

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

HUMBL, INC.

600 B Street, Suite 300
San Diego, CA 92101
(786) 738-9012
www.humbldpay.com
IC CODE: 5500

Quarterly Report

For the Period Ending: March 31, 2021
(the "Reporting Period")

As of May 17, 2021, the number of shares outstanding of our Common Stock was:

895,031,099

As of March 31, 2021, the number of shares outstanding of our Common Stock was:

974,218,599

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

974,177,443

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

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

Tesoro Enterprises, Inc. from November 12, 2009 to
HUMBL, Inc. as of February 26, 2021.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

November 12, 2009 in the State of Oklahoma. The Corporation redomiciled to the State of Delaware on November 30, 2020. The Corporation is existing and in good standing.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On December 3, 2020, HUMBL, LLC ("HUMBL LLC") merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares. The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock, however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed its name to HUMBL, Inc. ("HUMBL" or the "Company").

The address(es) of the issuer's principal executive office:

600 B Street, Suite 300
San Diego CA 92101

The address(es) of the issuer's principal place of business:

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

600 B Street, Suite 300
San Diego CA 92101

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

| | |
|---|--|
| Trading symbol: | HMBL |
| Exact title and class of securities outstanding: | Common |
| CUSIP: | 44501Q104 |
| Par or stated value: | \$0.00001 |
| Total shares authorized: | 7,450,000,000 as of date: March 31, 2021 |
| Total shares outstanding: | 974,218,599 as of date: March 31, 2021 |
| Number of shares in the Public Float ² : | 828,106,946 as of date: March 31, 2021 |
| Total number of shareholders of record: | 321 as of date: March 31, 2021 |

All additional class(es) of publicly traded securities (if any):

| | |
|--|--------------------------------------|
| Trading symbol: | N/A |
| Exact title and class of securities outstanding: | Series A Preferred |
| CUSIP: | N/A |
| Par or stated value: | \$0.00001 |
| Total shares authorized: | 7,000,000 as of date: March 31, 2021 |
| Total shares outstanding: | 7,000,000 as of date: March 31, 2021 |

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|--|------------------------------------|
| Trading symbol: | N/A |
| Exact title and class of securities outstanding: | Series B Preferred |
| CUSIP: | N/A |
| Par or stated value: | \$0.00001 |
| Total shares authorized: | 900,000 as of date: March 31, 2021 |
| Total shares outstanding: | 554,301 as of date: March 31, 2021 |

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|--|------------------------------------|
| Trading symbol: | N/A |
| Exact title and class of securities outstanding: | Series C Preferred |
| CUSIP: | N/A |
| Par or stated value: | \$0.00001 |
| Total shares authorized: | 150,000 as of date: March 31, 2021 |
| Total shares outstanding: | 0 as of date: March 31, 2021 |

Transfer Agent

Name: Pacific Stock Transfer Company
Phone: 702-361-3033
Email: info@pacificstocktransfer.com
Address: 6725 Via Austi Pkwy, Suite 300, Las Vegas NV 89119

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

| Shares Outstanding as of January 1, 2019 | | Opening Balance: | | | | | | | |
|--|---|--|---------------------|---|--|--|---|---|---------------------------------|
| | | Common: 1,137,094,777 Preferred A: 7,000,000 Preferred B: 0 Preferred C: 0 | | | | | | | |
| Date of Transaction | Transaction type (e.g. new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed). | Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| 11/17/2020 | Cancellation | 137,917,334 | Common | \$0.00001 | No | Brian Foote | N/A | N/A | N/A |
| 12/9/2020 | Cancellation | 22,250,000 | Common | \$0.00001 | No | Prolific Group, LLC | N/A | N/A | N/A |
| 12/29/2020 | Cancellation | 2,750,000 | Common | \$0.00001 | N/A | Deerwood Capital LLC | N/A | N/A | N/A |
| 2/26/2021 | Issuance | 249,707 | Series B Preferred | \$0.00001 | N/A | Block 30 LLC (Brian Foote – contact person) | Merger | R | N/A |
| 2/26/2021 | Issuance | 56,079 | Series B Preferred | \$0.00001 | N/A | Mark Grado | Merger | R | N/A |
| 2/26/2021 | Issuance | 40,269 | Series B Preferred | \$0.00001 | N/A | Jeffrey Hinshaw | Merger | R | N/A |

