes or other import restrictions.

A material percentage of our safes are built in Mexico, along with a majority of our soft goods. We also depend on imports from Canada and other parts of the world. The imposition of tariffs or border adjustment taxes may affect our financial results. The current political climate is hostile to companies manufacturing goods outside of the U.S. Restrictions on trade with foreign countries, imposition of customs duties or further modifications to U.S. international trade policy have the potential to disrupt our supply chain or the supply chains of our customers and to adversely impact demand for our products, our costs, customers, suppliers and/or the U.S. economy or certain sectors thereof, potentially leading to negative effects on our business and financial condition. Significant changes to the U.S. federal government’s trade policies, including new tariffs or the renegotiation or termination of existing trade agreements and/or treaties, may adversely affect our financial performance. In recent years, the U.S. federal government has altered U.S. international trade policy and has indicated its intention to renegotiate or terminate certain existing trade agreements and treaties with foreign governments. The U.S. federal government’s decision to implement new trade agreements, and/or withdraw or materially modify other existing trade agreements or treaties may adversely impact our business, customers and/or suppliers by disrupting trade and commercial transactions and/or adversely affect the U.S. economy or specific portions thereof.

We have identified several material weaknesses in our internal control over financial reporting. If we are unable to remediate these weaknesses, or otherwise fail to maintain proper and effective internal controls, our ability to produce timely and accurate financial statements could be impaired, which could adversely affect our operating results, our ability to operate our business, our stock price and access to the capital markets.

We have identified material weaknesses in our internal control over financial reporting and those weaknesses have led to a conclusion that our internal control over financial reporting and disclosure controls and procedures were not effective as of December 31, 2023 or for the nine months ended September 30, 2024. Our inability to remediate the material weaknesses, our discovery of additional weaknesses, and our inability to achieve and maintain effective disclosure controls and procedures and internal control over financial reporting, could adversely affect our results of operations, our stock price and investor confidence in our company.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that companies evaluate and report on the effectiveness of their internal control over financial reporting. As disclosed in more detail under Item 4, “Controls and Procedures” above, we have identified material weaknesses as of December 31, 2023 and for the nine months ended September 30, 2024 in our internal control over financial reporting. Due to the material weaknesses in our internal control over financial reporting, we have also concluded our disclosure controls and procedures were not effective as of December 31, 2023 and for the nine months ended September 30, 2024.

Failure to have effective internal control over financial reporting and disclosure controls and procedures can impair our ability to produce accurate financial statements on a timely basis and has led and could again lead to a restatement of our financial statements. For example, the identified material weaknesses resulted in material adjustments to the consolidated financial statements for the years ended December 31, 2022 and 2023, and for the nine months ended September 30, 2024. If, as a result of the ineffectiveness of our internal control over financial reporting and disclosure controls and procedures, we cannot provide reliable financial statements, our business decision processes may be adversely affected, our business and results of operations could be harmed, investors could lose confidence in our reported financial information and our ability to obtain additional financing, or additional financing on favorable terms, could be adversely affected.

Our management has taken action to begin remediating the material weaknesses; however, certain remedial actions have not started or have only recently been undertaken, and while we expect to continue to implement our remediation plans throughout the fiscal year ending December 31, 2025, we cannot be certain as to when remediation will be fully completed. In addition, we could in the future identify additional internal control deficiencies that could rise to the level of a material weakness or uncover other errors in financial reporting. During the course of our evaluation, we may identify areas requiring improvement and may be required to design additional enhanced processes and controls to address issues identified through this review. In addition, there can be no assurance that such remediation efforts will be successful, that our internal control over financial reporting will be effective as a result of these efforts or that any such future deficiencies identified may not be material weaknesses that would be required to be reported in future periods.

If we fail to remediate these material weaknesses and maintain effective disclosure controls and procedures or internal control over financial reporting, we may not be able to rely on the integrity of our financial results, which could result in inaccurate or additional late reporting of our financial results, as well as delays or the inability to meet our future reporting obligations or to comply with SEC rules and regulations. This could result in claims or proceedings against us, including by stockholders or the SEC. The defense of any such claims could cause the diversion of the Company’s attention and resources and could cause us to incur significant legal and other expenses even if the matters are resolved in our favor.

We restated certain of our previously issued consolidated financial statements, which resulted in unanticipated costs and may affect investor confidence and raise reputational issues.

As discussed in Footnote 1 to the financial statements included in this quarterly report on Form 10-Q, we reached a determination to restate our consolidated financial statements and related disclosures for the years ended December 31, 2023 and 2022. The restatement also included other adjustments to historical periods. As a result, we have incurred unanticipated costs for accounting, professional and legal fees in connection with or related to the restatement, and have become subject to a number of additional risks and uncertainties, which may affect investor confidence in the accuracy of our financial disclosures and may raise reputational issues for our business.

Absent relief, as a result of our failure to timely file a periodic report with the SEC, we are currently ineligible to continue to use or file short form shelf registration statements on Form S-3, which may impair our ability to raise capital on terms favorable to us, in a timely manner or at all.

Form S-3 permits eligible issuers to conduct registered offerings using a short form registration statement that allows the issuer to incorporate by reference its past and future filings and reports made under the Exchange Act of 1934, as amended (the “Exchange Act”). In addition, Form S-3 enables eligible issuers to conduct primary offerings “off the shelf” under Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”). The shelf registration process, combined with the ability to forward incorporate information, allows issuers to avoid delays and interruptions in the offering process and to access the capital markets in a more expeditious and efficient manner than raising capital in a standard registered offering pursuant to a registration statement on Form S-3. The ability to newly register securities for resale may also be limited as a result of the loss of Form S-3 eligibility with respect to such registrations.

As a result of our failure to timely file a periodic report with the SEC in connection with our reaudit of the years ended December 31, 2023 and 2022, absent a waiver of the Form S-3 eligibility requirements, we are ineligible to use or file new short form registration statements on Form S-3. In the event of the absence of a waiver, our inability to use or file new registration statements on Form S-3 may significantly impair our ability to raise necessary capital to run our operations and progress our business and product development programs. If we seek to access the capital markets through a registered offering during the period of time that we are unable to file a new registration statement on Form S-3, we may be required to publicly disclose a proposed offering and the material terms thereof before the offering commences, we may experience delays in the offering process due to SEC review of a Form S-1 registration statement, and we may incur increased offering and transaction costs and other considerations. Disclosing a public offering prior to the formal commencement of an offering may result in downward pressure on our stock price. If we are unable to raise capital through a registered offering, we would be required to conduct our equity financing transactions on a private placement basis, which may be subject to pricing, size and other limitations imposed under Nasdaq rules, or seek other sources of capital. In addition, we will not be permitted to conduct an “at the market offering” absent an effective primary registration statement on Form S-3.

Our failure to timely file certain periodic reports with the SEC and our prior restatements have had, and may in the future have further, material adverse consequences to our business, our financial condition, results of operations and our cash flows.

As previously publicly disclosed, we have failed to timely file our quarterly report for the nine months ended September 30, 2024.

Also as previously publicly disclosed, we have restated previously issued financial statements for the years ended December 31, 2023 and 2022.

Our failure to timely file certain periodic reports with the SEC and our prior restatements have had, and may in the future have further, material adverse consequences to, and pose significant risk to, our business, which could materially and adversely affect our business, our financial condition, our results of operations and our cash flows. These adverse consequences include, but are not limited to, the potential delisting of our Common Stock on the Nasdaq Stock Exchange (“Nasdaq”), stockholder litigation, SEC investigations, stockholder activism, violations of our obligations under our existing material arrangements, including our credit agreements and the terms of our other financing agreements, our ability to raise capital on attractive terms, or at all, significant fluctuations in the value of our Common Stock, among others.

