

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

FORM 10-K

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

For the fiscal year ended December 31, 2023

☐ 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: 001-41466

ONFOLIO HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

37-1978697

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

1007 North Orange Street, 4th Floor , Wilmington ,
Delaware

(Address of principal executive offices)

19801

(Zip Code)

(Registrant's Telephone Number, including Area Code): (682) 990-6920

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

Title of each class registered	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	ONFO	Nasdaq Capital Market
Warrants To Purchase Common Stock	ONFOW	Nasdaq Capital Market

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

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

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

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☒

Smaller reporting company

☒

Emerging growth company

☒

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$4,218,586 as of June 30, 2023.

As of March 31, 2024, there were 5,107,395 shares outstanding of the registrant's common stock, \$.001 par value.

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Forward-Looking Statements

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

Examples of forward-looking statements include, but are not limited to:

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

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

- our ability to manage our current and projected financial position and estimated cash burn rate, including our estimates regarding expenses, future revenues and capital requirements, and ultimately our ability to continue as a going concern;
- our ability to raise additional capital to further develop and expand our business to meet our long-term business objectives. We have limited revenues and we cannot predict when we will achieve significant revenues and sustained profitability;
- our ability to achieve significant revenues and sustained profitability;
- impairment of goodwill and long-lived assets
- changes in customer demand;
- our ability to develop our brands cost-effectively, to attract new customers and retain customers on a cost-effective basis;
- our ability to compete in the markets in which our online businesses participate;
- our ability to make strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses;
- our ability to continue to successfully manage our online businesses on a combined basis;
- security breaches, cybersecurity attacks and other significant disruptions in our information technology systems;
- security breaches, cybersecurity attacks and other significant disruptions in our information technology systems
- developments and changes in laws and regulations, including increased regulation of our industry through legislative action and revised rules and standards;

- the occurrence of war and or other hostilities, political instability or catastrophic events;
- natural events such as severe weather, fires, floods and earthquakes, or man-made or other disruptions of our operating systems, structures or equipment;
- Risks related to, and the costs associated with, environmental, social and governance (ESG) matters, including the scope and pace of related rulemaking activity; and
- Other factors and risks described under "Risk Factors_" herein and in any of the Company's subsequent reports filed with the SEC and available on its website at www.sec.gov.

Any forward-looking statement made by us in this Report on Form 10-K is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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PART I

Item 1. Business.

Company Overview

We acquire controlling interests in and actively manage small online businesses that we believe (i) operate in sectors with long-term growth opportunities, (ii) have positive and stable cash flows, (iii) face minimal threats of technological or competitive obsolescence and (iv) can be managed by our existing team or have strong management teams largely in place. Through the acquisition and growth of a diversified group of online businesses with these characteristics, we believe we offer investors in our shares an opportunity to diversify their own portfolio risk.

Onfolio Holdings Inc. was incorporated on July 20, 2020 under the laws of Delaware to acquire and develop high-growth and profitable online businesses. Unless the context otherwise requires, all references to "our Company," "we," "our" or "us" and other similar terms means Onfolio Holdings Inc., a Delaware corporation, and our wholly owned subsidiaries.

Our ideal acquisition candidate has the following characteristics:

- Proven customer acquisition track record ;
- A product, physical or digital with satisfied customers and brand equity;
- Upwards growth trajectory;
- Growing industry or sector;
- Attractive purchase price;
- Under-utilized marketing assets or channels;
- Passionate, high-value audience or customer base;
- Attractive profit margin and cashflow; and
- Diversified traffic and revenue sources.

We currently operate in the following business models: D2C eCommerce, B2B SEO and marketing services as well as B2B digital products. We anticipate a combination of continuous expansion of these verticals and increasing our share within them. Our business model is not based around success in a particular "niche", but rather focusing on certain verticals and mediums where online marketing has a key part to play (either as a means of growth for the businesses themselves, or as the service the businesses provide).

Market Opportunity

We acquire controlling interests in and actively manage small online businesses. We characterize small online businesses as those that generate annual cash flows of up to \$5 million per year. We believe that the acquisition market for these online businesses is highly fragmented and often provides opportunities to purchase at attractive prices and achieve positive outcomes for our shareholders. We believe this is driven by the following factors:

- third-party financing for these acquisitions is often less available or terms are less favorable for the borrower;
- sellers of these online businesses frequently consider non-economic factors, such as legacy or the effect of the sale on their employees;
- these online businesses are more likely to be sold outside of an auction process or as part of a limited process;
- "add-on" acquisitions can often be completed at attractive multiples of cash flow
- many would-be buyers of these online businesses are restricted by their inability to operate these online businesses; and
- the existence of a sweet spot where online businesses are too big for small/individual buyers and too small for other institutional buyers. We desire to be among the best resourced and most experience buyers in this acquisition sector.

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Competitive Strengths

We believe that the following competitive strengths contribute to our success and distinguish us from our competitors:

- our senior management team has approximately 50 years of combined experience in Internet connected businesses. We believe that we have assembled a senior management team with highly complementary skills and experiences in the industry, accounting, finance, and acquisitions;
- our team is decentralized and cross border, which enables us to identify, recruit and retain high quality talent wherever they reside;
- many buyers focus on one vertical or niche, which limits their opportunity and concentrates their risk. We operate in a wider industry with competence in multiple models;
- we believe our disciplined approach to our target market provides opportunities to methodically purchase attractive online businesses at values that are accretive to our shareholders;
- we believe our management team's strong relationships with industry executives, accountants, attorneys, business brokers, commercial and investment bankers, and other potential sources of acquisition opportunities offer us substantial opportunities to assess small online businesses available for acquisition;
- we believe our financial structure allows us to acquire online businesses efficiently with little or no third-party financing contingencies and, following acquisition, to provide our subsidiaries with access to growth capital, without being dependent on third-party transaction financing;
- it has been our experience that our ability to acquire online businesses without the cumbersome delays and conditions typical of third-party transactional financing is appealing to sellers of online businesses who are interested in confidentiality and certainty to close;
- we believe that as a public company, we will become a preferred buyer of these online businesses, due to the above factors being added to the integrity that a public company brings; and
- we believe that private company operators looking to sell their online businesses may consider us an attractive purchaser because of our ability to provide ongoing strategic and financial support for their website.

Strategy

In seeking to maximize shareholder value, we focus on finding online businesses with under-utilized marketing assets, strong growth, and areas of operational improvements. We then accelerate what is working and fix what is not.

Acquisition Strategy

Our strategy to grow our business involves the acquisition of online businesses that we expect to both complement existing verticals, existing online

businesses, and allow us to add new verticals. We are experienced in digital marketing and believe the key to growing online businesses is the leverage of audiences. We believe that attractive opportunities to make such acquisitions will continue to present themselves as a result of the abundance of selling founders with a limited skillset or narrow focus. This provides us with an opportunity for optimization and growth in the average small online businesses that is for sale. We benefit from our management team's ability to identify diverse acquisition opportunities in a variety of industries. In addition, we rely upon our management team's experience and expertise in researching and valuing prospective target online businesses, as well as negotiating the ultimate acquisition of such target website.

We believe there are opportunities to acquire "distressed", albeit profitable, online businesses, or where the sellers have not optimized the business to the fullest. The opportunity (both short and long term) is our ability to find online businesses where there are leverage points and growth opportunities that the current owners have not fully utilized. Historically, there have been ample of these for sale within our target price zone, which provides us with numerous opportunities to buy high quality business at reasonable prices. We use a series of quantitative, qualitative, financial, and legal criteria by which we evaluate each potential acquisition. We plan to acquire businesses with an income focus, and our target is to acquire businesses generating income of 20% to 30% internal rate of return, although there can be no guarantee that we will find such businesses and achieve this target. Among the factors considered are: (1) the business track record of revenue and earnings; (2) the type of business; (3) the experience and skill of the active management team of the business; (4) our assessment of the longevity and staying power of the underlying business; and (5) the potential for revenue growth and capital appreciation.

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As we grow our team, we may not be able to find, vet, and acquire businesses at the speed required for short term financial performance. We rely on our team's ability to evaluate potential acquisitions. Further, we believe our Company can find acquisition opportunities where the seller has not fully optimized their business. We have grown businesses where digital marketing is the leverage point, and our experience and multi-channel skillset allows us to add a lot of value to existing efforts. This may give us the opportunity to continue to grow the majority of our acquisitions organically. We also believe that due to our corporate structure, our comfort with utilizing a remote workforce, and our status as a public company, we may be able to attract and incentivize talent to help both with our deal flow and acquisition efforts, and our organic growth.

Quality Assurance Programs and Processes

Quality Assurance ("QA") practices differ depending on the products. Before we acquire any online business that deals with physical products, we research reviews of the products online to see if there is a large number of complaints. We also look at the refund rate, and if dealing with a manufacturer on somewhere such as Alibaba, we also look at that manufacturer's reviews. We also ask for any relevant certificates, licenses, or compliance documents.

In some instances, we may purchase the products ourselves, and this is something we may develop more procedures around if we increase our eCommerce acquisition activities. In the case of Vital-Reaction.com, for our supplement products, we require that our manufacturer be in compliance with cGMP guidelines. We require the manufacturer provide a 3rd party Certificate of Analysis (COA) of the products, which we then replicate with an independent 3rd party laboratory.

Before we acquire service businesses, such as those offering SEO or digital marketing services, we research and evaluate the company's reputation and client feedback across various platforms to gauge overall customer satisfaction. Additionally, we assess the rate of client retention and contract renewals, as these are strong indicators of the quality and value of the services provided. We may also trial their products to evaluate the quality of the services provided.

We use similar practices to conduct spot checks on the services we provide once acquired, using client retention and feedback to gauge customer satisfaction with the services provided.

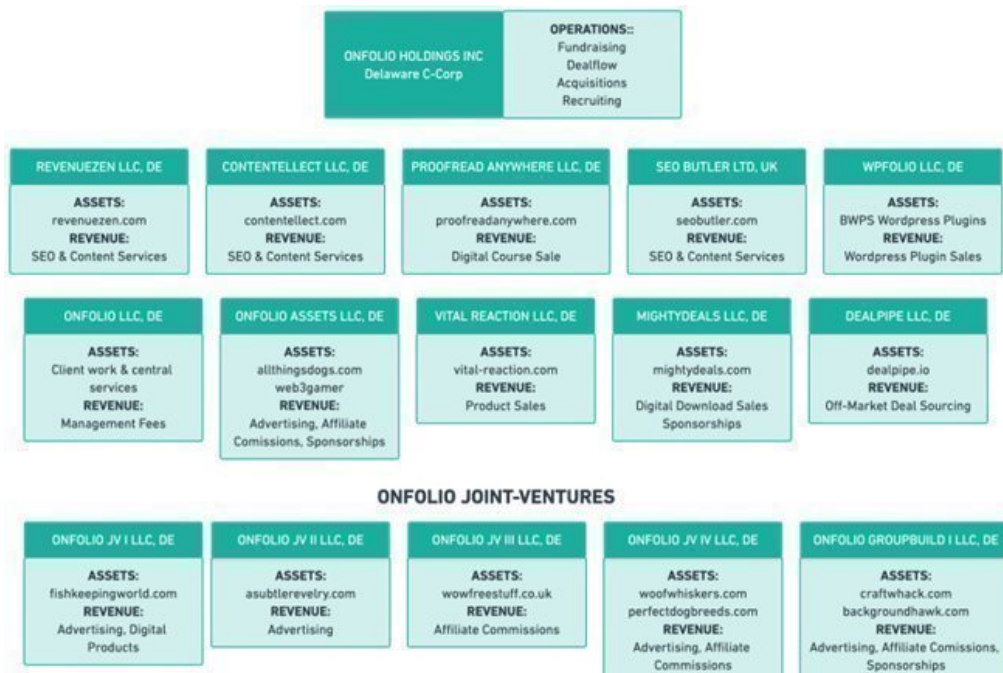
Management Strategy

Our management strategy involves a combination of sharing resources across online businesses, and employing dedicated managers of individual online businesses. We give a lot of autonomy to our individual managers, supporting them where necessary, but otherwise allowing them the freedom to grow the online businesses in line with their goals and responsibilities.

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Our Online Businesses

Our Company is structured as follows:



We own and/or manage the following 20 online businesses:

RevenueZen.com - Own

In January 2024, we acquired RevenueZen.com, an online service provider that works with B2B brands to grow their organic and referral traffic. RevenueZen offers B2B marketing services such as search-engine optimization, LinkedIn marketing and content marketing. RevenueZen enjoys a strong reputation in its field, specializing in working with startups, healthcare, professional services, renewable energy, and financial services businesses, among others. Our Company holds an 88% ownership stake in RevenueZen, while RevenueZen founders received a 12% roll-over equity interest and will serve in leadership roles in the Onfolio-owned RevenueZen team.

Contentellect.com -Own

In January 2023, we acquired Contentellect.com. Contentellect helps small-and medium-sized businesses scale their content with blog writing, link building, and more. The service offering consists of online (i) content writing services (including white label content creation, eBook writing and eCommerce product description writing), (ii) website link building services (including white label link building, HARO link building and SEO outreach services), (iii) social media marketing services, and (iv) virtual assistant services to individuals, businesses and agencies. The content created helps customers by improving organic traffic via search engines, enables them to conduct thought-leadership, and gives sales and marketing teams relevant and usable content at the top and middle of the marketing funnel. Our Company holds a 100% ownership stake in Contentellect.com.

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ProofreadAnywhere.com/WorkAtHomeSchool.com/WorkYourWay2020.com - Own

In October 2022, we acquired ProofreadAnywhere.com/WorkAtHomeSchool.com/WorkYourWay2020.com, which provide extensive online resources in the form of courses, workshops and blog posts for readers looking to train and become professional proofreaders. The curriculum helps users spot common errors, catch grammatical mistakes, and in turn, improve their proofreading skills and launch new careers. These online businesses also sell digital books covering several topics such as writing skills and freelancer taxation, and generate revenue through their courses, workshops, and eBook sales, each sold individually and in bundles. Our Company holds a 100% ownership stake in ProofreadAnywhere.com / WorkAtHomeSchool.com / WorkYourWay2020.com.

SEOBtler.com - Own

In October 2022, we acquired SEOBtler.com, an online provider of extensive products within the SEO niche including content, guest posting, social signals, and citations. The website deploys a custom-built Order Management System (OMS), designed to make the content creation process highly scalable while eliminating the bottlenecks that could otherwise impede the growth of a productized service business that relies primarily on human writers and editors. Our Company holds a 100% ownership stake in SEOBtler.com.

Preventdirectaccess.com/Passwordprotectwp.com - Own

In October 2022, we acquired Preventdirectaccess.com/Passwordprotectwp.com, which provide a suite of optimization, customization, privacy and security products and services for WordPress websites, with the core offerings consisting of (i) the WordPress plugin known as PREVENT DIRECT ACCESS available via the website preventdirectaccess.com, and (ii) the WordPress plugin known as PASSWORD PROTECT WORDPRESS available via the website passwordprotectwp.com. Customers of these websites utilize these online businesses' security plugins that allow bloggers, creators, agencies, and SMBs to protect their digital assets, products, and content. Our Company holds a 100% ownership stake in Preventdirectaccess.com / Passwordprotectwp.com.

Mightydeals.com – Own

In January 2021, we acquired Mightydeals.com and its related domain names. Mightydeals.com is a vendor of design bundles and deals for freelance designers, agencies, hobbyists and solopreneurs. The online business works with creators of design templates, fonts, software, and training (the vendors) and offers their works at steep discounts. It then shares the revenue with the vendors. Our Company holds a 100% ownership stake in Mighty Deals LLC, which owns Mightydeals.com.

Vital-Reaction.com – Own

In December 2020, we acquired Vital-Reaction.com. Vital-Reaction.com is a supplements online business providing molecular hydrogen tablets, clinical and retail inhalers, dermal therapy devices, grounding mats, and other related products. The online business operates out of Boulder, Colorado, and ships across the U.S. and internationally. Products are sourced from within the US, Japan, and China. Customers range from retail customers to U.S. clinicians and doctors who resell or refer customers. Our Company holds a 100% ownership stake in Vital Reaction LLC, which owns Vital-Reaction.com.

Allthingsdogs.com – Own

In December 2020, we acquired Allthingsdogs.com. Allthingsdogs.com is a publishing website in the pet dog vertical. It publishes informational articles related to every breed of dog. The information ranges from how to care for a certain breed, to the best types of dog food, to training tips. As well as advertising revenue, the website earns money from affiliate commissions and sales of its own ebooks and informational products. This website is one of our three online businesses in the dog vertical, providing us with significant growth opportunities and operational efficiencies, plus economies of scale as we offer digital products, physical products, and work with key vendors in the industry. As our audience grows into the hundreds of thousands across the Allthingsdogs.com, Woofwhiskers.com and Perfectdogbreeds.com sites, we expect the pet dog aspect of our portfolio to grow in stature and revenue. Our Company holds a 100% ownership stake in Allthingsdogs.com.

DealPipe.io

In November 2023, we launched DealPipe, a service for sourcing "off-market" acquisition targets. Dealpipe utilizes our Company's experience sourcing off-market deals for ourselves, offering this service to others. The DealPipe team is excited to help serial acquirers find online or offline businesses to add to their portfolios, and to help business owners find good homes for their businesses. Dealpipe earns monthly retainers, plus a success fee based on a percentage of the successful acquisition price, creating a lucrative business model. Our Company holds a 100% ownership stake in DealPipe.io

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Fishkeepingworld.com – Manage/Own

In January 2020, we began to manage Fishkeepingworld.com. Fishkeepingworld.com is a publishing website in the ornamental fish and aquarium space. It provides information for hobbyists on how to care for their fish, maintain their tank, and level up their hobby. Our Company holds a 13.63% ownership stake in Onfolio JV I, LLC, which owns Fishkeepingworld.com and we receive a management fee of \$2,500 per month and 50% profit share of any profits above \$12,500 per month for managing this website. For example, if the website was producing \$2,000 net profit per month before we started managing it, and it produced \$3,000 per month afterwards, we would receive 50% of the additional \$1,000.

Asubtlerevelry.com – Manage/Own

In January 2020, we began to manage Asubtlerevelry.com. Asubtlerevelry.com covers topics ranging from hosting a house party, to bachelorette party ideas, to recipes, to crafts. The site is a pure content and display advertising site. Long term, the site is forming a strong part of the growing craft/DIY vertical that several of our other managed sites are in. Our Company holds a 10.70% ownership stake in Onfolio JV II LLC, which owns Asubtlerevelry.com and we receive a management fee of \$1,500 per month and 50% profit share of any profits above \$16,500 for managing this website. For example, if the website was producing \$2,000 net profit per month before we started managing it, and it produced \$3,000 per month afterwards, we would receive 50% of the additional \$1,000.

Wowfreestuff.co.uk – Manage/Own

In April 2020, we began to manage Wowfreestuff.com. Wowfreestuff.com has a large audience of hundreds of thousands of people in the UK who want to be notified when companies do freebies and giveaways. Many of these companies pay a commission to the site for helping promote their freebies. Our Company holds a 13.59% ownership stake in Onfolio JV III LLC, which owns Wowfreestuff.com and we receive a management fee of \$3,000 per month and 50% profit share of any profits above \$16,500 for managing this website. For example, if the website was producing \$2,000 net profit per month before we started managing it, and it produced \$3,000 per month afterwards, we would receive 50% of the additional \$1,000.

Woofwhiskers.com – Manage/Own

In June 2020, we began to manage Woofwhiskers.com. Woofwhiskers.com is a website reviewing dog food, providing high quality reviews, and receiving lucrative referral fees from dog food companies. The dog food space is competitive, and vendors build strong relationships with high quality publishers to help promote their brands. Woofwhiskers.com is one such website which enjoys strong relationships in the space. Over time, Woofwhiskers.com is building its own audience of dog lovers and will launch its own digital products, and eventually physical products. This website is one of our three online businesses in the dog vertical, providing us with significant growth opportunities and operational efficiencies, plus economies of scale as we offer digital products, physical products, and work with key vendors in the industry. As our audience grows into the hundreds of thousands across the Allthingsdogs.com, Woofwhiskers.com and Perfectdogbreeds.com sites, we expect the pet dog aspect of our portfolio to grow in stature and revenue. These online businesses earn revenue from display advertising and from affiliate commissions. Our Company holds a 35.8% ownership stake in Onfolio JV IV LLC, which owns Woofwhiskers.com and Perfectdogbreeds.com.

Perfectdogbreeds.com – Manage/Own

In October 2020, we began to manage Perfectdogbreeds.com. Perfectdogbreeds.com is a guide to owning all the different breeds of dogs in existence. Similar to Allthingsdogs.com (which focuses on care guides), Perfectdogbreeds.com earns money from display advertising, and its high traffic volume makes this a lucrative monetization option. This website is one of our three online businesses in the dog vertical, providing us with significant growth opportunities and operational efficiencies, plus economies of scale as we offer digital products, physical products, and work with key vendors in the industry. As our audience grows into the hundreds of thousands across the Allthingsdogs.com, Woofwhiskers.com and Perfectdogbreeds.com sites, we expect the pet dog aspect of our portfolio to grow in stature and revenue. The website earns revenue from display advertising. Our Company holds a 35.8% ownership stake in Onfolio JV IV LLC, which owns Woofwhiskers.com and Perfectdogbreeds.com.

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Craftwhack.com – Manage/Own

In May 2020, we began to manage Craftwhack.com. Craftwhack.com is a website with free content teaching people how to perform certain arts and crafts. It earns revenue from affiliate commissions and display advertising. Similar to the dog vertical, we manage or own numerous sites in the crafting/DIY/home vertical, and plan to continue growing and improving our presence in the space. Audiences are passionate in this industry, and our skills in content publishing, eCommerce, and digital products gives us ample opportunity to add value and grow revenues in the space. As we now have more presence and more of our owned products in the space, we plan to use Craftwhack.com to continue to grow revenues across the portfolio and generate profits in its own right. Our Company receives 20% of free cash flows for managing this website and we hold a 20% ownership stake in Onfolio Groupbuild 1 LLC, which owns Craftwhack.com and BackgroundHawk.com.

Backgroundhawk.com – Manage/Own

In October 2020, we began to manage Backgroundhawk.com. Backgroundhawk.com is a review website and sits squarely in the growing and lucrative background check and legal check industry. Our Company receives 20% of free cash flows for managing this website. Our Company receives 20% of free cash flows for managing this website and we hold a 20% ownership stake in Onfolio Groupbuild 1 LLC, which owns Craftwhack.com and BackgroundHawk.com.

Outreachmama.com – Manage

In November 2020, we began to manage Outreachmama.com. Outreachmama.com is an SEO/content marketing services online business working with individuals and agencies to grow their presence in Google.com. The owners of this online business are also Onfolio shareholders. Our Company receives a profit share of 50% of growth of profits above what the site was earning on average before we began managing it, plus a management fee of \$4,000 per month. Outreachmama.com is one of our two online businesses in the SEO vertical, providing us with significant growth opportunities and operational efficiencies, plus economies of scale. Onfolio sometimes makes use of these services too.

Getmerankings.com – Manage

In October 2021, we began to manage Getmerankings.com. Getmerankings.com is another SEO/content marketing online business. The owners of this online business are also Onfolio shareholders. Our Company receives a profit share of 50% of growth of profits above what the site was earning on average before we began managing it plus a management fee of \$4,000 per month for managing this online business. Getmerankings.com is one of our two online businesses in the SEO vertical, providing us with significant growth opportunities and operational efficiencies, plus economies of scale. Onfolio will likely make use of these services too.

Everythingreptiles.com – Manage

In August 2021, we began to manage Everythingreptiles.com. Everythingreptiles.com is a content website in the pet reptiles space. It earns revenues from display advertising. Our Company receives 20% of net profits of this website plus a management fee of \$833 per month for managing this website.

Familyfoodgarden.com – Manage

In July 2019, we began to manage Familyfoodgarden.com. Familyfoodgarden.com offers content related to gardening, growing one's own vegetables, and recipes. The website has a small but engaged audience, who at times will also purchase informational products from the site. The site earns most of its

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2023 Divestitures and Impairments

In January 2023, we shut down the business operations of Digitallyapproved.com, which offered a newsletter on social media marketing, and a Pinterest management agency.

In November 2023, we shut down the business operations of Prettyneatcreative.com, an eCommerce business in the diamond painting niche.

During the year ended December 31, 2023, the Company recognized a goodwill impairment loss of \$2,061,763 related to the BCP Media Acquisition, \$580,284 related to the BWPS Acquisition, and \$420,532 related to the SEO Butler Acquisition, for total aggregate goodwill impairment of \$3,062,579 related to the above acquisitions, as a result of lower than expected cash flows from the acquired businesses and an increase in interest rates leading to a higher discount rate used.

Competition

We experience competition at both the acquisition company level and individual portfolio company level. There is an increased level of acquisition activity in the online businesses space from both new entrants and existing companies. We may compete for acquisitions with companies such as InterActiveCorp, FuturePLC, WeCommerce Holdings, Emerge Commerce, Red Ventures and Tiny to name a few.

We may sometimes find our individual brands competing against one another, but the main factor we compete on is deal flow and closing acquisitions at an attractive price. In the acquisition space we believe the principle competitive factors are:

- reputation of acquiring company;
- valuation of target company;
- convenience of due diligence; and
- time to closing.

At the portfolio level, RevenueZen may compete with other agencies offering similar digital marketing services such as Skale, SaaSpirin, and SimpleTiger, amongst others. In this industry, we believe the principle competitive factors are:

- client sales pipeline generation;
- quality of methodology and execution;
- experienced, high output strategists; and
- customer satisfaction.

For Contentellect, the main competitors include Fat Joe, Outreach Monks, Brand Featured and Writing Studio. In this industry, we believe the principle competitive factors are:

- quality of deliverables;
- quality of service and communication;
- scalability; and
- customer satisfaction.

Proofread Anywhere may compete with other courses in the freelancing space, such Knowadays, The Proofreading Business Coach, Bookkeeper Launch, and Virtual Savvy, among others. In this industry we believe the primary competitive factors are:

- quality of product;
- communication of benefits;
- price of course; and
- positive and recent third-party reviews.

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For WPFolio, the main competitors are other Wordpress plugin businesses such as Stellar WP, Awesome Motive, WPMUDEV, WP Web, and Plugin Hive. In this industry we believe the primary competitive factors are:

- deep knowledge of industry and audience base;
- communication of benefits;
- quality of development; and
- customer satisfaction.

SEOBtler may compete with other link building agencies, such as Loganix, SirLinksALot, LinkBuilder, Fat Joe, and Outreach Monks. In this industry, we believe the principle competitive factors are:

- quality of deliverables;
- quality of service and communication;

- scalability; and
- customer satisfaction.

Vital Reaction competes with brands such as DrinkHRW, DrMercola and Quicksilver Scientific. In this industry we believe the principle competitive factors are:

- quality of product;
- communication of benefits;
- price of product;
- safety; and
- customer satisfaction.

For MightyDeals, the main competitors are other marketplaces or “deal” providers, such as AppSumo, FontBundles, CreativeMarket, and a few others. We mostly compete for securing exclusive deals with vendors, and brand loyalty.

We believe in this industry the principle competitive factors are:

- volume and popularity of deals;
- pricing of deals and relative discount; and
- exclusivity of deals.

Intellectual Property

We regard some aspects of our internal operations, software, and documentation as proprietary, and rely primarily on a combination of contract and trade secret laws to protect our proprietary information. We believe, because of the rapid pace of technological change in the computer software industry, trade secret and copyright protections are less significant than factors such as the knowledge, ability, and experience of our employees, frequent software product enhancements, and the timeliness and quality of our support services. The source code for our proprietary software is protected as a trade secret. We enter into confidentiality or license agreements with our employees, consultants, and clients, and control access to and distribution of our software, documentation, and other proprietary information. We cannot guarantee that these protections will be adequate or that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology.

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We do not believe our software products or other proprietary rights infringe on the property rights of third parties. However, we cannot guarantee that third parties will not assert infringement claims against us with respect to current or future software products or that any such assertion may not require us to enter into royalty arrangements or result in costly litigation.

We have registered trademark and copyrights for the Vital Reaction and Mighty Deals company name. We may file trademarks, copyrights, and patents for our other online businesses as well.

Government Regulation

We are subject to a variety of domestic and foreign laws and regulations in the U.S. and abroad involving matters that are important to (or may otherwise impact) our various websites, such as broadband internet access, online commerce, privacy and data security, advertising, intermediary liability, consumer protection, taxation, worker classification and securities compliance. These domestic and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are continually evolving and can be subject to significant change. As a result, the application, interpretation and enforcement of these laws and regulations (and any amended, proposed or new laws and regulations) are often uncertain, particularly in the Internet industry, and may vary from jurisdiction to jurisdiction and over time, which could result in conflicts with the current policies and practices of our websites.

Because we conduct substantially all of our business on the Internet, we are particularly sensitive to laws and regulations that could adversely impact the popularity or growth in use of the Internet and/or online products and services generally, restrict or otherwise unfavorably impact whether or how we may provide our products and services, regulate the practices of third parties upon which we rely to provide our products and services and/or undermine an open and neutrally administered Internet access. For example, in December 2017, the U.S. Federal Communications Commission (the "FCC") adopted the Restoring Internet Freedom Order. This order, which was released in January 2018 and took effect in June 2018, reversed net neutrality protections in the United States that had been in place since 2015, including the repeal of specific rules against blocking, throttling or "paid prioritization" of content or services by Internet service providers. Also, Section 230 of the Communications Decency Act of 1996 ("Section 230"), which generally provides immunity for website

publishers from liability for third party content appearing on their platforms and the good faith removal of third party content from their platforms that they may deem obscene or offensive (even if constitutionally protected speech), since its adoption has been (and continues to be) subject to a number of challenges. The immunities conferred by Section 230 could also be narrowed or eliminated through amendment, regulatory action or judicial interpretation. In 2018, the U.S. Congress amended Section 230 to remove certain immunities and most recently, in 2020, various members of the U.S. Congress introduced bills to further limit Section 230, and a petition was filed by a Department of Commerce entity with the Federal Communications Commission to commence a rulemaking to further limit Section 230. Any future adverse changes to Section 230 could result in additional compliance costs for us and/or exposure for additional liabilities.