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|-----------|----------|--------|--------------------|-----------|-----|--|--------|---|-----|
| 2/26/2021 | Issuance | 33,561 | Series B Preferred | \$0.00001 | N/A | The Stephen L. and Sandra M. Foote Revocable Trust (Stephen L. and Sandra M. Foote, Trustees) | Merger | R | N/A |
| 2/26/2021 | Issuance | 28,715 | Series B Preferred | \$0.00001 | N/A | Michele Rivera | Merger | R | N/A |
| 2/26/2021 | Issuance | 17,920 | Series B Preferred | \$0.00001 | N/A | Pete Sacco | Merger | R | N/A |
| 2/26/2021 | Issuance | 11,683 | Series B Preferred | \$0.00001 | N/A | Glenn Grider | Merger | R | N/A |
| 2/26/2021 | Issuance | 11,683 | Series B Preferred | \$0.00001 | N/A | Karen Garcia | Merger | R | N/A |
| 2/26/2021 | Issuance | 10,188 | Series B Preferred | \$0.00001 | N/A | Adam Wolfe | Merger | R | N/A |
| 2/26/2021 | Issuance | 16,640 | Series B Preferred | \$0.00001 | N/A | McDougal and Duncan LLC (Tom McDougal – contact person) | Merger | R | N/A |
| 2/26/2021 | Issuance | 7,010 | Series B Preferred | \$0.00001 | N/A | Christopher Chiricella | Merger | R | N/A |
| 2/26/2021 | Issuance | 6,778 | Series B Preferred | \$0.00001 | N/A | The William Jared Magnuson and Katherine Marie Magnuson Living Trust (William and Katherine Magnuson Trustees) | Merger | R | N/A |
| 2/26/2021 | Issuance | 6,075 | Series B Preferred | \$0.00001 | N/A | Ryan Ballantyne | Merger | R | N/A |
| 2/26/2021 | Issuance | 5,637 | Series B Preferred | \$0.00001 | N/A | Alan Gunn | Merger | R | N/A |
| 2/26/2021 | Issuance | 4,673 | Series B Preferred | \$0.00001 | N/A | Bonnie Foote | Merger | R | N/A |

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|-----------|----------|-------|--------------------|-----------|-----|---|--------|---|-----|
| 2/26/2021 | Issuance | 4,673 | Series B Preferred | \$0.00001 | N/A | Jim Yeager | Merger | R | N/A |
| 2/26/2021 | Issuance | 4,532 | Series B Preferred | \$0.00001 | N/A | Webb Ellinger | Merger | R | N/A |
| 2/26/2021 | Issuance | 4,532 | Series B Preferred | \$0.00001 | N/A | Michael Temple | Merger | R | N/A |
| 2/26/2021 | Issuance | 3,045 | Series B Preferred | \$0.00001 | N/A | John Halligan | Merger | R | N/A |
| 2/26/2021 | Issuance | 2,804 | Series B Preferred | \$0.00001 | N/A | J Rory Linehan and Kristen Chenet Linehan Living Trust (J Rory Linehan and Kristen Chenet Linehan Trustees) | Merger | R | N/A |
| 2/26/2021 | Issuance | 2,619 | Series B Preferred | \$0.00001 | N/A | James J Blom Declaration of Trust (James J Blom Trustee) | Merger | R | N/A |
| 2/26/2021 | Issuance | 2,615 | Series B Preferred | \$0.00001 | N/A | Jenny Edgerton | Merger | R | N/A |
| 2/26/2021 | Issuance | 2,337 | Series B Preferred | \$0.00001 | N/A | Early Bird LLC (Steve Gerritsen – contact person) | Merger | R | N/A |
| 2/26/2021 | Issuance | 2,124 | Series B Preferred | \$0.00001 | N/A | Nancy Angell | Merger | R | N/A |
| 2/26/2021 | Issuance | 1,933 | Series B Preferred | \$0.00001 | N/A | BRNR, LLC (Joseph Rivera – contact person) | Merger | R | N/A |
| 2/26/2021 | Issuance | 1,699 | Series B Preferred | \$0.00001 | N/A | Dylan Rachman | Merger | R | N/A |
| 2/26/2021 | Issuance | 1,185 | Series B Preferred | \$0.00001 | N/A | Kurt Kimmel | Merger | R | N/A |