Our failure to timely file the September 30, 2024 Form 10-Q with the SEC and our prior restatements may subject us to stockholder litigation or governmental or regulatory investigations. We have incurred, and may be required in future to incur further, significant accounting, consulting, professional and legal fees and other expenses related to the late filing and the restatements.

We also may fail to be timely on our future filings, which, in addition to the risks and consequences described above, may create further harm to us. For example, we may incur penalty or other default fees owed to holders of our debt instruments as a result of our failure to timely file our periodic reports. In addition, the holders of these debt instruments may raise additional claims resulting from the Company's inability to timely and accurately report its financial information, which could cause further harm to the Company and its stockholders, all of which could materially and adversely affect to our business, our financial condition, results of operations and cash flows.

Our Common Stock may be delisted from Nasdaq, which could significantly adversely affect us, our business, and the value and liquidity of our Common Stock.

Our Common Stock is currently listed on Nasdaq. As previously disclosed, on April 23, 2024, the Company received notice from Nasdaq indicating that, while the Company had not regained compliance with the Bid Price Requirement, Nasdaq had determined that the Company was eligible for an additional 180-day period, or until October 21, 2024, to regain compliance. On October 2, 2024, the Company effectuated a 1-for-9 reverse stock split, which resulted in its stock price increasing above the Bid Price Requirement. On October 16, 2024, the Company received a written notification from Nasdaq indicating that, as of October 15, 2024, the Company had regained compliance with the Bid Price Requirement.

On February 28, 2024 the Company received a written notice from Nasdaq stating that because the Company has not yet held an annual meeting of shareholders within 12 months of the end of the Company's 2022 fiscal year end, it no longer complies with Nasdaq Listing Rule 5620(a) for continued listing on The Nasdaq Capital Market. The Company had until April 15, 2024, which was 45 days from the date of the notice, to submit a plan to regain compliance and, if Nasdaq accepted the plan, it may grant an exception of up to 180 calendar days from the fiscal year end, or until June 28, 2024, to regain compliance. The Company held its annual meeting of stockholders on June 27, 2024, thereby regaining compliance with the Nasdaq annual meeting requirement.

On November 22, 2024, the Company received a notice from Nasdaq indicating that, as a result of not having timely filed the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, the Company is not in compliance with Nasdaq Listing Rules which require timely filing of periodic reports with the SEC. Pursuant to the Nasdaq Listing Rules, the Company has until January 21, 2025 to submit a plan to regain compliance. If the plan is accepted, an extension may be granted of up to 180 calendar days from the due date of the Initial Delinquent Filing, or May 19, 2025, to regain compliance. The Company submitted a compliance plan on January 20, 2025 and will satisfy the delinquency through the filing of this quarterly report on Form 10-Q.

There can be no assurance as to whether the Company will remain compliant with the Nasdaq Listing Rules. A delisting of our Common Stock from Nasdaq (whether or not our Common Stock is subsequently listed on any of the marketplaces of the OTC Markets Group (the "OTC Markets") thereafter) could have significant adverse impacts on our business, financial condition, results of operations and cash flows by, among other things: reducing the liquidity, public float and market price of our Common Stock; reducing the number of investors, including institutional investors, willing to hold or acquire our Common Stock, which could negatively impact our ability to raise equity; decreasing the amount of news and analyst coverage relating to us; limiting our ability to issue additional securities, obtain additional financing or pursue strategic restructuring, refinancing or other transactions; and impacting our reputation and, as a consequence, our ability to attract new business. In addition, the delisting of our Common Stock from Nasdaq could constitute a breach of many of our existing material arrangements (whether or not our Common Stock is subsequently listed on any of the OTC Markets), including the terms of our credit facilities and the terms of our various debt instruments. If a delisting of our Common Stock were to cause us to violate our obligations under our credit facilities or debt instruments, such occurrence could trigger an event of default, which could have significant adverse impacts on our business, financial condition, results of operations, and cash flows.

If our Common Stock were to be delisted from Nasdaq, we intend to take actions to apply for listing the Company's Common Stock on one of the OTC Markets. However, we understand that to be eligible for quotation on certain of the OTC Market, issuers must remain current in their filings with the SEC. In addition, even if our Common Stock is listed on the OTC Markets, the OTC Markets are generally regarded as a less efficient trading market than Nasdaq, and being listed on the OTC Markets may not resolve any breaches that may arise under our existing material arrangements, and thus many of the same risks described above would still apply.

Item 2 - Unregistered Sales of Equity Securities

On May 13, 2024, the Company issued 133,334 shares of the Series D Convertible Preferred Stock to an accredited investor in exchange for a certain \$500,000 revenue interest purchase agreement.

Subsequent Issuances after Quarter End

On July 10, 2024, the Company, and the holder of 133,334 shares of Series D Convertible Preferred Stock, entered into a conversion agreement, whereby the Company agreed to issue the accredited investor holder 2,232,143 shares of common stock in exchange for the shares of preferred stock. The shares of common stock were priced at \$0.448 per share (which price represents the closing price for our common stock on NASDAQ for the day immediately preceding the date of the conversion agreement).

On July 22, 2024, the Company and an accredited investor lending source entered into an agreement whereby \$300,000 of the Assumption Loan was acquired by the accredited investor lending source from the original holder. The agreement entered into was structured as an installment purchase between the two accredited investor lending sources. The Company entered into an amended note payable, which by its terms became a \$300,000 no interest convertible note, due and payable on July 22, 2025 ("Amended Convertible Note Payable"). The conversion price is fixed at \$0.448 per share, with the normal share reserve and conversion mechanics. The Company issued 223,214 shares of common stock to the holder of the amended note payable and retiring \$100,000 of this \$300,000 debt. The shares were issued to the holder without restrictive legend and a new amended convertible note payable of \$200,000, due and payable on July 22, 2025.

Effective August 5, 2024, the Company entered into a securities exchange and amendment agreement with an accredited investor, whereby the Company agreed to issue the investor 10,010 shares of Series D Convertible Preferred Stock in exchange for a portion of a \$75,000 revenue interest owned by such investor.

Effective August 5, 2024, the Company entered into a securities exchange and amendment agreement with an accredited investor, whereby the Company agreed to issue the investor 12,134 shares of Series D Convertible Preferred Stock in exchange for a portion of a \$100,000 revenue interest owned by such investor.

On September 4, 2024, the Company entered into a \$300,000 Note with a third-party Lender and concurrently entered into a conversion agreement (the "Conversion Agreement"), whereby the Lender converted \$49,500 of its June 2024 note into 6,600 shares of the Company's Series D Convertible Preferred Stock. Pursuant to the Conversion Agreement and Securities Purchase Agreement, the Company granted piggyback registration rights to the Lender on the shares of common stock underlying the preferred shares and the shares of common stock potentially issuable upon default of the Note.

On September 19, 2024, the Company authorized the issuance of 669,643 shares of common stock, valued at \$0.448 per share, to a vendor pursuant to the terms of a settlement agreement.

On September 27, 2024, the Company authorized the issuance of 360,000 shares of common stock, valued at \$0.448 per share, to a consultant pursuant to the terms of a consulting agreement.

Subsequent Issuances after Quarter End

On October 1, 2024, the Company issued 53,334 shares of Series D Convertible Preferred stock, valued at \$7.50 per share, to a lender pursuant to the terms of a settlement agreement.

On October 1, 2024, the Company sold 31,500 shares of Series D Convertible Preferred Stock, for \$7.50 per share for total proceeds to the Company of \$236,250, to two accredited investors.

On October 2, 2024, the Company effectuated a 1-for-9 reverse stock split.

On October 23, 2024, the Company issued 57,000 shares of common stock, valued at \$2.75 per share, and a three-year pre-funded warrant to purchase 486,030 shares of common stock at \$0.01 per share, valued at \$2.74 per share to the Investor pursuant to the terms of a securities exchange agreement.

