

**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

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 333-202959

**BALANCE LABS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of Identification No.)

**47-1146785**

(I.R.S. Employer  
incorporation or organization)

**407 Lincoln Road, Suite 701, Miami Beach, FL**

(Address of principal executive offices)

**33139**

(Zip Code)

**(305) 907-7600**

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Exchange Act: None

Securities registered pursuant to Section 12(g) of the Exchange 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 Section 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 Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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

Non-accelerated filer

Emerging growth company

Accelerated filer

Smaller Reporting Company

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

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

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).

The aggregate market value (approximate) of the registrant's voting and non-voting common equity held by non-affiliates based on the closing price per share of the Company's common stock on the OTC Pink Market on December 31, 2023 (the last business day of the registrant's most recently completed fourth quarter) was \$425,636.

As of April 15, 2024, the number of shares of common stock of the registrant outstanding is 21,674,000, par value \$0.0001 per share.

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## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements”. Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as “anticipate,” “believe,” “estimate,” “intend,” “could,” “should,” “would,” “may,” “seek,” “plan,” “might,” “will,” “expect,” “anticipate,” “predict,” “project,” “forecast,” “potential,” “continue” negatives thereof or similar expressions. Forward-looking statements speak only as of the date they are made, are based on various underlying assumptions and current expectations about the future and are not guarantees. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievement to be materially different from the results of operations or plans expressed or implied by such forward looking statements.

We cannot predict all of the risks and uncertainties. Accordingly, such information should not be regarded as representations that the results or conditions described in such statements or that our objectives and plans will be achieved and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. These forward-looking statements are found at various places throughout this Annual Report on Form 10-K and include information concerning possible or assumed future results of our operations, including statements about potential acquisition or merger targets; business strategies; future cash flows; financing plans; plans and objectives of management; any other statements regarding future acquisitions, future cash needs, future operations, business plans and future financial results, and any other statements that are not historical facts.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the Annual Report on Form 10-K. All subsequent written and oral forward-looking statements concerning other matters addressed in this Annual Report on Form 10-K and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Annual Report on Form 10-K.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

## PART I

### Item 1. Business.

#### Overview

Balance Labs, Inc. was incorporated on June 5, 2014 under the laws of the State of Delaware. We are a consulting firm that provides business development and consulting services to startup and development-stage businesses. With each client, our company provides businesses in various industries with customized consulting services to meet their business needs and help them improve their business models, sales and marketing plans and internal operations, as well as introduce the businesses to experienced professional contacts that would be vital to the success of these businesses.

The Company is led by our President, CEO and Chairman of the Board, Michael D. Farkas, who is a seasoned entrepreneur and has worked in corporate finance and in assisting and developing businesses in multiple industries for the past twenty-six (26) years.

Along with Mr. Farkas, our management team consists of experienced businesspeople in high-tech fields such as telecommunications, EV Charging infrastructure, as well as the agricultural industry, specifically in the cultivation of olives and production of olive oil. Throughout the years while working with various companies, our management team recognized the need for an independent third-party company that could help developmental stage and startup businesses create and implement a viable business model, assist them in developing marketing, promotional and merchandising plans.

Our business focuses on providing advice to entrepreneurs and assisting business owners so that their ideas can be fully developed and implemented. Due to limited resources, lack of experienced management and competing priorities, startup and developmental stage companies are not operating as efficiently as they can be, and therefore would benefit from an outside party that could assist in developing and executing certain strategies. We utilize our knowledge in developing businesses, share practical experiences with our clients and introduce the business owners to different experienced professionals who could help these inexperienced entrepreneurs further implement their ideas. Startups and development stage businesses across all industries commonly experience certain “growing pains”. Our plan is to prepare our clients for many inevitable challenges and develop a customized plan for them to overcome these obstacles so that they can focus on marketing their product(s) and/or service(s) to their potential customers.

## **Our Services**

The Company will assist in the development and execution of the following services for our client companies:

- Business model development, including marketing research, naming and branding
- Business plan writing
- Financial modeling
- Website & mobile app development
- Employee and board member recruitment
- Patent/trademark filing assistance
- Professional introductions
- Product or service development
- Product production
- Develop marketing material
- Product or service placement
- Celebrity endorsements
- Introductions to professional services such as legal & accounting
- In the future we plan to offer executive office sharing and additional ancillary services

## **Target Market**

The target market will consist of startup and developmental stage businesses located in the United States and abroad. We cater our services to startups and developmental stage companies that do not have the resources to execute or implement their business plan or ideas with the personnel in-house. Our client companies can derive value from our support and expertise with dealing with the typical growing pains and common mistakes experienced by startups.

## **Marketing and Sales**

We are starting to become more active in the market by developing relationships initially with startups and development stage companies. In addition to the personal relationships of the principals, we plan to use our website [www.balancelabs.co](http://www.balancelabs.co) to promote our services and provide a contact function that allows potential clients to reach us for additional information. The references to our website in this Annual Report on Form 10-K are inactive textual references only. The information on our website is not incorporated by reference into this Annual Report on Form 10-K. We may also utilize social media such as Facebook, Twitter and an online blog to increase our presence online and communicate the value we can add.

We do not have any specific marketing channels in place at this point to market our services to potential customers. In the next year end we plan to market our services through word of mouth or personal referrals. We also plan to advertise in startup and development stage specific journals and online media. Referrals from companies that are satisfied with our provided services are likely to be our most significant and efficient form of marketing.

## **Competition**

Our primary source of competition will come from various service providers such as business plan writers, auditors, lawyers, marketing firms as well as many other types of service providers. In addition, those startups and development stage companies that have the resources and inclination to handle these tasks in-house will not need our services.

There are also numerous established firms that offer some combination of marketing, promotional and general consulting services to startup and development stage companies in the industry. In addition, there are a number of large and well-established general marketing agencies that provide strategy and implementation services to the industry as well as a number of other industries. We are in a very competitive market and may struggle to differentiate ourselves as a specialist that provides more value for startup and development stage companies.

## **Services Pricing**

The cost for consulting projects will depend on the scope of the project and time required to execute it. We may charge a flat fee based on the services that our clients request from us, an hourly rate, revenue share or a combination of the above in order to provide our clients with as many cost-effective options as possible. Additionally, all expenses incurred, including engaging third parties, travel as well as other approved expenses, will be passed through to the client for reimbursements.

## **Employees**

We presently have no other employees other than our President and CEO Michael Farkas, Secretary, Carmen Villegas, CFO Ari Feldman and General Counsel, Yechiel Baron. Over time, we may hire employees and/or engage additional independent contractors to execute our projects. These decisions will be made by our officers when appropriate.

**Government Regulation**

Our business activities currently are subject to no regulation by government agencies other than that routinely imposed on corporate businesses. We do not anticipate any regulations specific to our business activities in the future.

**Seasonality**

We do not have a seasonal business cycle.

**Environmental Matters**

Our business currently does not involve any environmental regulation.

**Intellectual Property**

We do not hold any patents, trademarks or other registered intellectual property on services or processes relating to our business. With the exception of domain name and mobile app in the future, we do not consider the grant of patents, trademarks or other registered intellectual property essential to the success of our business.

**Where You Can Find Us**

The Company's principal executive office and mailing address is 407 Lincoln Road, Suite 9F, Miami Beach, FL. Our telephone number is (305) 907-7600.

We have registered the domain name of <http://www.balancelabs.co>.

**Item 1A. Risk Factors.****RISK FACTORS**

You should carefully consider the risks described below together with all of the other information included in this Annual Report on Form 10-K before making an investment decision with regard to our securities. The statements contained in or incorporated herein that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could be harmed. In that case, you may lose all or part of your investment.

**Risks Related to Our Business****AN OCCURRENCE OF AN UNCONTROLLED EVENT SUCH AS THE COVID-19 PANDEMIC IS LIKELY TO NEGATIVELY AFFECT OUR OPERATIONS**

A resurgence of COVID -19 pandemic may adversely impact our operations and demand for our services and our ability to find new clients. This is due in part to potential restrictions such as: social distancing requirements; stay at home orders and the shutdown of non-essential businesses and the impact these restrictions have on small businesses and their ability to generate revenues which effects their ability to afford our services.

**IF WE DO NOT OBTAIN ADDITIONAL FINANCING OR SUFFICIENT REVENUES, OUR BUSINESS WILL FAIL**

We have had limited operations since our formation. There can be no assurance that management of the Company will be successful in completing the Company's business development plan, devise a marketing plan to successfully reach the companies in this field or that the Company will generate sufficient revenues to meet its expenses or to achieve or maintain profitability.

Our current operating funds are less than necessary to complete the full development of our business plan, and we most likely will need to obtain additional financing in order to complete our business plan. We currently have minimal operations, and we are not currently generating revenue or net income.

The Company currently does not have sufficient funds to support its obligations. As a result, the Company will require additional financing to execute its business plan through raising additional capital and/or beginning to generate revenue.

We do not currently have any firm arrangements for financing, and we can provide no assurance to investors that we will be able to find such additional financing if required. Obtaining additional financing is subject to a number of factors, including current financial condition as well as general market conditions. These factors affect the timing, amount, terms or conditions of additional financing unavailable to us. And if additional financing is not arranged, the company faces the risk of going out of business. The Company's management is currently engaged in actively pursuing multiple financing options to obtain the capital necessary to execute the Company's business plan, however, there cannot be any assurance that additional funds will be available when needed from any source, or if available, will be available on terms that are acceptable to us.

#### **OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM HAS RAISED SUBSTANTIAL DOUBT ABOUT OUR ABILITY TO CONTINUE AS A GOING CONCERN**

Our independent registered public accounting firm has expressed substantial doubt as to our ability to continue as a going concern. As discussed in the notes to the consolidated financial statements, these conditions raise substantial doubt from our independent auditor about our ability to continue as a going concern. Our plans regarding these matters are also described in the notes to our consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should our company be unable to continue as a going concern.

We will require additional capital to implement our business plan and support our operations. Currently, we have no established bank financing arrangements. Therefore, depending on the revenue growth rate, we may need to seek additional financing through a future private offering of our equity or debt securities, or through strategic partnerships and other arrangements with corporate partners. We believe we will be successful in these efforts; however, there can be no assurance we will meet our internal revenue forecasts or, if necessary, be successful in raising additional debt or equity financing to fund our operations on terms agreeable to the company. These matters raise substantial doubt from our independent auditor about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if we were unable to continue as a going concern. We presently do not have enough cash on hand to sustain our operations. If we are unable to meet our internal revenue forecasts or obtain additional financing on a timely basis, we may have to delay vendor payments and/or initiate cost reductions, which would have a material adverse effect on our business, financial condition and results of operations, and ultimately, we could be forced to discontinue our operations, liquidate, and/or seek reorganization under the U.S. bankruptcy code.