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|-----------|----------|-----|--------------------|-----------|-----|--|--------|---|-----|
| 2/26/2021 | Issuance | 935 | Series B Preferred | \$0.00001 | N/A | Lee Christopher Sanudo | Merger | R | N/A |
| 2/26/2021 | Issuance | 935 | Series B Preferred | \$0.00001 | N/A | John Wadman | Merger | R | N/A |
| 2/26/2021 | Issuance | 935 | Series B Preferred | \$0.00001 | N/A | Michael Cradeur | Merger | R | N/A |
| 2/26/2021 | Issuance | 903 | Series B Preferred | \$0.00001 | N/A | Jose Colchao | Merger | R | N/A |
| 2/26/2021 | Issuance | 748 | Series B Preferred | \$0.00001 | N/A | Zach Stevens | Merger | R | N/A |
| 2/26/2021 | Issuance | 748 | Series B Preferred | \$0.00001 | N/A | Mark Turner | Merger | R | N/A |
| 2/26/2021 | Issuance | 637 | Series B Preferred | \$0.00001 | N/A | Bryce Howard Dixon | Merger | R | N/A |
| 2/26/2021 | Issuance | 584 | Series B Preferred | \$0.00001 | N/A | Roberta Wyn | Merger | R | N/A |
| 2/26/2021 | Issuance | 531 | Series B Preferred | \$0.00001 | N/A | Cyberbeat Ptd Lte (Rajan Narayan – contact person) | Merger | R | N/A |
| 2/26/2021 | Issuance | 531 | Series B Preferred | \$0.00001 | N/A | Rajan Narayan | Merger | R | N/A |
| 2/26/2021 | Issuance | 531 | Series B Preferred | \$0.00001 | N/A | Ding Thi Hong Hanh | Merger | R | N/A |
| 2/26/2021 | Issuance | 482 | Series B Preferred | \$0.00001 | N/A | HinCamp LLC (Steve Hinshaw-contact person) | Merger | R | N/A |
| 2/26/2021 | Issuance | 467 | Series B Preferred | \$0.00001 | N/A | Anthony Sanudo | Merger | R | N/A |
| 2/26/2021 | Issuance | 467 | Series B Preferred | \$0.00001 | N/A | Keith Berger | Merger | R | N/A |
| 2/26/2021 | Issuance | 467 | Series B Preferred | \$0.00001 | N/A | Conrad Greene | Merger | R | N/A |
| 2/26/2021 | Issuance | 467 | Series B Preferred | \$0.00001 | N/A | Brian Bewley | Merger | R | N/A |

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|-----------|--------------|-----|--------------------|-----------|-----|------------------------|----------|---|-----|
| 2/26/2021 | Issuance | 467 | Series B Preferred | \$0.00001 | N/A | Nicolas Kenagy | Merger | R | N/A |
| 2/26/2021 | Issuance | 212 | Series B Preferred | \$0.00001 | N/A | Zach Funston | Merger | R | N/A |
| 2/26/2021 | Issuance | 132 | Series B Preferred | \$0.00001 | N/A | Stephanie Nhim | Merger | R | N/A |
| 2/26/2021 | Issuance | 132 | Series B Preferred | \$0.00001 | N/A | Carmen Baldwin | Merger | R | N/A |
| 2/26/2021 | Issuance | 63 | Series B Preferred | \$0.00001 | N/A | Brian Innes (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 63 | | | | | | | |
| 2/26/2021 | Issuance | 63 | Series B Preferred | \$0.00001 | N/A | Ayodele Popoola (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 63 | | | | | | | |
| 2/26/2021 | Issuance | 63 | Series B Preferred | \$0.00001 | N/A | Fernando Rodriguez (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 63 | | | | | | | |
| 2/26/2021 | Issuance | 63 | Series B Preferred | \$0.00001 | N/A | Jose Colchao (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 63 | | | | | | | |
| 2/26/2021 | Issuance | 50 | Series B Preferred | \$0.00001 | N/A | Jenny Edgerton (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 50 | | | | | | | |
| 2/26/2021 | Issuance | 38 | Series B Preferred | \$0.00001 | N/A | Calvin Weight (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 38 | | | | | | | |
| 2/26/2021 | Issuance | 25 | Series B Preferred | \$0.00001 | N/A | Inga Va'aiga (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 25 | | | | | | | |
| 2/26/2021 | Issuance | 25 | Series B Preferred | \$0.00001 | N/A | David Weil (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 25 | | | | | | | |
| 2/26/2021 | Issuance | 25 | Series B Preferred | \$0.00001 | N/A | Javier Gonzales (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 25 | | | | | | | |
| 2/26/2021 | Issuance | 13 | Series B Preferred | \$0.00001 | N/A | Jacob Davis (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 13 | | | | | | | |
| 2/26/2021 | Issuance | 13 | Series B Preferred | \$0.00001 | N/A | Raul Leggs (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 13 | | | | | | | |
| 2/26/2021 | Issuance | 13 | Series B Preferred | \$0.00001 | N/A | Alia Harris (a) | Services | R | N/A |