On October 14, 2024, the Company issued 60,670 shares of common stock upon conversion of 12,134 shares of Series D Convertible Preferred Stock to an accredited investor.

On October 30, 2024, the Company entered into a \$420,000 Note with a third-party Lender. In addition to the Note, the Company issued the Lender a five-year common stock purchase warrant to purchase up to 72,165 shares of Common Stock at \$5.82 per share. The Company granted piggyback registration rights to the Lender on the shares of common stock underlying the warrant and the shares of common stock potentially issuable upon default of the Note. On December 31, 2024, the Company and Lender entered into an amendment to the Note, which included a provision to reduce the exercise price of the warrant to \$3.50 per share.

On November 1, 2024, the Company authorized the issuance of 56,778 shares of common stock to an accredited investor upon the partial exercise of a prefunded warrant on a cashless basis.

On November 7, 2024, the Company authorized the issuance of 71,783 shares of common stock to an accredited investor upon the partial exercise of a prefunded warrant on a cashless basis.

On November 11, 2024, the Company exchanged \$150,469.11 of an assigned note portion for 78,615 shares of the Company's common stock as a 3(a)(9) exchange.

On November 11, 2024, the Company entered into a \$400,000 twelve-month promissory note with an accredited investor. An original issue discount of \$80,000 was applied on the issuance date and was paid through the issuance of 26,756 shares of the Company's common stock, resulting in net loan proceeds to the Company of \$320,000.

On November 11, 2024, the Company authorized the issuance of 44,000 shares of common stock to Charles A. Ross, Jr., the Company's CEO and Chairman, upon the conversion of 88 shares of Series A Convertible Preferred Stock.

On December 13, 2024, the Company entered into a three-month promissory note with an accredited investor in the principal amount of \$213,715. An original issue discount of \$63,715 was applied on the issuance date and was paid through the issuance of 36,830 shares of the Company's common stock, resulting in net loan proceeds to the Company of \$150,000.

On December 13, 2024, the Company entered into a \$231,715 three-month promissory note with an accredited investor. An original issue discount of \$63,715 was applied on the issuance date and was paid through the issuance of 36,830 shares of the Company's common stock, resulting in net loan proceeds to the Company of \$150,000.

On December 29, 2024, the Company authorized the issuance of 50,000 shares of common stock to Corey Lambrecht, the Company's COO and a director, upon the conversion of 100 shares of Series A Convertible Preferred Stock.

On December 26, 2024, the Company entered into a Settlement Agreement and Stipulation (the "Settlement Agreement") with Silverback Capital Corporation ("SCC") to settle outstanding claims owed to SCC. Pursuant to the Settlement Agreement, SCC has agreed to purchase certain outstanding payables between the Company and designated vendors of the Company totaling \$1,843,595.18 (the "Payables") and will exchange such Payables for a settlement amount payable in shares of common stock of the Company (the "Settlement Shares"). The Settlement Shares shall be priced at 75% of the average of the three lowest traded prices during the five trading day period prior to a share request, which is subject to a floor price. On January 6, 2025, SCC requested the issuance of 78,000 shares of Common Stock to SCC, representing a payment of approximately \$99,645, plus 15,000 shares of Common Stock as a settlement fee.

On January 10, 2025, the Company entered into two six-month promissory notes with accredited investors in the principal amounts of \$617,100 ("Note 1") and \$123,420 ("Note 2"). An original issue discount of \$117,100 was applied to Note 1 and \$23,420 was applied to Note 2 on the issuance date and was paid through the issuance of 15,613 (Note 1) and 3,123 (Note 2) shares of the Company's Series D Convertible Preferred Stock, resulting in net loan proceeds to the Company of \$500,000 (Note 1) and \$100,000 (Note 2).

On January 10, 2025, the Company authorized the issuance of 55,000 shares of common stock to a consultant pursuant to the terms of an amendment to a current consulting agreement.

On January 13, 2025, SCC requested the issuance of 70,000 shares of Common Stock to SCC, representing a payment of approximately \$99,750.

On January 14, 2025, the Company authorized the issuance of 43,335 shares of Series D Convertible Preferred Stock to seven service providers to the Company and its subsidiaries.

On January 15, 2025, SCC requested the issuance of 103,500 shares of Common Stock to SCC, representing a payment of approximately \$147,487.50.

On January 24, 2025, SCC requested the issuance of 110,000 shares of Common Stock to SCC, representing a payment of approximately \$133,200.

On February 3, 2025, SCC requested the issuance of 115,000 shares of Common Stock to SCC, representing a payment of approximately \$99,187.50.

All of the above-described issuances (if any) were exempt from registration pursuant to Section 4(a)(2), Section 3(a)(9), Section 3(a)(10) 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 any person acting on its behalf. All such securities issued pursuant to such exemptions are restricted securities as defined in Rule 144(a)(3) promulgated under the Securities Act, appropriate legends have been placed on the documents evidencing the securities, and may not be offered or sold absent registration or pursuant to an exemption therefrom.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the quarter ended **June 30, 2024** September 30, 2024.

Item 3 – Defaults upon Senior Securities

Bank of America

During

As reported by the Company in the Form 8-K dated August 7, 2024, during February 2023, we the Company entered into a \$2 million master credit agreement (credit facility) with Bank of America. The credit facility is secured by all the assets of our the Company's Champion subsidiaries and guaranteed by us, the Company, the Champion subsidiaries and our the Company's CEO. The Line of Credit expired on February 28, 2024, but we the Company and Champion Safe Company have been actively working with the bank to extend or modify the credit facility.

Despite being current on all payments under the credit facility and actively working with the bank for a long-term solution to repay the credit facility, on July 25, 2024, Champion Safe Company received a notice of default and demand for payment from the bank. The On October 25, 2024, the Company received an updated payoff statement from the bank showing the current balance owing to the bank is \$2,017,539.27 as \$2,021,581.35 and interest is accruing at \$743.38 \$712.09 per day. We are The Registrant is currently negotiating a forbearance or other cure to the default and a plan for repayment of the credit facility within thirty (30) to sixty (60) to ninety (90) days with its assigned relationship manager at the bank.

However, if we are unable to cure the default, or extend or replace the credit facility, it would have a material impact on us and our Champion subsidiaries' working capital needs. In addition, our having to raise equity or debt financing to repay the credit facility or obtaining a new credit facility may be on substantially worse terms than the current credit facility.

Altbanq Item 4 – Mine Safety Disclosures

Not applicable. During March of 2023, the Company entered into a Business Loan and Security Agreement with Altbanq Lending LLC. The loan is secured by a second lien on all the assets of the Company and its Champion subsidiaries and guaranteed by the Company, the Champion subsidiaries and the Company's CEO.

Item 5 – Other Information Despite being current on all payments under the loan and actively working with the lender on a solution to repay the loan, the Company has been put on notice of default because of claimed stacking of other debts and the lender has made demand for immediate repayment of the loan. Further, the lender has been sending UCC lien notices to the Company's and its subsidiaries lenders, customers, vendors and other financing sources. The current balance owing to the lender is \$1.043 million and additional attorney's fees are in dispute which would increase the balance to approximately \$1.3 million.

On November 11, 2024, the Company entered into a Purchase and Exchange Agreement among an investor (the "Purchaser") and Altbanq Lending LLC (the "Seller"), pursuant to which the Purchaser agreed to purchase from the Seller a portion (\$150,469.11) of a promissory note dated March 27, 2024 in the original principal amount of \$1,330,000 (the "Note"), with a current balance payable of \$1,229,350 (the "Note Balance").

Contemporaneously with assignment of the assigned note portion to the Purchaser, the Company exchanged the \$150,469.11 of assigned note portion for 78,615 shares of the Company's common stock as a 3(a)(9) exchange.