#### **ADDITIONAL FINANCING MAY ADVERSELY EFFECT TO YOUR INTEREST**

If we raise additional capital through the issuance of equity or convertible debt securities, the percentage ownership of our company held by existing shareholders will be reduced and those shareholders may experience significant dilution. In addition, we may also have to issue securities that may have rights, preferences, and privileges senior to our Common Stock. In the event we seek to raise additional capital through the issuance of debt or its equivalents, this will result in increased interest expense.

#### **LIMITED EXPERIENCE IN MANAGING AND OPERATING A PUBLIC COMPANY**

Our current management has limited experience managing and operating a public company and relies in many instances on the professional experience and advice of third parties including its attorneys and accountants. Failure to adequately comply with laws, rules, or regulations applicable to our business may result in fines or regulatory action, which may materially adversely affect our business, results of operations, or financial condition and could result in delays in the development of an active and liquid trading market for our stock.

## **SIGNIFICANT COSTS TO BE A PUBLIC COMPANY**

We may incur significant costs associated with our public company reporting requirements, costs associated with newly applicable corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the Securities and Exchange Commission. We expect all these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We also expect that these applicable rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these newly applicable rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. In addition, we may not be able to absorb these costs of being a public company which will negatively affect our business operations. Based on our management's reasonable estimates, we anticipate that our cost of being a public company, including legal, audit costs, printing, filing fees and other costs will be between \$50,000 and \$75,000 per year.

## **SIGNIFICANT ADVERSE IMPACT TO OUR CAPITAL RESERVE OF ANY LIABLE UNINSURABLE CLAIM**

Although we are in the process of obtaining the necessary Director and Officer liability insurance, we do not have any insurance to cover potential risks and general liabilities, including, but not limited to, injuries or economic losses arising out of or relating to our omission or errors in providing our services. Even if we decide to obtain insurance coverage in the future, it is possible that: (1) we may not be able to get enough insurance to meet our needs; (2) we may have to pay very high premiums for the additional coverage; (3) we may not be able to acquire any insurance for certain types of business risk; or (4) we may have gaps in coverage for certain risks. We may be exposed to potential uninsured claims for which we could have to expend significant amounts of capital. Consequently, if we were found liable for a significant uninsured claim in the future, we may be forced to expend a significant amount of our capital to resolve the uninsured claim.

## **COMPLETE CONTROL OVER THE COMPANY**

Our majority shareholder, Balance Holdings, LLC, which our Chairman of the Board, Michael D. Farkas has investing and dispositive power of, beneficially own approximately 59.9% of our common stock. Mr. Farkas also has investing and dispositive power of Shilo Holding Group LLC, which own approximately 5.08% of our common stock. Therefore, Mr. Farkas is able to exercise control over all matters requiring shareholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions, and he also has significant control over our management and policies. The directors elected thereof will be able to significantly influence decisions affecting our capital structure. This control may have the effect of delaying or preventing changes in control or changes in management, or limiting the ability of our other shareholders to approve transactions that they may deem to be in their best interest.

## **DEPENDENCE ON KEY PERSONNEL**

We will be dependent on services from our management team, including Chairman of the Board and CEO, Michael D. Farkas, CFO, Ari Feldman and Secretary, Carmen Villegas. The loss of our officers and/or key employees could have a material adverse effect on the operations and prospects of the Company. Our management is expected to handle all marketing and sales efforts and manage the operations. Their responsibilities include formalizing business arrangements with third party service providers, directing the development of the Company website and other online communication tools, and formulating marketing materials to be used during presentations and meetings. At this time, we do not have an employment agreement with Ms. Villegas though the Company may enter into such an agreement with her on terms and conditions usual and customary for its industry. The Company does have an employment agreement with Mr. Farkas and Mr. Feldman. The Company does not currently have "key man" life insurance on Ms. Villegas, Mr. Feldman or Mr. Farkas.

## **HIGHLY COMPETITIVE MARKET**

There are numerous established companies that offer some combination of marketing, promotional and general consulting services to startup and development stage companies in the industry. In addition, there are several large and well-established full-service consulting firms that provide strategy and implementation services to a broad spectrum of industries. We are a new entry into this competitive market and may struggle to differentiate ourselves as a specialist that provides more value for startup and development stage companies.

## **INDEMNIFICATION AND LIMITATION OF LIABILITY**

Our Certificate of Incorporation and By-Laws include provisions that fully eliminate the personal liability of the directors of the Company for monetary damages possible under the laws of the State of Delaware or other applicable law. These provisions eliminate the liability of directors to the Company and its stockholders for monetary damages arising out of any violation of a director of his fiduciary duty of due care. Under Delaware law, however, such provisions do not eliminate the personal liability of a director for (i) breach of the director's duty of loyalty, (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violation of law, (iii) payment of dividends or repurchases of stock other than from lawfully available funds, or (iv) any transaction from which the director derived an improper benefit. These provisions do not affect a director's liabilities under the federal securities laws or the recovery of damages by third parties.

## **POTENTIAL CLIENTS' MAY NOT HAVE THE FUNDS OR THE NEED TO OUTSOURCE THIS WORK**

Some companies have the resources to handle the strategy and implementation of these services in-house. Other companies may have limited available resources which will prohibit them from engaging us to help them develop and implement their strategy. Therefore, we risk having a limited niche potential client base.

## **COMPANY MAY RELY UPON INDEPENDENT CONTRACTORS TO IMPLEMENT SOLUTIONS**

In order to implement our services at a scale commensurate with the business plan, we will most likely engage independent contractors who will need to be mentored and actively managed to ensure that their work product meets the standards of our Company. Recruiting, engaging, contracting, and maintaining independent contractors who can perform this work could cause delays, unplanned expenses and other adverse results for the Company.

## **REPORTING REQUIREMENTS UNDER THE EXCHANGE ACT AND COMPLIANCE WITH THE SARBANES-OXLEY ACT OF 2002, INCLUDING ESTABLISHING AND MAINTAINING ACCEPTABLE INTERNAL CONTROLS OVER FINANCIAL REPORTING, ARE COSTLY AND MAY INCREASE SUBSTANTIALLY**

The rules and regulations of the SEC require a public company to prepare and file periodic reports under the Exchange Act, which will require that the Company engage legal, accounting, auditing and other professional services. The engagement of such services is costly. Additionally, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") requires, among other things, that we design, implement and maintain adequate internal controls and procedures over financial reporting. The costs of complying with the Sarbanes-Oxley Act and the limited technically qualified personnel we have may make it difficult for us to design, implement and maintain adequate internal controls over financial reporting. In the event that we fail to maintain an effective system of internal controls or discover material weaknesses in our internal controls, we may not be able to produce reliable financial reports or report fraud, which may harm our overall financial condition and result in loss of investor confidence and a decline in our share price.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act of 2010 and other applicable securities rules and regulations. Despite recent reforms made possible by the JOBS Act, compliance with these rules and regulations will nonetheless increase our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company." The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results.

We are working with our legal, independent accounting and financial advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public company. These areas include corporate governance, corporate control, disclosure controls and procedures and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas. However, we anticipate that the expenses that will be required in order to adequately prepare for being a public company could be material. We estimate that the aggregate cost of increased legal services; accounting and audit functions; personnel, such as a chief financial officer familiar with the obligations of public company reporting; consultants to design and implement internal controls; and financial printing alone will be a few hundred thousand dollars per year and could be several hundred thousand dollars per year. In addition, if and when we retain independent directors and/or additional members of senior management, we may incur additional expenses related to director compensation and/or premiums for directors' and officers' liability insurance, the costs of which we cannot estimate at this time. We may also incur additional expenses associated with investor relations and similar functions, the cost of which we also cannot estimate at this time. However, these additional expenses individually, or in the aggregate, may also be material.

In addition, being a public company could make it more difficult or more costly for us to obtain certain types of insurance, including directors' and officers' liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees, or as executive officers.

The increased costs associated with operating as a public company may decrease our net income or increase our net loss and may cause us to reduce costs in other areas of our business or increase the prices of our products or services to offset the effect of such increased costs. Additionally, if these requirements divert our management's attention from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations.

#### **IF WE FAIL TO MAINTAIN EFFECTIVE INTERNAL CONTROLS OVER FINANCIAL REPORTING, THE PRICE OF OUR COMMON STOCK MAY BE ADVERSELY AFFECTED**

We are required to establish and maintain appropriate internal controls over financial reporting. During the year ended December 31, 2023, we carried out an evaluation, under the supervision and with the participation of our management, including the principal executive officer and the principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation and due to the lack of segregation of duties due to small Company staff size our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were ineffective as of the end of the period covered by this report. Failure to establish those controls, or any failure of those controls once established, could adversely affect our public disclosures regarding our business, prospects, financial condition, or results of operations. In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting or disclosure of management's assessment of our internal controls over financial reporting may have an adverse impact on the price of our common stock.

#### **WE RELY HEAVILY ON INFORMATION TECHNOLOGY. ANY INTERRUPTION OR LAPSE RELATED TO THAT TECHNOLOGY, INCLUDING ANY CYBERSECURITY INCIDENTS, COULD HARM OUR ABILITY TO OPERATE OUR BUSINESS EFFECTIVELY**

Despite our security measures, our information technology and infrastructure are subject to attacks or breaches. Any such breach could result in a material compromise of our systems or these systems of our third-party vendors, and the information stored there could be accessed, publicly disclosed, lost, stolen, or rendered, permanently or temporarily, inaccessible. Furthermore, we may not promptly discover a system intrusion. Attacks could have a material impact on our business, operations or financial results. Any such access, disclosure or other loss of information, including our data being breached at third party providers, could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, disrupt our operations and damage our reputation, which could adversely affect our business.

#### **Risks Related to Our Common Stock**

##### **THERE IS A LIMITED PUBLIC MARKET FOR OUR SECURITIES**

Our common stock is not listed on any national securities exchange. Accordingly, investors may find it more difficult to buy and sell our shares than if our common stock was traded on an exchange. Although our common stock is quoted on the OTC Pink, it is an unorganized, inter-dealer, over-the-counter market which provides significantly less liquidity than the NASDAQ Capital Market or other national securities exchange. These factors may have an adverse impact on the trading and price of our common stock. And our common stock may be less attractive for margin loans, for investment by financial institutions, as consideration in future capital raising transactions or other purposes.

## **NOT LIKELY TO PAY DIVIDENDS**

We currently intend to retain any future earnings for use in the operation and expansion of our business. Accordingly, we do not expect to pay any dividends in the foreseeable future but will review this policy as circumstances dictate.

## **WE ARE SUBJECT TO THE SEC'S "PENNY STOCK" RULES**

We are subject to the SEC's "penny stock" rules if our shares of Common Stock sell below \$5.00 per share. Penny stocks generally are equity securities with a price of less than \$5.00. The penny stock rules require broker-dealers to deliver a standardized risk disclosure document prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction, the broker dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The penny stock rules are burdensome and may reduce purchases of any offerings and reduce the trading activity for shares of our Common Stock. As long as our shares of Common Stock are subject to the penny stock rules, the holders of such shares of Common Stock may find it more difficult to sell their securities.

### **Item 1B. Unresolved Staff Comments.**

Not applicable.