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|-----------|--------------|--------|--------------------|-----------|-----|------------------------|------------|-----|-----|
| 4/15/2021 | Cancellation | 13 | | | | | | | |
| 2/26/2021 | Issuance | 10 | Series B Preferred | \$0.00001 | N/A | Mario Vargas (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 10 | | | | | | | |
| 2/26/2021 | Issuance | 10 | Series B Preferred | \$0.00001 | N/A | Drew Foster (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 10 | | | | | | | |
| 2/26/2021 | Issuance | 6 | Series B Preferred | \$0.00001 | N/A | Ernie Stern (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 6 | | | | | | | |
| 2/26/2021 | Issuance | 5 | Series B Preferred | \$0.00001 | N/A | Vernonia Naumkina (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 5 | | | | | | | |
| 2/26/2021 | Issuance | 5 | Series B Preferred | \$0.00001 | N/A | Forest Joy (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 5 | | | | | | | |
| 2/26/2021 | Issuance | 3 | Series B Preferred | \$0.00001 | N/A | Marcela Quesada (a) | Services | R | N/A |
| 4/15/2021 | Cancellation | 3 | | | | | | | |
| 3/10/2021 | Adjustment | 41,156 | Common | N/A | N/A | Adjustment | Adjustment | N/A | N/A |
| 4/15/2021 | Issuance | 375 | Series B Preferred | \$0.02 | N/A | David Weil (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 375 | Series B Preferred | \$0.02 | N/A | Drew Foster (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 350 | Series B Preferred | \$0.02 | N/A | Jose Colchoa (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 150 | Series B Preferred | \$0.02 | N/A | Dennis Lee (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 100 | Series B Preferred | \$0.02 | N/A | Brian Innes (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 150 | Series B Preferred | \$0.02 | N/A | Calvin Weight (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 100 | Series B Preferred | \$0.02 | N/A | Jacob Davis (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 63 | Series B Preferred | \$0.02 | N/A | Ayodele Popoola (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 63 | Series B Preferred | \$0.02 | N/A | Fernando Rodriguez (a) | Services | R | N/A |

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|-----------|----------|----|--------------------|--------|-----|-------------------------|----------|---|-----|
| 4/15/2021 | Issuance | 50 | Series B Preferred | \$0.02 | N/A | Jenny Edgerton (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 50 | Series B Preferred | \$0.02 | N/A | Kristian Giordano (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 38 | Series B Preferred | \$0.02 | N/A | Grant Casey (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 35 | Series B Preferred | \$0.02 | N/A | Phil Finch (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 35 | Series B Preferred | \$0.02 | N/A | Adrian Torroella (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 25 | Series B Preferred | \$0.02 | N/A | Inga Tuigamala (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 25 | Series B Preferred | \$0.02 | N/A | Javier Gonzelez (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 25 | Series B Preferred | \$0.02 | N/A | Forrest Joy (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 25 | Series B Preferred | \$0.02 | N/A | Alejandro Torroella (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 17 | Series B Preferred | \$0.02 | N/A | Glenn Shaw (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 15 | Series B Preferred | \$0.02 | N/A | Kerlynn Egan (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 13 | Series B Preferred | \$0.02 | N/A | Raul Leggs (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 13 | Series B Preferred | \$0.02 | N/A | Alia Harris (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 12 | Series B Preferred | \$0.02 | N/A | Michael Jue (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Mario Vargas (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Ernest Stern (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Michael Pollack (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Gabe Giordano (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Justin Brubaker (a) | Services | R | N/A |

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|-----------|---------------------|--------------|--------------------|--------|-----|---|----------------|---|-----|
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Ivan Romero (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Nimbl Holdings, LLC (Shane Rowley) (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | David Nihm (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 8 | Series B Preferred | \$0.02 | N/A | Jane Edmunson (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 5 | Series B Preferred | \$0.02 | N/A | Yassine Gharram (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 5 | Series B Preferred | \$0.02 | N/A | Chris Bibey (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Nicole Rodriguez (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 5 | Series B Preferred | \$0.02 | N/A | Veronica Naumkina (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 5 | Series B Preferred | \$0.02 | N/A | Marcela Quesada (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Warren Lorenz (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Patrick Lopez (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Ixxandra Molina Gamboa (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Jessica Salas-Acha (a) | Services | R | N/A |
| 4/15/2021 | Issuance | 10 | Series B Preferred | \$0.02 | N/A | Carol Andrea Zambrana Arias (a) | Services | R | N/A |
| 4/26/2021 | Issuance | 437,500 | Common | \$2.28 | No | HUMBL CL SPA (Attn: Juan Pable Morales) | Country Rights | R | N/A |
| 5/3/2021 | Conversion – Common | (71,313,853) | Common | N/A | N/A | Brian Foote | Conversion | R | N/A |