Because we receive, store and use a substantial amount of information received from or generated by our users and subscribers, we are also impacted by laws and regulations governing privacy, the storage, sharing, use, processing, disclosure and protection of personal data and data security, primarily in the case of our operations in the United States and the European Union and the handling of personal data of users located in the United States and the European Union. Recent examples of comprehensive regulatory initiatives in the area of privacy and data security include a comprehensive European Union privacy and data protection reform, the General Data Protection Regulation (the "GDPR"), which became effective in May 2018. The GDPR, which applies to certain companies that are organized in the European Union or otherwise provide services to (or monitor) consumers who reside in the European Union, imposes significant penalties (monetary and otherwise) for non-compliance, as well as provides a private right of action for individual claimants. The GDPR will continue to be interpreted by European Union data protection regulators, which may require us to make changes to our business practices and could generate additional risks and liabilities. The European Union is also considering an update to its Privacy and Electronic Communications Directive to impose stricter rules regarding the use of cookies.

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In addition, in October 2015, the European Court of Justice ("ECJ") invalidated the U.S.-EU Safe Harbor framework that had been in place since 2000 for the transfer of personal data from the European Economic Area (the "EEA") to the U.S., and on July 16, 2020, the ECJ invalidated the EU-U.S. Privacy Shield as an adequate safeguard when transferring personal data from the EEA to the U.S. These regulations continue to evolve and may ultimately require us to devote resources towards compliance and/or make changes to our business practices to ensure compliance, all of which could be costly. Also, the exit from the European Union by the United Kingdom could result in the application of new and conflicting data privacy and protection laws and standards to our operations in the United Kingdom and our handling of personal data of users located in the United Kingdom. At the same time, many jurisdictions abroad in which we do business have already or are currently considering adopting privacy and data protection laws and regulations.

Moreover, while multiple legislative proposals concerning privacy and the protection of user information are being considered by the U.S. Congress and various U.S. state legislatures, certain U.S. state legislatures have already enacted privacy legislation, one of the strictest and most comprehensive of which is the California Consumer Privacy Act of 2018, which became effective on January 1, 2020 (the "CCPA"). The CCPA provides new data privacy rights for California consumers, and restricts the ability of certain of our websites to use personal California user and subscriber information in connection with their various products, services and operations. The CCPA also provides consumers with a private right of action for security breaches, as well as provides for statutory damages. In addition, on November 3, 2020, California voters approved Proposition 24 (the "California Privacy Rights Act of 2020"), which amends certain provisions of the CCPA and becomes effective January 1, 2023, will further restrict the ability of certain of our websites to use personal California user and subscriber information in connection with their various products, services and operations and/or impose additional operational requirements on such websites. Lastly, the U.S. Federal Trade Commission has also increased its focus on privacy and data security practices, as evidenced by the first-of-its-kind, \$5 billion dollar fine against a social media platform for privacy violations in 2019. As a result, we could be subject to various private and governmental claims and actions in this area.

As a provider of certain subscription-based products and services, we are also impacted by laws or regulations affecting whether and how our online businesses may periodically charge users for membership or subscription renewals. For example, the European Union Payment Services Directive, which became effective in 2018, could impact the ability of certain of our online businesses to process auto-renewal payments for, as well as offer promotional or differentiated pricing to, users who reside in the European Union. Similar laws exist in the U.S., including the federal Restore Online Shoppers Confidence Act and various U.S. state laws, and legislative and regulatory enactments or amendments are under consideration in a number of U.S. states.

We are also sensitive to the adoption of new tax laws. The European Commission and several European countries have recently adopted (or intend to adopt) proposals that would change various aspects of the current tax framework under which certain of our European online businesses are taxed, including proposals to change or impose new types of non-income taxes (including taxes based on a percentage of revenue).

In addition, in the case of certain online businesses, such as Vital Reaction, we must be compliant with U.S. Food and Drug Administration ("FDA") regulations for claims made by supplement companies. All of our marketing materials must be in alignment with both the spirit and letter of the disclaimer, "These products/claims have not been evaluated by the FDA. These products are not intended to diagnose, treat or cure any health conditions."

We are also subject to laws, rules and regulations governing the marketing and advertising activities of our various online businesses conducted by or through telephone, email, mobile digital devices and the Internet, including the Telephone Consumer Protection Act of 1991, the Telemarketing Sales Rule, the CAN-SPAM act and similar state laws, rules and regulations, as well as local laws, rules and regulations and relevant agency guidelines governing background

screening.

Further, all of our websites could be subject to the Americans with Disabilities Act (the “ADA”) The ADA does not explicitly address online compliance. With no specific coverage under the law, it usually falls to the courts to determine how ADA standards apply to websites—or whether they do at all.

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Lastly, as a company based in the U.S. with foreign offices in various jurisdictions worldwide, we are subject to a variety of foreign laws governing the foreign operations of our various online businesses, as well as U.S. laws that restrict trade and certain practices, such as the Foreign Corrupt Practices Act.

Non-Government Regulation

From a non-Governmental standpoint, we also need to comply with policies and terms of service on various platforms, including but not limited to: Facebook, Facebook Ads, Instagram, Pinterest, Google Ads, Google Search, Twitter, TikTok, and YouTube.

Properties and Facilities

The Company is a remote company, meaning that it does not have a physical office where employees work. Our executive officers and other employees have the option of either telecommuting or working from somewhere else. We lease and maintain an office out of our chief executive officer's residence at the Executive Centre Taipei, Level 4, Neihsu New Century Building No. 55, Zhouzi St, Neihsu District, Taipei City, 114, Taiwan (approximately \$400 per month), a community and co-working space at The Mill at 1007 North Orange Street, 4th Floor Wilmington, Delaware 19801 (\$75 per month) and storage space at 3002 Nelson Road, Longmont, Colorado, 80503 (\$159 per month). We do not currently own any real estate. We consider our space at 1007 North Orange Street, 4th Floor Wilmington, Delaware 19801 to be our principal executive office.

Legal Proceedings

From time to time, we may be involved in various disputes and litigation matters that arise in the ordinary course of business. We are currently not a party to any material legal proceedings.

Employees

Our company, including all its subsidiaries, has 10 full-time employees and 2 part-time employee. It also utilizes 33 full time contractors in connection with its business operations.

Corporate History and Information

Onfolio Holdings Inc. was incorporated under the laws of the State of Delaware on July 20, 2020. Unless the context otherwise requires, all references to "our Company," "we," "our" or "us" and other similar terms means Onfolio Holdings Inc., a Delaware corporation, and our wholly owned subsidiaries.

We consider our space at 1007 North Orange Street, 4th Floor Wilmington, Delaware 19801 to be our principal executive office. The Company is a remote company, meaning that it does not have a physical office where employees work. Our executive officers and other employees have the option of either telecommuting or working from somewhere else. The Company employs workers in numerous time zones around the world. Our telephone number is (682) 990- 6920. Our website address is located at <https://www.onfolio.com>. The information contained on our website is not incorporated by reference into this Report on Form 10-K, and you should not consider any information contained on, or that can be accessed through, our website as part of this Report on Form 10-K or in deciding whether to purchase our securities.

Where You Can Find Additional Information

The Securities and Exchange Commission maintains a website that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC. The address of the website is www.sec.gov. We file periodic reports under the Securities Exchange Act of 1934, including annual, quarterly and special reports, and other information with the Securities and Exchange Commission. These periodic reports and other information are available on the website of the Securities and Exchange Commission referred to above.

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Our internet website address is www.onfolio.com. We make available free of charge on or through our internet website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

Item 1A. Risk Factors.

Investing in our securities involves a high degree of risk. In addition to the other information contained in this Report on Form 10-K, you should consider carefully the following risk factors in evaluating our business and us. There are numerous and varied risks that may prevent our Company from achieving its goals. If any of these risks actually occur, our Company's business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our common stock and warrants could decline and investors could lose all or part of their investment. The risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also significantly impair our business operations and could result in a complete loss of your investment.

Risks Related to Our Business – General

We are a company with limited history and may not be able to continue to successfully manage our online businesses on a combined basis.

We were incorporated on July 20, 2020, and have conducted operations since May 2019. Our failure to continue to develop and maintain effective systems and procedures, including accounting and financial reporting systems, or to manage our operations as a consolidated public company, may negatively impact our ability to optimize the performance of our Company, which could adversely affect our business, financial condition and operating results. In that case, our financial statements might not be indicative of our business, financial condition and operating results.

Many of our online businesses have a limited operating history upon which investors can evaluate their future prospects.

Both our Company and many of our online businesses have a limited operating history upon which an evaluation of our online businesses and plans or performance and prospects can be made. Our business and prospects must be considered in the light of the potential problems, delays, uncertainties and complications encountered in connection with newly established businesses. The risks include, but are not limited to, the possibility that we will not be able to build a positive reputation with customers, distinguish ourselves from competitors, scale our business efficiently, maintain and expand our businesses relationships with suppliers and service vendors, respond to evolving industry standards and government regulation that impact our business and our online businesses, particularly in the areas of data collection and consumer privacy, prevent or mitigate failures or breaches of security, continue to expand our

business internationally, and hire and retain qualified and motivated employees. For example, during 2023, we closed our Digitallyapproved.com and Prettyneatcreative.com online businesses. We cannot assure you that we can successfully address these challenges and if unsuccessful, our, financial condition and operating results could be materially and adversely affected.

We have incurred operating losses since our inception and we may continue to incur substantial operating losses for the foreseeable future.

We were incorporated on July 20, 2020, and have conducted operations since May 2019. We have incurred operating losses and experienced negative cash flow since our inception. We incurred a net loss of \$8,144,821 for the year ended December 31, 2023 and \$4,234,357 for the year ended December 31, 2022. We anticipate that we will continue to incur operating losses through at least 2024.

We may not be able to generate sufficient revenue from owning and/or managing our online businesses to achieve profitability. We expect to continue to make significant operating and capital expenditures for acquisitions of online businesses, technologies, or other assets; and for marketing, working capital and general corporate purposes. As a result, we will need to generate significant revenue to achieve profitability. We cannot assure you that we will ever achieve profitability.

Our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern.

As described in Note 3 of our accompanying audited financial statements, our auditors have issued a going concern opinion on our December 31, 2023 financial statements, expressing substantial doubt that we can continue as an ongoing business for the next twelve months after issuance of their report based on our ability to generate future profitable operations and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing, debt financing and/or related party advances, however there is no assurance of additional funding being available. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty. If we cannot raise the necessary capital to continue as a viable entity, we could experience a material adverse effect on our business and our stockholders may lose some or all of their investment in us.

We can provide no assurances that any additional sources of financing will be available to us on favorable terms, if at all. Our forecast of the period of time through which our current financial resources will be adequate to support our operations and the costs to support our general and administrative and acquisition activities are forward-looking statements and involve risks and uncertainties.

If we do not succeed in raising additional funds on acceptable terms, we could be forced to delay or curtail potential website acquisitions, forego sales and marketing efforts, and forego potential attractive business opportunities. Unless we secure additional financing, we will be unable to continue to execute on our business plan.

We require additional capital to support our present business plans and our anticipated business growth, and such capital may not be available on acceptable terms, or at all, which would adversely affect our ability to operate.

We will require additional funds to further develop our business plan. Based on our current operating plans, we believe we need to make additional acquisitions of online businesses, technologies, or other assets to generate enough cashflow to carry our overhead costs. We may choose to raise additional capital in order to expedite and propel growth more rapidly. We can give no assurance that we will be successful in raising any additional funds. Additionally, if we are unable to generate sufficient revenues from our sales and operating activities, we may need to raise additional funds, doing so through debt and equity offerings, in order to meet our expected future liquidity and capital requirements, including capital required for operations. Any such financing that we undertake will likely be dilutive to current stockholders.

We intend to continue to make investments to support our business growth, including acquiring additional online businesses. In addition, we may also need additional funds to respond to other business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, satisfying debt and series A preferred stock payment obligations, 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 to raise 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 our business plans.

We cannot predict our future capital needs and we may not be able to secure additional financing.

We will need to raise additional funds in the future to fund our working capital needs and to fund further expansion of our business. We may require additional equity or debt financings, collaborative arrangements with corporate partners or funds from other sources for these purposes. No assurance can be given that necessary funds will be available for us to finance our development on acceptable terms, if at all. Furthermore, such additional financings may involve substantial dilution of our stockholders or may require that we relinquish rights to certain of our technologies or products. In addition, we may experience operational difficulties and delays due to working capital restrictions. If adequate funds are not available from operations or additional sources of financing, we may have to delay or scale back our growth plans.

If we fail to retain certain of our key personnel and attract and retain additional qualified personnel, we might not be able to pursue our growth strategy.

Our future success will depend upon the continued services of Dominic Wells, our Chief Executive Officer; Esbe van Heerden, our Chief Financial Officer and President; Adam Trainor, our Chief Operations Officer; and other members of our key management team and our consultants. We especially consider Mr. Wells to be critical to the management of our business and operations and the development of our strategic direction. Though no individual is indispensable, the loss of the services of these individuals could have a material adverse effect on our business, operations, revenues or prospects. We do not currently maintain key man life insurance on the lives of these individuals. Our future success will also depend on our ability to identify, hire, develop, motivate and retain highly skilled personnel. Competition in our industry for qualified employees is intense, and our compensation arrangements may not always be successful in attracting new employees and/or retaining and motivating our existing employees. Future acquisitions by us may also cause uncertainty among our current employees and employees of the acquired business, which could lead to the departure of key individuals. Such departures could have an adverse impact on the anticipated benefits of an acquisition.

The need to sustain our current operating structure may place a significant strain on our management and our administrative, operational and financial reporting infrastructure.

Our success will depend in part on the ability of our senior management to effectively manage our current operating structure. To do so, we need to continue to appropriately incentivize, manage and retain our employees, or replace our employees as needed. If our employees perform poorly, or if we are unsuccessful in hiring, training, managing and integrating any new employees, or if we are not successful in retaining our existing employees, our business may be harmed. To manage our operations and personnel, we will need to continue to improve our operational and financial controls and update our reporting procedures and systems. The continued working capital investments that we require will make it more difficult for us to offset any future revenue shortfalls by reducing expenses in the short term. If we fail to successfully manage our current operating infrastructure, we will be unable to continue to execute our business plan. We may also need to hire, train and manage new employees as needed.

Negative publicity could adversely affect our reputation, our business, and our operating results.

Negative publicity about our Company, including, but not limited to the quality and reliability of our online businesses products and services, our privacy and security practices, and litigation could adversely affect our reputation which, in turn, could adversely affect our business, results of operations and financial condition.

Natural disasters and other events beyond our control could materially adversely affect us.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Such events could make it difficult or impossible for us to deliver our products and services to our customers and could decrease demand for our products and services. The World Health Organization declared the COVID-19 outbreak a pandemic. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on our customers and employees, all of which are uncertain and cannot be predicted. At this point, the overall extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

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

Political and economic factors may negatively affect our financial condition or results of operations.

Some of our online businesses are eCommerce businesses that obtain physical products that are imported from China and Japan. Supply chain interruptions, regulatory changes, catastrophic events or political climate, including the occurrence of war and or other hostilities, could potentially adversely impact our relationships with these vendors. Additionally, rising inflation could cause our product, marketing, and labor costs to rise beyond an acceptable level to us or cause us to increase our prices to a level not accepted by consumers. Any of these factors could negatively impact our financial condition or results of operations.

Risks Related to Our Business – Primary Risk Factors Related to Our Specific Online Businesses

Revenuzen.com

- SEO & Digital Marketing Services Industry Growth. The SEO & Digital Marketing Services industry is significant and expected to continue growing over the next 5 years. In the event this industry's growth does not occur as expected, or occurs slower than expected, the popularity of RevenueZen.com's services could decrease, which in turn could negatively impact the website's revenue generation and our Company's revenue.
- Improvements in Software and AI. Technology developments may reduce the demand for human-led digital marketing services, reducing the need to engage marketing agencies, which could in turn negatively impact the Company's revenue.

Mightydeals.com

- Further changes to email privacy laws. A large part of our Mightydeals.com business generation comes from its approximate one million member email list. Recently Apple has made changes to privacy regarding email, in particular open-rates. This has made it more difficult to accurately gauge who is opening our Mightydeals.com emails, but hasn't changed our ability to message our audience. Should Apple, or any other company, make further changes to email privacy/deliverability, this could negatively impact the website's ability to message its subscribers, which in turn could negatively impact the website's revenue generation.
- Inability to find Vendors to partner with. Our Mightydeals.com business model relies upon partnering with vendors of graphic design products (such as fonts). If Mightydeals.com can't continue to partner with vendors, it may not have as many deals to run. Without new deals to onboard onto the platform, it cannot generate revenue from selling deals.

Vital-Reaction.com

- FDA Headwinds. The Food and Drug Administration ("FDA") is the predominant driver of legislation around molecular hydrogen. Currently, as more and more research is published and peer-reviewed, the FDA is allowing more products to enter the market. However, should the FDA adversely change its attitude towards molecular hydrogen, this could impact Vital-Reaction.com's ability to sell hydrogen products in the US.
- Email and Facebook Advertising Changes. As with Mightydeals.com, Vital-Reaction.com generates a large portion of its revenue through email and Facebook marketing efforts. As privacy rules change, enforced by Apple in particular, its ability to generate web traffic, and therefore customers, can be negatively impacted.

Allthingsdogs.com

- Google Traffic Changes. Currently a significant portion of web traffic to Allthingsdogs.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation.
- Display Advertising. The Allthingsdogs.com website currently generates 99% of its income from display advertising. If the display advertising revenue model should experience a significant decline, then Allthingsdogs.com's revenue would significantly decline.

SEOBtler.com

- SEO Services Industry Growth. The SEO Services industry is significant and expected to continue growing over the next 5 years. In the event this industry's growth does not occur as expected, or occurs slower than expected the popularity of SEO butler.com's services could decrease, which in turn could negatively impact the website's revenue generation and our Company's revenue.

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ProofreadAnywhere.com/WorkAtHomeSchool.com/WorkYourWay2020.com

- Improvements in Software and AI. Technology developments may improve the quality of automated proofreading, which may lead to reduced career opportunities for proofreaders and lower demand for proofreading education.

Preventdirectaccess.com/Passwordprotectwp.com

- Wordpress losing popularity. Wordpress competes with a range of other website building platforms and/or companies. If Wordpress loses popularity, the potential customer pool for the Company is negatively impacted which may impact the Company's revenue.

Contentellect.com

- SEO Services Industry Growth. The SEO Services industry is significant and expected to continue growing over the next 5 years. In the event this industry's growth does not occur as expected, or occurs slower than expected the popularity of Contentellect.com's services could decrease, which in turn could negatively impact the website's revenue generation and our Company's revenue.
- Improvements in Software and AI. Technology developments may reduce the demand for human written content and negatively impact the Company's revenue.

Fishkeepingworld.com

- Google Traffic Changes. Currently a significant portion of web traffic to Fishkeepingworld.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation.
- Email Marketing Changes. As with our other online businesses, the changes to email marketing and iOS privacy rules could impact FishKeepingWorld.com's email marketing efforts, which accounts for around 5% of the overall revenue.

Asubtlerevelry.com

- Google Traffic Changes. Currently a significant portion of web traffic to Asubtlerevelry.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation.
- Display Advertising. The Asubtlerevelry.com website currently generates 99% of its income from display advertising. If the display advertising revenue model should experience a significant decline, then Asubtlerevelry.com's revenue would significantly decline.

Wowfreestuff.co.uk

- Search Engine Traffic Changes. Currently a significant portion of web traffic to Wowfreestuff.co.uk is driven by rankings in the UK search engines for terms related to freebies. UK search engines regularly make changes to their ranking algorithms, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation.
- Freebie Offerings. If companies no longer utilize freebies or giveaways as part of their marketing strategy, Wowfreestuff.co.uk will have fewer products to promote on its website, which in turn could negatively impact the website's commission revenue generation.
- Email Marketing. The vast majority of Wowfreestuff.co.uk's revenue is generated by emailing its subscribers on a daily basis letting them know about new deals. Any third-party company changes to their email privacy/deliverability rules could negatively impact the website's ability to email its audience, which in turn could negatively impact the website's revenue generation.

Woofwhiskers.com

- Google Traffic Changes. Currently a significant portion of web traffic to Woofwhiskers.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation.

- Pet Food Brands. Visitors to the Woofwhiskers.com website are predominantly driven by the website's reviews of dog food brands. In the event certain brands are no longer offered or fewer new brands come to market, the website could experience a loss of traffic, which in turn could negatively impact the website's revenue generation.

Perfectdogbreeds.com

- Google Traffic Changes. Currently a significant portion of web traffic to Perfectdogbreeds.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation.
- Display Advertising. The Perfectdogbreeds.com website currently generates 99% of its income from display advertising. If the display advertising revenue model should experience a significant decline, then the website's revenue would significantly decline.

Craftwhack.com – Managed Property

- Google Traffic Changes. Currently a significant portion of web traffic to Craftwhack.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation our Company's revenue.
- Popularity of Crafting. A large part of the growth of Craftwhack.com has come from the growth in home and DIY and crafting activities, accelerated by the pandemic. The loss of popularity of these activities could negatively impact the website's revenue generation our Company's revenue.
- Dissatisfaction With Our services. Our Company manages the Craftwhack.com website pursuant to a fee-based contract where we earn a profit share. In the event the owner of the website becomes dissatisfied with our management services or no longer considers the cost of our management services fee to have sufficient value, the website could terminate our management contract, which would negatively impact our Company's revenue.

Backgroundhawk.com – Managed Property

- Loss of momentum. Backgroundhawk.com is in growth mode and it continues to grow at a steady pace. In the event the website's growth momentum stalls, the revenues we expect from this website could fail to materialize.
- Google Traffic Changes. Currently a significant portion of Backgroundhawk.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation and our Company's revenue.
- Dissatisfaction With Our services. Our Company manages the Backgroundhawk.com website pursuant to a fee-based contract where we earn a profit share. In the event the owner of the website becomes dissatisfied with our management services or no longer considers the cost of our management services fee to have sufficient value, the website could terminate our management contract, which would negatively impact our Company's revenue.

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Outreachmama.com – Managed Property

- SEO Services Industry Growth. The SEO Services industry is significant and expected to continue growing over the next 5 years. In the event this industry's growth does not occur as expected, or occurs slower than expected the popularity of Outreachmama.com's services could decrease, which in turn could negatively impact the website's revenue generation and our Company's revenue.
- Dissatisfaction With Our services. Our Company manages the Outreachmama.com website pursuant to a fee-based contract where we earn fixed revenue and profit share. In the event the owner of the website becomes dissatisfied with our management services or no longer considers the cost of our management services fee to have sufficient value, the website could terminate our management contract, which would negatively impact our Company's revenue.

Getmerankings.com – Managed Property

- SEO Services Industry Growth. The SEO Services industry is significant and expected to continue growing over the next 5 years. In the event this industry's growth does not occur as expected or occurs slower than expected the popularity of Getmerankings.com's services could decrease, which in turn could negatively impact the website's revenue generation and our Company's revenue.

- *Dissatisfaction With Our services.* Our Company manages the Getmerankings.com website pursuant to a fee-based contract where we earn fixed revenue and profit share. In the event the owner of the website becomes dissatisfied with our management services or no longer considers the cost of our management services fee to have sufficient value, the website could terminate our management contract, which would negatively impact our Company's revenue.

Everythingreptiles.com – Managed Property

- *Google Traffic Changes.* Currently a significant portion of web traffic to Everythingreptiles.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation and our Company's revenue.
- *Dissatisfaction With Our services.* Our Company manages the Everythingreptiles.com website pursuant to a fee-based contract where we earn fixed revenue and profit share. In the event the owner of the website becomes dissatisfied with our management services or no longer considers the cost of our management services fee to have sufficient value, the website could terminate our management contract, which would negatively impact our Company's revenue.

Familyfoodgarden.com – Managed Property

- *Google Traffic Changes.* Currently a significant portion of web traffic to Familyfoodgarden.com is derived from its high rankings in Google search. Google regularly makes changes to its ranking algorithm, and any one change could negatively impact the website's rankings and lead to a loss of traffic, which in turn could negatively impact the website's revenue generation and our Company's revenue.
- *Display Advertising.* The Familyfoodgarden.com website currently generates 99% of its income from display advertising. If the display advertising revenue model should experience a significant decline, then the website's revenue would significantly decline which would negatively impact our Company's revenue.
- *Dissatisfaction With Our services.* Our Company manages the Familyfoodgarden.com website pursuant to a fee-based contract where we earn fixed revenue and profit share. In the event the owner of the website becomes dissatisfied with our management services or no longer considers the cost of our management services fee to have sufficient value, the website could terminate our management contract, which would negatively impact our Company's revenue.

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Risks Related to Our Business – Operating Our Online Businesses

If we are unable to attract new customers and retain customers on a cost-effective basis, our business and results of operations will be affected adversely.

To succeed, we must attract and retain customers on a cost-effective basis. We rely on a variety of methods to attract new customers, such as paying providers of online services, search engines, directories and other online businesses to provide content, advertising banners and other links that direct customers to our website, direct sales and partner sales. If we are unable to use any of our current marketing initiatives or the cost of such initiatives were to

significantly increase or such initiatives or our efforts to satisfy our existing customers are not successful, we may not be able to attract new customers or retain customers on a cost-effective basis and, as a result, our revenue and results of operations would be affected adversely.

Additionally, factors outside of our control, such as new terms, conditions, policies, or other changes made by the online services, search engines, directories and other online businesses that we rely upon to attract new customers could cause our online businesses to experience short- or long-term business disruptions, which could adversely affect our revenue and results of operations.

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

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

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

The market for our online businesses' goods and services is competitive and rapidly changing, and the barriers to entry are relatively low. With the influx of new entrants to the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales, limit customer attrition and maintain our prices. Competition could result in reduced sales, reduced margins or the failure of our products and services to achieve or maintain more widespread market acceptance, any of which could harm our business. We compete with large established online businesses possessing large, existing customer bases, substantial financial resources and established distribution channels, as well as smaller less established online businesses. If either of these types of competitors decide to develop, market or resell competitive services, acquire one of our existing competitors or form a strategic alliance with one of our competitors, our ability to compete effectively could be significantly compromised and our operating results could be harmed. Our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their products and services. Our current and potential competitors have more extensive customer bases and broader customer relationships than we have. If we are unable to compete with such companies, the demand for our products could substantially decline.

Risks Related to Our Business – Our Acquisition Plans

As part of our business plan, we will continue to acquire or make investments in other companies, or through business relationships, which will divert our management's attention, result in dilution to our stockholders, consume resources that may be necessary to sustain our business and could otherwise disrupt our operations and adversely affect our operating results.

As part of our business plan, we will continue to acquire or invest in online businesses, applications and services or technologies that we believe could offer growth opportunities or complement or expand our business or otherwise. The pursuit of target online businesses will divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated.

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As we acquire additional online businesses, we may not be able to integrate the acquired personnel, operations and technologies successfully, or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business or investments in other companies, due to a number of factors, including:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- unanticipated costs or liabilities associated with the acquisition;
- difficulty integrating the accounting systems, operations and personnel of the acquired business;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the customers of the acquired business onto our platform and contract terms, including disparities in the revenue, licensing, support or professional services model of the acquired company;
- diversion of management's attention from other business concerns;
- adverse effects to our existing business relationships with business partners and customers as a result of the acquisition;
- the potential loss of key employees;
- use of resources that are needed in other parts of our business; and
- use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. If future acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process and this could adversely affect our results of operations.

Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business and financial position may suffer. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

Pursuant to our long-term investment strategy, we may pursue future acquisitions or business relationships, or make business dispositions that may not be in the best interest of common stockholders in near term or at all.

As part of long-term investment strategy, we will continue to acquire or invest in online businesses, applications and services or technologies that we believe could complement or expand our services or otherwise offer growth opportunities in the long run. We may incur indebtedness for future acquisitions, which would be senior to our shares. Future acquisitions may also reduce our cash available for distribution to our stockholders, including holders of our common shares, following such acquisitions. To the extent such acquisitions do not perform as expected, such risk may be particularly heightened. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

In addition to acquiring online businesses, we may sell those online businesses that we own from time to time when attractive opportunities arise that outweigh the future growth and value that we believe we will be able to bring to such online businesses consistent with our long-term investment strategy. As such, our decision to sell a business will be based on our belief that doing so will increase stockholder value to a greater extent than through our continued ownership of that business. Future dispositions of online businesses may reduce our cash flows from operations. We cannot assure you that we will use the proceeds from any future dispositions in a manner with which you agree. You will generally not be entitled to vote with respect to our future acquisitions or dispositions, and we may pursue future acquisitions or dispositions with which you do not agree.

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Because of our limited resources and the significant competition for acquisition opportunities, it may be more difficult for us to acquire target online businesses that meet our acquisition criteria.

We expect to encounter competition from other companies having a business plan similar to ours, including private investors (which may be individuals or investment partnerships), blank check companies and other entities, domestic and international, competing for the types of online businesses we intend to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess similar or greater technical, human and other resources to ours or more local industry knowledge than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target online businesses we could potentially acquire, our ability to compete with respect to the acquisition of certain target online businesses that are attractive to us will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain online businesses. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

Subsequent to the acquisition of any target business, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and the price of our securities.

Even if we conduct extensive due diligence on a target website that we acquire, we cannot assure you that this diligence will identify all material issues that

may be present with a particular target business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of the target business and outside of our control will not later arise. As a result of these factors, we may be forced to later write-down or write-off assets or incur impairment or other charges that could result in our reporting losses. For example, during the year ended December 31, 2023, our Company recognized a goodwill impairment loss of \$2,061,763 related to the BCP Media Acquisition, \$580,284 related to the BWPS Acquisition, and \$420,532 related to the SEO Butler Acquisition, for total aggregate goodwill impairment of \$3,062,579 related to the above acquisitions, as a result of lower than expected cash flows from the acquired businesses and an increase in interest rates leading to a higher discount rate used. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre-existing debt held by a target business or by virtue of our obtaining debt financing to partially finance the acquisition transaction or thereafter. Accordingly, we could experience a significant negative effect on our financial condition, results of operations and the price of our securities. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

We may seek target online businesses in industries or sectors that may be outside of our management's areas of expertise.

We will consider a target business outside of our management's areas of expertise if a target business is presented to us and we determine that such business offers an attractive acquisition opportunity for our Company. Although our management will endeavor to evaluate the risks inherent in any particular acquisition candidate, we cannot assure you that we will adequately ascertain or assess all of the significant risk factors. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

We will likely not obtain an opinion from an independent accounting or investment banking firm in connection with the acquisition of a target business.