### **Item 1C. Cybersecurity**

We have processes in place for assessing, identifying, and managing material risks from cybersecurity threats, including potential unauthorized occurrences on or through both, our physical systems and electronic information systems, that could adversely affect the confidentiality, integrity, or availability of our information systems or the information residing on those systems. These include a wide variety of mechanisms, controls, technologies, methods, systems, and other processes that are designed to prevent, detect, or mitigate data loss, theft, misuse, unauthorized access, or other security incidents or vulnerabilities affecting the data. The data include confidential, proprietary, and business and personal information that we collect, process and store as part of our business, including on behalf of third parties. Additionally, we use processes to oversee and identify material risks from cybersecurity threats associated with our use of third-party technology and systems, including: technology and systems we use for encryption and authentication; employee email; content delivery to customers; back-office support; and other functions.

As part of our risk management process, we conduct application security assessments, vulnerability management, penetration testing, security audits, and ongoing risk assessments. We also maintain a variety of incident response plans that are utilized when incidents are detected. We require employees with access to information systems, including all corporate employees, to undertake data protection and cybersecurity training and compliance programs at least annually.

We have a unified and centrally-coordinated team, led by our Michael Farkas that is responsible for implementing and maintaining centralized cybersecurity and data protection practices at the Company in close coordination with senior leadership and other teams across the Company. In addition, we also engage assessors, consultants, auditors, or other third parties to assist with assessing, identifying and managing cybersecurity risks.

Our cybersecurity risks and associated mitigations are evaluated by senior leadership, including as part of our risk assessments that are reviewed by the board of directors.

The board of directors oversees our policies and procedures for protecting our cybersecurity infrastructure and for compliance with applicable data protection and security regulations, and related risks. They also oversee the response to any significant cybersecurity incidents. Our Michael Farkas, who has cybersecurity knowledge and skills, heads the team responsible for implementing and maintaining cybersecurity and data protection practices at the Company.

We describe whether and how risks from cybersecurity threats have or that are reasonably likely to affect our financial position, results of operations and cash flows, under the heading "WE RELY HEAVILY ON INFORMATION TECHNOLOGY. ANY INTERRUPTION OR LAPSE RELATED TO THAT TECHNOLOGY, INCLUDING ANY CYBERSECURITY INCIDENTS, COULD HARM OUR ABILITY TO OPERATE OUR BUSINESS EFFECTIVELY." included as part of our Item 1A. Risk Factors of this Annual Report on Form 10-K, which disclosures are incorporated by reference herein.

### **Item 2. Properties.**

The Company's mailing address is 407 Lincoln Road, Suite 9F, Miami Beach, FL 33139. Our telephone number is (305) 907-7600.

### **Item 3. Legal Proceedings.**

To the best of our knowledge, there are no material pending legal proceedings to which we are a party or of which any of our property is the subject. From time to time, we may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

### **Item 4. Mine Safety Disclosures.**

Not Applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### Market Information

The Company's common stock is currently quoted on the OTC Market Pink under symbol BLNC. Our stock is thinly traded and there is no active trading market developed for our shares of common stock. The following table sets forth the high and low bid prices per share of common stock for the periods indicated. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	Common Stock	
	High	Low
<b>Fiscal Year Ended December 31, 2023:</b>		
Fiscal Quarter Ended March 31, 2023	\$ 0.235	\$ 0.235
Fiscal Quarter Ended June 30, 2023	\$ 0.235	\$ 0.235
Fiscal Quarter Ended September 30, 2023	\$ 0.235	\$ 0.235
Fiscal Quarter Ended December 31, 2023	\$ 0.235	\$ 0.235
<b>Fiscal Year Ended December 31, 2022:</b>		
Fiscal Quarter Ended March 31, 2022	\$ 0.86	\$ 0.72
Fiscal Quarter Ended June 30, 2022	\$ 1.00	\$ 0.73
Fiscal Quarter Ended September 30, 2022	\$ 0.73	\$ 0.47
Fiscal Quarter Ended December 31, 2022	\$ 1.00	\$ 0.23

#### Common Stock

All outstanding shares of common stock are of the same class and have equal rights and attributes. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders of the Company. All stockholders are entitled to share equally in dividends, if any, as may be declared from time to time by the Company's board of directors out of funds legally available. In the event of liquidation, the holders of common stock are entitled to share ratably in all assets remaining after payment of all liabilities. The stockholders do not have cumulative or preemptive rights.

#### Preferred Stock

Our Certificate of Incorporation authorizes the issuance of up to 50,000,000 shares of Preferred Stock. Accordingly, our board of directors is empowered, without stockholder approval, to issue Preferred Stock with dividend, liquidation, conversion, voting, or other rights, which could adversely affect the voting power, or other rights of the holders of the Common Stock. In the event of issuance, the Preferred Stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of the Company. Although we have no present intention to issue any shares of our authorized Preferred Stock, there can be no assurance that the Company will not do so in the future.

#### Holders

As of April 15, 2024, we had approximately 52 holders of our common stock.

#### Dividends

To date, we have not declared or paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future on our common stock. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our board of directors has the discretion to declare and pay dividends in the future.

Payment of dividends in the future will depend upon our earnings, capital requirements, and any other factors that our board of directors deems relevant.

#### Equity Compensation Plan Information

The Company does not have any equity compensation plan.

#### Recent Sales of Unregistered Securities

None.

#### Issuer Purchases of Equity Securities

None.

### Item 6. Selected Financial Data.

Smaller reporting companies are not required to provide the information for this item.

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

#### Plan of Operations

Our plan of operations over the next 12 months is to continue to prepare our clients for the many inevitable challenges they will encounter and to develop a customized plan for them to help overcome these obstacles, so that they can focus on marketing their product(s) and/or service(s) to their potential customers.

Although we've only worked with three clients since inception, our goal is to add and service a minimum of two to three new clients between now and the end of 2024. We're marketing our services through both personal contact and online by (a) mining our existing network of professional contacts via personal outreach programs, which will also target international prospects that may wish to enter the US market; (b) expanding our network by attending targeted conferences and professional gatherings; and (c) utilizing

our website at [www.balancelabs.co](http://www.balancelabs.co), plus engaging potential clients on social media, including LinkedIn, Facebook and Twitter. However, because we have a limited budget allocated for an on-line marketing campaign, we anticipate that professionals within our professional network and personal referrals from companies that are satisfied with our professional services are likely to be our most significant and efficient near-term form of marketing.

The Company incorporated or formed nine subsidiaries since 2016, Balance Labs, LLC, Balance AgroTech Co., Advanced AutoTech Co., Balance Cannabis Co., Balance Medical Marijuana Co. Krypto Ventures Inc, formerly known as KryptoBank Co., a former subsidiary. Except for Krypto Ventures Inc., formerly known as KryptoBank Co. all of the subsidiaries are wholly owned by the Company. On July 29, 2021, the Company exchanged 52,500,000 shares of common stock in Krypto Ventures, Inc. for 119,584,736 shares of common stock in Descrypto Holdings, Inc. (“Descrypto”) (formerly W Technologies Inc.), an unrelated party in a Share Exchange Agreement. As a result, Krypto Ventures, Inc was deconsolidated and is no longer our subsidiary.

In November 2018, the Company acquired a non-controlling minority interest in a new startup company, iGrow Systems, Inc. As of December 31, 2023, this investment has no value based on the equity method of accounting. iGrow Systems, Inc., was developing a plant growing device for home use. iGrow Systems Inc has closed and is no longer in operations.

The Company owned a majority interest in Krypto Ventures Inc, formerly known as KryptoBank Co. On July 29, 2021, the Company exchanged 52,500,000 shares of common stock in Krypto Ventures, Inc. for 119,584,736 shares of common stock in W Technologies Inc. (“W Tech”), an unrelated party in a Share Exchange Agreement. As of September 30, 2021, the investment had a fair value of \$0, due to the stock being illiquid, and it is recorded on our consolidated balance sheet using the equity method. On November 17, 2021, W Tech repurchased all the shares owned by the Company and the Company no longer owns any portion of Krypto Ventures Inc.’s or W Tech’s outstanding shares of common stock.

On December 2, 2020, the Company received 1,000,000 shares from EZFill Holdings, Inc, a related party, for past services, with each share valued at \$1 each. At the time of acquiring these shares, EZFill Holdings, Inc. was not a publicly traded company.

On September 14, 2021, the S-1 Registration Statement for EZFill Holdings, Inc. was declared effective by the U.S. Securities and Exchange Commission. As a result of becoming a publicly traded company, our investment is now recorded at fair value as available-for-sale securities on September 30, 2022, with the gains and losses being recorded through other income on the consolidated statements of operations for the year ended December 31, 2022 and 2023.

On November 18, 2020, the Company executed a two (2) year, third-party consulting agreement with EzFill Holdings Inc for various corporate services. The current service agreement has expired effective November 18, 2022. In connection with this agreement, and with the effectiveness of the Company’s Form S-1 registration statement, the Company was entitled to compensation as follows:

- 1,000,000 shares of common stock having a fair value of \$1,000,000 (\$1.00/share), each based on a recent cash price of the related party,
- and a one time payment of \$200,000 upon completion of the Company’s IPO.
- during the first year of the agreement, \$25,000 per month, with the 1<sup>st</sup> payment due 30 days after the completion of the Company’s IPO,
- during the second year of the agreement, \$22,500 per month, and
- on each anniversary of the agreement, 500,000 shares of common stock.

At December 31, 2023, the Company owned 66,432 shares after a reverse stock split adjustment of 1 for 3.763243 and the fair value of the investment in EZFill Holdings, Inc. was reported on the balance sheet as Investment at fair value - related party totaling \$107,912 (\$1.62/share). Recorded an adjustment of (\$40,896) for the twelve months ending December 31, 2023, as unrealized loss on securities.

On January 29, 2021, the Company received 20% ownership of Pharmacy No, 27, Ltd, a company based in Israel, as part of a Note Receivable from a third party (see Note 5). As of December 31, 2023, the investment has a fair value of \$0, based upon the quoted closing trading price and it is recorded on our consolidated balance sheet using the equity method. In addition, the interest receivable associated with this note has fully been reserved in the amount of \$21,958 as of December 31, 2023.

Our primary requirement for funding is for working capital in order to accommodate temporary negative cash flows from operations (see “Liquidity and Capital Resources”).

## **Results of Operations**

### **For the years ended December 31, 2023 and December 31, 2022.**

#### *Overview*

We reported a net loss attributable to the Company of \$381,571 for year ended December 31, 2023 and a net loss of \$768,351 for the year ended December 31, 2022, a difference of \$(386,780) or 50%, primarily due to an decrease in the unrealized loss on available for sale securities and a decrease in professional expense.

#### *Revenues – Related Party*

For the years ended December 31, 2023 and December 31, 2022, we generated \$0 and \$247,500, respectively in revenue. The primary reason for the decrease in revenue was due to a decrease of the consulting income received from EZFill Holdings, Inc.