At any time during the ninety days after the initial closing, the Purchaser may purchase additional portions of the Note, at one or more closing, by sending an additional closing notice in the amount set forth in the additional note notice and the Company will exchange such additional portions for shares of its common stock as a 3(a)(9) exchange. The additional shares will be calculated by dividing the relevant additional portion by 75% of the average of the three lowest bids for the Company's common stock on its principal trading market on the five trading days prior to the closing of the purchase of the additional portion.

The Purchase and Exchange Agreement contains a beneficial ownership limitation of 4.99% of the number of the common shares outstanding immediately after giving effect to the issuance of common shares issuable upon any closing of the purchase of an additional portion by the Purchaser. No closing of the purchase of any additional portion shall take effect nor shall the Purchaser be able to purchase any additional portion to the extent that after giving effect to such issuance after closing, the Purchaser (together with the Purchaser's Affiliates, and any other Persons acting as a group together with the Purchaser or any of the Purchaser's Affiliates), would beneficially own in excess of the beneficial ownership limitation.

The Company will not issue shares of common stock in excess of 19.99% of the shares outstanding as of the date of the Purchase and Exchange Agreement. In the event the previous sentence restricts the Company's ability to completely convert the Note, the Company will seek stockholder approval to allow the issuance shares of common stock in excess of 19.99% of the shares outstanding.

For a period of ninety days after the closing, the Seller and Company shall not further amend the Note nor allow any payments to be made on account of the Note. In the event there has been a material adverse event with the Company or other reasonable cause, upon fifteen (15) days written notice, the Seller may accelerate the termination of this period.

Due to our delinquency in filing our Form 10-Q for the quarter ended September 30, 2024, the Purchaser has been unable to convert additional portions of the Note.

1800 Diagonal Loan Coventry

On August 8, 2024, September of 2024, the Company entered into a Securities Purchase Agreement with 1800 Diagonal Lending, Coventry Enterprises, LLC, an accredited investor (“the Lender” Coventry”), pursuant to which the Lender Coventry made a loan to the Company, evidenced by a promissory note in the principal amount of \$179,400 \$300,000 (the “Note”). An original issue discount of \$23,400 and fees of \$6,000 were applied on the issuance date, resulting in net loan proceeds to the Company of \$150,000. Accrued, unpaid interest and outstanding principal, subject to adjustment, is The Note required to be paid in five eight \$37,333.33 monthly payments, with the first payment of \$103,155 due on February 15, 2025, and remaining four September 30, 2024 with seven (7) subsequent payments of \$25,788.75 due on the fifteenth last day of each month thereafter (a total payback thereafter. The Company has been put on notice from Coventry that it is in default of the Note, for failure to make the Lender full payment due as of \$206,310.00) September 30, 2024. The Company is currently working to remedy the Coventry default and has made a half payment to Coventry. Coventry has notified the Company it is reserving all rights afforded to it under the Note and ancillary agreements.

Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Company will be obligated to pay to the Lender, in full satisfaction of its obligations, an amount equal to 150% times the sum of (w) the then outstanding principal amount of the Note plus (x) accrued and unpaid interest on the unpaid principal amount of the Note to the date of payment plus (y) default interest, if any, at the rate of 22% per annum on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Lender pursuant to the conversion rights referenced below. under the Note.

Only upon an occurrence of an event of If the Company is unable to cure the default, under or payoff the Note, it would have a material impact on the Lender may convert Company’s working capital needs. In addition, the outstanding unpaid principal amount of Company having to raise equity or debt financing to repay the Note into restricted shares of common stock of the Company at or obtaining a discount of 25% of the market price. The Lender agreed to limit the amount of stock received to less than 4.99% of the total outstanding common stock. There are no warrants or other derivatives attached to this Note. The Company agreed to reserve a number of shares of common stock equal to four times the number of shares of common stock which new loan may be issuable upon conversion of on substantially worse terms than the Note at all times. Note.

Other Debts

The foregoing descriptions 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 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 significant net losses from operations and cash flow difficulties. The Company’s accumulated deficit was (\$57,184,075) as of September 30, 2024, and (\$47,481,836) as of December 31, 2023. The Company has experienced cash flow restraints and has missed payments due under several financing agreements. To date, the majority of lenders have been working with the Company towards amenable solutions to remedy any issues related to such agreements.

The ability of the Note 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. The Company had previously had an effective Reg. A+ offering seeking to raise approximately \$20.0 million; however, due to the termination of its prior PCAOB accountants and the Securities Purchase Agreement requirement to re-audit its financial statements for the past two years for inclusion in the Reg. A+ offering documents the Company is unable to access any capital under the offering. Until the time the financial statements are re-audited and of all opined on by its new PCAOB accountants it is not able to intake any of the parties’ rights and obligations proceeds committed to the Reg. A+ offering or any other financing agreement requirement a registration statement be filed under the Note 1933 Act.

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 Securities Purchase

Agreement Company will obtain this additional working capital, or if obtained, that such funding will not cause substantial dilution to its existing stockholders. Most of the Company's current debt instruments are qualified in charging high interest rates. These interest payments and/or premium repayments and prepayments may make it difficult for it to enter into new debt agreements. If the Company is unable to secure such additional funds from these sources, it may be forced to change or delay some of its entirety by reference business objectives and efforts. These factors raise substantial doubt regarding the Company's ability to the Note and the Securities Purchase Agreement, copies of which are filed continue as Exhibits 10.1 and 10.2, respectively, to the Current Report on Form 8-K filed on August 13, 2024, and of which are incorporated herein by reference. a going concern.

Item 4 – Mine Safety Disclosures

Not applicable.

Item 5 – Other Information

Press Release

On July 18, 2024 January 23, 2025, the Company issued a press release titled “American Nashville’s Iconic Tootsie’s World Famous Orchid Lounge is Now Serving America’s Patriotic Beer - American Rebel Light Recaps Recent Beer Launch Success. Light!” A copy of the press release is attached hereto as Exhibit 99.9. 99.16.

On February 5, 2025, the Company issued a press release titled “American Rebel CEO Andy Ross to Appear on ABC-TV Tampa Weekday Morning Show Morning Blend.” A copy of the press release is attached hereto as Exhibit 99.17.

The press release contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are necessarily based on certain assumptions and are subject to significant risks and uncertainties. These forward-looking statements are based on management’s expectations as of the date hereof. The Company does not undertake any responsibility for the adequacy, accuracy or completeness or to update any of these statements in the future. Actual future performance and results could differ from that contained in or suggested by these forward-looking statements.

The information in Item 5 of this Quarterly Report on Form 10-Q relating to the press release is releases are being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference to Item 5 of this Quarterly Report on Form 10-Q in such a filing.