We will likely not obtain an opinion from an independent accounting firm or independent investment banking firm that the price we are paying for a target business is fair to our stockholders. If no opinion is obtained, our stockholders will be relying on the judgment of our board of directors ("**Board**"), who will determine fair market value based on standards generally accepted by the financial community.

Our resources could be wasted by acquisition transactions that are not completed.

The investigation of each target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require management time and attention and costs for accountants, attorneys and others. If we decide not to complete a specific acquisition transaction, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if we reach an agreement relating to a specific target business, we may fail to complete our acquisition transaction for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

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The officers and directors of a target business may resign upon completion of our acquisition. The loss of a target business' key personnel could negatively impact the operations and profitability of the target business post-acquisition.

The role of a target business' key personnel upon the completion of our acquisition transaction cannot be ascertained at this time. Although we contemplate that certain members of a target business' management team will remain associated with the target business following our acquisition transaction, it is

possible that members of the management of a target business will not remain in place. The loss of a target business' key personnel could negatively impact the operations and profitability of the target business post-acquisition. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

We may attempt to simultaneously acquire multiple target online businesses, which may give rise to increased costs and risks that could negatively impact our operations and profitability.

If we determine to simultaneously acquire several online businesses that are owned by different sellers, we will face risks including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired online businesses into our Company. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations. As of the date of this Report on Form 10-K, we have no agreements to make any additional acquisitions.

We intend to pursue and acquire target businesses located outside of the United States so we will be subject to a variety of additional risks that may adversely affect us.

We do not plan to acquire any entity with its principal business operations in China (including Hong Kong) but may acquire target online businesses with operations or opportunities outside of the United States, we may face additional burdens in connection with investigating, agreeing to and completing such acquisition transactions, and we would be subject to a variety of additional risks that may negatively impact our operations. If we pursue target online businesses with operations or opportunities outside of the United States, we would be subject to risks associated with cross-border acquisition transactions, including in connection with investigating, agreeing to and completing our acquisition transaction, conducting due diligence in a foreign jurisdiction, having such transactions approved by any local governments, regulators or agencies and changes in the purchase price based on fluctuations in foreign exchange rates. If we acquire such a business, we would be subject to any special considerations or risks associated with companies operating in an international setting, including any of the following:

- costs and difficulties inherent in managing cross-border business operations;
- rules and regulations regarding currency redemption;
- complex corporate withholding taxes on individuals;
- laws governing the manner in which future partnering transactions may be effected;
- tariffs and trade barriers;
- regulations related to customs and import/export matters;
- local or regional economic policies and market conditions;
- unexpected changes in regulatory requirements;
- challenges in managing and staffing international operations;
- longer payment cycles;
- tax issues, such as tax law changes and variations in tax laws as compared to the United States;
- currency fluctuations and exchange controls;
- rates of inflation;
- challenges in collecting accounts receivable;
- cultural and language differences;
- employment regulations;
- underdeveloped or unpredictable legal or regulatory systems;
- corruption;

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- protection of intellectual property;
- social unrest, crime, strikes, riots and civil disturbances;
- regime changes and political upheaval;
- terrorist attacks and wars; and
- deterioration of political relations with the United States.

We may not be able to adequately address these additional risks. If we were unable to do so, we may be unable to complete the acquisition transaction, or, if we complete the acquisition transaction, our operations might suffer, either of which may adversely impact our business, financial condition and results of operations.

Risks Related to Information Technology Systems, Intellectual Property and Privacy Laws

We are reliant upon information technology to operate our business and maintain our competitiveness.

Our ability to leverage our technology and data scale is critical to our long-term strategy. Our business increasingly depends upon the use of sophisticated information technologies and systems, including technology and systems (cloud solutions, mobile and otherwise) utilized for communications, marketing, productivity tools, training, lead generation, records of transactions, business records (employment, accounting, tax, etc.), procurement and administrative systems. The operation of these technologies and systems is dependent upon third-party technologies, systems and services, for which there are no assurances of continued or uninterrupted availability and support by the applicable third-party vendors on commercially reasonable terms. We also cannot assure that we will be able to continue to effectively operate and maintain our information technologies and systems. In addition, our information technologies and systems are expected to require refinements and enhancements on an ongoing basis, and we expect that advanced new technologies and systems will

continue to be introduced. We may not be able to obtain such new technologies and systems, or to replace or introduce new technologies and systems as quickly as our competitors or in a cost-effective manner. Also, we may not achieve the benefits anticipated or required from any new technology or system, and we may not be able to devote financial resources to new technologies and systems in the future.

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

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

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

Although we have all of our websites and other data backed up with multiple services, we do not have any disaster recovery systems. In the event of a disaster in which our software or hardware are irreparably damaged or destroyed, we would experience interruptions in access to our services. Any or all these events could cause our customers to lose access to our services.

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If a third party asserts that we are infringing its intellectual property, whether successful or not, it could subject us to costly and time-consuming litigation or require us to obtain expensive licenses, and our business may be adversely affected.

The online industry is characterized by the existence of a large number of patents, trademarks and copyrights and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. Third parties may assert patent and other intellectual property infringement claims against us in the form of lawsuits, letters or other forms of communication. These claims, whether or not successful, could:

- divert management's attention;
- result in costly and time-consuming litigation;
- require us to enter into royalty or licensing agreements, which may not be available on acceptable terms, or at all;

- in the case of any open-source software related claims, require us to release our software code under the terms of an open-source license; or
- require us to redesign our software and services to avoid infringement.

As a result, any third-party intellectual property claims against us could increase our expenses and adversely affect our business. Even if we have not infringed any third parties' intellectual property rights, we cannot be sure our legal defenses will be successful, and even if we are successful in defending against such claims, our legal defense could require significant financial resources and management time. Finally, if a third party successfully asserts a claim that our products infringe its proprietary rights, royalty or licensing agreements might not be available on terms we find acceptable or at all and we may be required to pay significant monetary damages to such third party.

If the security of our customers' confidential information stored in our systems is breached or otherwise subjected to unauthorized access, our reputation may be severely harmed, we may be exposed to liability and we may lose the ability to offer our customers a credit card payment option.

Our system stores our customers' proprietary email distribution lists, credit card information and other critical data. Any accidental or willful security breaches or other unauthorized access could expose us to liability for the loss of such information, adverse regulatory action by federal and state governments, time-consuming and expensive litigation and other possible liabilities as well as negative publicity, which could severely damage our reputation. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to any of our customers' data, our relationships with our customers will be severely damaged, and we could incur significant liability. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, many states have enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach often lead to widespread negative publicity, which may cause our customers to lose confidence in the effectiveness of our data security measures. Any security breach, whether actual or perceived, would harm our reputation, and we could lose customers and fail to acquire new customers.

If we fail to maintain our compliance with the data protection policy documentation standards adopted by the major credit card issuers, we could lose our ability to offer our customers a credit card payment option. Any loss of our ability to offer our customers a credit card payment option would make our products less attractive to many small organizations by negatively impacting our customer experience and significantly increasing our administrative costs related to customer payment processing.

We may be the subject of intentional cyber disruptions and attacks.

We expect to be an ongoing target of attacks specifically designed to impede the performance of our products and services. Experienced computer programmers, or hackers, may attempt to penetrate our network security or the security of our data centers and IT environments. These hackers, or others, which may include our employees or vendors, may cause interruptions of our services. Although we continually seek to improve our countermeasures to prevent and detect such incidents, if these efforts are not successful, our business operations, and those of our customers, could be adversely affected, losses or theft of data could occur, our reputation and future sales could be harmed, governmental regulatory action or litigation could be commenced against us and our business, financial condition, operating results and cash flow could be materially adversely affected.

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We may not be able to adequately protect our proprietary technology, and our competitors may be able to offer similar products and services which would harm our competitive position.

Our success, in part, depends upon our proprietary technology. We have various forms of intellectual property including copyright, trademark, confidentiality procedures and contractual provisions to establish and protect our proprietary rights. Despite these precautions, third parties could copy or otherwise obtain and use our technology without authorization, or develop similar technology independently. We also pursue the registration of our domain names, trademarks, and service marks in the United States. If we file patent applications, we cannot assure you that any of the patent applications that we file will ultimately result in an issued patent or, if issued, that they will provide sufficient protections for our technology against competitors. We cannot assure you that the protection of our proprietary rights will be adequate or that our competitors will not independently develop similar technology, duplicate our products and services or design around any intellectual property rights we hold.

We could be harmed by improper disclosure or loss of sensitive or confidential data.

Our business operations require us to process and transmit data. Unauthorized disclosure or loss of sensitive or confidential data may occur through a variety of methods. These include, but are not limited to, systems failure, employee negligence, fraud or misappropriation, or unauthorized access to or through our information systems, whether by our employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime

and/or state-sponsored organizations, who may develop and deploy viruses, worms or other malicious software programs.

Such disclosure, loss or breach could harm our reputation and subject us to government sanctions and liability under laws and regulations that protect sensitive or personal data and confidential information, resulting in increased costs or loss of revenues. It is possible that security controls over sensitive or confidential data and other practices we and our third-party vendors follow may not prevent the improper access to, disclosure of, or loss of such information. The potential risk of security breaches and cyberattacks may increase as we acquire additional business and introduce new services and offerings. Further, data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions in which our online businesses operate. Any failure or perceived failure to successfully manage the collection, use, disclosure, or security of personal information or other privacy related matters, or any failure to comply with changing regulatory requirements in this area, could result in legal liability or impairment to our reputation in the marketplace.

Unauthorized breaches or failures in cybersecurity measures adopted by us and/or included in our products and services could have a material adverse effect on our business.

Information security risks have generally increased in recent years, in part because of the proliferation of new technologies and the use of the Internet, and the increased sophistication and activity of organized crime, hackers, terrorists, activists, cybercriminals and other external parties, some of which may be linked to terrorist organizations or hostile foreign governments. Cybersecurity attacks are becoming more sophisticated and include malicious attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data, substantially damaging our reputation. Our security systems are designed to maintain the security of our users' confidential information, as well as our own proprietary information. Accidental or willful security breaches or other unauthorized access by third parties or our employees, our information systems or the systems of our third-party providers, or the existence of computer viruses or malware in our or their data or software could expose us to risks of information loss and misappropriation of proprietary and confidential information, including information relating to our products or customers and the personal information of our employees.

In addition, we could become subject to unauthorized network intrusions and malware on our own IT networks. Any theft or misuse of confidential, personal or proprietary information as a result of such activities or failure to prevent security breaches could result in, among other things, unfavorable publicity, damage to our reputation, loss of our trade secrets and other competitive information, difficulty in marketing our products, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties and possible financial obligations for liabilities and damages related to the theft or misuse of such information, as well as fines and other sanctions resulting from any related breaches of data privacy regulations, any of which could have a material adverse effect on our reputation, business, profitability and financial condition. Furthermore, the techniques used to obtain unauthorized access or to sabotage systems change frequently and are often not recognized until launched against a target, and we may be unable to anticipate these techniques or to implement adequate preventative measures.

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We may be subject to stringent and changing laws, regulations, standards, and contractual obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could adversely affect our business.

We receive, collect, store, and process certain personally identifiable information about individuals and other data relating to our customers. We have legal and contractual obligations regarding the protection of confidentiality and appropriate use of certain data, including personally identifiable and other potentially sensitive information about individuals. We may be subject to numerous federal, state, local, and international laws, directives, and regulations regarding privacy, data protection, and data security and the collection, storing, sharing, use, processing, transfer, disclosure, disposal and protection of information about individuals and other data, the scope of which are changing, subject to differing interpretations, and may be inconsistent among jurisdictions or conflict with other legal and regulatory requirements. We strive to comply with our applicable data privacy and security policies, regulations, contractual obligations, and other legal obligations relating to privacy, data protection, and data security. However, the regulatory framework for privacy, data protection and data security worldwide is, and is likely to remain for the foreseeable future, uncertain and complex, and it is possible that these or other actual or alleged

obligations may be interpreted and applied in a manner that we do not anticipate or that is inconsistent from one jurisdiction to another and may conflict with other legal obligations or our practices. Further, any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security, processing, transfer or disclosure of data, or their interpretation, or any changes regarding the manner in which the consent of users or other data subjects for the collection, use, retention, security, processing, transfer or disclosure of such data must be obtained, could increase our costs and require us to modify our services and features, possibly in a material manner, which we may be unable to complete, and may limit our ability to receive, collect, store, process, transfer, and otherwise use user data or develop new services and features.

If we are found in violation of any applicable laws or regulations relating to privacy, data protection, or security, our business may be materially and adversely affected and we would likely have to change our business practices and potentially the services and features, integrations or other capabilities of our websites. In addition, these laws and regulations could impose significant costs on us and could constrain our ability to use and process data in a commercially desirable manner. In addition, if a breach of data security were to occur or be alleged to have occurred, if any violation of laws and regulations relating to privacy, data protection or data security were to be alleged, or if we were to discover any actual or alleged defect in our safeguards or practices relating to privacy, data protection, or data security, our business websites may be perceived as less desirable and our business, financial condition, results of operations and growth prospects could be materially and adversely affected.

We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, and information security proposed and enacted in various jurisdictions. For example, the California Consumer Privacy Act ("CCPA"), which came into force in 2020, provides new data privacy rights for California consumers and new operational requirements for covered companies. Specifically, the CCPA mandates that covered companies provide new disclosures to California consumers and afford such consumers new data privacy rights that include, among other things, the right to request a copy from a covered company of the personal information collected about them, the right to request deletion of such personal information, and the right to request to opt-out of certain sales of such personal information. The California Attorney General can enforce the CCPA, including seeking an injunction and civil penalties for violations. The CCPA also provides a private right of action for certain data breaches that is expected to increase data breach litigation. Additionally, a new privacy law, the California Privacy Rights Act ("CPRA"), was approved by California voters in the November 3, 2020 election. The CPRA generally took effect on January 1, 2023 and significantly modifies the CCPA, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Some observers have noted the CCPA and CPRA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could also increase our potential liability and adversely affect our business. For example, the CCPA has encouraged "copycat" or other similar laws to be considered and proposed in other states across the country, such as in Virginia, New Hampshire, Illinois and Nebraska. This legislation may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment in resources to compliance programs, could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

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Various U.S. federal privacy laws are potentially relevant to our business, including the Federal Trade Commission Act, Controlling the Assault of Non-Solicited Pornography and Marketing Act, the Family Educational Rights and Privacy Act, the Children's Online Privacy Protection Act, and the Telephone Consumer Protection Act. Any actual or perceived failure to comply with these laws could result in a costly investigation or litigation resulting in potentially significant liability, injunctions and other consequences, loss of trust by our users, and a material and adverse impact on our reputation and business.

In addition, the data protection landscape in the EU is continually evolving, resulting in possible significant operational costs for internal compliance and risks to our business. The EU adopted the General Data Protection Regulation ("GDPR"), which became effective in May 2018, and contains numerous requirements and changes from previously existing EU laws, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies.

Among other requirements, the GDPR regulates the transfer of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States. Recent legal developments in Europe have created complexity and uncertainty regarding such transfers. For instance, on July 16, 2020, the Court of Justice of the European Union (the "CJEU") invalidated the EU-U.S. Privacy Shield Framework (the "Privacy Shield") under which personal data could be transferred from the European Economic Area to U.S. entities who had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism and potential alternative to the Privacy Shield), it made clear that reliance on such clauses alone may not necessarily be sufficient in all circumstances. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, including, in particular, applicable surveillance laws and rights of individuals, and additional measures and/or contractual provisions may need to be put in place; however, the nature of these additional measures is currently uncertain. The CJEU also states that if a competent supervisory authority believes that the standard contractual clauses cannot be complied with in the destination country and that the required level of protection cannot be secured by other means, such supervisory authority is under an obligation to suspend or prohibit that

transfer.

Additionally, the GDPR greatly increased the European Commission's jurisdictional reach of its laws and added a broad array of requirements for handling personal data. EU member states are tasked under the GDPR to enact, and have enacted, certain implementing legislation that adds to and/or further interprets the GDPR requirements and potentially extends our obligations and potential liability for failing to meet such obligations. The GDPR, together with national legislation, regulations and guidelines of the EU member states governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, security breach notifications and the security and confidentiality of personal data.

Failure to comply with the GDPR could result in penalties for noncompliance (including possible fines of up to the greater of €20 million and 4% of our global annual turnover for the preceding financial year for the most serious violations, as well as the right to compensation for financial or non-financial damages claimed by individuals under Article 82 of the GDPR).

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In addition to the GDPR, the European Commission has another draft regulation in the approval process that focuses on a person's right to conduct a private life. The proposed legislation, known as the Regulation of Privacy and Electronic Communications ("ePrivacy Regulation"), would replace the current ePrivacy Directive. While the text of the ePrivacy Regulation is still under development, a recent European court decision and regulators' recent guidance are driving increased attention to cookies and tracking technologies. If regulators start to enforce the strict approach in recent guidance, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. Regulation of cookies and similar technologies may lead to broader restrictions on our marketing and personalization activities and may negatively impact our efforts to understand users.

Further, in March 2017, the United Kingdom formally notified the European Council of its intention to leave the EU pursuant to Article 50 of the Treaty on European Union ("Brexit"). The United Kingdom ceased to be an EU Member State on January 31, 2020, but enacted a Data Protection Act substantially implementing the GDPR ("U.K. GDPR"), effective in May 2018, which was further amended to align more substantially with the GDPR following Brexit. It is unclear how U.K. data protection laws or regulations will develop in the medium to longer term and how data transfers to and from the United Kingdom will be regulated. Some countries also are considering or have enacted legislation requiring local storage and processing of data that could increase the cost and complexity of delivering our services. Since 2021, when the transitional period following Brexit expired, we are required to comply with both the GDPR and the U.K. GDPR, with each regime having the ability to fine up to the greater of €20 million (in the case of the GDPR) or £17 million (in the case of the U.K. GDPR) and 4% of total annual revenue. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, including, for example, how data transfers between EU member states and the United Kingdom will be treated and the role of the United Kingdom's Information Commissioner's Office following the end of the transitional period. These changes could lead to additional costs and increase our overall risk exposure.

Any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to users, or any other legal obligations or regulatory requirements relating to privacy, data protection, or data security, may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups, or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, other obligations, and policies that are applicable to the businesses of our users may limit our business operations. Further, public scrutiny of, or complaints about, technology companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Online applications are subject to various laws and regulations relating to children's privacy and protection, which if violated, could subject us to an increased risk of litigation and regulatory actions.

A variety of laws and regulations have been adopted in recent years aimed at protecting children using the internet such as the COPPA and Article 8 of the GDPR. We implement certain precautions to ensure that we do not knowingly collect personal information from children under the age of 13 through our websites. Despite our efforts, no assurances can be given that such measures will be sufficient to completely avoid allegations of COPPA violations, any of which could expose us to significant liability, penalties, reputational harm and loss of revenue, among other things. Additionally, new regulations are being considered in various jurisdictions to require the monitoring of user content or the verification of users' identities and age. Such new regulations, or changes to existing regulations, could increase the cost of our operations.

Risks Related to Owning Our Securities

The market for our common stock and publicly-traded warrants could be considered "thinly-traded," and an active market in our common stock and publicly-traded warrants may not fully develop.

Our common stock and publicly-traded warrants were listed and began trading on the Nasdaq Capital Market on August 26, 2022, under the symbols "ONFO" and "ONFOW," respectively. Prior to the listing, there was no public market for our securities. Despite certain increases of trading volume from time to time, there have been periods when the market for our securities could be considered "thinly-traded," meaning that the number of persons interested in purchasing our securities at or near bid prices at any given time may be relatively small. Any event or events that could cause current investors to sell our securities could place downward pressure on the trading price of our securities and the trading price of our securities could decline, meaning that you may experience a decrease in the value of your common stock and publicly-traded warrants regardless of our operating performance or prospects.

The price of our common stock and our warrants may fluctuate substantially.

You should consider an investment in our common stock and warrants to be risky, and you should invest in our common stock and warrants only if you can withstand a significant loss and wide fluctuations in the market value of your investment. Some factors that may cause the market price of our common stock

to fluctuate, in addition to the other risks mentioned in this “Risk Factors” section and elsewhere in this Report on Form 10-K, are:

- sale of our common stock by our stockholders, executives, and directors;
- volatility and limitations in trading volumes of our shares of common stock;
- our ability to obtain financing;
- the timing and success of introductions of new products by us or our competitors or any other change in the competitive dynamics of our business’ industries;
- our ability to attract new customers;
- changes in our capital structure or dividend policy, future issuances of securities, sales of large blocks of common stock by our stockholders;
- our cash position;
- announcements and events surrounding financing efforts, including debt and equity securities;
- our inability to enter into new markets or develop new products;
- reputational issues;
- announcements of acquisitions, partnerships, collaborations, joint ventures, new products, capital commitments, or other events by us or our competitors;
- changes in general economic, political and market conditions in or any of the regions in which we conduct our business;
- changes in industry conditions or perceptions;
- analyst research reports, recommendation and changes in recommendations, price targets, and withdrawals of coverage;
- departures and additions of key personnel;
- disputes and litigations related to intellectual properties, proprietary rights, and contractual obligations;
- changes in applicable laws, rules, regulations, or accounting practices and other dynamics; and
- other events or factors, many of which may be out of our control.

In addition, if the market for stocks in our industry or industries related to our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition and results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

Our Company’s series A preferred stock is senior in rank to shares of our common stock with respect to dividends, liquidation and dissolution.

We have 1,000,000 shares of series A preferred stock reserved pursuant to an ongoing concurrent private offering of series A preferred stock. As of the date of this Report on Form 10-K, 92,260 shares of series A preferred stock are issued and outstanding. The series A preferred is senior in rank to shares of common stock with respect to dividends, liquidation and dissolution. Each share of series A preferred carries an annual 12% cumulative, non-compounding dividend based on the cash amount invested into the series A preferred, payable quarterly. All accrued dividends on any shares of series A preferred stock shall be paid in cash only when, as and if declared by the Board out of funds legally available therefor or upon a liquidation or redemption of the shares of series A preferred stock in accordance with the liquidation and redemption provisions of the shares of series A preferred stock contained in the Company’s certificate of incorporation. Dividends on series A preferred will be paid prior to any dividends on any other class of shares, including common stock. In the event of any liquidation, dissolution or winding up of our Company, the proceeds shall be paid as follows: (i) first, pay the purchase price plus accrued dividends, on each share of series A preferred; and (ii) next, the balance of any proceeds shall be distributed pro rata to holders of common stock or other junior securities. Except as otherwise required by law, the series A preferred stock have no voting rights other than as provided by the provisions of our Company’s certificate of incorporation where the series A preferred will vote as a separate class. The series A preferred shall be redeemable at the option of our Company commencing any time after January 1, 2026 at a price equal to the purchase price (\$25.00 per share as of the date hereof) plus accrued dividends, on each share of series A preferred. On or before 180 days following the sale of at least 600,000 shares of the series A preferred, our Company shall register the series A preferred by preparing and filing one registration statement, or if necessary more than one registration statement, of our Company in compliance with the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended and thereafter apply to list the series A preferred stock on a U.S. stock exchange or develop a public trading market for the series A preferred stock by soliciting securities brokers to become market makers of the series A preferred on an established over the counter trading market, such as the OTC Markets.

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We may not be able to maintain a listing of our common stock and publicly-traded warrants on Nasdaq.

Although our common stock and publicly-traded warrants are listed on Nasdaq, we must meet certain financial and liquidity criteria to maintain such listing. If we violate Nasdaq’s listing requirements, or if we fail to meet any of Nasdaq’s listing standards, our common stock and publicly-traded warrants may be delisted. In addition, our board of directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our common stock and publicly-traded warrants from Nasdaq may materially impair our shareholders’ ability to buy and sell our common stock and publicly-traded warrants and could have an adverse effect on the market price of, and the efficiency of the trading market for, our common stock and warrants. The delisting of our common stock and publicly-traded warrants could significantly impair our ability to raise capital and the value of your investment.

On October 25, 2023, our Company received a written notification (the “Notice”) from the Listing Qualifications Staff of Nasdaq stating that our Company is not in compliance with Nasdaq Listing Rule 5550(a)(2) because for the last 30 consecutive business days prior to that date the closing bid price of our Company’s common stock was below the \$1.00 per share minimum required for continued listing on Nasdaq. To date, the Notice has no effect on the listing or trading of the Company’s common stock on the Nasdaq. However, Nasdaq Listing Rules provide the Company a compliance period of 180 calendar days (i.e., until April 22, 2024) in which to regain compliance, and the Company will regain compliance if the closing bid price of its common stock is \$1.00 per share or higher for a minimum period of ten consecutive business days during this compliance period. In the event our Company does not regain compliance, our Company may be eligible for additional time. To qualify, our Company will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for Nasdaq, with the exception of the bid price requirement, and will need to provide written notice of its

intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. If the Company meets these requirements, Nasdaq will inform the Company that it has been granted an additional 180 calendar days. However, if it appears to the staff of Nasdaq that the Company will not be able to cure the deficiency, or if the Company is otherwise not eligible, Nasdaq will provide notice that its securities will be subject to delisting.

If research analysts do not publish research about our business or if they issue unfavorable commentary or downgrade our common stock or warrants, our securities' price and trading volume could decline.

The trading market for our securities may depend in part on the research and reports that research analysts publish about us and our business. If we do not maintain adequate research coverage, or if any of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, the price of our common stock and warrants could decline. If one or more of our research analysts ceases to cover our business or fails to publish reports on us regularly, demand for our securities could decrease, which could cause the price of our common stock and warrants or trading volume to decline.

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We may issue additional equity securities, or engage in other transactions that could dilute our book value or relative rights of our common stock, which may adversely affect the market price of our common stock and warrants.

Our Board may determine from time to time that it needs to raise additional capital by issuing additional shares of our common stock or other securities. Except as otherwise described in this Report on Form 10-K, we will not be restricted from issuing additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, shares of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future offerings, or the prices at which such offerings may be affected. Additional equity offerings may dilute the holdings of existing stockholders or reduce the market price of our common stock and warrants, or all of them. Holders of our securities are not entitled to pre-emptive rights or other protections against dilution. New investors also may have rights, preferences and privileges that are senior to, and that adversely affect, then current holders of our securities. Additionally, if we raise additional capital by making offerings of debt or preferred shares, upon our liquidation, holders of our debt securities and preferred shares, and lenders with respect to other borrowings, may receive distributions of its available assets before the holders of our common stock. We currently have 1,000,000 shares of series A preferred stock reserved pursuant to an ongoing concurrent private offering of series A preferred stock. As of the date of this Report on Form 10-K, 92,260 shares of series A preferred stock are issued and outstanding. The series A preferred is senior in rank to shares of common stock with respect to dividends, liquidation and dissolution.

An investment in our warrants is speculative in nature and could result in a loss of your investment therein.

Our warrants do not confer any rights of common stock ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire shares of our common stock at a fixed price for a limited period of time. Our warrants are exercisable for five years from the date of initial issuance and currently have an exercise price of \$5.00 per share. There can be no assurance that the market price of our shares of common stock will equal or exceed the exercise price of the warrants. In the event that the stock price of our shares of common stock does not exceed the exercise price of the warrants during the period when the warrants are held and exercisable, the warrants may not have any value to their holders.

The warrant certificate governing our warrants designates the state and federal courts of the State of New York sitting in the City of New York, Borough of Manhattan, as the exclusive forum for actions and proceedings with respect to all matters arising out of the warrants, which could limit

a warrant holder's ability to choose the judicial forum for disputes arising out of the warrants.

The warrant certificate governing our warrants provides that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by the warrant certificate (whether brought against a party to the warrant certificate or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the District of Delaware. The warrant certificate further provides that we and the warrant holders irrevocably submit to the exclusive jurisdiction of the state and federal courts sitting in the District of Delaware for the adjudication of any dispute under the warrant certificate or in connection with it or with any transaction contemplated by it or discussed in it, including under the Securities Act. Furthermore, we and the warrant holders irrevocably waive, and agree not to assert in any suit, action or proceeding, any claim that we or they are not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. With respect to any complaint asserting a cause of action arising under the Securities Act or the rules and regulations promulgated thereunder, we note, however, that there is uncertainty as to whether a court would enforce this provision and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Notwithstanding the foregoing, these provisions of the warrant certificate will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum.

Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any of our warrants shall be deemed to have notice of and consented to the foregoing provisions. Although we believe this exclusive forum provision benefits us by providing increased consistency in the application of the governing law in the types of lawsuits to which it applies, the exclusive forum provision may limit a warrant holder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, other employees, stockholders, or others which may discourage lawsuits with respect to such claims. Our warrant holders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of this exclusive forum provision. Further, in the event a court finds the exclusive forum provision contained in our warrant certificates to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations.

Market and economic conditions may negatively impact our business, financial condition and share price.

Concerns over inflation, energy costs, geopolitical issues, the U.S. mortgage market and unstable real estate market, unstable global credit markets and financial conditions, and volatile oil prices have led to periods of significant economic instability, diminished liquidity and credit availability, declines in consumer confidence and discretionary spending, diminished expectations for the global economy and expectations of slower global economic growth going forward, increased unemployment rates, and increased credit defaults in recent years. Our general business strategy may be adversely affected by any such economic downturns, volatile business environments and continued unstable or unpredictable economic and market conditions. If these conditions continue to deteriorate or do not improve, it may make any necessary debt or equity financing more difficult to complete, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance, and overall plan of business.

The ability of a stockholder to recover all or any portion of such stockholder's investment in the event of a dissolution or termination may be limited.

In the event of a dissolution or termination of our Company, the proceeds realized from the liquidation of the assets of our Company, or our subsidiaries will be distributed among the common stockholders, but only after the satisfaction of the claims of third-party creditors of our Company and holders of our series A preferred stock. Each share of series A preferred carries an annual 12% cumulative, non-compounding dividend based on the cash amount invested into the series A preferred, payable quarterly. Dividends on series A preferred will be paid prior to any dividends on any other class of shares, including common stock. In the event of any liquidation, dissolution or winding up of our Company, the proceeds shall be paid as follows: (i) first, pay the purchase price plus accrued dividends, on each share of series A preferred; and (ii) next, the balance of any proceeds shall be distributed pro rata to holders of common stock or other junior securities. The ability of a common stockholder to recover all or any portion of such stockholder's investment under such circumstances will, accordingly, depend on the amount of net proceeds realized from such liquidation and the amount of claims to be satisfied therefrom. There can be no assurance that our Company will recognize gains on such liquidation, nor is there any assurance that common stockholders will receive a distribution in such a case.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future and, as such, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We do not anticipate paying any cash dividends on our common stock for the foreseeable future. Our Company has never declared any cash dividends on its common stock. We currently intend to use all available funds and any future earnings for use in financing the growth of our business and to meet our series A preferred stock dividend obligations.