#### *General and Administrative Expenses*

General and administrative expenses were \$35,571 and \$21,236 for the years ended December 31, 2023 and 2022, respectively, an increase of \$14,335 or 68% primarily due to increase in office expenses.

#### *Professional Fees*

Professional fees were \$25,085 and \$139,263 for the years ended December 31, 2023 and 2022, respectively, a decrease of \$114,178 or 82% due to a decrease in legal and accounting fees.

#### *Salaries and Wages*

Wages were \$55,644 and \$49,837 for the years ended December 31, 2023 and 2022, respectively, an increase of \$5,807 or 12% due to an increase in salaries expense.

#### *Other Income and Expense*

Other expenses for the year ended December 31, 2023 was \$265,271. Other expenses for the year ended December 31, 2022, was \$745,515. This represents a difference of \$480,244 which was attributable to less unrealized losses associated with the sale of securities.

#### *Unrealized gain or loss on available for sale securities*

Unrealized loss on available for sale securities for the year ended December 31, 2023, was \$40,896. Unrealized loss on available for sale securities for the year ended December 31, 2022, was \$401,250. This represents a decrease of \$360,062 or 90% attributable to less losses associated with held securities.

## Liquidity and Capital Resources

We measure our liquidity in a number of ways, including the following.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash	\$ 112,809	\$ 235,311
Working capital (deficiency)	\$ (4,542,883)	\$ (3,681,157)

### *Availability of Additional Funds*

As described elsewhere in this annual report, we currently do not have any material commitments for capital expenditures. We are actively pursuing new client relationships. Even if we were to add a new client(s), due to our current lack of a diversified client base, there could be temporary imbalances between cash receipts and cash operating expenditures, which means that we may need additional capital. The engagement revenues associated with most client engagements will self-fund the in-house and sub-contractor services we need in order to supply products and services to our clients.

As of December 31, 2023, the Company had a working capital deficiency of (\$4,542,883). The Company net cash used by operations was \$122,502. In addition, the Company is working to manage its current liabilities while it continues to make changes in operations to further improve its cash flow and liquidity position. Based upon subsequent debt financing and the Company's current cash flow projections, management believes the Company will have sufficient capital resources to meet projected cash flow requirements for the next year ended.

### *Net Cash Used in Operating Activities*

We experienced negative cash flows from operating activities for the year ended December 31, 2023 of \$122,502. This was primarily due to an unrealized losses of \$40,896 on available for sale securities, and a net loss of \$381,571.

### **Our auditors have issued a going concern opinion**

The Company's independent registered public accounting firm has expressed substantial doubt as to the Company's ability to continue as a going concern as of December 31, 2023. The consolidated financial statements in this annual report on Form 10-K have been prepared assuming that the Company will continue as a going concern. As discussed in the notes to the consolidated financial statements, these conditions raise substantial doubt from our independent auditor about the Company's ability to continue as a going concern. The Company's plans in regard to these matters are also described in the notes to the Company's consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Therefore, we will need to raise additional capital in the future to continue our operations. There can be no assurance that additional funds will be available when needed from any source or, if available, will be available on terms that are acceptable to us. We will be required to pursue sources of additional capital through various means, including debt or equity financings. Future financings through equity investments are likely to be dilutive to existing stockholders. Also, the terms of securities we may issue in future capital transactions may be more favorable for new investors. Newly issued securities may include preferences, superior voting rights, the issuance of warrants or other derivative securities, and the issuances of incentive awards under equity employee incentive plans, which may have additional dilutive effects. Further, we may incur substantial costs in pursuing future capital and/or financing, including investment banking fees, legal fees, accounting fees, printing and distribution expenses and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we may issue, such as convertible notes and warrants, which will adversely impact our financial condition. Our ability to obtain needed financing may be impaired by such factors as the capital markets and our history of losses, which could impact the availability or cost of future financings. If the Company is unable to meet its internal revenue forecasts or obtain additional financing on a timely basis, it may have to delay vendor payments and/or initiate cost reductions, which would have a material adverse effect on the Company's business, financial condition and results of operations, and ultimately it could be forced to discontinue the Company's operations, liquidate, and/or seek reorganization under the U.S. bankruptcy code.

#### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements.

#### **Critical Accounting Policies and Estimates**

##### *Use of Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates may include those pertaining to accruals, stock-based compensation and income taxes. Actual results could materially differ from those estimates.

##### *Revenue Recognition*

The Company accounts for its revenues under FASB ASC 606, that requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company considers revenue realized or realizable and earned when all the five following criteria are met: (1) Identify the Contract with a Customer, (2) Identify the Performance Obligations in the Contract, (3) Determine the Transaction Price, (4) Allocate the Transaction Price to the Performance Obligations in the Contract, and (5) Recognize Revenue When (or As) the Entity Satisfies a Performance Obligation. The Company recognizes consulting income when the services are performed, and performance obligations are satisfied, over time or point of time.

##### *Fair Value of Financial Instruments*

The Company measures its financial assets and liabilities in accordance with GAAP. For certain of our financial instruments, including cash, accounts payable, and the short-term portion of long-term debt, the carrying amounts approximate fair value due to their short maturities.

We adopted accounting guidance for financial and non-financial assets and liabilities (ASC 820). This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

##### *Recently Issued Accounting Pronouncements*

We have implemented all new accounting standards that are in effect and may impact our consolidated financial statements and do not believe that there are any other new accounting standards that have been issued that might have a material impact on our financial position or results of operations.

#### **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

Not required for smaller reporting companies.

#### **Item 8. Consolidated Financial Statements and Supplementary Data.**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and  
Stockholders of Balance Labs, Inc. and Subsidiaries.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Balance Labs Inc. and Subsidiaries (the Company) as of December 31, 2023 and 2022, and the related consolidated statements of operations, stockholders' deficit, and cash flow for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively referred to as the financial statements). In our opinion, the consolidated 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 flow for each of the years in the two-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

### Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company had a net loss of \$381,571, for the year ended December 31, 2023. In addition, the Company had an accumulated deficit of \$5,355,098 and had negative working capital of \$4,542,883. 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 2. The consolidated 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 consolidated 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 audits 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 audits 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 audits 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 audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments.

We did not identify any critical audit matters that need to be communicated.

/s/ Assurance Dimensions

We have served as the Company's auditor since 2022.

PCAOB ID: 5036

Margate, Florida

April 15, 2024

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Balance Labs, Inc. and Subsidiaries  
Consolidated Balance Sheets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 112,809	\$ 235,311
Accounts receivable, net of allowance of \$0 and \$0 as of December 31, 2023 and 2022.	-	45,000
Investment at fair value - related party	107,912	148,808
<b>Total Current Assets</b>	<u>220,721</u>	<u>429,119</u>
<b>Total Assets</b>	<u>\$ 220,721</u>	<u>\$ 429,119</u>
<b>Liabilities and Stockholders' Deficit</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,381,849	\$ 1,220,017
Accounts payable - related party	911,659	911,659
Short -term advances - related party	1,673,558	1,673,558
Convertible note payable	25,000	25,000
Convertible notes payable - related party, net of debt discount of \$0 and \$0 as of December 31, 2023, and December 31, 2022	173,192	173,192
Convertible note payable, net of debt discount of \$8,504 as of December 31, 2023	491,496	
Notes payable - related party	106,850	106,850
<b>Total Current Liabilities</b>	<u>4,763,604</u>	<u>4,110,276</u>
<b>Long Term Liabilities</b>		
Convertible note payable, net of debt discount of \$ 19,845 as of December 31, 2022	-	480,155
<b>Total Long Term Liabilities</b>	<u>-</u>	<u>480,155</u>
<b>Total Liabilities</b>	<u>4,763,604</u>	<u>4,590,431</u>
<b>Commitments and Contingencies (Note 8)</b>	-	-
<b>Stockholders' Deficit</b>		
Preferred stock, \$0.0001 par value, 50,000,000 shares authorized, none issued and outstanding as of December 31, 2023, and December 31, 2022	-	-
Common stock, \$0.0001 par value: authorized 500,000,000, 21,674,000 and 21,674,000 shares issued and outstanding as of December 31, 2023, and December 31, 2022, respectively	2,167	2,167
Additional paid-in capital	810,048	810,048
Accumulated deficit	(5,355,098)	(4,973,527)
<b>Stockholders' Deficit</b>	<u>(4,542,883)</u>	<u>(4,161,312)</u>
<b>Total Stockholders' Deficit</b>	<u>(4,542,883)</u>	<u>(4,161,312)</u>
<b>Total Liabilities and Stockholders' Deficit</b>	<u>\$ 220,721</u>	<u>\$ 429,119</u>

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

**Balance Labs, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**

	<b>For the Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues - related party</b>	\$ -	\$ 247,500
<b>Costs and expenses</b>		
General and administrative expenses	35,571	21,236
Professional fees	25,085	139,263
Salaries and wages	55,644	49,837
General and administrative expenses - related party	-	60,000
<b>Total operating expenses</b>	<b>116,300</b>	<b>270,336</b>
<b>Income (Loss) from operations</b>	<b>(116,300)</b>	<b>(22,836)</b>
<b>Other income (expense)</b>		
Unrealized loss on marketable securities	(40,896)	(401,250)
Bad debt on note receivable and related accrual interest	-	(151,714)
Net loss allocated from equity method investee	-	(47,255)
Accreted interest income and interest income on note receivable	-	3,311
Gain on disposal of non-controlling investment	-	83,064
Interest expense	(224,375)	(231,671)
<b>Total other expense – net</b>	<b>(265,271)</b>	<b>(745,515)</b>
<b>Net loss</b>	<b>\$ (381,571)</b>	<b>\$ (768,351)</b>
<b>Net Loss attributable to the Company</b>	<b>\$ (381,571)</b>	<b>\$ (768,351)</b>
<b>Net Loss per share – basic</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>
<b>Net Loss per share – diluted</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>
<b>Weighted average number of shares – basic</b>	<b>21,674,000</b>	<b>21,674,000</b>
<b>Weighted average number of shares - diluted</b>	<b>21,674,000</b>	<b>21,674,000</b>

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

**Balance Labs, Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Stockholders' (Deficit)**  
**For the Years Ended December 31, 2023, and 2022**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>			
<b>December 31, 2021</b>	21,674,000	\$ 2,167	\$ 810,048	\$ (4,205,176)	\$ (3,392,961)
Net loss	-	-	-	(768,351)	(768,351)
December 31, 2022	21,674,000	\$ 2,167	\$ 810,048	\$ (4,973,527)	\$ (4,161,312)
Net loss	-	-	-	(381,571)	(381,571)
<b>December 31, 2023</b>	<u>21,674,000</u>	<u>\$ 2,167</u>	<u>\$ 810,048</u>	<u>\$ (5,355,098)</u>	<u>\$ (4,542,883)</u>