Item 6 – Exhibits

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated June 8, 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)
3.4	Certificate of Amendment to the Second Amended and Restated Articles of Incorporation effectuating 1-for-9 Reverse Stock Split effective October 2, 2024 (Incorporated by references to Exhibit 3.1 to Form 8-K filed on September 27, 2024)
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)
4.5	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)
4.6	Form of Pre-funded Warrant (Incorporated by reference to Exhibit 4.1 to Form 8-K, filed February 15, 2022)
4.8	Line of Credit Agreement dated February 10, 2023 (Incorporated by reference to Exhibit 4.6 to Form 10-Q filed May 15, 2023)
4.9	Financing Agreement dated April 14, 2023 (Incorporated by reference to Exhibit 4.1 to Form 8-K, filed May 1, 2023)
4.10	Armistice Form of New Warrant A (Incorporated by reference to Exhibit 4.1 to Form 8-K/A, filed on September 8, 2023)
4.11	Armistice Form of New Warrant B (Incorporated by reference to Exhibit 4.2 to Form 8-K/A, filed on September 8, 2023)
4.12	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)
4.13	Certificate of Designation of Series C Preferred Stock (Incorporated by reference to Exhibit 4.2 to Form 8-K, filed on November 6, 2023)
4.14	Alt Banq Financing Agreement dated December 28, 2023 (Incorporated by reference to Exhibit 4.1 to Form 8-K filed on January 3, 2024)
4.15	Certificate of Designation of Series D Convertible Preferred Stock dated May 10, 2024 (Incorporated by reference to Exhibit 4.1 to Form 8-K filed on May 16, 2024)
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 [Armistice Form of Warrant \(Incorporated by reference to Exhibit 10.2 to Form 8-K filed on June 28, 2023\)](#)
- 10.7 [Armistice Form of Prefunded Warrant \(Incorporated by reference to Exhibit 10.3 to Form 8-K filed on June 28, 2023\)](#)
- 10.8 [Armistice Form of Registration Rights Agreement \(Incorporated by reference to Exhibit 10.4 to Form 8-K filed on June 28, 2023\)](#)
- 10.9 [Tony Stewart Racing Nitro Sponsorship Agreement dated July 1, 2023 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 7, 2023\)](#)

- 10.10 [Master Brewing Agreement dated August 9, 2023 \(Incorporated by reference to Exhibit 10.16 to Form 10-Q filed on August 14, 2023\)](#)
- 10.11 [Loan Agreement dated July 1, 2023 \(Incorporated by reference to Exhibit 10.17 to Form 10-Q filed on August 14, 2023\)](#)
- 10.12 [Form of Inducement Letter dated September 8, 2023 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 8, 2023\)](#)
- 10.13† [Lambrecht Employment Agreement dated November 20, 2023 \(Incorporated by reference to Exhibit 10.2 to Form 8-K filed on November 24, 2023\)](#)
- 10.14† [Ross Amendment No. 2 to Employment Agreement dated November 20, 2023 \(Incorporated by reference to Exhibit 10.3 to Form 8-K filed on November 24, 2023\)](#)
- 10.15† [Grau Amendment No. 2 to Employment Agreement dated November 20, 2023 \(Incorporated by reference to Exhibit 10.4 to Form 8-K filed on November 24, 2023\)](#)
- 10.16 [\\$500,000 Revenue Interest Purchase Agreement dated December 19, 2023 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on December 22, 2023\)](#)
- 10.17 [New Loan Agreement dated January 1, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on January 5, 2024\)](#)
- 10.18 [1800 Diagonal Note dated March 21, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 22, 2024\)](#)
- 10.19 [1800 Diagonal Securities Purchase Agreement dated March 21, 2024 \(Incorporated by reference to Exhibit 10.2 to Form 8-K filed on March 22, 2024\)](#)
- 10.20 [\\$100,000 Revenue Interest Purchase Agreement dated March 22, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 27, 2024\)](#)
- 10.21 [\\$100,000 Revenue Interest Purchase Agreement dated April 1, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 3, 2024\)](#)
- 10.22 [\\$100,000 Revenue Interest Purchase Agreement dated April 9, 2024 \(Incorporated by reference to Exhibit 10.22 to Form 10-K filed on April 12, 2024\)](#)
- 10.23 [\\$300,000 Revenue Interest Purchase Agreement dated April 9, 2024 \(Incorporated by reference to Exhibit 10.23 to Form 10-K filed on April 12, 2024\)](#)
- 10.24 [\\$75,000 Revenue Interest Purchase Agreement dated April 9, 2024 \(Incorporated by reference to Exhibit 10.24 to Form 10-K filed on April 12, 2024\)](#)
- 10.25 [\\$500,000 Revenue Interest Purchase Agreement dated April 19, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K/A filed on April 25, 2024\)](#)
- 10.26 [KBI Securities Exchange Agreement dated May 13, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on May 16, 2024\)](#)
- 10.27 [1800 Diagonal Note dated May 28, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 4, 2024\)](#)
- 10.28 [1800 Diagonal Securities Purchase Agreement dated May 28, 2024 \(Incorporated by reference to Exhibit 10.2 to Form 8-K filed on June 4, 2024\)](#)
- 10.29 [Coventry Enterprises, LLC Note dated June 14, 2024 \(Incorporated by reference to Exhibit 10.29 to Form 10-Q filed on June 14, 2024\)](#)
- 10.30 [Coventry Enterprises, LLC Securities Purchase Agreement dated June 14, 2024 \(Incorporated by reference to Exhibit 10.30 to Form 10-Q filed on June 14, 2024\)](#)
- 10.31 [Sinks Promissory Note dated June 28, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K dated July 2, 2024\)](#)
- 10.32 [Parkview Advance Futures Receivables Sale and Purchase Agreement dated July 2, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K dated July 11, 2024\)](#)
- 10.33 [Agile Lending Subordinated Business Loan and Security Agreement dated July 8, 2024 \(Incorporated by reference to Exhibit 10.2 to Form 8-K dated July 11, 2024\)](#)
- 10.34 [KBI Conversion Agreement dated July 10, 2024 \(Incorporated by reference to Exhibit 10.3 to Form 8-K dated July 11, 2024\)](#)

- 10.35 [Securities Exchange and Amendment Agreement No. 1 effective August 5, 2024 \(Incorporated by reference to Exhibit 10.1 to Form 8-K dated August 7, 2024\)](#)
- 10.36 [Securities Exchange and Amendment Agreement No. 2 effective August 5, 2024 \(Incorporated by reference to Exhibit 10.2 to Form 8-K dated August 7, 2024\)](#)

10.37	<u>\$100,000 Amended RIP Agreement No. 1 effective August 5, 2024 (Incorporated by reference to Exhibit 10.3 to Form 8-K dated August 7, 2024).</u>
10.38	<u>\$100,000 Amended RIP Agreement No. 2 effective August 5, 2024 (Incorporated by reference to Exhibit 10.4 to Form 8-K dated August 7, 2024).</u>
10.39	<u>\$300,000 Amended RIP Agreement No. 3 effective August 5, 2024 (Incorporated by reference to Exhibit 10.5 to Form 8-K dated August 7, 2024).</u>
10.40	<u>1800 Diagonal Note dated August 8, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated August 13, 2024).</u>
10.41	<u>1800 Diagonal Securities Purchase Agreement dated August 8, 2024 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated August 13, 2024).</u>
31.1# 10.42	<u>Coventry Enterprises Note dated September 4, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated September 9, 2024).</u>
10.43	<u>Coventry Enterprises Securities Purchase Agreement dated September 4, 2024 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated September 9, 2024).</u>
10.44	<u>Coventry Enterprises Conversion Agreement dated September 4, 2024 (Incorporated by reference to Exhibit 10.3 to Form 8-K dated September 9, 2024).</u>
10.45	<u>1800 Diagonal Note dated October 4, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated October 8, 2024).</u>
10.46	<u>1800 Diagonal Securities Purchase Agreement dated October 4, 2024 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated October 8, 2024).</u>
10.47	<u>Investor Securities Exchange Agreement dated October 23, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated October 30, 2024).</u>
10.48	<u>Alumni Capital Note dated October 30, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated November 1, 2024).</u>
10.49	<u>Alumni Capital Securities Purchase Agreement dated October 30, 2024 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated November 1, 2024).</u>
10.50	<u>Alumni Capital Warrant dated October 30, 2024 (Incorporated by reference to Exhibit 10.3 to Form 8-K dated November 1, 2024).</u>
10.51	<u>1800 Diagonal Note dated November 6, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated November 8, 2024).</u>
10.52	<u>1800 Diagonal Securities Purchase Agreement dated November 6, 2024 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated November 8, 2024).</u>
10.53	<u>Purchase and Exchange Agreement dated November 11, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated November 13, 2024).</u>
10.54	<u>\$400,000 OID Note dated November 11, 2024 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated November 13, 2024).</u>
10.55	<u>\$213,715 OID Note dated November 11, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated January 6, 2025).</u>
10.56	<u>Alumni Capital Amendment to Securities Purchase Agreement dated December 31, 2024 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated January 6, 2025).</u>
10.57	<u>Silverback Capital Settlement Agreement and Stipulation dated December 26, 2024 (Incorporated by reference to Exhibit 10.1 to Form 8-K dated January 13, 2025).</u>
10.58	<u>\$617,100 OID Note 1 dated January 10, 2025 (Incorporated by reference to Exhibit 10.2 to Form 8-K dated January 13, 2025).</u>
10.59	<u>\$123,420 OID Note 2 dated January 10, 2025 (Incorporated by reference to Exhibit 10.3 to Form 8-K dated January 13, 2025).</u>
31.1#	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2#**	<u>Certification of Interim Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1#**	<u>Certification of Chief Executive Officer and Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>