In addition, and any future loan arrangements we enter into may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We are an "emerging growth company" and are able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and we have elected to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, pursuant to Section 107 of the JOBS Act, as an "emerging growth company" we have elected to take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. As such, our financial statements may not be comparable to companies that comply with public company effective dates.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an "emerging growth company." We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering; (iii) the date on which we have issued more than \$1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Financial reporting obligations of being a public company in the United States are expensive and time-consuming, and our management is required to devote substantial time to compliance matters.

As a publicly traded company, we incur significant additional legal, accounting and other expenses that we did not incur as a privately company. The obligations of being a public company in the United States require significant expenditures and place significant demands on our management and other personnel, including costs resulting from public company reporting obligations under the Exchange Act and the rules and regulations regarding corporate governance practices, including those under the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the listing requirements of the Nasdaq Capital Market on which our securities are listed. These rules require the establishment and maintenance of effective disclosure and financial controls and procedures, internal control over financial reporting and changes in corporate governance practices, among many other complex rules that are often difficult to implement, monitor and maintain compliance with. Moreover, despite recent reforms made possible by the JOBS Act, the reporting requirements, rules, and regulations will make some activities more time-consuming and costly, particularly after we are no longer an "emerging growth company." In addition, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance. Our management and other personnel devote a substantial amount of time to ensure that we comply with all of these requirements and keep pace with new regulations so that we do not fall out of compliance and risk becoming subject to litigation or being delisted, among other potential problems.

If we fail to comply with the rules under Sarbanes-Oxley related to accounting controls and procedures in the future, or, if we discover material weaknesses and other deficiencies in our internal control and accounting procedures, our stock price could decline significantly and raising capital could be more difficult.

Section 404 of Sarbanes-Oxley requires annual management assessments of the effectiveness of our internal control over financial reporting. If we fail to comply with the rules under Sarbanes-Oxley related to disclosure controls and procedures in the future, or, if we discover material weaknesses and other deficiencies in our internal control and accounting procedures, our stock price could decline significantly and raising capital could be more difficult. If material

weaknesses or significant deficiencies are discovered or if we otherwise fail to achieve and maintain the adequacy of our internal control, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of Sarbanes-Oxley. Moreover, effective internal controls are necessary for us to produce reliable financial reports and are important to helping prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock could drop significantly.

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We have identified weaknesses in our internal controls, and we cannot provide assurances that these weaknesses will be effectively remediated or that additional material weaknesses will not occur in the future.

As a public company, we are subject to the reporting requirements of the Exchange Act, and the Sarbanes-Oxley Act. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal control over financial reporting.

We do not yet have effective disclosure controls and procedures, or internal controls over all aspects of our financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Our management has deemed certain conditions to be material weaknesses and significant deficiencies in our internal controls. For example, we failed to employ a sufficient number of staff to maintain optimal segregation of duties and to provide optimal levels of oversight and we rely upon a third-party accounting firm to assist us with GAAP compliance. Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. We will be required to expend time and resources to further improve our internal controls over financial reporting, including by expanding our staff. However, we cannot assure you that our internal control over financial reporting, as modified, will enable us to identify or avoid material weaknesses in the future.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, including increased complexity resulting from our international expansion. Further, weaknesses in our disclosure controls or our internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of management reports and independent registered public accounting firm audits of our internal control over financial reporting that we are required to include in our periodic reports that we file with the SEC. Ineffective disclosure controls and procedures, and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which could have a negative effect on the market price of our common stock.

As a public company, we are required to provide an annual management report on the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm is not required to audit the effectiveness of our internal control over financial reporting until after we are no longer an “emerging growth company” as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating.

Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business and operating results, and cause a decline in the market price of our common stock.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plan and outstanding warrants could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

We expect that significant additional capital may be needed in the future to continue our planned operations, including acquiring additional online businesses, marketing activities and costs associated with operating a public company. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities, existing stockholders may be materially diluted by subsequent sales, and new investors could gain rights, preferences and privileges senior to the holders of our common stock. The aggregate number of shares of our common stock that may be issued pursuant to stock awards under our 2020 Equity Incentive Plan, as amended, (the “**2020 Plan**”) is 2,600,000 shares, except at any given time, the number of shares that may be issued pursuant to the 2020 Plan cannot exceed the number of shares that is equal to 20% of our Company’s total shares of common stock outstanding at the time of any grant of awards under the 2020 Plan. Increases in the number of shares available for future grant or purchase may result in additional dilution, which could cause our stock price to decline.

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Potential comprehensive tax reform bills could adversely affect our business and financial condition.

The U.S. government may enact comprehensive federal income tax legislation that could include significant changes to the taxation of business entities. These changes include, among others, a permanent increase to the corporate income tax rate. The overall impact of this potential tax reform is uncertain, and our business and financial condition could be adversely affected. This Report on Form 10-K does not discuss any such tax legislation or the manner in which it might affect purchasers of our common stock. We urge our stockholders to consult with their legal and tax advisors with respect to any such legislation and the potential tax consequences of investing in our common stock.

We can issue “blank check” preferred stock without stockholder approval with the effect of diluting interests of then-current stockholders and impairing their voting rights, and provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable.

Our certificate of incorporation authorizes the issuance of up to 5,000,000 shares of “blank check” preferred stock with designations, rights and preferences as may be determined from time to time by our Board. Of these 5,000,000 shares, 1,000,000 shares have been previously designated as series A preferred. Of

the remaining 4,000,000 shares of "blank check" preferred stock, our Board is empowered, without stockholder approval, to issue one or more series of preferred stock with dividend, liquidation, conversion, voting or other rights which could dilute the interest of, or impair the voting power of, our common stockholders. The issuance of a series of preferred stock could be used as a method of discouraging, delaying or preventing a change in control. For example, it would be possible for our Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our Company. In addition, advanced notice is required prior to stockholder proposals, which might further delay a change of control.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Our directors and executive officers own approximately 39.0% of our outstanding common stock. Accordingly, these stockholders may exert significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, a merger, the consolidation or sale of all or substantially all of our assets or any other significant corporate transaction. The interests of these stockholders may not be the same as or may even conflict with our other investors' interests. For example, these stockholders could delay or prevent a change in control of us, even if such a change in control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our Company or our assets. The significant concentration of stock ownership may negatively impact the value of our common stock due to potential investors' perception that conflicts of interest may exist or arise.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Provisions of our certificate of incorporation and bylaws may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, subject to the rights of holders of any series of preferred stock, our certificate of incorporation and bylaws:

- empower our Board to fix the number of directors of our Company solely by resolution;
- do not allow for cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;

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- empower our Board to fill any vacancy on our Board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- provide that special meetings of our stockholders may only be called by the Board or the chair of the Board (except that stockholders may also call special meetings of our stockholders so long as such stockholders beneficially owns at least 25% of the voting power of the outstanding shares of our stock);
- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders;
- provide our Board the ability to authorize undesignated preferred stock. This ability makes it possible for our Board to issue, without stockholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us;
- provide that any director or the entire Board may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 66 2/3% in voting power of the stock of the Company entitled to vote thereon;
- provide that our Board is expressly authorized to adopt, amend or repeal our bylaws; and
- provide that our directors will be elected by a plurality of the votes cast in the election of directors.

Additionally, any provision of Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our security holders to receive a premium for their securities and could also affect the price that some investors are willing to pay for our securities.

Liability of directors for breach of duty is limited under Delaware law.

Our certificate of incorporation limits the liability of directors to the maximum extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to us or our stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under the federal or state securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Our bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by law, and may indemnify employees and other agents. Our bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding.

Provisions in our certificate of incorporation and bylaws may have the effect of discouraging lawsuits against our directors and officers.

Our certificate of incorporation and bylaws provide that unless our Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Company; (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders; (3) any action arising pursuant to any provision of the Delaware General Corporation Law ("DGCL") or our certificate of incorporation or bylaws (as either may be amended from time to time); or (4) any action asserting a claim governed by the internal affairs doctrine.

Unless our Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of our Company shall be deemed to have notice of and consented to the provisions of our certificate of incorporation.

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Further, if any action the subject matter of which is within the scope of the section immediately above is filed in a court other than a court located within the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce section immediately above (an "FSC Enforcement Action") and (ii) having service of process made upon such stockholder in any such FSC Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

The above described provisions of our certificate of incorporation and bylaws that provide for the Court of Chancery of the State of Delaware as the sole and exclusive forum for any actions, claims or proceedings do not apply to suits brought to enforce a duty or liability created by the Exchange Act, Securities Act or

any other claim for which the federal courts have exclusive jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to these provisions. Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Together, these charter, statutory and contractual provisions could make the removal of our management and directors more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock. Furthermore, the existence of the foregoing provisions, as well as the significant common stock beneficially owned by our founder, executive officers, members of our Board, and others could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our Company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

If our securities become subject to the penny stock rules, it would become more difficult to trade our shares.

The Securities and Exchange Commission, or the SEC, has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or authorized for quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If we do not retain a listing on Nasdaq or another national securities exchange and if the price of our securities is less than \$5.00, our securities could be deemed a penny stock. The penny stock rules require a broker-dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive (i) the purchaser's written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our securities, and therefore shareholders may have difficulty selling their securities.

FINRA sales practice requirements may limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority ("FINRA"), has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative, low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. The FINRA requirements may make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may have the effect of reducing the level of trading activity in our common stock. As a result, fewer broker-dealers may be willing to make a market in our common stock, reducing a stockholder's ability to resell shares, as well as overall liquidity, of our common stock.

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We will likely be considered a smaller reporting company and will be exempt from certain disclosure requirements, which could make our common stock less attractive to potential investors.

Rule 12b-2 of the Exchange Act, defines a "smaller reporting company" as an issuer that is not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent that is not a smaller reporting company and that:

- had a public float of less than \$250 million as of the last business day of its most recently completed second fiscal quarter, computed by multiplying the aggregate worldwide number of shares of its voting and non-voting common equity held by non-affiliates by the price at which the common equity was last sold, or the average of the bid and asked prices of common equity, in the principal market for the common equity; or
- in the case of an initial registration statement under the Securities Act of 1933, as amended, or the Exchange Act for shares of its common equity, had a public float of less than \$250 million as of a date within 30 days of the date of the filing of the registration statement, computed by multiplying the aggregate worldwide number of such shares held by non-affiliates before the registration plus, in the case of a Securities Act registration statement, the number of such shares included in the registration statement by the estimated public offering price of the shares; or
- in the case of an issuer whose public float was zero, had annual revenues of less than \$100 million during the most recently completed fiscal year for which audited financial statements are available.

As a smaller reporting company, we would not be required and may not include a Compensation Discussion and Analysis section in our proxy statements; we would provide only two years of financial statements; and we would not need to provide the table of selected financial data. We also would have other "scaled" disclosure requirements that are less comprehensive than issuers that are not smaller reporting companies which could make our common stock less attractive to potential investors, and also could make it more difficult for our stockholders to sell their shares.

Changes in accounting principles and guidance, or their interpretation, could result in unfavorable accounting charges or effects, including changes to our previously filed financial statements, which could cause our stock price to decline.

We prepare our financial statements in accordance with GAAP. These principles are subject to interpretation by the SEC and various bodies formed to interpret

and create appropriate accounting principles and guidance. A change in these principles or guidance, or in their interpretations, may have a significant effect on our reported results and retroactively affect previously reported results.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy. We depend on software applications, information technology systems, computing infrastructure and cloud service providers to operate our business. Certain of these systems are managed, hosted, provided or used by third parties, to assist in conducting our business and which have their own cyber security measures in place. We implement generally applicable industry standards and best practices processes for the assessment, identification, and management of material risks from cybersecurity threats to our information technology systems. Our Information Security Coordinator oversees our information security policies and procedures. Our Information Security Coordinator maintains a cyber incident reporting and response process and provides management notifications based on the seriousness of any incident. Our information security policies and procedures are required to be reviewed on a regular basis.

We have not experienced a cybersecurity incident that resulted in a material adverse impact to our business or operations; however, there can be no guarantee that we will not experience such an incident in the future. For a description of the risks from cybersecurity threats that may materially affect our Company and how they may do so, please see "Risk Factors - Risks Related to Information Technology Systems, Intellectual Property and Privacy Laws" included in Part I, Item 1A of this Annual Report on Form 10-K. If our security measures are breached and an unauthorized party obtains access to our proprietary business information, our information systems may be perceived as being insecure, which could harm our business and reputation, and our proprietary business information could be misappropriated which could have an adverse effect on our business and results of operations."

Cybersecurity Governance. Our Nominating and Corporate Governance Committee has primary responsibility for overseeing our risk-management program relating to cybersecurity, although our Board of Directors participates in periodic reviews and discussion dedicated to cyber risks, threats, and protections.

Item 2. Properties.

The Company is a remote company, meaning that it does not have a physical office where employees work. Our executive officers and other employees have the option of either telecommuting or working from somewhere else. We lease and maintain an office out of our chief executive officer's residence at the Executive Centre Taipei, Level 4, Neihsu New Century Building No. 55, Zhouzi St, Neihsu District, Taipei City, 114, Taiwan (approximately \$400 per month), a community and co-working space at The Mill at 1007 North Orange Street, 4th Floor, Wilmington, Delaware 19801 (\$75 per month) and storage space at 3002 Nelson Road, Longmont, Colorado, 80503 (\$172 per month). We do not currently own any real estate. We consider our space at 1007 North Orange Street, 4th Floor, Wilmington, Delaware 19801 to be our principal executive office.

Item 3. Legal Proceedings.

We are not a party to any litigation of a material nature, nor are we aware of any threatened litigation of a material nature.

Item 4. Mine Safety Disclosures.

Not Applicable.

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PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases Of Equity Securities.

Market Information

Our common stock and warrants were listed and began trading on the Nasdaq Capital Market on August 26, 2022, under the symbols "ONFO" and "ONFOW," respectively. Prior to the listing, there was no public market for our common stock and warrants.

Holders of Common Stock

On March 27, 2024, we had approximately 67 holders of our common stock, not including persons who hold our common stock in nominee or "street name" accounts through brokers or banks.

Dividend Policy

We have never paid or declared any cash dividends on our common stock, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to use all available funds and any future earnings for use in financing the growth of our business and to meet our series A preferred stock dividend obligations. Any future determination to pay dividends will be at the discretion of our Board and will depend upon a number of factors, including our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors our Board deems relevant.

Purchases of Equity Securities

No repurchases of our common shares were made during the fourth quarter of 2023.

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plans as of December 31, 2023.

Equity Compensation Plan Information			
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	133,189	\$ 2.52	2,429,240
Equity compensation plans not approved by security holders ⁽²⁾	82,613	\$ 5.50	0
Total	215,802	\$ 4.26	2,429,240

- Reflects shares of common stock to be issued pursuant to our 2020 Equity Incentive for the benefit of our directors, officers, employees and consultants. We have reserved 2,600,000 shares of common stock for such persons pursuant to our 2020 Equity Incentive Plan.
- Represents warrants to purchase 82,613 shares of common stock issued to the underwriter in our IPO. The warrants have an exercise price of \$5.50, are exercisable beginning on February 22, 2023 and expire on August 25, 2027.

Recent Sales of Unregistered Securities

During the period covered by this report, our Company has sold the following securities without registering the securities under the Securities Act:

Date	Security
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No underwriters were utilized, and no commissions or fees were paid with respect to any of the above transactions. These persons were the only offerees in connection with these transactions. We relied upon exemptions from registration under Section 4(a)(2) of the Securities Act and/or (i) Rule 506 of Regulation D promulgated thereunder; (ii) Regulation S promulgated thereunder, or (iii) Rule 701 promulgated thereunder since these transactions did not involve any public offering.

Purchases of Equity Securities by the Issuer or Affiliated Purchasers

None.

Item 6. RESERVED.

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

The following management's discussion and analysis of financial condition and results of operations provides information that management believes is relevant to an assessment and understanding of our plans and financial condition. The following selected financial information is derived from our historical financial statements and should be read in conjunction with such financial statements and notes thereto set forth elsewhere within this Report on Form 10-K and the "Forward-Looking Statements" explanation included elsewhere herein.

Overview

Onfolio Holdings Inc. acquires controlling interests in and actively manages small online businesses that we believe (i) operate in sectors with long-term growth opportunities, (ii) have positive and stable cash flows, (iii) face minimal threats of technological or competitive obsolescence and (iv) can be managed by our existing team or have strong management teams largely in place. Through the acquisition and growth of a diversified group of online businesses with these characteristics, we believe we offer investors in our shares an opportunity to diversify their own portfolio risk.

Onfolio Holdings Inc. was incorporated on July 20, 2020 under the laws of Delaware to acquire and develop high-growth and profitable online businesses. Unless the context otherwise requires, all references to "our Company," "we," "our" or "us" and other similar terms means Onfolio Holdings Inc., a Delaware corporation, and our wholly owned subsidiaries.

Revenue in 2023 was up 136% in 2023 compared to 2022, an increase of just over \$3,000,000. This growth was achieved through the acquisitions we made in Q4 2022, which we held for a full year in 2023, and the additional acquisition we made in Q1 2023.

Our gross profit margin in 2023 was 62%, up from 54% in 2022. This improvement was achieved through an effort by management to reduce the operating costs of our online businesses, driving them to run more efficiently.

In 2023 we noticed a slowdown of lending and a rise in interest rates, and we acted to weather the more difficult capital raising environment through austerity measures, using our remaining cash to extend our working capital runway as long as possible.

Despite those challenges, we closed and obtained full control on one acquisition, RevenueZen, in January 2024, which historically generated \$1.4M in revenue in 2023.

Towards the end of 2023, we focused more on targeting B2B agencies and productized services for acquisition. Historically, our best performing assets have been B2B marketing agencies, and the acquisition opportunities are rich in this space.

In 2024, we will look for opportunities to use our growing stature and track record to raise capital on attractive terms — this is a large area of focus for management.

Due to our cash constraints and desire to avoid issuing additional shares of common stock, we intend to use a mixture of debt, including seller notes, and preferred shares to close acquisitions moving forward — such as can be seen with our recent RevenueZen acquisition. We are looking to make more

acquisitions over the coming months of a similar structure, allowing us to maximize our runway while reducing our burn with a mixture of accretive acquisitions, and continuous expense reduction and optimization efforts.

Organic growth is also a major area we are looking to improve, but inorganic growth through acquisitions will ultimately be necessary and will be the catalyst for our profitability.

In the course of our regular financial review and in compliance with ASC350, in September 2023 we conducted a reassessment of our portfolio of subsidiaries, their performance and recent market developments. Based on this review, which considered factors such as the financial landscape, the evolving M&A dynamics in this landscape, and prevailing market conditions, we have determined that the carrying value of certain subsidiaries no longer reflects their recoverable amount. We noted lower than expected operating results for ProofreadAnywhere, WP Folio, and SEO Butler and as such performed a discounted cash flow test to determine the amount of impairment necessary. We used a higher discount rate than previous valuations due to the increased interest rates and reduced business performances. We concluded based on the recoverability test performed for Proofread Anywhere, WP Folio, and SEO Butler, that impairment related to goodwill was needed in the amounts of \$2,061,763, \$580,284, and \$420,532, respectively, which were recognized in the Q3 2023 Form 10Q.

As always, management is dedicated to continuous improvement, pursuit of growth, and commitment to our shareholders.

Recent Developments

In January 2024, we acquired RevenueZen.com, an online service provider that works with B2B brands to grow their organic and referral traffic. RevenueZen offers B2B marketing services such as search-engine optimization, LinkedIn marketing and content marketing. RevenueZen enjoys a strong reputation in its field, specializing in working with startups, healthcare, professional services, renewable energy, and financial services businesses, among others. Our Company holds an 88% ownership stake in RevenueZen, while RevenueZen founders received a 12% roll-over equity interest and will serve in leadership roles in the Onfolio-owned RevenueZen team.

Emerging Growth Company

We qualify as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements. For so long as we are an emerging growth company, we will not be required to:

- have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay” and “say-on-frequency;” and
- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of our initial public offering, (ii) the last day of the first fiscal year in which our total annual gross revenues are \$1.07 billion or more, (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur if the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter or (iv) the date on which we have issued more than \$1 billion in non-convertible debt during the preceding three year period.

Principal Factors Affecting Our Financial Performance

Our operating results are primarily affected by the following factors at a portfolio company level:

- our ability to acquire new customers or retain existing customers;
- our ability to offer competitive product pricing;
- our ability to broaden product offerings;
- industry demand and competition;
- our ability to leverage technology and use and develop efficient processes;
- our ability to effectively utilize a combination of cash, debt such as seller's notes, and preferred shares when negotiating and structuring future deals;
- our ability to attract and retain talented employees; and
- market conditions and our market position.

Components of Results of Operations

The Company reported a net loss of \$8,144,821, which includes \$5,291,055 in non-cash expenses, for the year ended December 31, 2023 compared to a net loss of \$4,234,357, which includes \$1,155,083 in non-cash expenses, for the year ended December 31, 2022. The components of the increase in net loss for the current period are as follows:

Revenues

	For the Year Ended December 31,		\$ Change from prior year	% Change from prior year
	2023	2022		
Revenue, services	\$ 1,496,038	\$ 544,822	\$ 951,216	175%
Revenue, product sales	3,743,948	1,674,993	2,068,955	124%
Total Revenue	5,239,986	2,219,815	3,020,171	136%

Revenue increased by \$3,020,171, or 136% for the year ended December 31, 2023 compared to 2022. The increase is primarily due to revenue from our three acquisitions completed during the fourth quarter of fiscal 2022, which increased revenue by approximately \$2,500,000, including approximately \$1,800,000 in digital product sales along with an increase of approximately \$640,000 from Contentellect, acquired in the first quarter of fiscal 2023. This increase was offset by a decline in product sales and advertising revenue from MightyDeals and other pre-IPO assets.

Cost of Revenue

	For the Year Ended December 31,		\$ Change from prior year	% Change from prior year
	2023	2022		
Cost of revenue, services	\$ 837,888	\$ 356,957	\$ 480,931	135%
Cost of revenue, product sales	1,159,267	664,405	494,862	74%
Total Cost of Revenue	1,997,155	1,021,362	975,793	96%

Cost of revenue increased by \$975,793, or 96%, due to the increase resulting from the Company's recent acquisitions. The Company's gross profit margins increased in the current period compared to the prior period due to the Company's efforts to streamline operations and create efficiencies, and due to the increased sales from digital product sales with higher margins in the new businesses. The components most significant to the Company's cost of revenue are the costs of labor for service fulfillment, content creation, website hosting and maintenance costs and the costs of acquiring new inventory products for physical product sales.

Operating Expenses

Selling, General and Administrative

General and Administrative expenses increased by \$1,768,823 or 41% during the year ended December 31, 2023 as compared to 2022. The increase was primarily due to an increase in advertising and marketing costs of \$1,200,000, which includes the impact of new businesses acquired in late 2022 and early 2023, an increase in amortization expense of \$615,000 associated with the acquired intangible assets not present in the comparable period, a \$90,000 increase in other general and administrative costs including stock-based compensation, travel, merchant fees, and increased costs related to being a public company of \$279,000, offset by a decrease in payroll and contractor costs of \$85,000

Our general and administrative expenses consist primarily of consulting related expenses paid to contractors, stock-based compensation, advertising and marketing costs, and other expenses. In the near future, our general and administrative expenses may continue to increase to support business growth. Over the long term, we aim to have general and administrative expenses decreasing as a percentage of revenue.

Professional Fees and Acquisition Costs

Professional fees increased by \$650,469, or 128% during the year ended December 31, 2023 compared to 2022 primarily due to increased due to increased legal and accounting costs associated with the Company's compliance requirements as a public company. The Company also incurred \$326,899 during the year ended December 31, 2023 compared to \$527,792 during the year ended December 31, 2022, including audit, legal and other professional fees related to acquisitions and potential acquisitions. We expect acquisition costs to remain significant as we continue to grow based on acquisitions.

Impairment Loss

During the year ended December 31, 2023, after taking into account the lower than expected performances of the following businesses and the rising interest rates, the Company recognized impairment losses of \$2,061,763 related to the BCP Media Acquisition, \$580,284 related to the BWPS Acquisition, and \$420,532 related to the SEO Butler Acquisition, \$700,000 related to Mighty Deals website domains and \$84,000 related to Pretty Neat Creative, operating under Onfolio Crafts LLC, and \$105,937 related to various website domains operating under Onfolio Assets LLC for total aggregate impairment expense \$3,952,516. Management has a process to evaluate the viability and profitability of each business. If and when management concludes that a business has a significantly reduced future value, management will assess the asset for possible impairment in the quarter management reaches that conclusion.

Other Income and Expense

Total other income was \$92,778 for the year ended December 31, 2023 compared to other expense of \$123,212 for the year ended December 31, 2022. The increase in other income was driven by higher interest income on the Company's increased cash balances from funds raised in the Company's initial public offering in the third quarter of 2022, and an impairment loss on sale of assets in 2022 not seen in 2023.

Liquidity and Capital Resources

As of December 31, 2023, our principal sources of liquidity consisted of cash and cash equivalents of \$982,261 which was mainly on account of raising capital from sale of common stock and warrants in our IPO of \$12,255,470. In addition, the Company has raised \$600,000 during a private offering of Preferred stock and repaid \$2,439,000 on its acquisition-related notes payable.

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The Company's recurring losses from operations and negative cash flows from operations raise substantial doubt about our ability to continue as a going concern. Accordingly, our auditor has concluded that substantial doubt exists regarding our ability to continue as a going concern. Our audited financial statements appearing at the end of this annual report have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of these uncertainties related to our ability to operate on a going concern basis. In its report on our financial statements for the years ended December 31, 2023 and 2022, our independent registered public accounting firm included an explanatory paragraph stating that our recurring losses from operations and negative cash flows since inception and our need to raise additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern. We believe that our cash and cash equivalents as of December 31, 2023, and the future operating cash flows of the entity may not provide adequate resources to fund ongoing cash requirements for the next twelve months. If sources of liquidity are not available or if we cannot generate sufficient cash flow from operations during the next twelve months, we may be required to obtain additional sources of funds through additional operational improvements, capital market transactions, asset sales or financing from third parties, a combination thereof or otherwise. We cannot provide assurance that these additional sources of funds will be available or, if available, would have reasonable terms. If we are unable to obtain sufficient funding, our business, prospects, financial condition and results of operations will be materially and adversely affected, and we may be unable to continue as a going concern.

Operating Activities

Net cash used in operating activities was \$2,751,838 and \$2,870,893 for the years ended December 31, 2023 and 2022. The slight decrease was primarily from Company's efforts to streamline costs, partially offset by the increased general and administrative costs from the acquired businesses for a full year compared to partial periods in the year ended December 31, 2022.

Investing Activities

Net cash used in investing activities was \$850,000 and \$4,283,219 for the years ended December 31, 2023 and 2022. For the year ended December 31, 2023, the Company used \$850,000 to acquire a single business during the first quarter. During 2022, the Company used \$4,261,413 to acquire three businesses during the fourth quarter, \$67,500 in additional investments in the JVs which, offset by \$45,694 of proceeds from the sale of a website.

Financing Activities

Cash flows from financing activities was cash used of \$2,156,650 and cash provided of \$12,109,373 for the years ended December 31, 2023 and 2022. During the year 2023, we raised \$565,000 from the sales of preferred stock in a private exempted offering, which was offset by the repayment of the acquisition notes payable of \$2,439,000, payments of preferred dividends of \$213,691, and payments on note payables of \$68,959. During the year 2022, we raised \$12,104,667 in net proceeds from our initial public offering, \$321,500 from sales of preferred stock in a private exempted offering, and \$44,000 of proceeds from notes payable, which were partially offset by dividend payments of \$142,239, payments on notes payable of \$3,555 and payment of the contribution towards its investment in JV IV of \$215,000.

Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes as defined by Item 303(a)(4) of SEC Regulation S-K, as of December 31, 2023.

Contractual Obligations

See Notes 4 and 9 of our accompanying audited financial statements for information on our contractual obligations.

The following are the Company's critical accounting policies:

Investment in Unconsolidated Entities – Equity and Cost Method Investments

We account for our interests in entities in which we are able to exercise significant influence over operating and financial policies, generally 50% or less ownership interest, under the equity method of accounting. In such cases, our original investments are recorded at cost and adjusted for our share of earnings, losses and distributions. We account for our interests in entities where we have virtually no influence over operating and financial policies under the cost method of accounting. In such cases, our original investments are recorded at the cost to acquire the interest and any distributions received are recorded as income. All investments are subject to our impairment review policy. The Company recognized the value of its investments in these joint ventures at carryover basis based on the amount paid by the CEO to the joint venture for Onfolio JV 1 LLC, and agreed to pay the joint venture the contribution for Onfolio JV II LLC and Onfolio JV III LLC at the carryover basis for the amount the interest was acquired for by the CEO.

The current investment in unconsolidated affiliates accounted for under the equity method consists of a 35.8% in interest in Onfolio JV IV, LLC ("JV IV"), which is involved in the acquisition, development and operation of online businesses to produce advertising revenue. The initial value of an investment in an unconsolidated affiliate accounted for under the equity method is recorded at the fair value of the consideration paid.

Variable Interest Entities

Variable interest entities ("VIEs") are consolidated when the investor is the primary beneficiary. A primary beneficiary is the variable interest holder in a VIE with both the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and the obligation to absorb losses, or the right to receive benefits that could potentially be significant to the VIE. The Company is not considered the primary beneficiary of any VIE's as the joint ventures do not qualify as variable interest entities under the requirements of ASC 810, as the joint ventures 1) have sufficient equity to finance its activities; 2) have equity owners that as a group have the characteristics of a controlling financial interest in the business, through the ability to vote on a majority basis to change the managing member of the respective joint ventures, and 3) are structured with substantive voting rights. The Company accounts for its investments in the joint ventures under either the cost or equity method based on the equity ownership in each entity.