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

**Balance Labs, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**

	<b>For the Years December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Net loss - including non-controlling interest	\$ (381,571)	\$ (768,351)
Adjustments to reconcile net loss to net cash (used in) operations		
Amortization of debt discount	11,341	14,768
Amortization of expense on note receivable	-	(3,308)
Provision for credit losses	-	174,214
Net loss from equity method investment	-	43,812
Unrealized (gain) on available - for - sale securities	40,896	401,249
Gain on disposal of non-controlling investment	-	(83,064)
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	45,000	(45,000)
Interest receivable	-	2,218
Prepays	-	-
Increase (decrease) in		
Accounts payable and accrued expenses	161,832	209,989
Accounts payable and accrued expenses - related party	-	60,000
Accumulated losses on unconsolidated investees in excess of investment	-	1,226
<b>Net cash (used in) provided by operating activities</b>	<b>(122,502)</b>	<b>7,753</b>
<b>Net (decrease) increase in cash</b>	<b>(122,502)</b>	<b>7,753</b>
<b>Cash and cash equivalents - beginning of period</b>	<b>235,311</b>	<b>227,558</b>
<b>Cash and cash equivalents - end of period</b>	<b>\$ 112,809</b>	<b>\$ 235,311</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income tax	\$ -	\$ -
<b>Supplemental disclosure of non-cash operating activities</b>		
Reversal of accrued expense payable	\$ 40,165	\$ -
Total non-cash operating activities	\$ 40,165	\$ -

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

**Note 1 – Business Organization and Nature of Operations**

Balance Labs, Inc. (“Balance Labs” or the “Company”) was incorporated on June 5, 2014 under the laws of the State of Delaware. Balance Labs is a consulting firm that provides business development and consulting services to start up and development stage businesses. The Company offers services to help businesses in various industries improve and fine tune their business models, sales and marketing plans and internal operations as well as make introductions to professional services such as business plan writing, accounting firms and legal service providers.

The Company leverages its knowledge in developing businesses with entrepreneurs and start up companies’ management whereby it creates a customized plan for them to overcome obstacles so that they can focus on marketing their product(s) and/or service(s) to their potential customers.

**Note 2 – Going Concern**

The consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has experienced net losses since inception. The Company has relied primarily on loans from related parties to fund its operations with a net loss of \$381,571 for the year of 2023 and stockholders’ deficit of \$4,542,883 as of December 31, 2023. There is substantial doubt about the Company to continue as a going concern for a period of one year from the date of these financial statements were issued. This will not sustain the Company without additional funds. Management plans to raise additional capital within the next year ended that will sustain its operations for the next year. In addition, the Company will begin an active marketing campaign to market its services. There can be no assurance that such a plan will successful. The accompanying consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

**Note 3 – Summary of Significant Accounting Policies**

Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. At December 31, 2023 and December 31, 2022, the Company has \$2,000 and \$2,000 in cash equivalents, respectively.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates may include those pertaining to stock-based compensation, depreciable lives of fixed assets and deferred tax assets. Actual results could materially differ from those estimates.

Accounts Receivable

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts pursuant to the guidance of Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326) as codified in Accounts Standards Codification (ASC) 326, Financial Instruments – Credit Losses. Under ASC 326, the Company utilizes a current and expected credit loss (CECL) impairment model. ASU 2016-13 became effective for us on January 1, 2023. The Company’s estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Company’s estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$0 and \$0 at December 31, 2023, and 2022, respectively.

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Revenue Recognition

The Company accounts for its revenues under FASB ASC 606, that requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company considers revenue realized or realizable and earned when all the five following criteria are met: (1) Identify the Contract with a Customer, (2) Identify the Performance Obligations in the Contract, (3) Determine the Transaction Price, (4) Allocate the Transaction Price to the Performance Obligations in the Contract, and (5) Recognize Revenue When (or As) the Entity Satisfies a Performance Obligation.

The Company recognizes consulting income when the services are performed, and performance obligations are satisfied over time or point of time the Company had no revenue for the year ended December 31, 2023.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of items that have been included or excluded in the financial statements or tax returns. Deferred tax assets and liabilities are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts ("temporary differences") at enacted tax rates in effect for the years in which the temporary differences are expected to reverse.

The Company adopted the provisions of Accounting Standards Codification ("ASC") Topic 740-10, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management has evaluated and concluded that there are no material tax positions requiring recognition in the Company's consolidated financial statements as of December 31, 2023 and 2022. The Company does not expect any significant changes in its unrecognized tax benefits within twelve months of the reporting date. The Company's, 2020, 2021, and 2022 tax returns remain open for audit for Federal and State taxing authorities.

The Company's policy is to classify assessments, if any, for tax related interest as interest expense and penalties as general and administrative expenses in the statement of operations.

Marketable Securities

The Company accounts for marketable and available-for-sale securities under ASU 2016-01, "Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities." ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income.

The Company accounts for its investment in Bang Holdings, Corp as available-for-sale securities, therefore, in 2021 the unrealized gain on the available-for-sale securities has been recorded in other income on the condensed consolidated statements of operations.

The Company accounts for its investment in EZFill Holdings, Inc. as available-for-sale securities pursuant to the S-1 Registration Statement declared effective on September 14, 2021, therefore, the unrealized gain on the available-for sale securities during the year ended December 31, 2023, and 2022 has been recorded in Other Expense on the Income Statement.

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Marketable Securities

When the fair value of an investment is indeterminable, the Company accounts for its investments that are under 20% of the total equity outstanding using the cost method. For investments in which the Company holds between 20-50% equity and is non-controlling are accounted for using the equity method. For any investments in which the Company holds over 50% of the outstanding stock, the Company consolidates those entities into their condensed consolidated financial statements herein.

The Company holds one investment as of December 31, 2023, and one investments as of December 31, 2022.

On December 2, 2020, the Company received 1,000,000 shares from EZFill Holdings, Inc, a related party, for past services, with each share valued at \$1 each. At the time of acquiring these shares, EZFill Holdings, Inc. was not a publicly traded company.

On September 14, 2021, the S-1 Registration Statement for EZFill Holdings, Inc. was declared effective by the U.S. Securities and Exchange Commission. As a result of becoming a publicly traded company, our investment is now recorded at fair value as available-for-sale securities on December 31, 2022, with the gains and losses being recorded through other income on the consolidated statements of operations.

On November 18, 2020, the Company executed a two (2) year, third-party consulting agreement for various corporate services. In connection with this agreement, and with the effectiveness of the Company's Form S-1 registration statement, the Company was entitled to compensation as follows:

- 1,000,000 shares of common stock having a fair value of \$1,000,000 (\$1.00/share), each based on a recent cash price of the related party,
- \$200,000,
- During the first year of the agreement, \$25,000 per month, with the 1<sup>st</sup> payment due 30 days after the completion of the Company's IPO,
- During the second year of the agreement, \$22,500 per month; and
- On each anniversary of the agreement, 500,000 shares of common stock

At December 31, 2023, the Company owned 66,432 shares after a reverse stock split adjustment of 1 for 3.763243 and the fair value of the investment in EZFill Holdings, Inc. was reported on the balance sheet as Investment at fair value - related party totaling \$107,912 (\$1.62/share). Recorded an adjustment of (\$40,896) for the twelve months ending December 31, 2023, as unrealized loss on securities.

Investments – Related Parties

When the fair value of an investment is indeterminable, the Company accounts for its investments that are under 20% of the total equity outstanding using the cost method. For investments in which the Company holds between 20-50% equity and is non-controlling are accounted for using the equity method. For any investments in which the Company holds over 50% of the outstanding stock, the Company consolidates those entities into their consolidated financial statements herein.

The Company holds one investment as of December 31, 2023, and one investment as of December 31, 2022.

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Investments

On January 29, 2021, the Company received 20% ownership of Pharmacy No, 27, Ltd, a company based in Israel, as part of a Note Receivable from a third party (see Note 5). As of December 31, 2023, the investment has a fair value of \$0, based upon the quoted closing trading price and it is recorded on our consolidated balance sheet using the equity method. During the twelve months ended December 31, 2023, the Company recorded \$0 of unrealized loss from this investment.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash, cash equivalents and marketable securities. As of December 31, 2023, the carrying value of marketable securities was \$107,912, which consist of common shares held in one (1) investment which currently is trading on the Over-the-Counter Bulletin Board (OTCBB).

At December 31, 2023, the Company owned 66,432 shares after a reverse stock split adjustment of 1 for 3.763243 and the fair value of the investment in EZFill Holdings, Inc. was reported on the balance sheet as Investment at fair value - related party totaling \$107,912 (\$1.62/share). Recorded an adjustment of (\$40,896) for the twelve months ending December 31, 2023, as unrealized loss on securities.

Principles of Consolidation

The consolidated financial statements include the Company and its wholly owned corporate subsidiaries, Balance Labs LLC., and Balance Labs Inc. All intercompany transactions are eliminated. The Company's four subsidiaries, Balance AgroTech Co., Advanced AutoTech Co., Balance Cannabis Co., and Balance Medical Marijuana Co. are dormant. The Company had a non-controlling interest of 43.15% in iGrow Systems Inc., iGrow Systems Inc has closed and is no longer in operations.

Net Income (Loss) Per Common Share

Basic and diluted income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares and warrants from convertible debentures outstanding during the periods. The effect of 0 and 740,000 warrants and 3,756,496 and 3,756,496 shares from convertible notes payable for the year ended December 31, 2023 and 2022, respectively, were anti-dilutive.

Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Awards granted to directors are treated on the same basis as awards granted to employees.

The Company has computed the fair value of warrants granted using the Black-Scholes option pricing model. The expected term used for warrants is the contractual life. Since the Company's stock has not been publicly traded for a sufficiently long period, the Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

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**Fair Value of Financial Instruments** The Company measures its financial assets and liabilities in accordance with GAAP. For certain of our financial instruments, including cash, accounts payable, and the short-term portion of long-term debt, the carrying amounts approximate fair value due to their short maturities.

We adopted accounting guidance for financial and non-financial assets and liabilities (ASC 820). This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

The following table presents certain assets of the Company's measured and recorded at fair value on the Company's balance sheet on a recurring basis and their level within the fair value hierarchy as of December 31, 2023.

	Total	(Level 1)	(Level 2)	(Level 3)
Fair-value – equity securities	\$ 107,912	\$ 107,912	\$ -	\$ -
Total Assets measured at fair value	<u>\$ 107,912</u>	<u>\$ 107,912</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents certain assets of the Company's measured and recorded at fair value on the Company's balance sheet on a recurring basis and their level within the fair value hierarchy as of December 31, 2022.

	Total	(Level 1)	(Level 2)	(Level 3)
Fair-value – equity securities	\$ 148,808	\$ 148,808	\$ -	\$ 148,808
Total Assets measured at fair value	<u>\$ 148,808</u>	<u>\$ 148,808</u>	<u>\$ -</u>	<u>\$ 148,808</u>

Business Segments

The Company operates in one segment and therefore segment information is not presented.

Advertising, Marketing and Promotional Costs

Advertising, marketing, and promotional expenses are expensed as incurred and are included in selling, general and administrative expenses on the accompanying consolidated statement of operations. For the year ended December 31, 2023 and December 31, 2022, advertising, marketing, and promotion expense was \$7,983 and \$1,740, respectively.