99.1	GBQ Partners appointment press release HC Wainwright Global Investment Conference Press Release dated May 15, 2024 September 5, 2024 (Incorporated by reference to Exhibit 99.2 99.1 to Form 8-K filed on May 17, 2024 dated September 9, 2024).
99.2	Exhibiting at 153rd Annual NRA Annual Meeting press release dated May 17, 2024 (Incorporated by reference to Exhibit 99.2 to Form 10-Q filed on June 14, 2024).
99.3	American Rebel Light at Eldora Speedway press release dated June 4, 2024 (Incorporated by reference to Exhibit 99.3 to Form 10-Q filed on June 14, 2024).
99.4	American Rebel Light at Country Stampede press release dated June 10, 2024 (Incorporated by reference to Exhibit 99.4 to Form 10-Q filed on June 14, 2024).
99.5#	First Quarter Financial Results press release Reverse Stock Split Press Release dated June 20, 2024
99.6	American Rebel Beer Surpassing 100 Kansas Retail Locations press release dated July 10, 2024 September 27, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed on July 11, 2024 September 27, 2024).
99.799.3	Country Stampede Recap Nasdaq Notice of Compliance for Minimum Bid Price Press Release dated October 17, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed October 17, 2024).
99.4	Champion Safe Company New Safes Press Release dated October 28, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed October 30, 2024).
99.5#	Clark Distributing Press Release dated October 30, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed November 1, 2024).
99.6	Toy Parade Press Release dated November 5, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed November 8, 2024).
99.7	American Rebel Light in the Local Nashville and Hendersonville Press Release dated November 12, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed November 13, 2024).
99.8	Nasdaq Delinquent Filing Press Release dated November 27, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed November 27, 2024).
99.9#	American Rebel Light Placements of Multi-Case Product Displays press release dated July 11, 2024 December 16, 2024 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed January 6, 2025).
99.10	Kid Rock's Launch Party Press Release dated January 7, 2025 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed January 13, 2025).
99.11	Kentucky Distributor Press Release dated January 10, 2025 (Incorporated by reference to Exhibit 99.2 to Form 8-K filed on July 11, 2024 January 13, 2025).
99.899.12	Investor Presentation Whiskey Jam Press Release dated July 16, 2024 January 13, 2025 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed on July 17, 2024 January 15, 2025).
99.9#99.13	Champion Safe 2025 Estate Series Safes Press Release dated January 15, 2025 (Incorporated by reference to Exhibit 99.2 to Form 8-K filed January 15, 2025).
99.14	Pro Superstar Shootout Press Release dated January 16, 2025 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed January 16, 2025).
99.15	Tramont Distributing Press Release dated January 17, 2025 (Incorporated by reference to Exhibit 99.1 to Form 8-K filed January 17, 2025).
99.16#	American Rebel Light Recaps Recent Beer Launch Success press release Available at Tootsie's Press Release dated July 18, 2024 January 23, 2025
99.17#	Andy Ross ABC Morning Show Appearance Press Release dated February 5, 2025
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 or compensatory plan or arrangement.

**** The XBRL related information in Exhibit 101 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.**

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: **August 14, 2024** February 7, 2025

AMERICAN REBEL HOLDINGS, INC.

(Registrant)

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

Charles A. Ross, Jr., CEO
(Principal Executive Officer)

By: /s/ Doug E. Grau

Doug E. Grau
President (Interim Principal Accounting Officer)

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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: **August 14, 2024** February 7, 2025

/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: August 14, 2024 February 7, 2025

/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 June 30, 2024 September 30, 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

Nashville’s Iconic Tootsie’s World Famous Orchid Lounge is Now Serving America’s Patriotic Beer – American Rebel Reports Financial Results for the Quarter Ended March 31, 2024 Light!

Nashville, TN – January 23, 2025 (GLOBE NEWSWIRE) — June 20, 2024 – American Rebel Holdings, Inc. (NASDAQ: AREB) (“American Rebel” or the “Company”), creator of American Rebel Beer (americanrebelbeer.com) and a designer, manufacturer, and marketer of branded safes, personal security and self-defense products and apparel and American Rebel Beer (americanrebelbeer.comamericanrebel.com), announced its financial results foris thrilled to announce that the quarter (“Q1 2024” iconic Nashville honky tonk Tootsie’s World Famous Orchid Lounge (tootsies.net) ended March 31, 2024. Investors are encouraged to read the Company’s quarterly report, located on Form 10-Q, which was filed with the Securities and Exchange Commissions (the “SEC”) and contains additional information and is posted at <https://americanrebel.com/investor-relations>.

Q1 2024 Financial Summary:

Revenue	\$	4.0 Million
Gross Profit	\$	0.84 Million
EBITDA (GAAP)	\$	(2.3) Million
Adjusted EBITDA (Non-GAAP) ¹	\$	(1.1) Million

1 - Adjusted EBITDA is a non-GAAP measure. Refer to the tables at the end of this press release for a reconciliation to GAAP.

Current Business Highlights:

- Successfully launched American Rebel Beer and will enter full scale production in August of 2024.
- Reached premier distribution partnerships for American Rebel Beer in the following states:
 - Bonbright Distributors – Ohio
 - Best Brands – Tennessee
 - Standard Beverage – Kansas
 - Dichello Distributors – Connecticut

In addition, the Company is currently communicating with top distributors historic Broadway in other states including Mississippi, Alabama, Missouri, New York, New Jersey, Vermont and Rhode Island.

- American Rebel Light Beer was available for consumers to purchase and featured at the Eldora Speedway in Rossburg, OH in early June and will be featured at the Country Stampede Music Festival in Bonner Springs, KS June 27 – 29.

- In late July 2024, American Rebel Light Beer will be available in the Kansas Price Chopper grocery store chain. Price Chopper is a market leading grocery store chain in Kansas.
- American Rebel Light will be available in several premier bars in the Broadway Entertainment District in Nashville, TN this September. Broadway in Nashville is the top selling square mile of beer and alcohol sales in the country.
- American Rebel subsidiary Champion Safe's financial margins expected to improve in the coming quarters due to tighter cost controls.
- Completed the first quarterly review with the Company's new auditor, GBQ Partners, LLC, within the time allotted by the Securities and Exchange Commission.

Andy Ross, Chief Executive Officer of American Rebel commented, "We moved all our company initiatives forward during the first quarter by leaning into our unique brand identity to differentiate our product set with the launch of downtown Nashville, has begun serving America's Patriotic, God-Fearing, Constitution-Loving, National Anthem-Singing, Stand Your Ground Beer – Beer– American Rebel Beer. We are strategically building Light. It is being served in the STAND TALL, STAND PROUD, BE LOUD "Tall Boy" 16oz can.