| | | | | | | | | | |
|--------------------------------------|---|--------------------|----------------------------------|-----|-----|-------------|------------|---|-----|
| | to Series B Preferred | 7,131 | Series B Preferred | | | | | | |
| 5/6/2021 | Conversion – Common to Series B Preferred | (8,311,147) 831 | Common Series B Preferred | N/A | N/A | Brian Foote | Conversion | R | N/A |
| | | | | | | | | | |
| | | | | | | | | | |
| Shares Outstanding on March 31, 2021 | Ending Balance: | | | | | | | | |
| | Common: 974,218,599 Preferred A: 7,000,000 Preferred B: 554,301 (a) Preferred C: 0 | | | | | | | | |
| May 17, 2021 | Common: 895,031,099 Preferred A: 7,000,000 Preferred B: 562,263 Preferred C: 0 | | | | | | | | |

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

Share figures for common stock are reflected post reverse-split that occurred February 26, 2021 (retroactively).

- (a) The Company had granted Series B Preferred Shares to certain individuals on February 26, 2021 and cancelled those shares on April 15, 2021 with an effective date of March 31, 2021. The share totals are included in the total for March 31, 2021. The new shares issued on April 15, 2021 that are effective March 31, 2021 totaled 2,272 shares of which 528 are vested immediately, 1,219 vested over one year, and 525 are vested over two years. All of the Series B Preferred Shares issued have one-year lock up provisions to convert into common stock from the date of the merger of December 3, 2020.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares) | Name of Noteholder (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|---------------|--|--|---|
| 10/29/2020 | 40,000 | 40,000 | 1,341 | 12/31/2021 | | The Estate of Henry Boucher (a) | Cash |
| 12/23/2020 | 112,500 | 112,500 | 2,416 | 12/23/2021 | Convertible at \$0.60 per share | Kevin Levine | Working Capital |
| 12/23/2020 | 112,500 | 112,500 | 2,416 | 12/23/2021 | Convertible at \$0.60 per share | Judith Levine | Working Capital |
| 4/14/2021 | 3,300,000 | 3,300,000 | | 7/14/2022 | Convertible at \$3.15 per share | Brighton Capital Partners, LLC (Lucas Hales, Manager) | Working Capital |
| 5/13/2021 | 382,500 | 382,500 | | 3/13/2023 | Convertible at \$1.00 per share | Next Generation Wealth Management LLC | Working Capital |
| 5/13/2021 | 420,750 | 420,750 | | 3/13/2023 | Convertible at \$1.00 per share | Maize and Gray, LLC | Working Capital |

Use the space below to provide any additional details, including footnotes to the table above:

- (a) The promissory note was originally issued to Brian Foote, who assigned this note to Henry Boucher on November 11, 2020. Mr. Boucher has since passed and the note is now in the name of The Estate of Henry Boucher.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: **Jeffrey Hinshaw**
Title: **Principal Financial Officer**
Relationship to Issuer: **Officer**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
D. Statement of Operations;
E. Statement of Cash Flows;
F. Statement of Changes in Shareholders' Equity (Deficit); and

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

G. Financial notes

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. (“Annual Report,” “Quarterly Report” or “Interim Report”).

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

The following financial statements are included in this Quarterly Report below:

Balance Sheets as of March 31, 2021 and December 31, 2020
Statements of Operations for the three months ended March 31, 2021 and 2020
Statements of Cash Flows for the three months ended March 31, 2021 and 2020
Statement of Changes in Stockholders’ Equity (Deficit) for the three months ended March 31, 2021 and 2020
Notes to Financial Statements

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. In answering this item, please include the following:

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

On December 3, 2020, HUMBL, LLC (“HUMBL LLC”) merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares.