Property and equipment

Property and equipment consists of furniture and office equipment and is stated at cost less accumulated depreciation. Depreciation is determined by using the straight-line method for furniture and office equipment, over the estimated useful lives of the related assets, generally three to five years.

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Expenditures for repairs and maintenance of equipment are charged to expense as incurred. Major replacements and betterments are capitalized and depreciated over the remaining useful lives of the related assets.

Depreciation expense for the year ended December 31, 2023 and 2022 totaled \$0 and \$0 respectively. There were no additions during the year ended December 31, 2023 and 2022 respectively.

#### Intangible Assets

There were no additions to Intangible Assets during the year ended December 31, 2023 and 2022, respectively.

#### Recently Issued Accounting Pronouncements

The Company has evaluated all new accounting standards that are in effect and may impact its consolidated financial statements and does not believe that there are any other new accounting standards that have been issued that might have a material impact on its financial position or results of operations.

In August 2020, FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity; Own Equity (“ASU 2020-06”), as part of its overall simplification initiative to reduce costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. Among other changes, the new guidance removes from GAAP separation models for convertible debt that require the convertible debt to be separated into a debt and equity component, unless the conversion feature is required to be bifurcated and accounted for as a derivative or the debt is issued at a substantial premium. As a result, after adopting the guidance, entities will no longer separately present such embedded conversion features in equity and will instead account for the convertible debt wholly as debt. The new guidance also requires use of the “if-converted” method when calculating the dilutive impact of convertible debt on earnings per share, which is consistent with the Company’s current accounting treatment under the current guidance. The guidance is effective for financial statements issued for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, with early adoption permitted, but only at the beginning of the fiscal year. The Company is still evaluating the impact of this standard on its financial statements

#### **Note 4 – Stockholders’ Deficit**

##### Authorized Capital

The Company is authorized to issue 500,000,000 shares of common stock, \$0.0001 par value, and 50,000,000 shares of preferred stock, \$0.0001 par value.

##### Warrants

On October 3, 2019, the Company received \$40,000 from The Sammy Farkas Foundation in exchange for a promissory note which bears 12% interest per annum and matured on October 10, 2020, or upon the Company raising \$500,000 from outside investors, whichever occurs first. In conjunction with The Sammy Farkas Foundation agreement the Company issued warrants to purchase 40,000 shares of the Company’s common stock at an exercise price of \$1.00 per share which expired on October 10, 2022. As of December 31, 2023, there are no warrants outstanding.

#### **Note 5 – Note Receivable**

On September 30, 2021, Balance Labs Inc. made a loan to Four Acquisition, Ltd., an unrelated party in the principal amount of \$22,000 which loan has an interest rate of 10% per annum and a maturity date of September 30, 2022. As of December 31, 2023, this receivable is fully reserved against. For the twelve months ended December 31, 2023 and 2022, the Company recorded \$0 and \$0, respectively, of interest income in relation to this note.

On January 29, 2021, Balance Labs Inc. made a loan to Four Acquisitions Ltd., an unrelated party in the principal amount of \$119,000 which has an interest rate of 10% per annum and a maturity date of January 28, 2022. Additionally, in connection with the loan, the Company received a 20% interest in the recently acquired business and related assets of Four Acquisitions Ltd. Initially, this investment had a purchase price of \$43,000, which was recorded as a discount from the note which will be amortized over the life of the note. The Company recorded an allowance of 100% against this receivable of \$141,000 in 2022.

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**Note 6 – Related Party Transactions**

The Company's CEO under a new 2023 agreement earns \$10,000 per month starting October 1, 2023 through September 30, 2025. The following compensation was recorded within salaries expenses on the statements of operations: under the new agreement of \$30,000 in 2023 and \$30,000 under the old agreement in 2022.

On April 1, 2016, the Company received \$500,000 from Newell Trading Group in exchange for a convertible debenture due April 2, 2017, bearing interest at 10% and convertible into common stock at \$.25 per share unless the note is paid by the Company prior to the election of the holder to convert. The Company recognized a beneficial conversion feature expense of \$500,000 that has been fully amortized. As of December 31, 2023 and December 31, 2022, accrued interest on the note is \$350,000 and \$300,000, respectively. On October 3, 2019, Newell Trading Group assigned its rights and interests in its \$500,000 convertible debenture to the Sammy Farkas Foundation Inc., (the "Foundation"), a related party. The convertible note payable, net of debt discount of \$8,504 and \$19,845 as of December 31, 2023 and December 31, 2022 of \$491,496 and \$480,155, respectively was recorded under current liability and long term liability, respectively on the balance sheet.

	December 31, 2023	December 31, 2022
16 <sup>th</sup> Avenues Associates	\$ 500,000	\$ 500,000
Debt discount	(8,504)	(19,845)
Convertible note payable – long term	\$ 491,496	\$ 480,155

The Foundation then entered into an agreement with the Company to extend the maturity date of the convertible debenture to October 10, 2024 in exchange for 54,000 shares of the Company's stock. The shares have a fair value of \$56,700 which was recorded as a debt discount and was being amortized over the life of the extension. On November 11, 2019, The Sammy Farkas Foundation transferred all the rights and interests of the note to another party, 16th Avenue Associates, a non-related party company. The terms remain the same and the transfer has no effect on the financial statements. During the twelve months ended December 31, 2023, the Company amortized \$11,341 of debt discount.

During 2016, 2017, and 2019 Balance Group LLC loaned an additional \$66,850 to the Company. The notes are in default and have an accrued interest balance of \$37,125. The note balance of \$66,850 is included in the note payable – related party in current liability as of December 31, 2023 and December 31, 2022.

On October 3, 2019, the Company received \$40,000 from The Foundation in exchange for a promissory note which bears 12% interest per annum and matured on October 10, 2020 or upon the Company raising \$500,000 from outside investors, whichever occurs first. The promissory note is currently in default, and as of December 31, 2023, accrued interest on the note is \$23,237. The note balance of \$40,000 is included in the note payable – related party in current liability as of December 31, 2023 and December 31, 2022.

The promissory note comes with a warrant to purchase 40,000 shares of the Company's stock with an exercise price of \$1.00 per share and expired on October 10, 2022. The warrants had a relative fair value of \$8,283, which was recorded as a debt discount and fully amortized.

	December 31, 2023	December 31, 2022
Balance Group LLC	\$ 66,850	\$ 66,850
The Foundation	40,000	40,000
Note Payable – related party	\$ 106,850	\$ 106,850

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On September 27, 2021, the Company received \$50,000 from the CEO in exchange for a convertible promissory note with a face value of \$53,192 which bears 12% interest per annum and matures on September 27, 2022, or upon the Company raising \$250,000 from investors, whichever occurs first. The note balance of \$53,192 is included in the convertible notes payable - related party, net of debt discount of \$0 and \$3,428, as of December 31, 2023, and December 31, 2022, respectively. The difference between the amount received and the face value of \$3,192 was recorded as a discount and is being amortized over the life of the note. Additionally, the note comes with a beneficial conversion feature of \$3,799 which was also recorded as a component of equity in 2021. As of December 31, 2023, the Company has accrued interest of \$16,019 and is recorded in the accrued expenses on the balance sheet.

On September 30, 2016, Balance Group LLC loaned \$120,000 as a convertible note payable to the Company at an interest rate of 10%, due on October 1, 2017. In addition, the Company issued 600,000 warrants at an exercise price of \$1 which expired on September 30, 2021. The note is currently in default and is currently recorded under convertible payable – related party in current liabilities in the balance sheet. The accrued interest balance of \$87,058 is recorded in the accrued expenses on the balance sheet as of December 31, 2023.

	December 31, 2023	December 31, 2022
Balance Group LLC	\$ 120,000	\$ 120,000
Note Payable from CEO	53,192	53,192
Convertible note payable- related party	\$ 173,192	\$ 173,192

As of December 31, 2023 and December 31, 2022, the CEO and companies controlled by the CEO have loaned the Company a total of \$1,673,558 in addition to the convertible notes discussed above. The loans carry an interest rate of 8% and mature one year and one day from the date of the loan. These loans of \$1,673,558 and the accrued interest on these loans of \$612,289 are in default as of December 31, 2023. These loans of \$1,673,558 are in default and are reported under short -term advances from related party on the balance sheet as of December 31, 2023 and December 31, 2022.

**Note 7 – Convertible Notes and Notes Payable**

Notes Payable

For all information regarding the related party note payable see note 6.

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Convertible Notes Payable

On April 1, 2016, the Company received \$500,000 from Newell Trading Group in exchange for a convertible debenture due April 2, 2017, bearing interest at 10% and convertible into common stock at \$.25 per share unless the note is paid by the Company prior to the election of the holder to convert. The Company recognized a beneficial conversion feature expense of \$500,000 that has been fully amortized. As of December 31, 2022, accrued interest on the note is \$375,069. On October 3, 2019, Newell Trading Group assigned its rights and interests in its \$500,000 convertible debenture to the Sammy Farkas Foundation Inc., (the "Foundation"), a related party. The Foundation then entered into an agreement with the Company to extend the maturity date of the convertible debenture to October 10, 2024 in exchange for 54,000 shares of the Company's stock. The shares have a fair value of \$56,700 which was recorded as a debt discount and amortized over the life of the extension. On November 11, 2019, The Sammy Farkas Foundation transferred all the rights and interests of the note to another party, 16<sup>th</sup> Avenue Associates. The terms remain the same and the transfer has no effect on the financial statements. The convertible note payable, net of debt discount of \$8,504 and \$19,845 as of December 31, 2023 and December 31, 2022 was \$491,496 and \$480,155, respectively, and was recorded under current liabilities in 2023 and long term liability in 2022 on the balance sheet.

	December 31, 2023	December 31, 2022
Newell Trading Group	\$ 500,000	\$ 500,000
Debt discount	(8,504)	(19,845)
Convertible note payable – long term	\$ 491,496	\$ 480,155

**Note 8 – Commitments and Contingencies**

Litigation, Claims and Assessments

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's condensed consolidated financial position or results of operations.

Consulting Fees

The Company pays its CEO \$10,000 per month started October 2023 for a term of 2 years as compensation and recorded in salaries expenses on the consolidated statement of operations.

**Note 9 – Income Taxes**

Income Taxes

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the "TCJA") that significantly reforms the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The TCJA, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, effective as of January 1, 2018; limitation of the tax deduction for interest expense; limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such tax losses may be carried forward indefinitely); modifying or repealing many business deductions and credits, including reducing the business tax credit for certain clinical testing expenses incurred in the testing of certain drugs for rare diseases or conditions generally referred to as "orphan drugs"; and repeal of the federal Alternative Minimum Tax ("AMT").