"Tootsie's is part of music history and Rebel Light being served at Tootsie's is historic for us. I'm very thankful that Steve Smith, Jonathan Scott and the team have faith in Rebel Light and we're going to make them proud," said American Rebel CEO Andy Ross. "Just thinking about the Opry (opry.com) stars sneaking across the alley from the Ryman Auditorium (ryman.com) to grab a nationwide distribution network drink at Tootsie's and Tootsie keeping a cigar box full of IOUs behind the counter from where she had given drinks and food to hungry musicians and songwriters – legends like Wille Nelson, Kris Kristofferson, Faron Young, Patsy Cline and on and on. I encourage everyone to stop by Tootsie's and see the place, enjoy the music and drink a Rebel Light while you're there."

"I'm thrilled that one of the most iconic and patriotic bars on Broadway, Tootsie's, is serving American Rebel Light!" said American Rebel Beverages President Todd Porter. "This is a fantastic opportunity for us to share our American Rebel spirit with even more people who visit this legendary Nashville hotspot. Cheers to great beer by partnering with best-in-class local distributors and have surpassed all expectations. This distribution network will position our beer to compete within the \$110+ billion beer market. great memories!"

Hattie Louise "Tootsie" Bess, Tootsie's owner from 1960 – 1978, was well-known for her generosity toward musicians and songwriters just starting out. Over the years she served such famous customers as Kris Kristofferson, Faron Young and Willie Nelson when they were still up-and-coming artists. Other famous early customers include Dolly Parton, Tom T. Hall, Hank Cochran, Mel Tillis, Roger Miller, Webb Pierce, Waylon Jennings, Patsy Cline and many more. Performers at the Grand Ol' Opry would sometimes sneak across the alley and grab a drink at Tootsie's between sets.

In 1992, local businessman Steve Smith reinvested in Tootsie's and is credited for a large part of the revitalization of downtown Nashville. "It was significant when Tootsie's changed hands," said Dave Cooley, who served as a top adviser to Nashville Mayor Phil Bredesen in the early 1990s. Cooley said honky-tonks may not seem like a traditional tool to revitalize a downtown, but that's what happened when Smith bought Tootsie's.

"Our message Other cities have theme parks or beaches — we have the honky-tonks on Lower Broadway to help distinguish Nashville as the global destination it has become," said Butch Spyridon, former CEO of the Nashville Convention and Visitor's Corp. "They authentically represent our powerful brand and — with no cover charge — they enhance our value proposition as a destination as well. Tootsie's leads the way, but all the honky-tonks are invaluable to our current and future success."

Smith said he is proud of the impact Tootsie's has had on economic development downtown, but he also touted the bar for its musical legacy. The bar remains a venue where future stars take the stage and superstars stop to hang out, Smith said.

"Kris Kristofferson hung out there," Smith said. "Harlan Howard was a great guy and used to hang out there all the time. Willie Nelson, of course.

"Sheryl Crow has been through there. Trick Pony got started in Tootsie's. Randy Houser. Lee Brice, just to stabilize name a few, Jamey Johnson. Montgomery Gentry, I could go on and on."

Tootsie's was a proving ground for rising country star Tyler Farr, who said he learned the business art of entertaining, not just playing music, while launching taking the stage there.

"I cut my teeth at Tootsie's, and in that place is where I learned how to be an entertainer," Farr said. "It was the foundation on which I began my career in country music. Still a new product place that still holds the roots."

Today, Tootsie's is an international destination visited by locals and tourists alike. Tootsie's is known for having the best local musicians and as part a haven for some of our brand identity," Ross continued. "We are incorporating operational improvements to increase efficiencies within our safe business with the goal of reducing expenses world's most popular acts. Celebrity visitors include Cher, Keith Urban, Luke Bryan, Vince Gill, Amy Grant, Brad Paisley, Chris Pratt, Post Malone, Steven Tyler, Kid Rock, John Fogerty, PINK, Jimmy Fallon, Mylie Cyrus, Randy Houser, Jamey Johnson, Riley Green, Jake Owen, Jon Pardi and placing that business on a sustainable financial footing. Meanwhile, we expect American Rebel Beer to ramp significantly as we enter 2025." more.

About American Rebel Light Beer

Produced in partnership with AlcSource, American Rebel Light Beer (americanrebelbeer.com) is a premium domestic light lager celebrated for its exceptional quality and patriotic values. It stands out as America's Patriotic, God-Fearing, Constitution-Loving, National Anthem-Singing, Stand Your Ground Beer.

American Rebel Light is a Premium Domestic Light Lager Beer – All Natural, Crisp, Clean and Bold Taste with a Lighter Feel. With approximately 100 calories, 3.2 carbohydrates, and 4.3% alcoholic content per 12 oz serving, American Rebel Light Beer delivers a lighter option for those who love great beer but prefer a more balanced lifestyle. It's all natural with no added supplements and importantly does not use corn, rice, or other sweeteners typically found in mass produced beers.

About Tootsie's World Famous Orchid Lounge

Located on historic Broadway in downtown Nashville, TN, the party seems to never stop when you have live musical performances daily on 3 stages with 3 bars on 3 floors paired with tasty food & drinks. Hattie Louise "Tootsie" Bess bought the lounge called "Mom's and named it for herself. According to tradition, a painter mistakenly painted the exterior orchid purple. The color was never changed and became Tootsie's signature color. For more information go to tootsies.net.

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 Light 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.

Non-GAAP Financial Measures American Rebel Holdings, Inc. info@americanrebel.com

American Rebel Holdings, Inc reports its financial results in accordance with accounting principles generally accepted in the U.S. (GAAP). In addition, the Company is providing in this news release financial information in the form of Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, other income/expense, stock compensation, restructuring, receivables adjustment and non-cash lease charges). Management believes these non-GAAP financial measures are useful to investors and lenders in evaluating the overall financial health of the Company in that they allow for greater transparency of additional financial data routinely used by management to evaluate performance. Adjusted EBITDA can be useful for investors or lenders as an indicator of available earnings. Non-GAAP financial measures should not be considered in isolation from, or as an alternative to, the financial information prepared in accordance with

GAAP. Beverages, LLC

Todd Porter, President

tporter@americanrebelbeer.com

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. American Rebel Holdings, Inc., (NASDAQ: AREB; AREBW) (the “Company,” “American Rebel,” “we,” “our” or “us”) desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “forecasts” “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “could,” “target,” “potential,” “is likely,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements primarily on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. Important factors that could cause actual results to differ from those in the forward-looking statements include continued increase in revenues, actual receipt of funds under the Reg A Offering, effects benefits of the offering on the trading price placement of our securities, implied or perceived benefits resulting from the receipt of funds from the offering, product in an establishment, actual launch placement timing and availability of American Rebel Beer, success and availability of the promotional activities, our ability to effectively execute our business plan, and the Risk Factors contained within our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2023. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as may be required by law.