The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock; however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed its name to HUMBL, Inc. (“HUMBL” or the “Company”). Prior to the reverse merger, the Company operated through their wholly-owned subsidiaries, Floor Covering and Tile, Inc. and Fashion Floor Annex, Inc., who market and sell floor and wall covering materials over the internet to both commercial businesses and residential homes in the New Canaan, CT and surrounding Westchester and Putnam Counties in NY.

About HUMBL

HUMBL is a Web 3, digital commerce platform that was built to connect consumers, freelancers and merchants in the digital economy. HUMBL provides simple tools and packaging for complex new technologies like blockchain, in the same way that previous cycles of e-commerce and cloud were more simply packaged by companies like Facebook, Apple, Amazon and Netflix over the past several decades.

The goal of HUMBL is to provide ready built tools, and platforms, for consumers and merchants to seamlessly participate in the digital economy. HUMBL is built on a patent-pending decentralized technology stack that utilizes both core and partner technologies, to provide faster connections to the digital economy and each other.

HUMBL has three interconnected product verticals:

- **HUMBL Pay** – A mobile app that allows peers, consumers and merchants to connect in the digital economy
- **HUMBL Marketplace** – A mobile marketplace that allows consumers and merchants to connect more seamlessly in the digital economy
- **HUMBL Financial** – Financial products and services, targeted for simplified investing on the blockchain

HUMBL Pay

HUMBL is developing a mobile application that allows customers to migrate to digital forms of payment, along with services such as maps, ratings, reviews. The company is also working rapidly to integrate the use of search, discovery, peer-to-peer cash and ticketing around the world, as these services migrate into digital and blockchain-based modalities.

- **Individuals** - Consumers who want to discover, pay, rate and review experiences digitally vs. paper bills and hardware POS
- **Freelancers** - Service providers and gig workers that want to get paid from anywhere they work vs. paper bills and hardware POS
- **Merchants** – Primarily brick and mortar vendors that want to get paid digitally vs. paper bills and hardware POS

HUMBL Marketplace

HUMBL is developing the capability for merchants to list a wide range of soft goods and digital assets to mid-market audiences, that, when appropriate, incorporate the benefits of blockchain. HUMBL provides merchants with the ability to list and sell goods with greater levels of authentication, by using technologies such as the HUMBL Token Engine and HUMBL Origin Assurance, to improve the merchant ability to trade, track and pay for assets.

HUMBL is working to issue NFTs (Non-Fungible Tokens) that allow entities like individual global athletes, celebrities, agencies, artists and companies to monetize their digital images, multimedia, content and catalogues on the blockchain. The Company will work with clients to create, list and sell their NFTs across a variety of modalities and platforms.

HUMBL is also building and acquiring capabilities to offer a range of tickets to sporting, concert and theatre events. These tickets will, when appropriate, incorporate the benefits of blockchain as well as the other aspects of the HUMBL mobile application. The Company will work with artist and venue clients to create, list and sell tickets to their events across HUMBL and other affiliate channels.

HUMBL Financial

HUMBL Financial is developing the ability to package the new, digital asset investment markets into "one click" for the customer. With the total value of the digital asset markets in excess of \$2 trillion dollars, there is increased conviction that investment markets will need to migrate to more digital forms of asset tokenization. This will create opportunities for a new generation of market participants on the blockchain.

HUMBL Financial has developed index, active and thematic investment products called Exchange Traded Index (ETX) products that allow customers to invest in baskets of assets on the blockchain. These products are non-custodial, algorithmically driven software services that allow customers to purchase and hold digital assets in pre-set allocations through their own digital asset exchange accounts.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

HUMBL, LLC – 100% owned subsidiary - See description in 5.A

C. Describe the issuers' principal products or services, and their markets

See description in 5.A.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company's headquarters is at 600 B Street in San Diego, CA. This space is leased on a month-to-month basis at the rate of approximately \$3,250 per month.

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own.

If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.

| Name of Officer/Director or Control Person | Affiliation with Company (e.g. Officer/Director/Owner of more than 5%) | Residential Address (City / State Only) | Number of shares owned (as converted) | Share type/classes | Ownership Percentage of Class Outstanding (as converted) | Note |
|--|--|---|---------------------------------------|--------------------|--|------|
| Brian Foote | Officer and Director | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 7,000,000 | Series A Preferred | 100.00% | A |
| Brian Foote | Officer and Director | c/o HUMBL, Inc. 600 B Street | 11,899,304 | Common | 1.33% | |