Revenue Recognition

The Company follows the guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers (the "new revenue standard") to all contracts using the modified retrospective method.

Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company primarily earns revenue through website management, advertising and content placement on its online businesses, and product sales. Management services revenue is earned and recognized on a monthly basis as the services are provided. Advertising and content revenue is earned and recognized once the content is presented on the Company's sites in accordance with the customer requirements. Product sales are recognized at the time the product is shipped to the customer.

Long-lived Assets

Property and equipment are stated on the basis of historical cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Major renewals and improvements are capitalized, while minor replacements, maintenance and repairs are charged to current operations.

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In accordance with ASC 360 "Property Plant and Equipment," the Company reviews the carrying value of intangibles subject to amortization and long-lived assets for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of long-lived assets is measured by comparison of its carrying amount to the undiscounted cash flows that the asset or asset group is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the property, if any, exceeds its fair market value.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data

Our Financial Statements of are attached as Appendix A (following Exhibits) and included as part of this Form 10-K Report. A list of our Financial Statements is provided in response to Item 15 of this Form 10-K Report.

Item 9. Changes In And Disagreements With Accountants On Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(e) of the Exchange Act, our management has carried out an evaluation, with the participation and under the supervision of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as of December 31, 2023. Based upon, and as of the date of this evaluation, our Chief Executive Officer and Chief Financial Officer determined that our disclosure controls and procedures are not effective due to material weaknesses in our internal control over financial reporting as identified below:

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with GAAP. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our consolidated financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our consolidated financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our consolidated financial statements would be prevented or detected.

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We are required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting beginning with this Form 10-K. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The SEC defines a material weakness as a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim consolidated financial statements will not be detected or prevented on a timely basis. Management conducted an evaluation of the effectiveness, as of December 31, 2023, of our

internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on this evaluation, management concluded that our internal control over financial reporting was not effective, due to the material weakness in our internal control over financial reporting that exists as of December 31, 2023. We determined that we had a material weakness because, due to our small size, and our limited number of personnel, we did not have in place an effective internal control environment with formal processes and procedures, including journal entry processing and review, to allow for a detailed review of accounting transactions that would identify errors in a timely manner.

Management's Plan to Remediate the Material Weakness

With the oversight of senior management, management is working towards remediation of these weaknesses in 2024 including addition of accounting personnel and to evaluate and implement procedures that will strengthen our internal controls. While we believe these measures will remediate the material weakness identified and strengthen our internal control over financial reporting, there is no assurance that we will demonstrate sufficient improvement that the material weakness will be remediated. We are committed to continuing to improve our internal control processes and will continue to diligently review our financial reporting controls and procedures.

Attestation Report of the Registered Public Accounting Firm

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

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting during the fourth quarter of fiscal year 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Identity of directors, executive officers and significant employees

Name	Age	Year First Elected Director	Positions/Committees	Independent
Dominic Wells	38	2020	Chief Executive Officer, Chief Revenue Officer, Secretary, Treasurer, Director (Chair of Board)	no
Esbe van Heerden	31		Chief Financial Officer, President	
Adam Trainor	39		Chief Operations Officer	
Andrew Lawrence	53	2022	Director, Compensation Committee, Nominating and Corporate Governance Committee (Chair)	yes
David McKeegan	48	2022	Director, Compensation Committee, Audit Committee, Nominating and Corporate Governance Committee	yes
Robert J. Lipstein	68	2022	Director, Audit Committee (Chair)	yes
Mark N. Schwartz	69	2022	Director, Audit Committee, Compensation Committee (Chair)	yes

Business experience of directors, executive officers, and significant employees

Dominic Wells. Dominic Wells has served as our Chief Executive Officer since August 2020 and as a Director since July 2020, and as Chief Executive Officer of Onfolio LLC since May 2019. He is responsible for developing and implementing our Company's long term business strategy and direction. From August 2013 to April 2019, Mr. Wells was the founder and director of Digital Wells Limited (Hong Kong), where he grew the Company and the Human Proof Designs (Humanproofdesigns.com) website. Human Proof Designs is an internet marketing agency offering website creation, search engine optimization services, content marketing and content creation services, and affiliate marketing training. After founding Digital Wells Limited (Hong Kong) and growing it for 5 years, Mr. Wells exited the company in 2019. Mr. Wells' qualifications to serve on our Board include his knowledge of our Company and his leadership at our Company. Mr. Wells completed a BA (Hons) in Media Practice & Theory from the University of Sussex, UK in 2006.

Esbe van Heerden. Esbe van Heerden has served as our President since February 1, 2022 and on November 6, 2023 was appointed to serve as the

Company's Chief Financial Officer, where she is responsible for implementing and developing our Company's shorter term business strategy and our Company's budgeting and performance tracking. Previously, she served as our Chief Operations Officer August 2020 to January 31, 2022, and as Chief Operations Officer of Onfolio LLC since May 2019. During her time at our Company, Ms. van Heerden has overseen an expansion from five team members, to 32, and monthly recurring revenue (MRR) growth of more than 700%. She joined our Company after successfully building a boutique publishing house, NonFiction LLC, that helped CEOs and consultants succeed in publishing their books. From June 2016 to December 2018, Ms. van Heerden built out the systems to guide new authors through the writing and publishing process, and grew to a team of 15+ staff members. Ms. van Heerden completed a triple major: a BSc in Biomedical Science, a BSc in Molecular Biology, as well as a BS in Forensic Biology and Toxicology, and was awarded the Vice-Chancellor's Commendation for Academic Excellence. She graduated in 2015 from Murdoch University, Australia.

Adam Trainor. Adam Trainor has served as our Chief Operations Officer since February 2022, and prior to that served as the director of a portfolio of our Company from November 2020 to January 2022, overseeing Vital Reaction LLC, Outreachama LLC, Getmerankings LLC, alongside various content/media properties. He is responsible for executing our business strategy and managing portfolio/department leadership. Before joining Onfolio, Mr. Trainor served as the CEO of Vital Reaction LLC, from April 2019 to December 2020. Mr. Trainor is also a board certified chiropractic physician and clinical nutritionist and has worked in a variety of pain management settings, including at Walter Reed National Military Medical Center in Bethesda, MD from November 2018 to April 2019. Also, from September 2010 to January 2019, Mr. Trainor served as the founder and CEO of Thirdspace LLC, an academic tutoring agency where he ran all aspects of the agency. Mr. Trainor graduated summa cum laude with a BA in History from Boston University in 2012. He also holds a Doctorate in chiropractic medicine (2019) and Masters of Science in clinical nutrition (2018) from the Northeast College of Health Sciences.

Andrew Lawrence. A.J. Lawrence has served as a director since January 2022. Since June 2006 he has been the founder and director of the JAR Group & subsidiaries (USA), where he grew the company to reach the Inc. 500 twice and win many industry awards. The JAR Group is an internet marketing agency offering analytics, media buying, search engine optimization services, content marketing, content creation services, and affiliate program management. After founding the JAR group and growing it for 10 years, Mr. Lawrence sold the media buying, SEO, and affiliate program management divisions of the company. Mr. Lawrence's qualifications to serve on our Board include his knowledge of our industry, multiple angel investments, and advisory roles, and his executive management experience. Mr. Lawrence completed a BA in International Relations 1991 & an MBA in International Business in 1994 from the University of South Carolina.

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David McKeegan. David McKeegan has served as a Director since January 2022. Mr. McKeegan is the Co-founder and CEO of Greenback ETS which was founded in 2009 and serves thousands of U.S. expat clients around the world become and stay compliant with their U.S. taxes while overseas. He is also the Co-founder and CEO of GBS Tax and Bookkeeping, which was started in 2018 and serves entrepreneurs and startups who incorporate in the United States. Prior to Co-founding Greenback ETS, Mr. McKeegan was an Associate Director with the Bank of Scotland and worked on their syndicated loan desk for 5 years from 2005-2009. Mr. McKeegan's qualifications to serve on our Board include his years of experience assisting corporations manage their finances, tax preparation documents and bookkeeping, along with his experience in finance and banking. Mr. McKeegan is an IRS Enrolled Agent, received his MBA from IESE in Barcelona, Spain in 2004 and his BA from Loyola College in Maryland in 2009. Mr. McKeegan also worked for JPMorgan Chase from 1997-2002.

Robert J. Lipstein. Robert J. Lipstein has served as a director since March 2022. In 2021, Mr. Lipstein joined the board of directors of Firsttrust Bank and since 2019 has been a board member of Seacoast Banking Corporation of Florida (NASDAQ:SBCF) where he chairs its Audit Committee and is a member of the Enterprise Risk Management Committee, a member of the Directors Credit Risk Committee and a member of the Information Technology committee. Since 2017 he has been a board member of Einstein Healthcare Network. Mr. Lipstein joined the board of directors in of Infrsight Software in 2020, a start-up venture that provides software that powers Hybrid IT and Multi-Cloud business decisions. Mr. Lipstein previously served as an independent board member of Ocwen Financial (NYSE), a mortgage loan servicer where he was a member of the Audit Committee and Compensation Committee from 2017 to 2020. In addition, he is a retired KPMG senior partner where he held numerous leadership roles including, Global Partner in Charge of Sarbanes Oxley Services, Global Managing Partner of IT Business Services, Partner in Charge of KPMG's financial service practice and partner in charge of KPMG's advisory practice for the Mid-Atlantic region. Mr. Lipstein's qualifications to serve on our Board include his experience as a public and private company board member and as a certified public accountant, in addition to his over 40 years of diversified business experience. He is a graduate of the University of Pennsylvania Director Institute, an Emeritus member of the Weinberg Center for Corporate Governance and he earned a Bachelor's degree in Accounting from the University of Delaware.

Mark N. Schwartz. Mark Schwartz has served as a director since March 2022. Previously, from March 2017 to January 2021, he served as member of the Board of Directors and on the Audit and Compensation Committees of The Bartell Drug Company, a \$500+ million pharmacy retailer where he led planning and implementation of a successful sale to Rite Aid Drug Corporation. From January 2016 to December 2019, Mr. Schwartz served as a member of the Board of Directors of Glass-Media Inc., an ad- tech software & hardware provider for display advertising, where he advised on successful rounds of company financing. From January 2012 to December 2015, Mr. Schwartz served as a member of the Board of Directors of Specialty Commodities, Inc., a natural, organic food products company selling and processing nuts, seeds, ancient grains, and pet foods, where he consulted on positioning and strategy for sale of the company to Archer Daniels Midland. Mr. Schwartz's qualifications to serve on our Board include his extensive background as a public and private company CEO, CFO, and board member with experience planning and implementing profit improvement and exit strategies in a variety of consumer, technology, media and healthcare companies. He has extensive mergers and acquisitions, corporate finance, IPO, financial reporting systems, budgetary oversight, and financial and corporate strategy experience to accelerate revenues and profitability. He has served on several audit and compensation committees and has extensive SEC GAAP and Sarbanes-Oxley risk management expertise. Mr. Schwartz received a BA in economics and political science from Claremont McKenna College in 1978 and an MBA from Harvard Business School in 1980. He has attended the UCLA Anderson School Executive Education program in Corporate Governance in 2015.

Each Member of our Board serves until the next annual meeting of stockholders, or until their successors have been duly elected. Each officer is elected annually by the Board and holds their office until they resign or are removed by the Board or otherwise disqualified to serve, or their successor is elected and qualified.

During the past ten years, none of our directors or executive officers have been involved in any of the proceedings described in Item 401(f) of Regulation S-K.

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Code of Conduct

Our Company has adopted a code of ethics and business conduct applicable to its employees, directors and officers, in accordance with applicable U.S. federal securities laws and the corporate governance rules of Nasdaq. A copy of this code of ethics and business conduct is available on our principal corporate website located at <https://www.onfolio.com>. Requests for a copy of the code of ethics and business conduct should be directed to Investor Relations, Onfolio Inc., 1007 North Orange Street, 4th Floor Wilmington, Delaware 19801. Any substantive amendments or waivers of the code of conduct or any similar code(s) subsequently adopted for senior financial officers may be made only by our Board and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of Nasdaq, including by posting such information on our Company's website or by filing a Form 8-K.

Audit Committee

We have a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee is comprised of Robert Lipstein, Mark Schwartz and David McKeegan. Mr. Lipstein is the chairperson of the committee. Each member of the Audit Committee is "independent" within the meaning of Rule 10A-3 under the Exchange Act and the NASDAQ Stock Market Rules. Our Board of Directors has designated Robert Lipstein as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K. The Audit Committee's purpose and power are to (a) retain, oversee and terminate, as necessary, the auditors of our Company, (b) oversee our Company's accounting and financial reporting processes and the audit and preparation of our Company's financial statements, (c) exercise such other powers and authority as are set forth in the charter of the audit committee of the Board, and (d) exercise such other powers and authority as shall from time to time be assigned thereto by resolution of the Board.

The Audit Committee also has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel and advisors to fulfill its responsibilities and duties. During our last fiscal year, our Audit Committee held 2 meetings.

Changes to Director Nomination Procedures

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

Delinquent Section 16(a) Reports

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

Item 11. Executive Compensation

The compensation committee of our Board of Directors oversees, reviews and approves all compensation decisions relating to our named executive officers.

The table below summarizes all compensation awarded to, earned by, or paid to our 2023 named executive officers for the fiscal years ended December 31, 2023 and 2022. Our 2023 named executive officers are: Dominic Wells, Esbe van Heerden, Rob te Braake, Yury Byalik, and Adam Trainor.

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Summary Compensation Table

The table below summarizes all compensation awarded to, earned by, or paid to our named executive officers that earned more than \$100,000 for the fiscal years ended December 31, 2023 and 2022:

Name	Year ⁽¹⁾	Salary \$	Bonus ⁽²⁾ \$	Stock Awards ⁽³⁾ \$	Option Awards ⁽³⁾ \$	All Other Compensation \$	Total \$
Dominic Wells Chief Executive Officer, Chief Revenue Officer, Secretary, Treasurer, Director	2023	150,000	-	-	-	-	150,000
	2022	150,000	-	-	-	-	150,000
Esbe van Heerden <i>President and Chief Financial Officer</i>	2023	125,000	-	-	-	-	120,000
	2022	120,000	-	-	-	-	120,000
Rob te Braake <i>Interim Chief Financial Officer</i>	2023	120,000	-	-	1,760	-	121,760
Yury Byalik, <i>Head of Strategy and Acquisitions</i>	2023	95,385	24,489	-	-	-	119,874
	2022	84,000	-	-	-	-	84,000
Adam Trainor <i>Chief Operations Officer</i>	2023	108,000	-	-	40,660	-	148,660
	2022	96,000	-	-	92,432	-	188,432

1. Rob te Braake served as our Interim Chief Financial Officer from January 1, 2023 to November 1, 2023. Esbe van Heerden was appointed as our Chief Financial Officer effective November 1, 2023. Mr. Byalik resigned as our Head of Strategy and Acquisitions on December 8, 2023.
2. The amounts in this column reflect earned bonus awards by our named executive officers.
3. The grant date fair value of the stock awards and option awards computed in accordance with ASC Topic 718.

We grant stock awards and stock options to our executive officers based on their level of experience and contributions to our Company. The aggregate fair value of awards and options are computed in accordance with FASB ASC 718. The assumptions made in the computation may be found in Note 7 to our financial statements set forth elsewhere within this Report on Form 10-K.

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

Employee, Severance, Separation and Change in Control Agreements

Dominic Wells Employment Agreement.

On August 1, 2020, our Company entered into a written employment agreement with Mr. Wells as its Chief Executive Officer providing for an annual salary of \$120,000 per year. On January 1, 2022, our Company entered into a new employment agreement with Mr. Wells as its Chief Executive Officer. Pursuant to this agreement, Mr. Wells receives an annual salary of \$150,000, which is paid semi-monthly in accordance with our Company's normal payroll procedures. Mr. Wells is also eligible to receive certain employee benefits and bonuses under any bonus plan program that may be established by our Board of Directors. Mr. Wells also serves as a member of our Board for no additional compensation.

Esbe van Heerden Employment Agreement.

Our Company entered into an employment agreement dated February 1, 2022, with Ms. van Heerden as its President providing for an annual salary of \$120,000 per year. On November 1, 2023, our Company entered into a new employment agreement with Ms. van Heerden as its Chief Executive Officer and President. Pursuant to the agreement, Ms. van Heerden receives an annual salary of \$150,000, which is paid semi-monthly in accordance with our Company's normal payroll procedures. Ms. van Heerden is also eligible to receive certain employee benefits and bonuses under any bonus plan program that may be established by our Board of Directors.

Rob te Braake Employment Agreement.

Our Company entered into an employment agreement dated January 1, 2023, with Mr. te Braake as its Interim Chief Financial Officer for an annual salary of \$144,000 to be paid semi-monthly in accordance with our Company's normal payroll procedures. Mr. te Braake was also eligible to receive certain employee benefits and bonuses under any bonus plan program that may be established by our Board of Directors. Mr. te Braake resigned as our Interim Chief Financial Officer on November 1, 2023.

Yury Byalik Employment Agreement

Our Company entered into an employment agreement dated September 1, 2021, with Mr. Byalik as its Head of Strategy and Acquisitions providing for an

annual salary of \$84,000 per year, which was increased to \$96,000 per year on January 1, 2023. paid semi-monthly in accordance with our Company's normal payroll procedures. Pursuant to his agreement, Mr. Byalik was also eligible to receive certain employee benefits and bonuses under any bonus plan program that may be established by our Board of Directors

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Adam Trainor Employment Agreement.

Our Company entered into an employment agreement dated February 1, 2022, with Mr. Trainor as its Chief Operations Officer providing for an annual salary of \$96,000 per year. On January 1, 2023, Mr. Trainor received an increase to his salary. Pursuant to the agreement, Mr. Trainor receives an annual salary of \$108,000, which is paid semi-monthly in accordance with our Company's normal payroll procedures. Mr. Trainor is also eligible to receive certain employee benefits and bonuses under any bonus plan program that may be established by our Board of Directors. Additionally, in connection with his employment with the Company, Mr. Trainor was granted 21,000 non-qualified stock options pursuant to the Company's 2020 Plan. The options have an exercise price of \$5.95 per share.

Benefits and Other Compensation

We maintain broad-based benefits that are provided to all of our employees, including reimbursement of private health insurance, tech allowances, and education and professional development plans, that named executive officers participate in. Executives are eligible to participate in all of our employee benefit plans, in each case on the same terms as our other employees. No employee benefit plans are in place solely for the benefit of our executives.

Change in Control Benefits

Pursuant to the terms of our 2020 Equity Incentive Plan, our executives are entitled to certain benefits in the event of a change in control of our Company or the termination of their employment under specified circumstances, including termination following a change in control. We believe these benefits help us compete for and retain executive talent and are generally in line with severance packages offered to executives by the companies in our peer group. We also believe that these benefits would serve to minimize the distraction caused by any change in control scenario and reduce the risk that key talent would leave the Company before any such transaction closes, which could reduce the value of the Company if such transaction failed to close.

Outstanding Equity Awards at Fiscal Year-End

The table below summarizes all of the outstanding equity awards for our named executive officers as of December 31, 2023, our latest fiscal year end:

Name	Option Awards					Stock Awards	
	Number of securities underlying unexercised options(#)		Option exercise price(\$)	Option expiration date	Initial vesting date	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested
	Exercisable	Unexercisable					
Dominic Wells	-	-	-	-	-	-	-
Esbe van Heerden	-	-	-	-	-	-	-
Adam Trainor	4,200	-	5.95	1/1/25	1/1/22	-	(1)
	14,784	2,016	5.95	2/28/25	2/28/22	-	(2)

1. Vest over a period of one and a half years at the rate of 252 per month beginning on January 1, 2022.
2. Vest over a period of two years at the rate of 672 per month beginning on February 28, 2022.

Director Compensation

Compensation for our directors is discretionary and is reviewed from time to time by our Board of Directors. Any determinations with respect to Board compensation are made by our Board of Directors. During Fiscal year 2023, each of our independent directors who serve on our Board received a quarterly stipend of \$5,000 payable in cash. Each director also received 15,000 common stock options with an exercise price of \$1.27 and a term of 10 years. Additionally, the chair of our audit committee receives an additional quarterly stipend of \$2,500 payable in cash. All directors are also entitled to reimbursement for travel expenses for attending director meetings.

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The following table summarizes compensation earned by our Company's directors for the year ended December 31, 2023. All directors have been and will be reimbursed for reasonable expenses incurred in connection with attendance at meetings of the Board of Directors or other activities undertaken by them on behalf of our Company.

Name	Fees earned or paid in Cash (\$)	Stock awards (\$)	Option awards (\$)	Nonequity incentive plan compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
Dominic Wells ⁽¹⁾	—	—	—	—	—	—	—
Andrew Lawrence	20,000	—	13,952	—	—	—	33,952
David McKeegan	20,000	—	13,952	—	—	—	33,952
Robert J. Lipstein	30,000	—	13,952	—	—	—	43,952
Mark N. Schwartz	20,000	—	13,952	—	—	—	33,952

1. Serves as an executive officer and a director, but receives no additional compensation for serving as a director.

Compensation Policies and Practices as They Relate to Our Risk Management

Our compensation program for employees does not create incentives for excessive risk taking by our employees or involve risks that are reasonably

likely to have a material adverse effect on us. Our compensation has the following risk-limiting characteristics:

- Our base pay consists of competitive salary rates that represent a reasonable portion of total compensation and provide a reliable level of income on a regular basis, which decreases incentive on the part of our executives to take unnecessary or imprudent risks;
- Option awards are not tied to formulas that could focus executives on specific short-term outcomes; and
- Option awards, generally, have multi-year vesting which aligns the long-term interests of our executives with those of our shareholders and, again, discourages the taking of short-term risk at the expense of long-term performance.

Additionally, we have adopted a Nasdaq compliant compensation recovery policy (a "clawback policy") that applies to incentive compensation.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of March 31, 2024 the stock ownership of (1) each person or group known to our Company to beneficially own 5% or more of our common stock and (2) each director and Named Executive (as set forth in Item 11. Executive Compensation) individually, and (3) all directors and executive officers of our Company as a group. To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table below has sole voting and investment power with respect to the shares set forth opposite such person's name. Except as otherwise indicated, the address of each of the persons in the table below is c/o Onfolio Holdings Inc., 1007 North Orange Street, 4th Floor, Wilmington, DE 19801.

Common Stock		
Name of Beneficial Owner	Number Of Shares Beneficially Owned	Percentage of Class (1)(2)
Directors and Named Executive Officers		
Dominic Wells ⁽³⁾ , CEO, CRO, Director (Chair of Board)	1,572,431	30.79%
Esbe van Heerden ⁽⁴⁾ , President, CFO	252,000	4.93%
Yury Byalik ⁽⁵⁾ , Head of Strategy and Acquisitions	12,833	*%
Adam Trainor ⁽⁶⁾ Chief Operations Officer	21,000	*
Rob te Braake, Interim Chief Financial Officer ⁽⁷⁾	61,865	1.21%
Andrew "A.J." Lawrence, Director	15,000	*
David McKeegan, Director	15,000	*
Robert J. Lipstein, Director	15,000	*
Mark Schwartz, Director	15,000	*
All Executive Officers and Directors as a Group (9 individuals)	1,993,264	39.03%

* Less than 1.0%.

- (1) Where the Number of Shares Beneficially Owned (reported in the preceding column) includes shares which may be purchased upon the exercise of outstanding stock options and warrants which are or within sixty days will become exercisable ("presently exercisable options") the percentage of class reported in this column has been calculated assuming the exercise of such presently exercisable options.
- (2) Based on 5,107,395 shares of common stock outstanding on March 31, 2024.
- (3) Includes 406,931 warrants to purchase common stock with an exercise price of \$5 per share, expiring August 30, 2027
- (4) Ms. van Heerden was issued 252,000 restricted shares of common stock which vest over a period of three years at the rate of 1/36th beginning on August 1, 2020. She has voting rights with respect to all of her shares.
- (5) Mr. Byalik resigned as our Head of Strategy and Acquisitions on December 8, 2023.
- (6) Represents 21,000 options exercisable within 60 days from March 31, 2024.
- (7) Mr. te Braake resigned from all positions with our Company on November 1, 2023. Includes 20,000 options exercisable within 60 days of March 31, 2024.

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

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding our compensation plans under which our equity securities are authorized for issuance can be found in Part II –Item 5 of this Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Transactions with Related Persons

From time to time, the Company pays expenses directly on behalf of the Joint Ventures that it manages and receives funds on behalf of the joint ventures. As of December 31, 2023 and 2022 the balances due from related parties were \$93,372 and \$54,858 included in current liabilities. During the year ended December 31, 2022, the Company paid the \$215,000 related to the Company's capital contribution for its equity interest in JV IV.

From time to time, the Company's CEO paid expenses on behalf of the Company, and the Company funded certain expenses to the CEO. Additionally, the Company received its investments in JV I, JV II and JV III from the CEO. As of December 31, 2023 and 2022, the Company was owed \$36,994 and \$36,854 by the entities controlled by the Company's CEO.

No member of management has benefited from the transactions with related parties.

For additional information, see Note 8 – Related Party Transaction to our audited financial statements appearing elsewhere in Report on Form 10-K.

Policies and Procedures for Related-Party Transactions

Our Audit Committee considers and approves or disapproves any related person transaction as required by NASDAQ regulations.

Director Independence Standards

Applicable NASDAQ rules require a majority of a listed company's board of directors to be comprised of independent directors. In addition, the NASDAQ rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act. Under applicable NASDAQ rules, a director will only qualify as an "independent director" if, in the opinion of the listed company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or otherwise be an affiliated person of the listed company or any of its subsidiaries.

Director Independence

In March 2023, our Board of Directors undertook a review of the composition of our Board of Directors and its committees and the independence of each of our directors. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our Board of Directors has determined that each of Andrew "A.J." Lawrence, David McKeegan, Robert J. Lipstein, and Mark Schwartz are "independent directors" as defined under applicable NASDAQ Stock Market Rules and Exchange Act Rules. In making such determination, our Board of Directors considered the relationships that each such non-employee director has/had with our Company and all other facts and circumstances that our Board of Directors deemed relevant in determining his/her independence, including the beneficial ownership of our capital stock by each non-employee director. The one member of our Board of Directors who is not an "independent director" is Dominic Wells as a result of his executive officer status with our Company.

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Item 14. Principal Accountant Fees and Services

The aggregate fees billed for professional services by BF Borgers CPA PC during 2023 and 2022 were as follows:

	2023	2022
Audit Fees	\$ 187,000	\$ 142,700
Audit-Related Fees	\$ 74,250	\$ 211,700
Tax Fees	-	-
All Other Fees	—	—

Audit Fees are the aggregate fees billed during the years ended December 31, 2023 and December 31, 2022 for professional services rendered by BF Borgers CPA PC for the audit of the Company's annual financial statements and review of financial statements included in the Company's Form 10-Q or services that are normally provided by BF Borgers CPA PC in connection with statutory and regulatory filings or engagements.

Audit-Related Fees are the aggregate fees billed during the years ended December 31, 2023 and December 31, 2022 for assurance and related services rendered by BF Borgers CPA PC that are reasonably related to the performance of the audit or review of the Company's financial statements and are

not reported under the category Audit Fees described above. For 2023, these fees primarily consist of audit fees paid relating to acquisitions we ultimately did not make. For 2022, these fees include \$43,200 in audit fees paid relating to acquisitions we ultimately did not make.

Tax Fees are the aggregate fees billed during the years ended December 31, 2023 and December 31, 2022 for tax compliance services rendered by BF Borgers CPA PC.

All Other Fees are the aggregate fees billed during the years ended December 31, 2023 and December 31, 2022 for products and services provided by BF Borgers CPA PC, other than the services reported in the Audit Fees, Audit-Related Fees, and Tax Fees categories above.

Audit Committee Pre-Approval Policies.

All the services performed by BF Borgers CPA PC that are described above were pre-approved by the Company's audit committee. The Audit Committee pre-approves all audit and permissible non-audit services on a case-by-case basis.

None of the hours expended on BF Borgers CPA PC's engagement to audit the Company's financial statements for the years ended December 31, 2023 and December 31, 2022 were attributed to work performed by persons other than BF Borgers CPA PC's full-time, permanent employees.

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PART IV

Item 15. Exhibits, Financial Statement Schedules

- (a) The following Audited Financial Statements are filed as part of this Form 10-K Report:

Report of Independent Registered Public Accounting Firm

[Consolidated Balance Sheets](#)

[Consolidated Statements of Operations](#)

[Consolidated Statements of Stockholders' Equity](#)

[Consolidated Statements of Cash Flows](#)

[Notes to Consolidated Financial Statements](#)

- (b) The following exhibits are filed as part of this report.