Reconciliation of Net Income (Loss) attributable to American Rebel Holdings, Inc.,
to Adjusted EBITDA for the
Three Months Ended March 31, 2024
Unaudited

	Q1 2024
Net loss	\$ 2,701,278
Interest expense	423,859
Depreciation and amortization	24,315
EBITDA	(2,253,104)
Stock compensation expense	1,134,000
Adjusted EBITDA (Non-GAAP)	(1,119,104)
Loss from operations	(1,118,954)
Company Contact:	
tporter@americanrebelbeer.com	
info@americanrebel.com	
Investor Relations:	
Brian Prenoveau	
MZ North America	
+1 (561) 489-5315	
AREB@mzgroup.us	

Exhibit 99.9

A group of cans of beer Description automatically generated

Exhibit 99.17

American Rebel Light Recaps Recent Beer Launch Success CEO Andy Ross to Appear on ABC-TV Tampa Weekday Morning Show Morning Blend
Appearance Scheduled to Air on Friday, February 7 Broadcast Between 10 – 11 am Eastern

Nashville, TN – February 5, 2025 (GLOBE NEWSWIRE) — July 18, 2024 – American Rebel Holdings, Inc. (NASDAQ: AREB) (“American Rebel” or the “Company”), creator of American Rebel Beer (americanrebelbeer.com) and a designer, manufacturer, and marketer of American Rebel Beer (www.americanrebelbeer.com) and branded safes, personal security and self-defense products and apparel (americanrebel.com), is pleased excited to recap announce that its CEO Andy Ross will appear on the successful Friday, February 7 broadcast of Morning Blend (abcactionnews.com/morning-blend) on ABC Action News Tampa. Andy’s segment will appear between 10- 11 am Eastern Standard Time. Andy will promote the SCAG Power Equipment PRO Superstar Shootout (prosuperstarshootout.com) and his Saturday concert appearance on the American Rebel Beer stage near the starting line at the conclusion of racing, discuss the company’s sponsorship of Tony Stewart Racing’s Funny Car driven by Matt Hagan and the ongoing launch of American Rebel Light Lager (“Rebel Light”) over the last few weeks. Standard Beverage Corporation (www.standardbeverage.com), a leading beverage distributor in Kansas for 75 years, the “largest single alcohol distributor” in the state and Rebel Light’s distributor in Kansas has already placed American Rebel Light Lager into over 125 retail locations, including grocery stores Price Chopper and Hen House, a few 7-11s and many independent convenience and liquor stores. Beer.

“With all The PRO Superstar Shootout is the excitement around Pro Bowl of the American Rebel brand, our product positioning and our timing in the market, we knew the opportunity was there for us to get our fair share of this \$110+ billion beer market, NHRA drag racing season,” said American Rebel CEO Andy Ross. “Now with these recent successes, we are exceeding our already high expectations.”

Rebel Light, a premium domestic light lager, not a craft beer, was featured at the Country Stampede Music Festival (www.countrystampede.com) in Bonner Springs, Kansas June 27 – 29. American Rebel Beer was a sponsor of the “Party Pit” and the music festival attendees saw ads for American Rebel Light Beer on the giant jumbotrons on either side of the stage during the breaks. Rebel Light was well-stocked backstage and in the VIP Lounge and LOCASH brought Rebel Light out on stage with them and went on to post about Rebel Light on their social media accounts.

Bonbright Distributors (www.bonbright.com), a Miller/Coors house, has already launched American Rebel Light Lager at Tony Stewart’s Eldora Speedway (www.eldoraspeedway.com) and the surrounding area and will expand throughout their entire 9-county territory in west central Ohio in September. The Rebel Light launch at Eldora Speedway “Last year’s debut event was a massive success topped off by a great post-race concert by American Rebel CEO Andy Ross that was such a hit that the track has asked Andy and band back to perform later this summer. The track supported the Rebel Light launch with a billboard ad and live messages on the scoreboard promoting America’s Patriotic Beer. The “World’s Greatest Dirt Track” and American Rebel Light Beer and I are honored to participate. The PRO Superstar Shootout is a perfect match chance for the race teams to have some friendly competition and race attendees will enjoy Rebel Light all season long, a dress rehearsal for the NHRA season. There’s nothing better than a weekend at the track, except a weekend at the track with an after party. I can’t wait to play my brand of country patriotic rock ‘n’ roll for these great fans.”

A major force in “Coming to Florida to support the state of Tennessee, Best Brands (www.bestbrandsinc.com) will launch PRO Superstar Shootout and the Matt Hagan Dodge//SRT Hellcat American Rebel Light Lager Funny Car is very important for American Rebel,” continued Andy Ross. “We recently had a launch party for American Rebel Beer in Tennessee in mid-August Nashville at Kid Rock’s bar on Broadway and has already secured commitments from Tony, Matt and some of the largest bars in other Tony Stewart Racing Team folks came into town to support us...it meant the Nashville Entertainment district. Nashville’s Broadway district is reported world to sell me and our company. It’s more alcohol per square mile than anywhere else in the world; and it is an amazing accomplishment to get commitments to sell a brand new beer in this high volume area, business, it’s family.”

Dichello Distributors (www.dichello.com), an Anheuser-Busch house, will launch “I can’t wait to unleash the American Rebel Light Lager in 4 counties in Connecticut in September. They Beer Funny Car with Andy Ross at Bradenton,” said Matt Hagan. “Andy and the American Rebel Beer Team are excited going full throttle as they launch a new premium domestic light beer. We’re proud to replace some of promote his brand and watch them expand into more states and bars nationwide. I’m honored to represent them and stand behind their lost business with our beer and they are also opening doors for us with other distributors throughout the AB network in other states, bold American spirit.”

The American Rebel Beer Team will announce several new distributor agreements over “It’s always a good time when Andy plays a concert at the next two weeks as several new agreements are being finalized. Another future placement for Rebel Light will be in the state of Texas as we seek racetrack,” continued Matt Hagan. “He likes to capitalize on a commitment from the Texas Motorplex (www.texasmotorplex.com). Texas Motorplex, a living testament to the pulse-pounding appeal of drag racing, has committed to selling rock and that suits us just fine.”

About American Rebel Light Lager at the track for its entire season-long schedule, nearly 80 track days over 30 events. American Rebel CEO will headline the music entertainment lineup for the Stampede for Speed, the highlight event of the year over 10 days for the NHRA Texas Fall Nationals. Beer

Produced in partnership with AlcSource, American Rebel Light Beer (americanrebelbeer.com) is a season-long sponsor of the Matt Hagan NHRA funny car (www.matthagandracing.com) premium domestic light lager celebrated for its exceptional quality and patriotic values. It stands out as America’s Patriotic, God-Fearing, Constitution-Loving, National Anthem-Singing, Stand Your Ground Beer.

American Rebel will be the featured sponsor on Matt’s car Light is a Premium Domestic Light Lager Beer – All Natural, Crisp, Clean and Bold Taste with a Lighter Feel. With approximately 100 calories, 3.2 carbohydrates, and 4.3% alcoholic content per 12 oz serving, American Rebel Light Beer delivers a lighter option for the Lucas Oil NHRA Nationals at the Brainerd International Raceway August 15 – 18. “Being the featured sponsor for the Brainerd race will allow us to bring those who love great beer but prefer a more balanced lifestyle. It’s all natural with no added supplements and importantly does not use corn, rice, or other sweeteners typically found in key distributors and share with them our plans for 2025,” said Andy Ross. “Tony, Leah, Matt and the entire mass produced beers.

About Tony Stewart Racing Team are an extension (TSR) Nitro

As tenacious as Stewart is in the cockpit of our American Rebel Beer Team as a racecar, he’s proven equally adept at providing cars and equipment for racing’s elite. The three-time NASCAR Cup Series champion can also list 31 owners’ titles to his resume, from NASCAR to USAC to the World of Outlaws Sprint Car Series. In 2023 Stewart earned his 31st owner title when Matt Hagan and the TSR goes Funny Car team earned the extra mile championship on November 11th. His team, Tony Stewart Racing, fields a powerhouse lineup in the NHRA Mission Foods Drag Racing Series with Tony in Top Fuel and Matt Hagan in Funny Car. After more than four decades of racing around in circles, Stewart has embarked on a straight and narrow path, albeit at more than 300 mph. For more information on TSR Nitro go to [help our company grow our business.](http://help.ourcompanygrowourbusiness.tsrnitro.com) tsrnitro.com.

About American Rebel Holdings, Inc.

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American Rebel Holdings, Inc.

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American Rebel Beverages, LLC

Todd Porter, President

tporter@americanrebelbeer.com

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