| | | | | | | |
|---|--|---|---------------|--|--------|---|
| | | San Diego, CA 92101 | | | | |
| Block 30 LLC (Brian Foote – contact person) | Owner of more than 5% | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 2,497,090,000 | Series B Preferred | 37.19% | B |
| Mark Grado | Owner of more than 5% | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 560,790,000 | Series B Preferred | 8.35% | B |
| Jeffrey Hinshaw | Officer, Director and Owner of more than 5% | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 405,771,811 | Common and Series B Preferred | 6.04% | C |
| Stephen L. Foote and Sandra M. Foote Revocable Trust U/A/D December 14, 1990, as amended May 13, 2014 (Stephen L. Foote and Sandra M. Foote, Trustees) | Owner of more than 5% | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 335,610,000 | Series B Preferred | 5.00% | B |
| Michele Rivera | Officer and Director | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 287,150,000 | Series B Preferred | 4.28% | B |
| Karen Garcia | Officer | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 116,830,000 | Series B Preferred | 1,74% | B |
| Adam Wolfe | Officer | c/o HUMBL, Inc. 600 B Street San Diego, CA 92101 | 101,880,000 | Series B Preferred | 1.52% | B |

Explanatory Notes:

- (A) These shares were transferred from Henry Boucher at the time of the reverse merger in December 2020.
- (B) Represent Series B Preferred Shares (issued February 26, 2021) as converted in the 10,000 to 1 conversion ratio.
- (C) Include 3,081,811 shares of common stock and an additional 402,690,000 shares of common stock (on an as converted basis from 40,269 shares of Series B Preferred).

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NO

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NO

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

NO

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NO

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Ernest Stern
Firm: Culhane Meadows PLLC
Address 1: 1101 Pennsylvania Avenue, NW, Suite 300
Address 2: Washington, DC 20004
Phone: 301-910-2030
Email: estern@culhanemeadows.com

Accountant

Name: Shane Rowley
Firm: Nimbl LLC
Address 1: 299 S. Main Street, Suite 1300 PMB 90424
Address 2: Salt Lake City, UT, 84111
Phone: 801-358-8118
Email: shane@trustnimbl.com

Auditor

Name: Ben Borgers, CPA
Firm: BF Borgers CPA PC
Address 1: 5400 W Cedar Ave
Address 2: Lakewood, CO 80226
Phone: 303-953-1454
Email: ben@bfbcpa.us

Investor Relations

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: Brian Innes
Firm: Hansen Black Anderson Ashcraft PLLC
Nature of Services: Corporate Counsel
Address 1: 3051 W. Maple Loop Dr., Suite 325
Address 2: Lehi, UT 84043
Phone: 801-922-5000
Email: binnes@hbaa.law

Name: Michael Pollack
Firm: KBL LLP
Nature of Services: Financial Consultant
Address 1: 535 Fifth Avenue, 30th Floor
Address 2: New York, NY 10017
Phone: 212-785-9700
Email: mpollack@kbl.com

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Brian Foote certify that:

1. I have reviewed this Quarterly Report of HUMBL, Inc. for the fiscal period ended March 31, 2021;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

05/17/2021 [Date]

/s/ Brian Foote [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Jeffrey Hinshaw certify that:

1. I have reviewed this Quarterly Report of HUMBL, Inc. for the fiscal period ended March 31, 2021;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

05/17/2021 [Date]

/s/ Jeffrey Hinshaw [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
BALANCE SHEETS

| ASSETS | <u>March 31, 2021</u> (unaudited) | <u>December 31,</u> <u>2020</u> |
|--|--------------------------------------|------------------------------------|
| CURRENT ASSETS | | |
| Cash | \$ 852,712 | \$ 1,720,979 |
| Due from related parties, net | - | 77,146 |
| Prepaid expenses and other current assets | 7,445 | 7,445 |
| Total current assets | <u>860,157</u> | <u>1,805,570</u> |
| NON-CURRENT ASSETS | | |
| Goodwill | - | - |
| Total non-current assets | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 860,157</u> | <u>\$ 1,805,570</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 261,602 | \$ 20,392 |
| Deferred revenue | - | 43,243 |
| Note payable | 40,000 | 40,000 |
| Current portion of convertible promissory notes, net of discount | 161,700 | 141,103 |
| Total current liabilities | <u>463,302</u> | <u>244,738</u> |
| LONG-TERM LIABILITIES | | |
| Convertible promissory notes, net of discount, net of current portion | - | - |
| Total non-current liabilities | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>463,302</u> | <u>244,738</u> |
| STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Preferred stock, 7,000,000 shares Series A Preferred stock authorized, 900,000 Series B Preferred stock authorized, and 150,000 Series C Preferred stock authorized | | |
| Series A Preferred stock, par value \$0.00001; 7,000,000 issued and outstanding as of March 31, 2021 and December 31, 2020, respectively | 70 | 70 |
| Series B Preferred stock, par value \$0.00001; 554,301 and 0 issued and outstanding as of March 31, 2021 and December 31, 2020, respectively | 6 | - |
| Series C Preferred stock, par value \$0.00001; 0 issued and outstanding as of March 31, 2021 and December 31, 2020, respectively | - | - |
| Common stock, par value \$0.00001; 7,450,000,000 and 5,000,000,000 shares authorized, 974,218,599 and 974,177,443 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively | 9,742 | 9,742 |
| Additional paid in capital | 2,818,704 | 2,545,825 |
| Accumulated deficit | (2,431,667) | (994,805) |
| Total stockholders' equity (deficit) | <u>396,855</u> | <u>1,560,832</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | <u>\$ 860,157</u> | <u>\$ 1,805,570</u> |