Exhibit No.	Description of Exhibit	Location
<u>2.1</u>	<u>Asset Purchase Agreement - Contentellect</u>	Incorporated by reference to our Form 8-K filed on 01/17/2023
<u>2.2</u>	<u>Asset Purchase Agreement - RevenueZen</u>	Incorporated by reference to our Form 8-K filed on 01/04/24
<u>3.1</u>	<u>Amended and Restated Certificate of Incorporation</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
<u>3.2</u>	<u>Certificate of Amendment of Certificate of Incorporation</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 08/16/22
<u>3.3</u>	<u>Amended and Restated Bylaws</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/26/22
<u>4.1</u>	<u>Warrant Agency Agreement, dated August 30, 2022, between the Company and VStock Transfer LLC</u>	Incorporated by reference to Company's Form 8-K filed with the SEC on 8/30/22

<u>4.2</u>	<u>Form of Warrant Agreement (included in Exhibit 4.1)</u>	Incorporated by reference to Company's Form 8-K filed with the SEC on 8/30/2022
<u>4.3</u>	<u>Form of Representative's Warrant</u>	Incorporated by reference to Company's Form 8-K filed with the SEC on 7/25/22
<u>4.4</u>	<u>Warrant - BCP MEDIA, Inc.</u>	Incorporated by reference to our Form 8-K filed on 10/19/22
<u>4.5</u>	<u>Form of Stock Certificate</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 5/13/22
<u>4.6</u>	<u>Description of Registrant's Securities</u>	Filed Herewith
<u>10.1</u>	<u>2020 Equity Incentive Plan</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 9/20/22
<u>10.2</u>	<u>2020 Equity Incentive Plan Amendment No 1</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 8/16/22
<u>10.3</u>	<u>Form of Non-Qualified Stock Option Agreement – Employees</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
<u>10.4</u>	<u>Form of Stock Option Exercise Agreement - Employees</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
<u>10.5</u>	<u>Form of Non-Qualified Stock Option Award Agreement - Consultants</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
<u>10.6</u>	<u>Form of Stock Option Exercise Agreement - Consultants</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22

<u>10.7</u>	<u>Form of Non-Qualified Stock Option Award Agreement - Non Employee Directors</u>	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
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10.8	Form of Stock Option Exercise Agreement - Non Employee Directors	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.9	Form of Restricted Stock Award Agreement - Directors	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.10	Nonemployee Director Compensation Policy 2023	Filed Herewith
10.11	Employment Agreement dated as of August 1, 2020, by the Company and Dominic Wells	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.12	Employment Agreement dated as of January 1, 2022, by the Company and Dominic Wells	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.13	Employment Agreement dated as of February 1, 2022, by the Company and Esbe van Heerden	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.14	Employee Agreement dated as of November 1, 2023, by the Company and Adam Trainor	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 11/06/23
10.15	Employment Agreement dated as of September 1, 2021, by the Company and Yuri Byalik	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.16	Employment Agreement dated as of February 1, 2022, by the Company and Adam Trainor	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.17	Employment Agreement dated as of January 1, 2023, by the Company and Robert te Braake	Filed Herewith
10.18	Form of Director and Officer Indemnification Agreement	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 04/07/22
10.19	Promissory Note - RevenueZen	Incorporated by reference to our Form 8-K filed on 01/04/24
14.1	Code of Ethics and Business Conduct	Incorporated by reference to Company's Form S-1 Registration Statement filed with the SEC on 05/13/22
21.1	Subsidiaries of the Registrant	Filed herewith
22.1	List of issuer and guarantor subsidiaries	Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm – BF Borgers CPA PC	Filed herewith
31.1	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Executive Officer of the Company.	Filed herewith
31.2	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Financial Officer of the Company.	Filed herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Executive Officer of the Company.	Furnished
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Financial Officer of the Company.	Furnished
97.1	Clawback Policy	Filed Herewith

101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Item 16. Form 10-K Summary

None

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Appendix A

Financial Statements

FINANCIAL STATEMENTS

<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated Balance Sheets</u>	F-3
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<u>Consolidated Statements of Cash Flows</u>	F-6
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Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Onfolio Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Onfolio Holdings, Inc. as of December 31, 2023 and 2022, the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

/S/ BF Borgers CPA PC

BF Borgers CPA PC (PCOAB ID 5041)

We have served as the Company's auditor since 2021

Lakewood, CO

April 1, 2024

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FINANCIAL STATEMENTS

**Onfolio Holdings, Inc.
Consolidated Balance Sheets**

**December 31
2023**

**December 31
2022**

Assets

Current Assets:

Cash and cash equivalents	\$ 982,261	\$ 6,701,122
Accounts receivable, net	90,070	137,598
Inventory	92,637	105,129
Prepays and other current assets	111,097	212,180
Total Current Assets	1,276,065	7,156,029

Intangible assets	3,110,204	3,864,618
Goodwill	1,167,194	4,209,126
Due from related party	150,974	111,720
Investment in unconsolidated joint ventures, cost method	154,007	154,007
Investment in unconsolidated joint ventures, equity method	273,042	280,326

Total Assets	\$ 6,131,483	\$ 15,775,826
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Liabilities and Stockholder's Equity

Current Liabilities:

Accounts payable and other current liabilities	\$ 493,816	\$ 550,454
Dividends payable	68,011	54,404
Acquisition notes payable	17,323	2,456,323
Notes payable	-	68,959
Contingent consideration	60,000	60,000
Deferred revenue	149,965	113,251
Total Current Liabilities	789,115	3,303,391

Total Liabilities	789,115	3,303,391
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Commitments and Contingencies

Stockholders' Equity:

Preferred stock, \$ 0.001 per value, 5,000,000 shares authorized		
Series A Preferred stock, \$ 0.001 par value, 1,000,000 shares authorized, 92,260 and 69,660 issued and outstanding at December 31, 2023 and 2022;	93	70
Common stock, \$ 0.001 par value, 50,000,000 shares authorized, 5,107,395 issued and outstanding at December 31, 2023 and 2022;	5,108	5,110
Additional paid-in capital	21,107,311	19,950,774
Accumulated other comprehensive income	182,465	96,971
Accumulated deficit	(15,952,609)	(7,580,490)
Total Stockholders' Equity	5,342,368	12,472,435

Total Liabilities and Stockholders' Equity	\$ 6,131,483	\$ 15,775,826
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The accompanying notes are an integral part of these consolidated financial statements

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Onfolio Holdings, Inc. Consolidated Statements of Operations

	For the Year Ended December 31,	
	2023	2022
Revenue, services	\$ 1,496,038	\$ 544,822
Revenue, product sales	3,743,948	1,674,993
Total Revenue	5,239,986	2,219,815
Cost of revenue, services	837,888	356,957
Cost of revenue, product sales	1,159,267	664,405
Total cost of revenue	1,997,155	1,021,362
Gross profit	3,242,831	1,198,453
Operating expenses		
Selling, general and administrative	6,040,688	4,271,865
Professional fees	1,160,410	509,941
Impairment of goodwill and intangible assets	3,952,433	-
Acquisition costs	326,899	527,792
Total operating expenses	11,480,430	5,309,598

Loss from operations	(8,237,599)	(4,111,145)
Other income (expense)		
Equity method income	13,190	34,432
Dividend income	1,610	3,193
Interest income (expense), net	75,041	(2,152)
Other income	2,937	13,223
Impairment of investments	-	(137,602)
Loss on sale of asset	-	(34,306)
Total other income	<u>92,778</u>	<u>(123,212)</u>
Loss before income taxes	(8,144,821)	(4,234,357)
Income tax (provision) benefit	-	-
Net loss	<u>(8,144,821)</u>	<u>(4,234,357)</u>
Preferred Dividends	(227,298)	(195,145)
Net loss to common shareholders	<u>\$ (8,372,119)</u>	<u>\$ (4,429,502)</u>
Net loss per common shareholder		
Basic and diluted	<u>\$ (1.64)</u>	<u>\$ (1.35)</u>
Weighted average shares outstanding		
Basic and diluted	<u>5,107,395</u>	<u>3,285,934</u>

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

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Onfolio Holdings, Inc.
Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2023 and 2022

	Preferred Stock, \$0.001 Par value		Common Stock, \$0.001 Par Value		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2021	56,800	\$ 57	2,353,645	\$ 2,354	\$ 6,522,381	\$ (3,150,988)	\$ -	\$ 3,373,804
Preferred shares for cash	12,860	13	-	-	321,487	-	-	321,500
Common stock sold for cash	-	-	2,753,750	2,754	12,101,913	-	-	12,104,667
Stock-based compensation	-	-	-	-	944,995	-	-	944,995
Warrants issued for acquisition	-	-	-	-	60,000	-	-	60,000
Preferred dividends	-	-	-	-	-	(195,145)	-	(195,145)
Foreign currency translation	-	-	-	-	-	-	96,971	96,971
Net loss	-	-	-	-	-	(4,234,357)	-	(4,234,357)
Balance, December 31, 2022	69,660	70	5,107,395	5,108	19,950,776	(7,580,490)	96,971	12,472,435
Preferred shares for cash	22,600	23	-	-	564,977	-	-	565,000

Stock-based compensation	-	-	-	-	591,558	-	-	591,558
Preferred dividends	-	-	-	-	-	(227,298)	-	(227,298)
Foreign currency translation	-	-	-	-	-	-	85,494	85,494
Net loss	-	-	-	-	-	(8,144,821)	-	(8,144,821)
Balance, December 31, 2023	<u>92,260</u>	<u>\$ 93</u>	<u>5,107,395</u>	<u>\$ 5,108</u>	<u>\$21,107,311</u>	<u>\$ (15,952,609)</u>	<u>\$ 182,465</u>	<u>\$ 5,342,368</u>

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

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Onfolio Holdings, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Net loss	\$ (8,144,821)	\$ (4,234,357)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock-based compensation expense	591,558	944,995
Equity method income	(13,190)	(34,432)
Dividends received from equity method investment	20,474	33,488
Impairment of Cost method investment	-	51,894
Loss on sale of asset	-	34,306
Amortization of intangible assets	739,780	124,832
Impairment of intangible assets	3,952,433	-
Net change in:		
Accounts receivable	47,528	(122,974)
Inventory	12,492	8,125
Prepays and other current assets	101,083	(52,389)
Accounts payable and other current liabilities	(56,638)	325,706
Due to joint ventures	(39,251)	(9,730)
Deferred revenue	36,714	60,123
Due to related parties	-	(480)
Net cash used in operating activities	<u>(2,751,838)</u>	<u>(2,870,893)</u>
Cash Flows from Investing Activities		
Proceeds from sale of intangible assets	-	45,694
Cash paid to acquire businesses	(850,000)	(4,261,413)
Investments in joint ventures	-	(67,500)
Net cash used in investing activities	<u>(850,000)</u>	<u>(4,283,219)</u>
Cash Flows from Financing Activities		
Proceeds from sale of common stock	-	12,104,667
Proceeds from sale of Series A preferred stock	565,000	321,500
Payments of preferred dividends	(213,691)	(142,239)
Payment of contribution to joint venture note payable	-	(215,000)
Payments on acquisition note payable	(2,439,000)	-

Proceeds from notes payable	-	44,000
Payments on note payables	(68,959)	(3,555)
Net cash provided by financing activities	(2,156,650)	12,109,373
Effect of foreign currency translation	39,627	35,543
Net Change in Cash	(5,718,861)	4,990,804
Cash, Beginning of Period	6,701,122	1,710,318
Cash, End of Period	982,261	\$ 6,701,122
Cash Paid For:		
Income Taxes	\$ -	\$ -
Interest	\$ 68,938	\$ 7,082
Non-cash transactions:		
Notes payable issued for asset acquisitions	\$ -	\$ 2,439,000

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

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**ONFOLIO HOLDINGS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 – NATURE OF BUSINESS AND ORGANIZATION

Onfolio Holdings, Inc. ("Company") was incorporated on July 20, 2020 under the laws of Delaware to acquire and development high-growth and profitable internet businesses. The Company primarily earns revenue through website management, advertising and content placement on its online businesses, and product sales on certain sites. The Company owns multiple online businesses and manages online businesses on behalf of certain unconsolidated entities in which it holds equity interests.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The accompanying consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the "SEC"). The Company's fiscal year end is December 31.

The consolidated financial statements of the Company include the accounts of its wholly owned subsidiaries and other controlled entities. The Company's wholly-owned subsidiaries are Onfolio LLC, Vital Reaction, LLC, Mighty Deals LLC, Onfolio Assets, LLC, WP Folio, LLC, Proofread Anywhere, LLC, Contentellect, LLC, SEO Butler Limited, Onfolio Crafts LLC, and RevenueZen, LLC. All intercompany transactions and balances have been eliminated in consolidation.

Foreign Currency Translation Gains (Losses)

The Company, and its subsidiaries Onfolio LLC, Vital Reaction, LLC, Mighty Deals LLC, Onfolio Assets, LLC, and Onfolio Crafts LLC, maintain their accounting records in U.S. Dollars. The Company's operating subsidiary, SEO Butler, is located in the United Kingdom and maintains its accounting records in Great Britain Pounds, which is its functional currency. Assets and liabilities of the subsidiary are translated into U.S. dollars at exchange rates at the balance sheet date, equity accounts are translated at historical exchange rate and revenues and expenses are translated by using the average exchange rates for the period. Translation adjustments are reported as a separate component of other comprehensive income (loss) in the consolidated statements of operations and comprehensive loss. Foreign currency denominated transactions are translated at exchange rates approximating those in effect at the transaction dates.

Investment in Unconsolidated Entities – Equity and Cost Method Investments

We account for our interests in entities in which we are able to exercise significant influence over operating and financial policies, generally 50 % or less ownership interest, under the equity method of accounting. In such cases, our original investments are recorded at cost and adjusted for our share of earnings, losses and distributions. We account for our interests in entities where we have virtually no influence over operating and financial policies under the cost method of accounting. In such cases, our original investments are recorded at cost and any distributions received are recorded as income. Our investments in OnFolio JV I, LLC ("JV I"), OnFolio JV II, LLC ("JV II") and OnFolio JV III, LLC ("JV III") are accounted for under the cost method. All investments are subject to our impairment review policy.

The current investment in unconsolidated affiliates accounted for under the equity method consists of a 35.8 % interest in OnFolio JV IV, LLC ("JV IV"), which is involved in the acquisition, development and operation of online businesses to produce adverting revenue.

Variable Interest Entities

Variable interest entities ("VIEs") are consolidated when the investor is the primary beneficiary. A primary beneficiary is the variable interest holder in a VIE with both the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and the obligation to absorb losses, or the right to receive benefits that could potentially be significant to the VIE. Management concluded that the joint ventures do not qualify as variable interest entities under the requirements of ASC 810. The Company accounts for its investments in the joint ventures under either the cost or equity method based on the equity ownership in each entity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. The Company uses significant judgements when making estimates related to the assessment of control over variable interest entities, valuation of deferred tax assets and impairment of long lived assets. Actual results could differ from those estimates.

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[Cash and Cash Equivalent](#)

Cash and cash equivalents include cash on hand, demand deposits with banks and liquid investments with an original maturity of three months or less.

[Inventories](#)

Inventories are stated at the lower of actual cost or net realizable value. Cost is determined by using the first-in, first-out (FIFO) method.

[Long-lived Assets](#)

The Company amortizes acquired definite-lived intangible assets over their estimated useful lives. Other indefinite-lived intangible assets are not amortized but subject to annual impairment tests. In accordance with ASC 360 "Property Plant and Equipment," the Company reviews the carrying value of intangibles subject to amortization and long-lived assets for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of long-lived assets is measured by comparison of its carrying amount to the undiscounted cash flows that the asset or asset group is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the property, if any, exceeds its fair market value.

[Revenue Recognition](#)

The Company follows the guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers (the "new revenue standard") to all contracts using the modified retrospective method.

Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company primarily earns revenue through website management, digital services, advertising and content placement on its online businesses, product sales, and digital product sales. Management services revenue is earned and recognized on a monthly basis as the services are provided. Advertising and content revenue is earned and recognized once the content is presented on the Company's sites in accordance with the customer requirements. Product sales are recognized at the time the product is shipped to the customer. In certain circumstances, products are shipped directly by a supplier to the end customer at the Company's request. The Company determined that it is the primary obligor in these contracts due to being responsible for fulfilling the customer contract, establishing pricing with the customer, and taking on credit risk from the customer. The Company recognizes revenue from these contracts

with customers on a gross basis. Digital product sales represent electronic content that is transferred to the customer at time of purchase. The Company also earns revenue from online course subscriptions that may have monthly or annual subscriptions. In circumstances when a customer purchases an annual subscription upfront, the Company defers the revenue until the performance obligation has been satisfied. As of December 31, 2023, the Company has \$ 149,965 in deferred revenue related to unsatisfied performance obligations that are expected to be recognized during fiscal 2024.

The following table presented disaggregated revenue information for the years ended December 31, 2023 and 2022:

	For the Year ended December 31, 2023	For the Year ended December 31, 2022
Website management	\$ 125,577	\$ 296,211
Advertising and content revenue	1,370,461	248,611
Product sales	661,538	609,776
Digital Product Sales	3,082,410	1,065,217
Other	-	-
Total revenue	\$ 5,239,986	\$ 2,219,815

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The Company does not have any single customer that accounted for greater than 10 % of revenue during the years ended December 31, 2023 and 2022.

Cost of Revenue

Cost of product revenue consists primarily of costs associated with the acquisition and shipment of products being sold through the Company's online marketplaces, and the costs of its service revenue, which include website content creation costs including contract labor, domain and hosting costs and certain software costs related to website operations.

Cost of Service revenue consists primarily of costs associated with the acquisition and shipment of products being sold through the Company's online marketplaces, and the costs of its service revenue, which include website content creation costs including contract labor, domain and hosting costs and certain software costs related to website operations.

Net Income (Loss) Per Share

In accordance with ASC 260 "Earnings per Share," basic net loss per common share is computed by dividing net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the weighted average number of common and common equivalent shares, such as stock options and warrants, outstanding during the period. Such common equivalent shares have not been included in the computation of net loss per share as their effect would be anti-dilutive.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, which requires an asset and liability approach for financial accounting and reporting for income taxes and allows recognition and measurement of deferred tax assets based upon the likelihood of realization of tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

Tax benefits of uncertain tax positions are recorded only where the position is "more likely than not" to be sustained based on their technical merits. The amount recognized is the amount that represents the largest amount of tax benefit that is greater than 50 % likely of being ultimately realized. A liability is recognized for any benefit claimed or expected to be claimed, in a tax return in excess of the benefit recorded in the financial statements, along with any interest and penalty (if applicable) in such excess. The Company has no uncertain tax positions as of December 31, 2023 or 2022.

Fair Value of Financial Instruments

The carrying value of short-term instruments, including cash, accounts payable and accrued expenses, and notes payable approximate fair value due to the relatively short period to maturity for these instruments.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The Company utilizes a three-level valuation hierarchy for disclosures of fair value measurements, defined as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value.

The Company does not have any assets or liabilities that are required to be measured and recorded at fair value on a recurring basis.

Stock-Based Compensation

Accounting Standards Codification ("ASC") 718, "Accounting for Stock-Based Compensation" established financial accounting and reporting standards for stock-based compensation plans. It defines a fair value-based method of accounting for an employee stock option or similar equity instrument. Accordingly, employee share-based payment compensation is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. The valuation of employee stock options is an inherently subjective process, since market values are generally *not* available for long-term, non-transferable employee stock options. Accordingly, the Black-Scholes option pricing model is utilized to derive an estimated fair value. The Black-Scholes pricing model requires the consideration of the following six variables for purposes of estimating fair value:

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Expected Dividends. We have never declared or paid any cash dividends on any of our capital stock and do *not* expect to do so in the foreseeable future. Accordingly, we use an expected dividend yield of zero to calculate the grant-date fair value of a stock option.

Expected Volatility. The expected volatility is a measure of the amount by which our stock price is expected to fluctuate during the expected term of options granted. We determine the expected volatility solely based upon the historical volatility of a peer group of companies of similar size and with similar operations.

Risk-Free Interest Rate. The risk-free interest rate is the implied yield available on U.S. Treasury *zero*-coupon issues with a remaining term equal to the option's expected term on the grant date.

Expected Term. The expected life of stock options granted is based on the actual vesting date and the end of the contractual term.

Stock Option Exercise Price and Grant Date Price of Common Stock. Currently the Company utilizes the most recent cash sale price of its common stock as the most reasonable indication of fair value.

Recent Accounting Pronouncements

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

NOTE 3 – GOING CONCERN

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At December 31, 2023 the Company had not yet achieved consistent profitable operations and expects to incur further losses in the development of its business, all of which raise substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management

has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity or debt financing and/or related party advances. However, there is no assurance of additional funding being available.

NOTE 4 – BUSINESS ACQUISITIONS

Contentellect Limited

On January 13, 2023, Onfolio Assets LLC, the Company's wholly owned subsidiary, entered into an Asset Purchase Agreement ("Contentellect Asset Purchase Agreement") with Contentellect Limited ("Contentellect"), a Guernsey limited liability company, and Mark Whitman, the sole owner of Contentellect. Pursuant to the Contentellect Asset Purchase Agreement, Onfolio Assets LLC purchased from Contentellect substantially all of Contentellect's assets utilized in the operation of the business of providing online (i) content writing services (including white label content creation, eBook writing and eCommerce product description writing), (ii) website link building services (including white label link building, HARO link building and SEO outreach services), (iii) social media marketing services, and (iv) virtual assistant services to individuals, businesses and agencies through the website that the domain name www.contentellect.com points at (the "Contentellect Business").

Pursuant to the Contentellect Asset Purchase Agreement, and subject to the terms and conditions contained therein, at the closing, Contentellect will sell to Onfolio Assets LLC the assets, properties and rights of every kind and nature related to the Contentellect Business all as more fully described in the Contentellect Asset Purchase Agreement. The aggregate purchase price for the Contentellect Business was \$ 850,000 in cash. This acquisition closed on February 1, 2023. The acquisition of Contentellect is being accounted for as a business combination under ASC 805. The Company is continuing to gather evidence to evaluate what identifiable intangible assets were acquired, such as a customer list, and the fair value of each, and expects to finalize the fair value of the acquired assets within one year of the acquisition date. The Company assigned the preliminary fair value of the consideration paid of \$ 850,000 to domain name intangible assets that are amortized over an estimated useful life of four years.

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From the period of acquisition of the Contentellect Business through December 31, 2023, the Company generated a total revenue and net loss of \$ 642,735 and \$ 27,258 , respectively. The net loss included \$ 194,792 of intangible asset amortization expenses.

SEO Butler Acquisition

On October 6, 2022, the Company entered into a Share Purchase Agreement ("Share Purchase Agreement") with i2W Ltd, a company incorporated and registered in England and Wales ("Seller"), and Jonathan Kiebusch, Ezekiel Daldy, and Lyndsay Kiebusch, shareholders of the Seller (collectively, the "Guarantors"), for the purchase of all of the issued share capital ("Sale Shares") of SEO Butler Limited, a company incorporated and registered in England and Wales ("SEO Butler") (the "SEO Butler Acquisition"). Seller is the owner of the legal and beneficial title to the Sale Shares of SEO Butler, which operates as a productized service business operated via the seobutler.com website and the custom build order management system on orders.seobutler.com and under the SEOButler and PBNButler names. The Guarantors have agreed to guarantee to the Company the due and punctual performance, observance and discharge by the Seller of all the Guaranteed Obligations (as defined in the Share Purchase Agreement) if and when they become performable or due under the Share

Purchase Agreement.

Pursuant to the Share Purchase Agreement, and on the terms and subject to the conditions contained therein, at the closing, the Company purchased the Sale Shares from the Seller, all as more fully described in the Share Purchase Agreement. The aggregate purchase price paid by the Company was \$ 950,000 . The transaction closed on October 13, 2022. The acquisition of SEO Butler is being accounted for as a business combination under ASC 805.

The aggregate fair value of consideration for the SEO Butler Acquisition was as follows:

Schedule of preliminary Fair value Acquisition

	Amount
Cash paid to seller	950,000
Total preliminary consideration transferred	<u>\$ 950,000</u>

The following information summarizes the allocation of the fair values assigned to the assets acquired at the acquisition date:

Schedule Of Recognized Identified Assets Acquired And Liabilities

Cash Acquired	\$ 38,587
Other Current assets	14,858
Website domains	70,000
Customer relationships	322,000
Trademarks and Trade Names	90,000
Non-Compete agreement	30,000
Goodwill	407,888
Accounts payable and other accrued liabilities	(2,205)
Deferred revenue	(21,128)
Net assets acquired	<u>\$ 950,000</u>

From the period of acquisition of SEO Butler through December 31, 2023, the Company generated total revenue and net loss of \$ 1,214,111 and \$ 298,088 , respectively. The net loss included \$ 123,285 of intangible asset amortization expenses, as well as \$ 420,449 of intangibles impairment.

BCP Media Acquisition

On October 13, 2022, the Company entered into an Asset Sale and Purchase Agreement ("BCP Asset Purchase Agreement") with BCP Media, Inc., a Florida corporation ("BCP Media"), and Caitlin Pyle and Cody Lister, principals of BCP Media.

Pursuant to the BCP Asset Purchase Agreement, the Company purchased from BCP Media, substantially all the Proofreading Business (defined below) assets of BCP Media and assigned the acquired assets to the Company, which, pursuant to the BCP Asset Purchase Agreement and certain ancillary agreements, will operate the business of online proofreading training (the "Proofreading Business") via the following online businesses: ProofreadAnywhere.com, WorkAtHomeSchool.com, and WorkYourWay2020.com.

Pursuant to the BCP Asset Purchase Agreement, and subject to the terms and conditions contained therein, BCP Media sold to the Company the purchased assets, all as more fully described in the BCP Asset Purchase Agreement. The purchase price was paid as follows: \$ 4,499,000 , plus a warrant to purchase up to 20,000 shares of the Company's common stock at the price of \$ 4.75 per share (the "Warrant"), with \$ 2,100,000 paid in cash at the closing and \$ 2,399,000 paid via a promissory note (the "BCP Note").

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The BCP Note was made by the Company to BCP Media. The BCP Note has the principal sum of \$2,399,000 (the "Loan Amount") and it matures on the one year anniversary from the date of the BCP Note (the "Maturity Date"). Interest on the outstanding principal balance of, and all other sums owing under the Loan Amount, is three percent (3%) (the "Interest Rate"), compounded annually. Upon the occurrence of an Event of Default (as defined in the BCP Note), the Interest Rate automatically increases to the rate of eight percent (8%) per annum, compounded annually. The Loan Amount is payable as follows: (i) commencing on the date that is thirty (30) days from the date of the BCP Note, and continuing monthly on such same day thereafter, the Company shall make an interest only payment to BCP Media equal to \$5,997.50 per month ; and (ii) the entire Loan Amount, together with all accrued but unpaid interest thereon, shall be due and payable on the Maturity Date. The acquisition of BCP Media assets is being accounted for as a business combination under ASC 805.

The aggregate fair value of consideration for the BCP Media acquisition was as follows:

Schedule of preliminary Fair value Acquisition

	Amount
Cash paid to seller	2,100,000
Notes payable issued to seller	2,399,000
Warrants to purchase common shares issued to seller	60,000
Total preliminary consideration transferred	<u>\$ 4,559,000</u>

The following information summarizes the allocation of the fair values assigned to the assets acquired at the acquisition date:

Schedule Of Recognized Identified Assets Acquired And Liabilities

Website domains	\$ 220,000
Customer relationships	813,000
Trademarks and Trade Names	330,000
Non-Compete agreement	80,000
Goodwill	3,116,000
Net assets acquired	<u>\$ 4,559,000</u>

From the period of acquisition of BCP Media through December 31, 2023, the Company generated total revenue and net loss of \$ 3,291,319 and \$ 1,787,898

, respectively. The net loss included \$ 397,396 of intangible asset amortization expense, as well as \$2,061,763 of intangibles impairment.

BWPS Acquisition

On October 3, 2022, the Company entered into an Asset Purchase Agreement (“Asset Purchase Agreement”) with Hoang Huu Thinh, an individual (“Hoang”). Pursuant to the Asset Purchase Agreement, the Company will purchase from Hoang, substantially all of the Seller’s assets utilized in the operation of the business of providing a suite of optimization, customization, privacy and security products and services for WordPress (“WordPress Website Business”), with the core Business offerings consisting of (i) the WordPress plugin known as PREVENT DIRECT ACCESS available via the website preventdirectaccess.com, and (ii) the WordPress plugin known as PASSWORD PROTECT WORDPRESS available via the website passwordprotectwp.com.

Pursuant to the Asset Purchase Agreement, and subject to the terms and conditions contained therein, at the closing, Hoang agreed to sell to Onfolio, LLC the WordPress Websites Business, all as more fully described in the Asset Purchase Agreement. The aggregate purchase price for the WordPress Websites Business is as follows: (i) \$ 1,250,000 paid in cash at the closing and \$ 40,000 .00 paid via a promissory note to be made by Onfolio, LLC payable to Hoang after the performance of certain obligations by Hoang and others as provided for in the Asset Purchase Agreement; and (ii) up to \$ 60,000 in cash pursuant to the earn-out provisions of the Asset Purchase Agreement. The transaction closed on October 25, 2022. The acquisition of BWPS assets is being accounted for as a business combination under ASC 805.

The aggregate fair value of consideration for the BWPS acquisition was as follows:

Schedule of preliminary Fair value Acquisition

	Amount
Cash paid to seller	1,250,000
Notes payable issued to seller	40,000
Contingent liability for earn-out provision	60,000
Total preliminary consideration transferred	<u>\$ 1,350,000</u>

The following information summarizes the allocation of the fair values assigned to the assets acquired at the acquisition date:

Schedule Of Recognized Identified Assets Acquired And Liabilities

Website domains	\$ 130,000
Customer relationships	482,000
Trademarks and Trade Names	50,000
Non-Compete agreement	30,000
Goodwill	658,000
Net assets acquired	<u>\$ 1,350,000</u>

From the period of acquisition of BWPS through December 31, 2023, the Company generated total revenue and net loss of \$ 338,046 and \$ 559,087 , respectively. The net loss included \$ 149,139 of intangible asset amortization expense, as well as \$ 580,284 of intangibles impairment.

Unaudited Pro Forma Financial Information

The following table sets forth the pro-forma consolidated results of operations for the year ended December 31, 2023 and 2022 as if the BCP Media, BWPS, SEO Butler, and Contentellect acquisitions occurred on January 1, 2022. The pro forma results of operations are presented for informational purposes only and are not indicative of the results of operations that would have been achieved if the acquisitions had taken place on the dates noted above, or of results that may occur in the future.

	Year ended December 31,	
	2023	2022
Revenue	\$ 5,328,019	\$ 5,469,361
Operating loss	(7,889,879)	(3,029,332)
Net loss	(7,797,101)	(3,165,942)
Net loss per common share	\$ (1.57)	\$ (0.96)
Weighted Average common shares outstanding	5,107,395	3,285,934

Impairment of Goodwill

During the year ended December 31, 2023, The Company recognized a goodwill impairment loss of \$ 2,061,763 related to the BCP Media Acquisition, \$ 580,284 related to the BWPS Acquisition, and \$ 420,532 related to the SEO Butler Acquisition, for total aggregate goodwill impairment of \$ 3,062,579 related to the above acquisitions, as a result of lower than expected cash flows from the acquired businesses and an increase in interest rates leading to a higher discount rate used.

NOTE 5 – INVESTMENTS IN JOINT VENTURES

The Company holds various investments in certain joint ventures as described below.

Cost method investments

OnFolio JV I, LLC ("JV I") was formed on October 11, 2019 under the laws of Delaware. OnFolio LLC is the managing member of JV I and has operational and financial decision making. The manager of JV 1 can be removed by a majority vote of the equity holders of JV I. On August 1, 2020, the Company received an investment of 2.72 % by assignment from Dominic Wells, the Company's CEO, who invested \$ 10,000 into JV I for the equity interest. As manager of JV I, the Company will receive a monthly management fee of \$2,500, and 50% of net profits of JV I above the monthly minimum of \$12,500. In the event of the sale of a website that JV I manages, the Company will received 50% of the excess of the sales price above the price paid for the site . During the year ended December 31, 2022, the Company purchased an additional 10.91 % interest from existing owners for \$ 52,500 in cash, bringing its total equity interest to 13.65 %.