The Company has the following net deferred tax asset:

	As of December 31, 2023	As of December 31, 2022
Temporary Differences	\$ 255,138	\$ 247,534
Unrealized gains	120,135	120,135
Impairment losses on investment	313,925	324,364
Net operating loss carryforward	383,370	286,626
Total gross deferred tax assets	(1,072,568)	(978,659)
Net deferred tax assets	\$ -	\$ -

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

	For the Year ended December 31, 2023	For the Year ended December 31, 2022
Expected federal statutory rate	(21.00)%	(21.00)%
State Effect on tax rate, net of federal benefit	(4.35)%	(4.35)%
Permanent differences	(5.75)%	(5.75)%
Change in valuation allowance	31.10%	31.10%
Income tax provision (benefit)	-	-

As of December 31, 2023, the Company had approximately \$1,512,000 of federal and state net operating loss carryovers ("NOLs"). From this amount, \$711,000 expire after 20 years, and can be carried back 2 years, according to the old tax law, while \$627,000 can be carried forward indefinitely and cannot be carried back, in accordance with the new tax rules. The valuation allowance increased by approximately \$93,909 for the year ended December 31, 2023, and increased by \$114,310 for the year ended December 31, 2022.

The Company, after considering all available evidence, fully reserved its deferred tax assets since it is more likely than not that such benefits may be realized in future periods. The Company has not yet established that it can generate taxable income. The Company will continue to evaluate its deferred tax assets to determine whether any changes in circumstances could affect the realization of their future benefit. If it is determined in future periods that portions of the Company's deferred tax assets satisfy the realization standards, the valuation allowance will be reduced accordingly.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

*(a) Evaluation of Disclosure and Control Procedures*

Based on their evaluation as of the end of the period covered by this annual Report on Form 10-K, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(c) and 15d-15(e) under the Exchange Act) are not effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act 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.

*(b) Management's Report on Internal Control over Financial Reporting*

This Company's management is responsible for establishing and maintaining internal controls over financial reporting and disclosure controls. Internal Control Over Financial Reporting is a process designed by, or under the supervision of, the Company's Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, and effected by the board of directors, management and other personnel, 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 and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the registrant; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is appropriately recorded, processed, summarized, and reported within the specified time periods.

Management has conducted an evaluation of the effectiveness of our internal control over financial reporting as of the end of the period covered by this annual Report on Form 10-K, based on the framework established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013").

Based on this assessment, management concluded that as of the year covered by this annual Report on Form 10-K, it had material weaknesses in its internal control procedures.

As of the year covered by this annual Report on Form 10-K, we have concluded that our internal control over financial reporting was ineffective. The Company's assessment identified certain material weaknesses which are set forth below:

*Functional Controls, Lack of Audit Committee and Segregation of Duties*

Because of the Company's limited resources, there are limited controls over information processing.

The Company does not have an audit committee and therefore there is no independent review and independent oversight over the Company's financial reporting.

There is an inadequate segregation of duties consistent with control objectives. Our Company's management is composed of a small number of individuals resulting in a situation where limitations on segregation of duties exist. In order to remedy this situation, we would need to hire additional staff to provide greater segregation of duties. Currently, it is not feasible to hire additional staff to obtain optimal segregation of duties. Management will reassess this matter at end of the fiscal year to determine whether improvement in segregation of duty is feasible.

Accordingly, as the result of identifying the above material weakness we have concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

Management believes that the material weaknesses set forth above were the result of the scale of our operations and are intrinsic to our small size. Management believes these weaknesses did not have a material effect on our financial results and intends to take remedial actions upon receiving funding for the Company's business operations.

This annual Report on Form 10-K does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report herein.

*(c) Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal year 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.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

**Directors and Executive Officers**

The following sets forth information about our directors and executive officers as of the date of this report:

<u>Name</u>	<u>Age</u>	<u>Positions</u>
Michael D. Farkas	51	President, Chief Executive Officer and Chairman of the Board
Ari Feldman	51	Chief Financial Officer
Carmen Villegas	36	Secretary and Director

*Michael D. Farkas, President, Chief Executive Officer and Chairman of the Board*

Mr. Farkas is serving as the President, Chief Executive Officer and Chairman of the Board of the Company.

Mr. Farkas has served as the Chief Executive Officer and Member of the Board of Directors of Car Charging Group, Inc. since 2010. Mr. Farkas is the founder and manager of The Farkas Group, a privately held investment firm. Mr. Farkas also currently holds the position of Chairman and Chief Executive Officer of the Atlas Group, where its subsidiary, Atlas Capital Services, a broker-dealer, has successfully raised capital for a number of public and private clients until it withdrew its FINRA registration in 2007. Over the last 20 years, Mr. Farkas has established a track record as a principal investor across a variety of industries, including telecommunications, technology, aerospace and defense, agriculture, and automotive retail.

*Ari Feldman, Chief Financial Officer*

Mr. Feldman has served as the Chief Financial Officer since May of 2022. Mr. Feldman has over 20 years of financial accounting experience with both Private and Public Company experience. In addition, he is currently a CPA with an active license.

*Carmen Villegas, Secretary and Director*

Ms. Villegas has served as Secretary and Director of Balance Labs, Inc. since January 15, 2015. Ms. Villegas is currently the Executive Assistant at Blink Charging, Inc., a publicly traded company and the Farkas Group, Inc. At both companies, Ms. Villegas assists the President and CEO in matters such as meeting schedules, appointments, conferences and travel arrangements. Ms. Villegas also assists the accounting department with file/database maintenance and record-keeping. Ms. Villegas also helps the executives receive and distribute correspondence to the appropriate department and personnel, as well as other administrative tasks in support of the companies' daily operations.

Ms. Villegas holds an Associate in Arts Degree in Business Administration & Accounting and is currently pursuing a Bachelor's Degree in Business Administration with a minor in Psychology at Florida International University.

#### **Term of Office**

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

We currently do not have employment agreements with our executive officers and directors.

#### **Family Relationships**

There is no family relationship among any of our directors or executive officers.

### **Director Independence**

For purposes of determining director independence, we have applied the definitions set out in NASDAQ Rule 4200(a)(15). Under NASDAQ Rule 4200(a)(15), a director is not considered to be independent if he or she is also an executive officer or employee of the corporation or has been, at any time during the past three years, employed by the company. Accordingly, we do not have any independent director as of the date of this 10-K.

### **Involvement in Certain Legal Proceedings**

During the past ten years, none of our directors or executive officers has been:

- the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or any Federal or State authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;
- found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law;
- the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of (a) any Federal or State securities or commodities law or regulation; (b) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or (c) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

### **Code of Ethics**

The Company has not adopted a Code of Ethics applicable to its Principal Executive Officer and Principal Financial Officer.

### **Committees of the Board of Directors**

The Company has not established any committees of the board.

### **Board of Directors Meetings and Attendance**

The board of directors held no meetings in 2023. We have no formal policy regarding director attendance at the annual meeting of stockholders.

### **Compliance with Section 16(A) of the Exchange Act**

Because we do not have a class of equity securities registered pursuant to Section 12 of the Exchange Act, we are not subject to Section.

## Item 11. Executive Compensation.

The following summary compensation table sets forth all compensation awarded to, earned by, or paid to the named executive officers and directors paid by us during the years ended December 31, 2023 and December 31, 2022.

### SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Totals (\$)
Michael D. Farkas	2023	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
President, CEO, Chairman	2022	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Ari Feldman	2023	\$ 21,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,000
CFO	2022	\$ 21,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,000
Carmen Villegas	2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Secretary and Director	2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

#### Option Grants Table

There were no individual grants of stock options to purchase our common stock made to the executive officers named in the Summary Compensation Table for the years ended December 31, 2023 and December 31, 2022.

#### Long-Term Incentive Plan Awards Table

None.

#### Employment Agreements and Consulting Agreements

Pursuant to certain consulting agreement between Mr. Farkas and the Company, Mr. Farkas is entitled to a monthly consulting service fee of \$10,000 per month through September 30, 2025. As of the date hereof, Mr. Farkas has not received any payment for his services provided and such amounts have been accrued.

Other than the above, we currently do not have an employment agreement in place with our officers and directors.

No retirement, pension, profit sharing, insurance programs, long-term incentive plans or other similar programs have been adopted by us for the benefit of our employees. We may however implement such long-term equity incentive plans in the future.

For the year ended December 31, 2023, no member of the board of directors was paid any compensation for serving on the board.

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

The following table sets forth certain information as of the date hereof with respect to the beneficial ownership of our ordinary shares, the sole outstanding class of our voting securities, by (i) each stockholder known to be the beneficial owner of 5% or more of the outstanding ordinary shares of the Company, (ii) each executive officer and director, and (iii) all executive officers and directors as a group. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Ordinary shares subject to options, warrants or convertible securities exercisable or convertible within 60 days as of the date hereof are deemed outstanding for computing the percentage of the person or entity holding such options, warrants or convertible securities but are not deemed outstanding for computing the percentage of any other person. Unless otherwise indicated, the address of all listed stockholders is c/o Balance Labs, Inc., 407 Lincoln Road, Suite 701, Miami Beach, FL 33139.

Name	Number of Shares Beneficially Owned (3)(4)	Percent of Class (1)
Michael D. Farkas (2)	12,987,415	59.9%
Carmen Villegas	150,000	*
All Executive Officers and Directors as a group (3 individuals)	13,137,415	60.6%
5% or Greater Shareholders		
Balance Holdings LLC (2)	11,888,889	54.99%
Shilo Holding Group LLC (2)	1,098,526	5.08%
The Sammy Farkas Foundation	5,614,000	25.9%

(1) Based on 21,674,000 shares of common stock outstanding as of March 31, 2023.

(2) Michael D. Farkas holds 11,888,889, 1,400 and 1,098,526 shares of common stock through Balance Holdings, LLC, Shilo Security Solutions, Inc, and Shilo Holding Group LLC, respectively.

(3) Beneficial ownership is determined in accordance with Rule 13D-3(a) of the Exchange Act and generally includes voting or investment power with respect to securities.

(4) The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent that power may be shared with a spouse.

\*Less than 1%

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

Except as set forth in our discussion below none of our directors, director nominees or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

The Company's CEO earns \$10,000 per month. The following compensation was recorded within salaries on the statements of operations: \$30,000 and \$60,000 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, \$210,000 of compensation was unpaid and was included in accounts payable on the balance sheet.

On December 31, 2016, the CEO loaned \$120,000 as a convertible note payable to the Company at an interest rate of 10%, due on October 1, 2017. In addition, the Company issued 600,000 warrants at an execution price of \$1.00 which expired on October 1, 2019. The note is currently in default and has an accrued interest balance of \$87,058. See Note 8.

During 2016, 2017, and 2019, Balance Group loaned an additional \$66,850 at an interest rate of 8%. The notes are currently in default and have an accrued interest balance of \$37,125.

On June 27, 2021, the Company received \$50,000 from the CEO in exchange for a convertible promissory note with a face value of \$53,192 which bears 12% interest per annum and matures on June 27, 2022 or upon the Company raising \$250,000 from investors, whichever occurs first. The difference between the amount received and the face value of \$3,192 was recorded as a discount and is being amortized over the life of the note. Additionally, the note comes with a beneficial conversion feature of \$3,799 which was also recorded as a discount and is being amortized over the life of the note. As of December 31, 2021 the Company has accrued interest of \$16,018.