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OnFolio JV II, LLC ("JV II") was formed on November 8, 2019 under the laws of Delaware. OnFolio LLC is the managing member of JV II and has operational and financial decision making. The manager of JV II can be removed by a majority vote of the equity holders of JV II. On August 1, 2020, the Company received an investment of approximately 2.14 % by assignment from Dominic Wells, the Company's CEO, who invested \$ 10,000 into JV II for the equity interest.. Additionally, during the year ending December 31, 2020 the CEO acquired an additional interest from an existing JV II investor and transferred it to the Company, bringing its total equity interest in JV II to 4.28 %. During the year ending December 31, 2021, the company acquired additional interest from an existing JV II investor by paying \$ 9,400 for his 2.14 %, bringing its total equity interest in JV II to 6.42 %. As manager of JV II, the Company will receive a monthly management fee of \$1,500, and 50% of net profits of JV II above the monthly minimum of \$16,500. In the event of the sale of a website that JV II manages, the Company will receive 50% of the excess of the sales price above the price paid for the site . During the year ended December 31, 2022, the Company purchased an additional 4.28 % interest from an existing owner for \$ 10,000 in cash, bringing its total equity interest to 10.70 %. Based on the cash purchase price of the additional interest, the Company determined there was an implied impairment in the amount of \$ 14,401 related to the cost basis of JV II. The management fee to the Company described above was waived for fiscal years ended December 31, 2023 and 2022 due to lower operating results of JV II.

OnFolio JV III, LLC ("JV III") was formed on January 3, 2020 under the laws of Delaware. OnFolio LLC is the managing member of JV III and has operational and financial decision making. The manager of JV 1 can be removed by a majority vote of the equity holders of JV III. On August 1, 2020, the Company received an investment of approximately 1.94 % by assignment from Dominic Wells, the Company's CEO, who invested \$ 10,000 into JV I for the equity interest. The \$ 10,000 owed by the Company is included in Due to related parties on the consolidated balance sheet as of December 31, 2020. During the year ending December 31, 2021, the company acquired additional interests from existing JV II investors by paying \$ 40,000 for 7.7652 %, bringing its total

equity interest in JV III to 9.7052 %. As manager of JV III, the Company will receive a monthly management fee of \$3,000, and 50% of net profits of JV III above the monthly minimum of \$16,500. In the event of the sale of a website that JV III manages, the Company will receive 50% of the excess of the sales price above the price paid for the site . During the year ended December 31, 2022, the Company purchased an additional 3.88 % interest from an existing owner for \$ 5,000 in cash, bringing its total equity interest to 13.59 %. Based on the cash purchase price of the additional interest, the Company determined there was an impairment in the amount of \$ 37,493 related to the cost basis of JV III. The management fee to the Company described above was reduced to \$ 500 for fiscal year ended December 31, 2022 due to lower operating results of JV III. The management fee to the Company described above was waived for fiscal years ended December 31, 2023 due to lower operating results of JV III.

OnFolio Groupbuild 1 LLC ("Groupbuild") was formed on April 22, 2020 under the laws of Delaware. The Company, as manager, is entitled to 20% of the profits of Groupbuild, and an annual management fee of \$15,000. The Company was assigned a 20% interest in Groupbuild by the Company's CEO on August 1, 2020 .

Equity Method Investments

OnFolio JV IV, LLC ("JV IV") was formed on January 3, 2020 under the laws of Delaware. The Company holds an equity interest of 35.8 % in JV IV, and is the manager of JV IV. The Company acquired this interest on August 1, 2020 for \$ 290,000 through issuance of a Note payable to the joint venture. The Company paid \$ 215,000 during the years ended December 31, 2022. The manager of JV IV can be removed by a majority vote of the equity holders of JV IV.

The balance sheet of JV IV at December 31, 2023 included total assets of \$ 842,794 and total liabilities of \$ 11,823 . Additionally, the income statement for JV IV for the years ended December 31, 2023 and 2022 included the following:

	For the Year ended December 31, 2023	For the Year ended December 31, 2022
Revenue	\$ 52,108	\$ 107,282
Net Income	\$ 36,843	\$ 92,513

The Company recognized equity method income of \$ 13,190 and \$ 34,432 during the years ended December 31, 2023 and 2022, and received dividends from JV IV of \$ 20,473 and \$ 33,488 , which were accounted for as returns on investment.

NOTE 6 – INTANGIBLE ASSETS

The following table represents the balances of intangible assets as of December 31, 2023 and 2022;

	Estimated life	December 31, 2023	December 31, 2022
Website Domains	Indefinite	\$ 418,323	\$ 1,308,260
Website Domains	4 years	1,278,575	424,674
Customer relationships	4 - 6 years	1,656,447	1,638,502
Trademarks and Tradenames	10 years	481,026	476,010
Non-compete agreements	3 years	143,675	142,004
		397,804	3,989,450
Accumulated Amortization - Website domains		(326,490)	(23,834)
Accumulated Amortization - Customer Relationships		(422,608)	(78,514)
Accumulated Amortization - Trademarks / Tradenames		(59,713)	(11,484)
Accumulated Amortization - Non-Compete		(59,031)	(11,000)
Net Intangible		\$ 3,110,204	\$ 3,864,618

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On May 2, 2022 the Company sold one its domain sites and related intellectual property for a purchase price of \$ 45,694 , and recognized a loss of \$ 34,306 on the disposal. The Company also paid \$ 7,392 in fees related to the transaction.

On October 13, 2022, the Company closed on its acquisition of the SEO Butler Acquisition. As part of the acquisition, the Company acquired assets related to the online businesses operated by SEO Butler. Pursuant to the purchase price allocation as further described in Note 4, the Company allocated \$ 512,000 , which is to be amortized over the estimated life of the assets ranging from 3 - 10 years.

On October 14, 2022, the Company closed on its acquisition of the BCP Media Acquisition. As part of the acquisition, the Company acquired assets related to the Proofreading Business. Pursuant to the purchase price allocation as further described in Note 4, the Company allocated \$ 1,443,000 , which is to be amortized over the estimated life of the assets ranging from 3 - 10 years.

On October 25, 2022, the Company closed on its acquisition of the Hoang Acquisition. As part of the acquisition, the Company acquired assets related to Wordpress Plugins. Pursuant to the purchase price allocation as further described in Note 4, the Company allocated \$ 692,000 , which is to be amortized over the estimated life of the assets ranging from 3 - 10 years.

On February 1, 2023, the Company closed on its acquisition of the Contentellect Business, and allocated the entire \$ 850,000 purchase price to domain name assets with an estimated life of 4 years.

During the year ended December 31, 2023, the Company recognized impairment losses of \$ 889,937 of intangible assets, which was comprised of \$ 700,000 related to the Mighty Deals website domains and \$ 84,000 related to Pretty Neat Creative, operating under Onfolio Crafts LLC, and \$ 105,937 related to various website domains operating under Onfolio Assets LLC.

The following is an amortization analysis of the annual amortization of intangible assets on a fiscal year basis as of December 31, 2023:

Schedule of Future Minimum Annual Lease Commitments Under Operating Leases

For the year ended December 31, Schedule Of Recognized Identified Assets Acquired And Liabilities	Amount
2024	\$ 756,419
2025	745,955
2026	635,746
2027	204,270
2028	167,171
Thereafter	182,320
Total remaining intangibles amortization	<u>2,691,881</u>

NOTE 7 – STOCKHOLDERS' DEFICIT

Preferred stock

The Company's authorized preferred stock consists of 5,000,000 shares of preferred stock, with a par value of \$ 0.001 per share. On November 20, 2020, the Company designated 1,000,000 shares of Series A Preferred Stock ("Series A"). The Series A has a liquidation preference to all other securities, a liquidation value of \$25 per share, receives cumulative dividends payable in cash of 12% per year, payable monthly. The Series A does not have voting rights, except that the Company may not: 1) create any additional class or series of stock, nor any security convertible into stock of the Company; 2) modify the Series A designation; 3) initiate and dividend outside of without approval of at least two-thirds of the holders of the Series A. The Company has the right, but not obligation to redeem the Series A beginning January 1, 2026, at the liquidation value per share plus any unpaid dividends.

During the year ended December 31, 2023, the company issued 22,600 Series A Preferred Stock in exchange for \$ 565,000 of cash proceeds.

During the year ended December 31, 2022, the company issued 12,860 Series A Preferred Stock in exchange for \$ 321,500 of cash proceeds.

During the year ended December 31, 2023 and 2022, the company recognized \$ 227,298 and \$ 195,145 in dividends to the Series A shareholders, and made cash dividend payments of \$ 213,691 and \$ 142,239 . As of December 31, 2023 and 2022, the Company has remaining unpaid dividends of \$ 68,011 and \$ 54,404 .

As of December 31, 2023, there were 92,260 Series A preferred shares outstanding.

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Common stock

The Company's authorized common stock consists of 50,000,000 shares of common stock, with a par value of \$ 0.001 per share. All shares of common stock have equal voting rights and, when validly issued and outstanding, are entitled to one non-cumulative vote per share in all matters to be voted upon by shareholders. The shares of common stock have no pre-emptive, subscription, conversion or redemption rights and may be issued only as fully paid and non-assessable shares. Holders of the common stock are entitled to equal ratable rights to dividends and distributions with respect to the common stock, as may be declared by the Board of Directors out of funds legally available.

On August 25, 2022, the "Company entered into an underwriting agreement with EF Hutton, division of Benchmark Investments, LLC (the "underwriter"), relating to the Company's initial public offering of units (the "Units") pursuant to the Company's registration statement on Form S-1 (File No. 333-264191) , under the Securities Act of 1933, as amended (the "Securities Act"). Pursuant to the underwriting agreement, the Company sold 2,753,750 units at a public offering price of \$5.00 per unit, with each unit consisting of one share of common stock, par value \$ 0.001 per share , and two warrants, with each warrant exercisable to purchase one share of common stock, at an exercise price of \$ 5.00 per share. The warrants have the rights as set forth under a warrant agency agreement. The shares of common stock and the warrants were immediately separable and were issued separately.

The Company also granted the underwriter a 45-day over-allotment option, if any, to purchase up to a) 413,063 additional shares of common stock, and/or b) 826,126 additional warrants, equivalent to 15 % of the shares of common stock and warrants sold in the offering. On August 29, 2022, the underwriter partially exercised this option and purchased 609,750 additional warrants at the purchase price of \$0.01 per warrant for aggregate gross proceeds of \$6,097.50 .

The Company also issued the underwriter a warrant to purchase 82,613 shares of the Company's common stock at an exercise price of \$ 5.50 , which is 110 % of the initial public offering price. The underwriter's warrant may be exercised in whole or in part, commencing on a date which is six months from August 25, 2022 until August 25, 2027.

The underwriting agreement includes customary representations, warranties and covenants by the Company. It also provides that the Company will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or contribute to payments the underwriters may be required to make because of any of those liabilities. In exchange for the underwriters' services, the Company agreed to sell the Units to the underwriters at a purchase price of \$4.60 per unit.

The Company's officers and directors and their affiliates have agreed, subject to certain exceptions, not to offer, issue, sell, contract to sell, encumber, grant

any option for the sale of or otherwise dispose of any shares of our common stock or other securities convertible into or exercisable or exchangeable for shares of our Common Stock until May 27, 2023 without the prior written consent of the underwriter.

The Offering closed on August 30, 2022, and the Company sold 2,753,750 shares of Common Stock and 5,507,500 Warrants (6,117,250 Warrants including the Option Warrants) to the underwriters for total gross proceeds of \$ 13,774,848 . After deducting the underwriting commissions, discounts, and offering expenses, the Company received net proceeds of \$ 12,225,470 .

Common Share Awards

During the year ended December 31, 2020, the Company granted a total of 3,233,336 shares to various employees and consultants for services rendered. The Company recognized stock-based compensation expense of \$ 447,248 and \$ 766,656 related to the vesting of the share awards during the year ended December 31, 2023 and 2022, respectively. As of December 31, 2023, the shares have vested in full and no additional expense is to be recognized related to these awards.

Stock Options

During the year ended December 31, 2023, the Company awarded an aggregate of 60,000 common stock options to the non-employee directors of the Company, of which 30,000 vested immediately, and 2,500 per quarter thereafter until fully vested. One consultant was awarded 36,000 options that vest monthly over a one year period. The fair value of the stock options was estimate using a black-Scholes option pricing model and the following assumptions: 1) dividend yield of 0%; 2) risk-free rate of between 3.70% and 4.22%; 3) volatility of between 90.14% and 92.85% based on a group of peer group companies; and an expected term of five to ten years .

During the year ended December 31, 2022, the Company issued a total of 49,560 options to certain employees of the Company with an exercise price of \$5.95, and an exercise term of three years. The Company estimated fair value of these options to be \$4.41 per share using a Black-Scholes option pricing model, and the expense associated with the options will be recognized over the requisite service period of 20 months . The Company also awarded an additional 23,100 options to certain employees of the Company, with an exercise price of \$14.29 per share and an exercise term of three years. The Company estimated fair value of these options to be \$3.63 per share using a Black-Scholes option pricing model, and the expense associated with the options will be recognized over the requisite service periods of between 24 and 30 months. The fair value of the stock options was estimate using a Black-Scholes option pricing model and the following assumptions: 1) dividend yield of 0%; 2) risk-free rate of 0.97% to 1.91%; 3) volatility of 127.7% to 129.5% based on a group of peer group companies; 4) a common stock price of \$5.95 based on the most recent common stock sales for cash, and 5) an expected term of three years .

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A summary of stock option information is as follows:

	Outstanding Awards	Weighted Average Grant Date Fair Value	Weighted Average Exercise price
Outstanding at December 31, 2021	2,100	\$ 4.36	\$ 5.95
Granted	72,660	4.16	9.00
Exercised	-	-	-
Forfeited and cancelled	(14,910)	(4.36)	(6.19)
Outstanding at December 31, 2022	59,850	4.15	9.11

Granted	96,000	0.80	1.05
Exercised	-	-	-
Forfeited and cancelled	(22,661)	(4.01)	(13.68)
Outstanding at December 31, 2023	133,189	\$ 1.80	\$ 2.52
Exercisable at December 31, 2023	97,748	\$ 2.14	\$ 3.05

The weighted average remaining contractual life is approximately 7.24 years for stock options outstanding with no intrinsic value of as of December 31, 2023. The Company recognized stock-based compensation of \$ 124,310 and \$ 121,672 during the years ended December 31, 2023 and 2022, respectively. The Company expects to recognize an additional \$ 30,249 of compensation cost related to options that are expected to vest.

Stock Warrants

A summary of stock warrant information is as follows:

	Outstanding Awards	Weighted Average Grant Date Fair Value	Weighted Average Exercise price
Outstanding at December 31, 2021	-	-	-
Granted	6,219,863	4.21	5.01
Exercised	-	-	-
Forfeited and cancelled	-	-	-
Outstanding at December 31, 2022	6,219,863	\$ 4.21	\$ 5.01
Granted	-	-	-
Exercised	-	-	-
Forfeited and cancelled	-	-	-
Outstanding at December 31, 2023	6,219,863	\$ 4.21	\$ 5.01
Exercisable at December 31, 2023	6,219,863	\$ 4.21	\$ 5.01

The weighted average remaining contractual life is approximately 3.64 years for stock warrants outstanding with no intrinsic value of as of December 31, 2023.

NOTE 8 – RELATED PARTY TRANSACTIONS

From time to time, the Company pays expenses directly on behalf of the Joint Ventures that it manages and receives funds on behalf of the joint ventures. As of December 31, 2023 and 2022 the balances due from related parties were \$ 93,372 and \$ 54,858 included in current liabilities. During the year ended December 31, 2022, the Company paid the \$ 215,000 related to the Company's capital contribution for its equity interest in JV IV.

From time to time, the Company's CEO paid expenses on behalf of the Company, and the Company funded certain expenses to the CEO. Additionally, the Company received its investments in JV I, JV II and JV III from the CEO. As of December 31, 2023 and 2022, the Company was owed \$ 36,994 and \$ 36,854 by the entities controlled by the Company's CEO.

The Company recognized \$ 40,000 of stock-based compensation for director compensation during the year ended December 31, 2022. As of December 31, 2023 and 2022, the Company had accrued \$ 90,000 and \$ 60,000 in cash compensation to the directors, included in accounts payable and other liabilities on the consolidated balance sheet.

No member of management has benefited from the transactions with related parties.

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NOTE 9 – NOTES PAYABLE

On June 13, 2022, the Company entered into a short term financing agreement with a payment services provider for total principal of \$ 47,520 and received cash proceeds of \$ 44,000. The Company will pay 17 % of its daily sales processed through the service provider until the total principal is repaid. As of December 31, 2022 the balance had been repaid in full.

On October 13, 2022, the Company entered into a short term financing agreement with a payment services provider for total principal of \$ 82,490 and received cash proceeds of \$ 73,000. The Company will pay 17 % of its daily sales processed through the service provider until the total principal is repaid. As of December 31, 2023 and 2022 the Company owed \$ 0 and \$ 68,959, respectively.

On October 13, 2022, the Company entered into the BCP Note as part of the acquisition of BCP media. The BCP Note had a principal sum of \$2,399,000, and matured on the one year anniversary from the date of the BCP Note. Interest on the outstanding principal balance of, and all other sums owing under the Loan Amount, was three percent (3%), compounded annually. The Loan Amount was payable as follows: (i) commencing on the date that was thirty (30) days from the date of the BCP Note, and continuing monthly on such same day thereafter, the Company made an interest only payment to BCP Media equal to \$5,997.50 per month; and (ii) the entire Loan Amount, together with all accrued but unpaid interest thereon, was due and payable on the Maturity Date. During the year ended December 31, 2023, the Company repaid the principal balance of the loan in full.

NOTE 10 - INCOME TAXES

The Company is subject to United States federal income taxes at an approximate rate of 21%. The components of the income tax provision on the consolidated statements of operations is as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Current tax expense	\$ -	\$ -
Deferred tax expense (benefit)	-	-
Provision for income taxes, total	\$ -	\$ -

The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is

as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Income tax benefit computed at the statutory rate	\$ (1,710,412)	\$ (889,215)
Permanent differences	1,109,592	235,561
Net operating loss carryforwards	600,821	653,654
Temporary differences	-	-
penalties and interest	-	-
Provision for income taxes, current	\$ -	\$ -
Temporary differences	\$ -	\$ -
Deferred tax provision (benefit)	\$ -	\$ -

The Company has the following operating loss carry forwards.

	As of December 31, 2023	As of December 31, 2022
Net Operating loss carry forwards	\$ 1,254,474	\$ 918,400
Valuation allowance	(1,254,474)	(918,400)
Deferred tax assets	\$ -	\$ -

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NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated events through March 31, 2024, the date these financial statements were available for issuance, and determined there were no events requiring disclosures, except as noted below.

On December 31, 2023, Onfolio Holdings Inc. (the “Company”) and RevenueZen LLC, a Delaware limited liability company (“RevenueZen Delaware”) and subsidiary of the Company entered into and closed an asset purchase agreement (the “Asset Purchase Agreement”) with RevenueZen LLC, an Oregon limited liability company (“RevenueZen”), for the purchase of substantially all of the assets utilized in the operation of the RevenueZen business. RevenueZen works with B2B brands to grow their organic and referral traffic. In addition, they provide and consult on content marketing services to help convert that traffic into paying customers. Services range from Search Engine Optimization (‘SEO’) to LinkedIn marketing.

Pursuant to the Asset Purchase Agreement, and subject to the terms and conditions contained therein, at the closing, RevenueZen agreed to sell to

RevenueZen Delaware the RevenueZen Business, all as more fully described in the Asset Purchase Agreement. The aggregate purchase price for the RevenueZen Business was \$1,105,000, consisting of \$240,000 in cash at closing, \$425,000 in Onfolio Series A Preferred Shares, and a \$440,000 11% interest only secured promissory note made by RevenueZen Delaware due December 31, 2025 (the "Promissory Note"). Additionally, for up to 12 months, additional earn-out payments could be paid to RevenueZen pursuant to the earn-out formula described in the Asset Purchase Agreement. In addition, five RevenueZen founders received a total of a 12% roll-over equity interest RevenueZen Delaware, and they will serve in leadership roles with the RevenueZen Delaware team. Also, certain of the founders received a total of 270,000 non-qualified stock options to purchase Company common shares at \$ 0.51 per share pursuant to the Company's 2020 Equity Compensation Plan.

The Company transferred consideration to the sellers of RevenueZen and obtained full control of the RevenueZen business in January 2024.

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SIGNATURES

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

ONFOLIO HOLDINGS INC.
Registrant

By: /s/ Dominic Wells
Dominic Wells,
Chief Executive Officer
(Principal Executive Officer)

Date: April 1, 2024

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Dominic Wells</u> Dominic Wells	Chief Executive Officer, Principal Executive Officer, Chair of the Board of Directors	April 1, 2024
<u>/s/ Esbe van Heerden</u> Esbe van Heerden	Chief Financial Officer, President, Principal Financial and Accounting Officer	April 1, 2024
<u>/s/ Andrew Lawrence</u> Andrew Lawrence	Director	April 1, 2024
<u>/s/ David McKeegan</u> David McKeegan	Director	April 1, 2024
<u>/s/ Robert J. Lipstein</u> Robert J. Lipstein	Director	April 1, 2024
<u>/s/ Mark N. Schwartz</u> Mark N. Schwartz	Director	April 1, 2024

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

Authorized and Outstanding Capital Stock

The following description of our Company's capital stock and provisions of our amended and restated certificate of incorporation ("certificate of incorporation") and our amended and restated bylaws ("bylaws") are summaries and are qualified by reference to our Company's certificate of incorporation and bylaws.

The total number of shares of all classes of capital stock that our Company is authorized to issue is 55,000,000 shares, consisting of (i) 50,000,000 shares of common stock, par value \$0.001 per share (the "common stock"), and (ii) 5,000,000 shares of preferred stock, par value \$0.001 per share (the "preferred stock"), of which 1,000,000 shares of preferred stock have been designated by our Board of Directors ("Board") as series A preferred stock (the "series A preferred stock").

As of December 31, 2023, our Company had outstanding 5,107,395, shares of common stock and 92,260 shares of series A preferred stock.

Common Stock

The holders of our Company's common stock are entitled to one vote per share. In addition, the holders of our Company's common stock will be entitled to receive dividends ratably, if any, declared by our Company's Board out of legally available funds; however, the current policy of the Board is to use all available funds and any future earnings for use in financing the growth of our business and to meet our series A preferred stock dividend obligations. We do not anticipate paying any cash dividends on our common stock for the foreseeable future. Upon liquidation, dissolution or winding-up, the holders of our Company's common stock are entitled to share ratably in all assets that are legally available for distribution. The holders of our Company's common stock have no pre-emptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our Company's common stock are subject to, and may be adversely affected by, the rights of the holders of the series A preferred stock, in addition to any other series of preferred stock which may be designated solely by action of the Board and issued in the future.

IPO Warrants

The following summary of certain terms and provisions of the warrants we issued as part of our initial public offering. This summary is not complete and is subject to and qualified in its entirety by the provisions of the warrant agency agreement, which is filed as an exhibit to our annual report on Form 10-K for the fiscal year ended December 31, 2023. You should carefully review the terms and provisions set forth in the warrant agency agreement, including the annexes thereto, and the form of warrant.

Outstanding. As of December 31, 2023, we have outstanding warrants to purchase 6,117,250 shares of common stock.

Exercisability. The warrants are exercisable at any time after August 30, 2022, and at any time up to the date that is five (5) years after August 30, 2022. The warrants are exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice accompanied by payment in full for the number of shares purchased upon such exercise (except in the case of a cashless exercise as discussed below).

Exercise Limitation. A holder does not have the right to exercise any portion of the warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days following notice from the holder to us.

Exercise Price. The exercise price per share of common stock purchasable upon exercise of the warrants is \$5.00 per share. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock and also upon any distributions of assets, including cash, stock or other property to our stockholders. The warrant exercise price is also subject to downward adjustment in the event we issue shares of common stock in a capital raising transaction at a price below the exercise price, subject to a minimum exercise price of \$2.50.

Cashless Exercise. If, at any time during the term of the warrants, the issuance of shares of common stock upon exercise of the warrants is not covered by an effective registration statement, the holder is permitted to effect a cashless exercise of the warrants (in whole or in part) by having the holder deliver to us a duly executed exercise notice, canceling a portion of the warrant in payment of the purchase price payable in respect of the number of shares of common stock purchased upon such exercise.

Rights as a Stockholder. Except as otherwise provided for in the warrants or by virtue of such holder's ownership of shares of our common stock, the holder of a warrant does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises the warrant.

Warrant Agent; Global Certificate. The Warrants are issued in registered form under the warrant agency agreement between the warrant agent and our Company. The warrants shall initially be represented only by one or more global warrants deposited with the warrant agent, as custodian on behalf of The Depository Trust Company (DTC) and registered in the name of Cede & Co., a nominee of DTC, or as otherwise directed by DTC. Our transfer agent, VStock Transfer LLC will serve as the warrant agent.

Governing Law. The warrants and the warrant agency agreement are governed by Delaware law.

Placement Agent Warrants

In addition, as additional compensation for EF Hutton's services, we agreed to issue warrants to EF Hutton or its designees to purchase 82,613 shares of our common stock at \$5.50. The underwriters' warrants may be exercised in whole or in part, commencing on a date which is six months from August 25, 2022 until August 25, 2027. The underwriters' warrants provide for one-time demand registration rights and unlimited "piggyback" registration rights for the shares of our common stock exercisable thereunder as well as customary anti-dilution provisions (for stock dividends and splits and recapitalizations) and anti-dilution protection (adjustment in the number and price of such warrants and the shares underlying such warrants) resulting from corporate events (which would include dividends, reorganizations, mergers, etc.) and future issuance of common stock or common stock equivalents at prices (or with exercise and/or conversion prices) below the offering price as permitted under FINRA Rule 5110(g)(8)(E). The demand registration rights and piggyback registration rights will

terminate on the fifth anniversary and seventh anniversary of the commencement of sales of the offering, respectively, in compliance with FINRA Rules 5110(g)(8)(C) and (D).

Acquisition Warrant

In connection with our acquisition of ProofreadAnywhere.com/WorkAtHomeSchool.com/WorkYourWay2020.com from BCP Media, Inc., we agreed to issue a warrant to BCP Media, Inc. to purchase 20,000 shares of our common stock at \$4.75 per share. The warrant may be exercised in whole or in part, at any time until October 13, 2024. The warrant contains customary anti-dilution provisions (for stock dividends and splits and recapitalizations).

Series A Preferred Stock

Our series A preferred stock is senior in rank to shares of common stock with respect to dividends, liquidation and dissolution. Each share of Series A preferred stock carries an annual 12% cumulative, non-compounding dividend based on the cash amount invested into the Series A preferred stock, payable quarterly. Dividends on Series A preferred stock will be paid prior to any dividends on any other class of shares, including common stock. In the event of any liquidation, dissolution or winding up of our Company, the proceeds shall be paid as follows: (i) first, pay the purchase price plus accrued dividends, on each share of Series A preferred stock; and (ii) next, the balance of any proceeds shall be distributed pro rata to holders of common stock or other junior securities. The Series A preferred stock shall be redeemable at the option of our Company commencing any time after January 1, 2026 at a price equal to the purchase price (\$25.00 per share) plus accrued dividends, on each share of Series A preferred stock.

Except as otherwise required by law, the Series A preferred stock have no voting rights other than with respect to the following where the Series A preferred stock will vote as a separate class: (a) the creation or authorization of any securities of the Company that ranks superior to or in parity with the Series A preferred stock in rights, preferences, or privileges, (b) the amending, altering, modifying, or repealing the sections of the certificate of incorporation relating to the Series A preferred stock, (c) redeeming, purchasing, or otherwise acquiring or paying or declaring any dividend or other distribution on (or pay into or set aside for a sinking fund for any such purpose) any capital stock of the Company; *provided*, that this restriction shall not apply to (i) the redemption or repurchase of or the payment of dividends on Shares of Series A preferred stock, (ii) the declaration or payment of any dividend or distribution payable on the common stock in shares of common stock, or (iii) the repurchase of junior securities held by employees or consultants of the Company upon termination of their employment or services pursuant to agreements providing for such repurchase; (d) enter into, or become subject to, any agreement or instrument or other obligation which by its terms restricts the Company's ability to perform its obligations relating to the sections of the certificate of incorporation relating to the Series A preferred stock, including the ability of the Company to pay dividends or make any redemption or other liquidation payment required hereunder; or (e) agree or commit to do any of the foregoing.

On or before 180 days following the sale of at least 600,000 shares of the Series A preferred stock, our Company shall register the Series A preferred stock by

preparing and filing one registration statement, or if necessary more than one registration statement, of our Company in compliance with the Securities Act of 1933, as amended ("Securities Act") or the Securities Exchange Act of 1934, as amended and thereafter apply to list the Series A preferred stock on a U.S. stock exchange or develop a public trading market for the Series A preferred stock by soliciting securities brokers to become market makers of the series A preferred on an established over the counter trading market, such as the OTC Markets.

2020 Equity Incentive Plan

On July 23, 2020, we adopted the Onfolio Holdings Inc. 2020 Equity Incentive Plan, as amended, (the "2020 Plan"), which was approved by both our Board and our stockholders. Under the 2020 Plan, our Company may grant awards to our employees, consultants and directors and such other individuals who are reasonably expected to become employees, consultants and directors. Awards that may be granted under the 2020 Plan include: incentive stock options, non-qualified stock options, stock appreciation rights, restricted awards, performance share awards, cash awards, and other equity-based awards. The aggregate number of shares of our common stock that may be issued pursuant to stock awards under our 2020 Plan is 2,600,000 shares, except at any given time, the number of shares that may be issued pursuant to the 2020 Plan cannot exceed the number of shares that is equal to 20% of our Company's total shares of common stock outstanding at the time of any grant of awards under the 2020 Plan.

As of December 31, 2023, the Company awarded a total of 133,189 options with a weighted average exercise price of \$2.52 per share, and 97,748 shares of common stock are issuable upon the exercise of outstanding stock options.

Anti-Takeover Provisions

Certain of our charter and statutory provisions could make the removal of our management and directors more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock. Furthermore, the existence of the foregoing provisions, as well as the significant common stock beneficially owned by our executive officers, and certain members of our Board, could lower the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our Company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

Certificate of Incorporation and Bylaws

Provisions of our certificate of incorporation and bylaws may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, subject to the rights of holders of any series of preferred stock, our certificate of incorporation and bylaws:

- empower our Board to fix the number of directors of our Company solely by resolution;
- do not allow for cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- empower our Board to fill any vacancy on our Board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- provide that special meetings of our stockholders may only be called by the Board or the chair of the Board (except that stockholders may also call special meetings of our stockholders so long as such stockholders beneficially owns at least 25% of the voting power of the outstanding shares of our stock);
- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders;
- provide our Board the ability to authorize undesignated preferred stock. This ability makes it possible for our Board directors to issue, without stockholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us;
- provide that any director or the entire Board may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 66 2/3% in voting power of the stock of the Company entitled to vote thereon;
- provide that our Board is expressly authorized to adopt, amend or repeal our bylaws; and
- provide that our directors will be elected by a plurality of the votes cast in the election of directors.

Delaware Law

Section 203 of the Delaware General Corporation Law ("DGCL") is applicable to takeovers of certain Delaware corporations, including us. Subject to exceptions enumerated in Section 203, Section 203 provides that a corporation shall not engage in any business combination with any "interested stockholder" for a three-year period following the date that the stockholder becomes an interested stockholder unless:

- prior to that date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, though some shares may be excluded from the calculation; or
- on or subsequent to that date, the business combination is approved by the board of directors of the corporation and by the affirmative votes of holders of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Except as specified in Section 203, an interested stockholder is generally defined to include any person who, together with any affiliates or associates of that person, beneficially owns, directly or indirectly, 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation

and was the owner of 15% or more of the outstanding voting stock of the corporation, any time within three years immediately prior to the relevant date. Under certain circumstances, Section 203 makes it more difficult for an interested stockholder to effect various business combinations with a corporation for a three-year period, although the stockholders may elect not to be governed by this section, by adopting an amendment to the certificate of incorporation or bylaws, effective 12 months after adoption. Our certificate of incorporation and bylaws do not opt out from the restrictions imposed under Section 203. We anticipate that the provisions of Section 203 may encourage companies interested in acquiring us to negotiate in advance with the board because the stockholder approval requirement would be avoided if a majority of the directors then in office excluding an interested stockholder approve either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder. These provisions may have the effect of deterring hostile takeovers or delaying changes in control, which could depress the market price of our common stock and deprive stockholders of opportunities to realize a premium on shares of common stock held by them.

Contractual Provisions

Our award agreements related to our 2020 Plan may include change-in-control provisions that allow us to grant options or other awards pursuant to our 2020 Plan that may become vested immediately upon a change in control. The terms of change of control provisions contained in certain of our senior executive employee agreements may also discourage a change in control of our Company.

Our Board also has the power to adopt a stockholder rights plan that could delay or prevent a change in control of our Company even if the change in control is generally beneficial to our stockholders. These plans, sometimes called “poison pills”, are oftentimes criticized by institutional investors or their advisors and could affect our rating by such investors or advisors. If our Board adopts such a plan, it might have the effect of reducing the price that new investors are willing to pay for shares of our common stock.

Exclusive Forum Provision

Our certificate of incorporation and bylaws provide that unless our Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for:

- any derivative action or proceeding brought on behalf of the Company;
- any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders;
- any action arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws (as either may be amended from time to time); or
- any action asserting a claim governed by the internal affairs doctrine.

Unless our Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of our Company shall be deemed to have notice of and consented to the provisions of our certificate of incorporation.

Further, if any action the subject matter of which is within the scope of the section immediately above is filed in a court other than a court located within the State of Delaware (a “Foreign Action”) in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce section immediately above (an “FSC Enforcement Action”) and (ii) having service of process made upon such stockholder in any such FSC Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

The enforceability of similar choice of forum provisions in other companies' bylaws and certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our certificate of incorporation and bylaws to be inapplicable or unenforceable in such action.

These provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act, Securities Act or any other claim for which the federal courts have exclusive or concurrent jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to these provisions. Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Together, these charter, statutory and contractual provisions could make the removal of our management and directors more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock. Furthermore, the existence of the foregoing provisions, as well as the significant common stock beneficially owned by our founder, executive officers, members of our Board, and others could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our Company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

Listing

Our common stock and IPO warrants are listed and traded under the symbols “ONFO” and “ONFOW,” respectively, on the Nasdaq Capital Market.

Transfer Agent and Warrant Agent

The Company's transfer agent and warrant Agent is VStock Transfer LLC with an address of 18 Lafayette Place, Woodmere, New York, NY 11598.

Indemnification of Directors and Officers

Each of our certificate of incorporation and our bylaws provide for indemnification of our directors and officers. Our certificate of incorporation and bylaws provide that we must indemnify our directors and officers to the fullest extent permitted by the DGCL and must indemnify against all expenses, liability, and loss incurred in investigating, defending or participating in such proceedings. We have also entered into separate indemnification agreements with our directors and officers.

Disclosure of Commission Position on Indemnification for Securities Act Liabilities

Insofar as indemnification for liabilities under the Securities Act may be permitted to officers, directors or persons controlling our Company pursuant to the foregoing provisions, our Company has been informed that it is the opinion of the Securities and Exchange Commission that such indemnification is against public policy as expressed in such Securities Act and is, therefore, unenforceable.

2023 Non-Employee Director Compensation Policy

Compensation for our directors is discretionary and is reviewed from time to time by our Board of Directors. Any determinations with respect to Board compensation are made by our Board of Directors. During Fiscal year 2023, each of our independent directors who serve on our Board received a quarterly stipend of \$5,000 payable in cash. Each director also received 15,000 common stock options with an exercise price of \$1.27 and a term of 10 years. Additionally, the chair of our audit committee receives an additional quarterly stipend of \$2,500 payable in cash. All directors are also entitled to reimbursement for travel expenses for attending director meetings.

SUBSIDIARIES OF THE REGISTRANT

Parent Company	Onfolio Holdings Inc	Delaware
Subsidiaries	Onfolio LLC	Delaware
	Onfolio Crafts LLC	Delaware
	Mighty Deals LLC	Delaware
	Vital Reaction LLC	Delaware
	Onfolio Assets, LLC	Delaware
	SEO Butler Limited	England/Whales
	Proofreadanywhere LLC	Delaware
	Contentellect LLC	Delaware
	WP Folio LLC	Delaware
	RevenueZen, LLC	Delaware

List of Issuers and Guarantor Subsidiaries

Entity	Jurisdiction of Incorporation or Organization	3.0% Promissory Note Due October 13, 2023
RevenueZen LLC	Delaware	Issuer of the Note Pledged security interest in all assets of RevenueZen LLC to secure the Note
Onfolio Holdings, Inc.	Delaware	Guarantor of the Note

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of
Onfolio Holdings Inc.

We hereby consent to the incorporation by reference in the registration statement of Onfolio Holdings Inc. on Form S-8 (No. 333-276735) of our report dated April 1, 2024, relating to the financial statements of Onfolio Holdings Inc.

/S/ BF Borgers CPA PC
BF Borgers CPA PC (PCOAB ID5041)

Lakewood, CO
April 1, 2024

CERTIFICATION

I, Dominic Wells, certify that:

1. I have reviewed this Annual Report on Form 10-K of Onfolio 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 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: April 1, 2024

/s/ Dominic Wells

Dominic Wells

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION

I, Esbe van Heerden, certify that:

1. I have reviewed this Annual Report on Form 10-K of Onfolio 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 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: April 1, 2024

/s/ Esbe van Heerden

Esbe van Heerden

Chief Financial Officer

(Principal Financial and Accounting Officer)

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

I, Dominic Wells, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Onfolio Holdings Inc. on Form 10-K for the year ended December 31, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Onfolio Holdings Inc.

/s/ Dominic Wells

Dominic Wells

Chief Executive Officer

(Principal Executive Officer)

Date: April 1, 2024

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Esbe van Heerden, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Onfolio Holdings Inc. on Form 10-K for the year ended December 31, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Onfolio Holdings Inc.

/s/ Esbe van Heerden

Esbe van Heerden

Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: April 1, 2024

**ONFOLIO HOLDINGS INC. NASDAQ RULE 5608
EXECUTIVE OFFICER COMPENSATION CLAWBACK POLICY**

Effective November 23, 2023

1. **Policy Purpose.** The purpose of this Onfolio Holdings Inc. Nasdaq Rule 5608 Executive Officer Compensation Clawback Policy (this “**Policy**”) is to enable Onfolio Holdings Inc. and its subsidiaries and affiliates (the “**Company**”) to recover Erroneously Awarded Compensation in the event that the Company is required to prepare an Accounting Restatement. This Policy is intended to comply with the requirements set forth in Listing Rule 5608 of The Nasdaq Stock Market LLC and will be construed and interpreted in accordance with such intent. Unless otherwise defined in this Policy, capitalized terms will have the meaning ascribed to such terms in Section 7.

2. **Policy Administration.** This Policy will be administered by the Compensation Committee of the Board (the “**Committee**”) unless the Board determines to administer this Policy itself. The Committee has full and final authority to make all determinations under this Policy, in each case to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. All determinations and decisions made by the Committee pursuant to the provisions of this Policy will be final, conclusive and binding on all persons, including the Company, its affiliates, its stockholders and the Executive Officers. Any action or inaction by the Committee with respect to an Executive Officer under this Policy in no way limits the Committee's actions or decisions not to act with respect to any other Executive Officer under this Policy or under any similar policy, agreement or arrangement, nor will any such action or inaction serve as a waiver of any rights the Company may have against any Executive Officer other than as set forth in this Policy.

3. **Policy Application.** This Policy applies to all Incentive-Based Compensation received by a person (a) after beginning service as an Executive Officer, (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation, (c) while the Company had a class of securities listed on a national securities exchange or a national securities association and (d) during the three completed fiscal years immediately preceding the Accounting Restatement Date. In addition to such last three completed fiscal years, the immediately preceding clause (d) includes any transition period that results from a change in the Company's fiscal year within or immediately following such three completed fiscal years, provided that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months will be deemed a completed fiscal year. For purposes of this Section 3, Incentive-Based Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition will be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

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4. **Policy Recovery Requirement.** In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy. The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the Company files restated financial statements. Recovery under this Policy with respect to an Executive Officer will not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting Restatement. In the event of an Accounting Restatement, the Company will satisfy the Company's obligations under this Policy to recover any amount owed from any applicable Executive Officer by exercising its sole and absolute discretion in how to accomplish such recovery, to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. The Company's recovery obligation pursuant to this Section 4 will not apply to the extent that the Committee, or in the absence of the Committee, a majority of the independent directors serving on the Board, determines that such recovery would be impracticable and:

a. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempts to recover and provide that documentation to the Stock Exchange;

b. Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and must provide such opinion to the Stock Exchange; or

c. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of Section 401(a)(13) or 411(a) of the Code.

5. **Policy Prohibition on Indemnification and Insurance Reimbursement.** The Company is prohibited from indemnifying any current or former Executive Officer against the loss of Erroneously Awarded Compensation. Further, the Company is prohibited from paying or reimbursing an Executive Officer for purchasing insurance to cover any such loss.

6. **Required Policy-Related Filings.** The Company will file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by U.S. Securities and Exchange Commission filings.

7. **Definitions.**

a. “**Accounting Restatement**” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

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b. **"Accounting Restatement Date"** means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement and (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

c. **"Board"** means the board of directors of the Company.

d. **"Code"** means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

e. **"Erroneously Awarded Compensation"** means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes paid by the relevant Executive Officer. Notwithstanding the foregoing, for Incentive-Based Compensation based on stock price or total stockholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement (i) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received and (ii) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Stock Exchange.

f. **"Executive Officer"** means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function or any other person who performs similar policy-making functions for the Company. An executive officer of the Company's parent or subsidiary is deemed an "Executive Officer" if the executive officer performs such policy making functions for the Company.

g. **"Financial Reporting Measure"** means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure, provided that a Financial Reporting Measure is not required to be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission to qualify as a "Financial Reporting Measure." For purposes of this Policy, "Financial Reporting Measure" includes, but is not limited to, stock price and total stockholder return.

h. “**Incentive-Based Compensation**” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

i. “**Stock Exchange**” means the national stock exchange on which the Company’s common stock is listed.

8. Acknowledgement. Each Executive Officer will sign and return to the Company, within 30 calendar days following the later of (i) the effective date of this Policy first set forth above or (ii) the date the individual becomes an Executive Officer, the Acknowledgement Form attached as Exhibit A, pursuant to

which the Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.

9. Severability. The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and will automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination. The Board may amend this Policy from time to time in its sole and absolute discretion and will amend this Policy as it deems necessary to reflect the Listing Rule, to comply with (or maintain an exemption from the application of) Section 409A of the Code. The Board may terminate this Policy at any time.

11. Other Recovery Obligations and General Rights. To the extent that the application of this Policy would provide for recovery of Incentive-Based Compensation that the Company recovers pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations, the amount the relevant Executive Officer has already reimbursed the Company will be credited to the required recovery under this Policy. This Policy will not limit the rights of the Company to take any other actions or pursue other remedies that the Company may deem appropriate under the circumstances and under applicable law, in each case to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. Nothing contained in this Policy will limit the Company's ability to seek recoupment, in appropriate circumstances (including circumstances beyond the scope of this Policy) and as permitted by other applicable law, of any amounts from any individual, in each case to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code.

12. Successors. This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

13. Governing Law and Venue. This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction.

EXHIBIT A

**ONFOLIO HOLDINGS INC. NASDAQ RULE 5608
EXECUTIVE OFFICER COMPENSATION CLAWBACK POLICY**

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Onfolio Holdings Inc. Nasdaq Rule 5608 Executive Officer Compensation Clawback Policy (the "**Policy**").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with Onfolio Holdings Inc. and, as applicable, its subsidiaries and affiliates (the "**Company**"). Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy.

EXECUTIVE OFFICER

Signature

Print Name

Date

EMPLOYEE AGREEMENT

This Agreement (the “Agreement”) is made and entered into as January 01 2023 by Onfolio Holdings Inc., a Delaware corporation (the “Company”), including its subsidiaries, affiliates, assignees, and successors, each of whom are expressly authorized to enforce this Agreement, and who are referenced herein as “the Company” and Robertus te Braake, referenced herein as “you” or “your” or “Employee”.

1. **CONSIDERATION.** You agree that this Agreement is entered into in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, and in further consideration of your employment or association with the Company. Your employment or association with the Company is at-will and may be terminated at any time at the election of either party. This Agreement does not guarantee your employment by or association with the Company for any definite period of time.
2. **REPRESENTATIONS AND WARRANTIES.** You represent and warrant to the Company that the following statements are true and correct and shall remain true and correct at all times during your employment or association with the Company:
 - a. All statements and representations contained in your application for employment or association are true and correct; and
 - b. This Agreement constitutes a legal, valid, and binding agreement and obligation enforceable against you in accordance with its terms.
3. **POSITION AND DUTIES.** The Company agrees to employ you to act as its Interim Chief Financial Officer effective as of January 01, 2023. You shall be responsible for (i) analyzing budget and finances (alongside the President); (ii) creating and presenting financial and tax strategy recommendations to the executive team; (iii) overseeing cash flow, cash management, working capital, and company audits; (iv) preparing financial statements and reports, including SEC filings; (v) ensuring legal compliance on all financial functions; (vi) other duties as may be prescribed by the Company’s Chief Executive Officer from time to time. You agree that you will serve the Company faithfully and to the best of your ability during the term of employment, under the direction of the Chief Executive Officer of the Company.
4. **PLACE OF EMPLOYMENT.** You shall perform your duties under this Employee Agreement at home, or the Company’s then-current headquarters office.
5. **COMPENSATION OF EMPLOYEE.** For all services rendered, you shall initially receive compensation as follows:
 - a. *Base Salary:* The Company agrees to pay you at a rate of \$144,000 per year, which may be increased from time to time by the Board’s Compensation Committee, except pursuant to across-the-board salary reductions affecting all other senior executives of the Employer, may not be decreased. The Base Salary will be payable on a semi-monthly basis, or on whatever basis Company may adopt in the future,

in accordance with the Company's standard payroll practices.

- b. *Bonus*: You will be eligible for participation in any Company executive bonus plan in effect during your employment or association with the Company. Any payout related to your bonus opportunity will be solely at the discretion of the Board and may be modified from time to time by the Board in their sole discretion.
 - c. *Withholdings*: All amounts due from the Company to the Employee hereunder shall be paid to the Employee net of all taxes and other amounts which the Company is required to withhold by law.
6. REIMBURSEMENT FOR BUSINESS EXPENSES. Subject to the approval of the Company, the Company shall promptly pay or reimburse you for all reasonable business expenses incurred in performing your duties and obligations under this Employee Agreement, but only if you properly account for expenses in accordance with the Company's policies.
7. PAID TIME OFF AND BENEFITS. You shall be entitled to the same benefits, paid time off and Company holidays offered by the Company to its other employees. Nothing in this Employee Agreement shall prohibit the Company from modifying or terminating any of its employee benefit plans in a manner that does not discriminate between you and other Company employees.
8. TERMINATION OF EMPLOYMENT. Your employment hereunder shall automatically terminate upon (i) your death; (ii) your voluntarily leaving the employ of the Company; (iii) at the Company's sole discretion, for any reason, with or without cause.
- a. *Payment on Termination*: In the event your employment under this agreement is terminated for any reason, Company shall promptly pay you any amounts due to you under this agreement, including any salary accrued through the date of termination, and reimbursement for business related expenses during the period of your employment, providing that such expenses are submitted in accordance with Company policies. In the event that you leave the Company's employment for Good Reason or if the Company terminates your employment without Cause, you shall be entitled to receive severance in an amount equal to one day of base salary for every completed work day of employment with the Company, up to a maximum of three (3) months of base salary.
 - b. *For Purposes Hereof, "Good Reason"* means (i) a reduction in your Annual Base Salary of more than five (5) percent, other than pursuant to an across-the-board reduction in accordance with Section 5, (ii) a material diminution in your duties or responsibilities inconsistent with your position, or (iii) a change in your principal office to a location more than thirty-five (35) miles from your principal residence as of the date of relocation, without your prior written consent; *provided* that you must deliver written notice of your resignation to the Company within 30 days of your actual knowledge of any such event, the Company must be provided at least 30 days during which it may remedy the condition and you must terminate your employment within

twelve (12) months of the initial occurrence of Good Reason in order for such resignation to be with Good Reason for any purpose hereunder.

- c. *For Purposes Hereof, "Cause"* means (i) the conviction or plea of guilty or no contest for or indictment on a felony or a crime involving moral turpitude or the commission of any other act or omission involving misappropriation, embezzlement or fraud, which involves a material matter with respect to the Company or any of their customers or suppliers; (ii) substantial and repeated failure to perform duties of the office you hold as reasonably directed by the Board after notice from the Board and a reasonable opportunity to respond to such notice; (iii) gross negligence or willful misconduct with respect to the Company that is or could reasonably be expected to be harmful to the Company in any material respect after notice from the Board and a reasonable opportunity to respond to such notice.
9. **BEST EFFORTS AND OUTSIDE ACTIVITIES.** You shall devote all of the necessary business time, attention, and energies, as well as your best talents and abilities to the business of the Company in accordance with the Company's instructions and directions. You may engage to a limited extent in other business activities unrelated to the Company so long as such activities do not create a conflict of interest or otherwise interfere with the performance of your duties and the terms and conditions of this Agreement.
10. **RECORDS OWNERSHIP.** You acknowledge, understand, and agree that all files, records and documents, whether in hard copy, electronic or any other form, generated or received by the Company or its employees, or concerning the Company or its business, belong to and constitute the property of Company and that Company is the records owner of all such files, records and documents. Therefore, upon your separation from employment, all such files, records and documents shall remain on the premises and in the possession of Company, and you shall promptly return any and all such files, records and documents to Company that you may then have, or at any time thereafter you discover in your possession. You shall not retain any copies of such files, records and documents.
11. **INTANGIBLE PROPERTY OWNERSHIP.** You hereby irrevocably assign and transfer, and agree to assign and transfer, to the Company all of your rights, title and interest in and to any and all inventions and works you create or modify (including, but not limited to software or other works, designs, or the like) for or on behalf of the Company. You hereby acknowledge and agree that such works are within the scope of your employment or association, and that all intellectual property rights, including copyright, inventions, designs, and trade secrets, whether patentable or not, are the exclusive and sole worldwide property of the Company. Copyrighted works developed or created by you and owned by the Company include the right to copy, license, market, manufacture, publish, distribute, create derivative works from the works created, mark as copyrighted by the Company, and to authorize others to do some or all of the foregoing as needed or desired by the Company to carry out its business purpose.

You will not at any time during or after your employment or association with the Company have or claim any right, title or interest in any trade name, trademark, patent, copyright, work for hire, or other similar rights belonging to or used by the Company. You shall not

have or claim any right, title or interest in any material or matter of any sort prepared for or used in connection with the business or promotion of the Company, whatever your involvement with such matters may have been, and whether procured, produced, prepared or published in whole or in part by you. You further release and hereby assign all rights in any and all intellectual property to the Company, and shall, at the request of the Company, give evidence and testimony and execute any and all agreements or other documents as needed to effect or memorialize any such transfer of rights without encumbrance, and for the Company to carry out its business purpose. You hereby irrevocably appoint the Company as your attorney-in-fact (with a power couple with an interest) to execute any and all documents which may be necessary or appropriate in the security of such rights, including but not limited to, any copyright in your work.

You certify that all works pursuant to this Agreement are original works and are not the property of others, and that any liability from or caused by you in this regard is your sole responsibility. You shall hold harmless and indemnify the Company from and against any and all claims, actions, losses, costs, or other liabilities based on or arising out of claimed infringement by the works of any copyright or other intellectual property rights of any third party, and you agree to cooperate in the defense of the Company against any and all claims, actions, losses, costs, or other liabilities based on or arising out of claimed infringement or any other action by the works of any copyright or other intellectual property rights of any third party at your expense.

You have attached hereto, as Exhibit A, a list detailing all inventions, original works of authorship, developments, improvements, and trade secrets which you made prior to the commencement of this Agreement (collectively referred to as "Prior Inventions"), which belong solely to you or belong to you jointly with another, and which are not assigned to the Company hereunder or, if no such list is attach, you represent that there no such Prior Inventions.

12. **TRADE SECRETS AND CONFIDENTIAL INFORMATION.** You agree to keep confidential and not disclose to others any Trade Secrets or Confidential and Proprietary Information, during the term of this Agreement and all times thereafter, except as required by law or as consented in writing by the Company's Chief Executive Officer.

You agree that the Trade Secrets and Confidential and Proprietary Information described herein are valuable information.

Trade Secrets and Confidential and Proprietary Information includes all forms of information whether in oral, written, graphic, magnetic or electronic form without limitation. Trade Secrets and Confidential and Proprietary Information means, without limitation, the Company's client and prospective client names, addresses, relationships, terms and information; suppliers' names, addresses, terms and information; financial information; business and/or marketing plans; methods of operation; internal structure; financial information and practices; products and services; inventions; systems; devices; methods; ideas, procedures; client lists and files; fee schedules; test data; descriptions; drawings; techniques; algorithms; programs; designs; formula; software; business management and methods; planning methods; sales and marketing methods; valuable

confidential business and professional information; proprietary computer software; management information; and all know-how, trade secrets, confidential information and any other information developed by and belonging to the Company which gives the Company a competitive advantage over others.

If you shall leave, separate or terminate from the Company, you will neither take nor retain any file, record, document, Trade Secrets or Confidential and Proprietary Information, whether a reproduction, duplication, copy or original, of any kind or nature developed by, compiled by or belonging to the Company.

13. NO PRIOR COVENANT NOT TO COMPETE. You warrant and represent that except for this Agreement and except as otherwise disclosed in writing to the Company, (a) you are not presently subject to any contract or understanding that restricts in any manner your ability to provide services to the Company; (b) you have performed all duties and obligations that you may have under any contract or agreement with a former employer (or other party) including but not limited to the return of all confidential information; and (c) you are currently not in possession of any confidential materials or property belonging to any former employer (or other party). Further, you agree to defend, indemnify, and hold the Company harmless from and against any demands, claims, obligations, causes of action, diminution in the value of the Company, damages, liabilities, costs, expenses, interest, and fees, which the Company may incur due to (a) any conflict between your employment with Company and any prior employment or association, duty contract, agreement, order or restrictive covenant, or (b) any misrepresentation by you as to any facts which are the subject matter of any conflict or violation of any prior contract, agreement, order or restrictive covenant on your part.
14. COVENANT NOT TO COMPETE. You acknowledge that you are familiar with restrictive covenants of this nature, the covenant is a material inducement to this Agreement and your employment, the Company will suffer irreparable injury if you violate this restrictive covenant, and the covenant is fair and reasonable to protect the Company's trade secrets, confidential and proprietary information, relationships with prospective and existing clients, goodwill, and/or other legitimate business interests. You further agree that your work with the Company has provided and will provide you extraordinary and specialized training, knowledge and information over the Company's techniques, methods, products and systems; the Company's valuable confidential proprietary and business information which you would not otherwise acquire; and access to its substantial relationships with present and prospective clients and substantial goodwill associated with its name.

The covenant is intended to protect the Company's legitimate business interests which include but are not limited to the extraordinary and specialized training of its employees; valuable confidential and proprietary business and professional information; substantial relationships with prospective and existing clients; client good will associated with the Company's ongoing professional and business practice and trade name in the fields of healthcare business technology and services throughout North America.

Accordingly, you agree that prior to your separation or termination from the Company and for the later of six (6) months after your separation or termination (with or without cause) or from the date of entry by a court of competent jurisdiction enforcing these covenants, whichever is later (referenced herein as "the restricted period"): You shall not engage, directly or indirectly, as principal, agent, advisor, stockholder, consultant, partner, independent contractor, or employee or in any other manner in any business or activity which is in competition with the Company or which may propose to go into competition with the Company. And, during the restricted period, you shall not directly or indirectly induce or attempt to induce (a) clients of the Company to do business with any competitor of the Company, and/or (b) any of the officers, agents, employees, or associates of the Company to leave the employment or association of the Company.

Some of the businesses which are in competition with the Company or which may propose to go into competition with the Company, and which are specifically prohibited include but are not limited to: companies that acquire or operate Internet based businesses. This list of businesses is not intended to be an exclusive list.

Nothing herein shall prohibit you from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that you are not a controlling person of, or a member of a group that controls, such corporation.

15. **REMEDIES FOR BREACH OF RESTRICTIVE COVENANTS.** The Company is entitled to obtain equitable relief, including specific performance by means of injunctions, as well as monetary damages and any other available remedies. In the event a court of competent jurisdiction determines these restrictive covenants are not enforceable as written herein, the court will reform or modify the restrictive covenants(s) to make it (them) reasonable and enforceable, and the court will enforce the restrictive covenants(s) as so reformed or modified. Assignees and successors of the Company are expressly authorized to enforce these restrictive covenants. The restrictive covenants of this Agreement shall not be interpreted to employ any rule of contract construction that requires construing a restrictive covenant narrowly, against the restraint, or against the drafter of this Agreement.

Further, you understand that any and all obligations of the Company to pay any compensation to you for any reason shall cease and terminate upon your breach of any of the obligations in this Employee Agreement.

16. **NOTIFICATION OF INTERESTED PARTIES.** You agree that the Company may notify anyone employing or engaging you to perform services or evidencing an intention to employ you now or in the future as to the existence and provisions of this Agreement. You shall, during the restricted period, (1) inform anyone employing or engaging you or evidencing an intent to employ or engage you, of the existence of the restrictive covenants in this Agreement and (2) notify the Company of the name, address, and telephone number of anyone who employs or engages you to perform services.

17. **MEDIATION.** If a dispute arises out of or related to the interpretation or enforcement of this Agreement, you agree to try to settle the dispute in good faith through mediation upon the Company's request, before litigation or at any time during litigation.
18. **WAIVERS.** The Company's waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.
19. **GOVERNING LAW, JURISDICTION AND VENUE.** The Agreement shall be governed by the laws of the State of Delaware and applicable federal and local law, and jurisdiction and venue for enforcement shall be in state circuit court in Wilmington, Delaware.
20. **INDEPENDENT RESTRICTIVE COVENANTS AND SEVERABILITY.** The provisions of this Agreement are independent of and separate from each other and from any other agreements. The breach, invalidity or unenforceability of any provision or part of any provision in this Agreement or any other agreements shall not in any way effect the validity or enforceability of any other provision or part of provision of this Agreement. The existence of any claim or cause of action by you against the Company shall not constitute a defense to the enforcement of these provisions.
21. **ENTIRE AGREEMENT.** This Agreement comprises the entire agreement and understanding by the parties regarding the topics contained herein; no representations, promises, agreements, or understandings, written or oral, relating hereto but not contained herein, shall be of any force or effect. This Agreement may be amended only in writing and by mutual agreement of the parties.
22. **ATTORNEYS' FEES AND COSTS.** If any litigation proceedings are brought arising out of or related to the terms of this Agreement, the successful prevailing party will be entitled to reimbursement for all reasonable costs, including reasonable attorneys' fees.
23. **ACKNOWLEDGEMENT.** You acknowledge that you have had the benefit of independent professional counsel with respect to this Agreement and that you are not relying upon the Company, the Company's attorneys or any person on behalf of or retained by the Company for any advice or counsel with respect to this Agreement.
24. **NUMBER OF PAGES.** This Agreement, including the signatures and excluding Exhibits, is comprised of nine (9) pages.

12/15/2022
Date

12/15/2022
Date

12/15/2022
Date

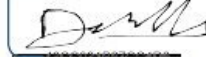
Onfolio Holdings, Inc.

DocuSigned by:



Name: Esbe van Heerden
Title: President

DocuSigned by:



Name: Dominic Wells
Title: Chief Executive Officer

Employee

DocuSigned by:



Name: Robertus te Braake
Title:
Interim Chief Financial Officer

EXHIBIT A

Prior Inventions

None