As of December 31, 2023, the CEO and companies controlled by the CEO have loaned the Company a total of \$1,673,558 in addition to the convertible note discussed above. The loans carry an interest rate of 8% and mature one year and one day from the date of the loan. The Company accrued interest of \$612,289 on the loans and these loans are in default as of December 31, 2023.

On April 1, 2016, the Company received \$500,000 from Newell Trading Group in exchange for a convertible debenture due April 2, 2017 bearing interest at 10% and convertible into common stock at \$.25 per share unless the note is paid by the Company prior to the election of the holder to convert. The Company recognized a beneficial conversion feature expense of \$500,000 that has been fully amortized. As of December 31, 2023, accrued interest on the note is \$387,671. On October 3, 2019, Newell Trading Group assigned its rights and interests in its \$500,000 convertible debenture to the Sammy Farkas Foundation Inc., (the "Foundation"), a related party. The Foundation then entered into an agreement with the Company to extend the maturity date of the convertible debenture to October 10, 2024 in exchange for 54,000 shares of the Company's stock. The shares have a fair value of \$56,700 which was recorded as a debt discount and amortized over the life of the extension. On November 11, 2019, The Sammy Farkas Foundation transferred all the rights and interests of the note to another party, 16th Avenue Associates. The terms remain the same and the transfer has no effect on the financial statements.

On October 3, 2019, the Company received \$40,000 from The Foundation in exchange for a promissory note which bears 12% interest per annum and matured on October 10, 2020 or upon the Company raising \$500,000 from outside investors, whichever occurs first. The promissory note comes with a warrant to purchase 40,000 shares of the Company's stock with an exercise price of \$1.00 per share and expires on October 10, 2022. The promissory note has accrued interest of \$23,237 as of December 31, 2023. The warrants have a relative fair value of \$8,283, which was recorded as a debt discount and amortized over the life of the note. As of December 31, 2023, the note is in default and debt discount is fully amortized.

On November 18, 2020, the Company executed a two (2) year, third-party consulting agreement for various corporate services. In connection with this agreement, and with the effectiveness of the Company's Form S-1 registration statement, the Company was entitled to compensation as follows:

- 1,000,000 shares of common stock for past services provided through the effective date of consulting agreement,
- \$200,000, upon completion of IP which was completed on September 14, 2021,

- during the first year of the agreement, \$25,000 per month, with the 1<sup>st</sup> payment due 30 days after the completion of the Company's IPO,
  - during the second year of the agreement, \$22,500 per month; and
  - on each anniversary of the agreement, 500,000 shares of common stock
- At December 31, 2023, the Company owned 66,432 shares after a reverse stock split adjustment of 1 for 3.763243 and the fair value of the investment in EZFill Holdings, Inc. was reported on the balance sheet as Investment at fair value - related party totaling \$107,912 (\$1.62/share). Recorded an adjustment of (\$40,896) for the twelve months ending December 31, 2023, as unrealized loss on securities.

Michael Farkas, the Company's Chief Executive Officer, beneficially owns approximately 26.1% of the outstanding common stock of EZFill Holdings Inc.

**Item 14. Principal Accountant Fees and Services.**

The following table presents for each of the last two fiscal years the aggregate fees billed in connection with the audits of our consolidated financial statements and other professional services rendered by our independent registered public accounting firm, Assurance Dimensions for the fiscal year 2023 and 2022.

	<u>2022</u>	<u>2023</u>
Audit Fees (1)	\$ 36,000	\$ 36,000
Audit-Related Fees (2)	—	—
Tax Fees (3)	—	—
All Other Fees (4)	—	—
<b>Total Accounting fees and Services</b>	<b><u>\$ 36,000</u></b>	<b><u>\$ 36,000</u></b>

- 1) Audit Fees. These are fees for professional services for the audit of our annual consolidated financial statements, and for the review of the consolidated financial statements included in our filings on Form 10-K and Form 10-Q, and for services that are normally provided in connection with statutory and regulatory filings or engagements.
- 2) Audit-Related Fees. These are fees for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's consolidated financial statements.
- 3) Tax Fees. These are fees for professional services rendered by the principal accountant with respect to tax compliance, tax advice and tax planning.
- 4) All Other Fees. These are fees for products and services provided by the principal accountant, other than the services reported above.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules.

a) We have filed the following documents as part of this Annual Report:

#### 1. Consolidated Financial Statements

The financial statements are included in Item 8. "Consolidated Financial Statements and Supplementary Data."

#### 2. Consolidated Financial Statement Schedules

All schedules are omitted as information required is inapplicable or the information is presented in the consolidated financial statements and the related notes.

#### 3. Exhibits

The following is a list of exhibits filed with this Annual Report incorporated herein by reference (numbered in accordance with Item 601 of Regulation S-K):

Exhibit No.	Title
3.1	<a href="#">Certificate of Incorporation (1)</a>
3.2	<a href="#">By-laws (1)</a>
4.2	<a href="#">10% Convertible Debenture by and between the Company and Newel dated April 1, 2016 (3)</a>
4.3	<a href="#">Warrant to Purchase Common Stock by and between the Company and Newel dated April 1, 2016 (3)</a>
4.4	<a href="#">Description of Securities (6)</a>
4.5	<a href="#">Convertible Promissory Note dated June 28, 2021 (5)</a>
10.1	<a href="#">Consulting Agreement between Michael Farkas and the Company dated February 6, 2015 (1)</a>
10.2	<a href="#">Service Agreement between Bang Holdings Corp. and the Company dated August 22, 2014 (1)</a>
10.3	<a href="#">Form of Securities Purchase Agreement dated September 17, 2015, by and between Balance Labs, Inc. and certain investors (2)</a>
10.4	<a href="#">Investment Agreement by and between the Company and Newel dated April 1, 2016 (3)</a>
10.5	<a href="#">Registration Rights Agreement by and between the Company and Newel dated April 1, 2016 (3)</a>
10.6	<a href="#">Promissory Note between Four Acquisitions Tech LTD and Balance Labs, Inc. dated September 30, 2021 (6)</a>
10.7	<a href="#">Promissory Note between Four Acquisitions Tech Ltd. and Balance Labs, Inc. dated January 29, 2021 (6)</a>
10.8	<a href="#">Form of Promissory note (6)</a>
21.1	<a href="#">Subsidiaries (4)</a>
31.1	<a href="#">Certification of principal executive officer pursuant to Section 3.02 of the Sarbanes-Oxley Act of 2002*</a>
31.2	<a href="#">Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</a>
32.1	<a href="#">Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**</a>
32.2	<a href="#">Certification of principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**</a>
97.1	<a href="#">Balance Labs, Inc. Clawback Policy*</a>
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith

\*\* Furnished herewith

(1) Incorporated by reference to the Registration Statement on Form S-1 filed with the SEC on March 24, 2015.

(2) Incorporated by reference to the Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015.

(3) Incorporated by reference to the Current Report on Form 8-K filed with the SEC on April 8, 2016.

(4) Incorporated by reference to the Annual Report on Form 10-K filed with the SEC on March 28, 2020.

(5) Incorporated by reference to the Quarterly Report on Form 10-Q filed with the SEC on November 19, 2021.

(6) Incorporated by reference to the Annual Report on Form 10-K filed with the SEC on March 31, 2022.

### Item 16. Form 10-K Summary.

Not applicable.

**SIGNATURES**

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 15<sup>th</sup> of April, 2024.

**BALANCE LABS, INC.**

By: /s/ Michael D. Farkas  
Michael D. Farkas  
President, Chief Executive Officer and Chairman of the Board  
(Principal Executive Officer)

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/ Michael D. Farkas</u> Michael D. Farkas	President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer and Principal Financial Officer)	April 15, 2024
<u>/s/ Ari Feldman</u> Ari Feldman	Chief Financial Officer (Principal Financial Officer)	April 15, 2024
<u>/s/ Carmen Villegas</u> Carmen Villegas	Secretary and Director	April 15, 2024

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Michael D. Farkas, certify that:

1. I have reviewed this annual report on Form 10-K of Balance Labs, 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 present in this report;
4. I am 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 13-a-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 financing 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. 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2024

By: /s/ Michael D. Farkas

Michael D. Farkas  
President, Chief Executive Officer  
(Principal Executive Officer)  
Balance Labs, Inc.

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**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Ari Feldman, certify that:

1. I have reviewed this annual report on Form 10-K of Balance Labs, 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 present in this report;
4. I am 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 13-a-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 financing 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. 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2024

By: /s/ Ari Feldman  
Ari Feldman  
Chief Financial Officer  
(Principal Financial and Accounting Officer)  
Balance Labs, Inc.

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

In connection with this Annual Report of Balance Labs, Inc. (the "Company"), on Form 10-K for the year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Michael D. Farkas, Chief Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report 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
- (2) The information contained in such Annual Report on Form 10-K for the year ended December 31, 2023, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2024

By: /s/ Michael D. Farkas

Michael D. Farkas  
President, Chief Executive Officer  
(Principal Executive Officer)  
Balance Labs, Inc.

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

In connection with this Annual Report of Balance Labs, Inc. (the "Company"), on Form 10-K for the year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Ari Feldman, Chief Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report 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
- (2) The information contained in such Annual Report on Form 10-K for the year ended December 31, 2023, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2024

By: /s/ Ari Feldman

Ari Feldman  
Chief Financial Officer  
(Principal Financial and Accounting Officer)  
Balance Labs, Inc.

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## BALANCE LABS, INC.

## CLAWBACK POLICY

**Introduction**

The Board of Directors (the “**Board**”) of Balance Labs, Inc. (the “**Company**”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “**Policy**”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the “**Exchange Act**”).

**Administration**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

**Covered Executives**

This Policy applies to the Company’s current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the national securities exchange on which the Company’s securities are listed, and such other senior executives or employees who may from time to time be deemed subject to the Policy by the Board (“**Covered Executives**”).

**Recoupment; Accounting Restatement**

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, the Board will require reimbursement or forfeiture of any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

**Incentive Compensation**

For purposes of this Policy, Incentive Compensation means any of the following; provided that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
  - Stock options.
  - Stock appreciation rights.
  - Restricted stock.
  - Restricted stock units.
  - Performance shares.
  - Performance units.
-

Financial reporting measures include:

- Company stock price.
- Total shareholder return.
- Revenues.
- Net income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Funds from operations.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

**Excess Incentive Compensation: Amount Subject to Recovery**

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

**Method of Recoupment**

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

- (a) requiring reimbursement of cash Incentive Compensation previously paid;
- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- (d) cancelling outstanding vested or unvested equity awards; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Board.

**No Indemnification**

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

### **Interpretation**

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

### **Effective Date**

This Policy shall be effective as of the date it is adopted by the Board (the "**Effective Date**") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date.

### **Amendment; Termination**

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by a national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

### **Other Recoupment Rights**

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

### **Impracticability**

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

### **Successors**

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.