See notes to financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
STATEMENTS OF OPERATIONS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------|--------------------|
| REVENUES | \$ 156,260 | \$ - |
| COST OF REVENUES | <u>104,743</u> | <u>-</u> |
| GROSS PROFIT | 51,517 | - |
| OPERATING EXPENSES: | | |
| Development costs | 102,303 | 21,228 |
| Professional fees | 914,878 | 47,709 |
| General and administrative (including stock based compensation) | <u>445,373</u> | <u>9,199</u> |
| Total operating expenses | <u>1,462,554</u> | <u>78,136</u> |
| LOSS FROM OPERATIONS BEFORE OTHER EXPENSES | (1,411,037) | (78,136) |
| OTHER INCOME (EXPENSE): | | |
| Interest expense, net of interest income | <u>(25,825)</u> | <u>(-)</u> |
| Total other income (expense) | <u>(25,825)</u> | <u>(-)</u> |
| LOSS FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES | <u>(1,436,862)</u> | <u>(78,136)</u> |
| PROVISION FOR INCOME TAXES | <u>(-)</u> | <u>(-)</u> |
| NET LOSS | <u>\$ (1,436,862)</u> | <u>\$ (78,136)</u> |
| NET LOSS PER SHARE | | |
| Basic and diluted | \$ (0.0015) | \$ - |
| SHARES USED IN CALCULATION OF NET LOSS PER SHARE | | |
| Basic and diluted | 974,218,599 | - |

See notes to financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|------------------|
| Cash flows from operating activities: | | |
| Net loss | \$ (1,436,862) | \$ (78,136) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Amortization of debt discount | 20,597 | - |
| Bad debt | 88,693 | - |
| Preferred shares issued for services/merger | 219,642 | - |
| Changes in assets and liabilities | | |
| Prepaid expenses and other current assets | (-) | (-) |
| Increase (decrease) in amounts due related parties | (11,547) | (123,667) |
| Accounts payable and accrued expenses | 241,210 | (1,499) |
| Net cash used in operating activities | <u>(878,267)</u> | <u>(203,302)</u> |
| Cash flows from investing activities: | | |
| Purchases of intangible assets | - | - |
| Purchases of fixed assets | - | - |
| Net cash used in investing activities | <u>-</u> | <u>-</u> |
| Cash flows from financing activities: | | |
| Proceeds from sales of membership interests of HUMBL, LLC | 10,000 | 198,750 |
| Proceeds from convertible note payable – related party | - | - |
| Proceeds from sales of warrants and country rights option (included in deferred revenue) | - | - |
| Proceeds from note payable | - | - |
| Net cash provided by financing activities | <u>10,000</u> | <u>198,750</u> |
| NET (DECREASE) INCREASE IN CASH | <u>(868,267)</u> | <u>(4,552)</u> |
| Cash - beginning of period | 1,720,979 | 4,855 |
| Cash - end of period | <u>\$ 852,712</u> | <u>\$ 303</u> |
| SUPPLEMENTAL DISCLOSURES: | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for income taxes | \$ - | \$ - |
| SUMMARY OF NONCASH ACTIVITIES: | | |
| Reclassification of deferred revenue related to warrant purchase | \$ 43,243 | \$ - |
| Effect of reverse merger | \$ - | \$ - |
| Debt discount on convertible notes payable | \$ - | \$ - |

See notes to financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2021 AND 2020

| | Series A Preferred | | Series B Preferred | | Common | | Additional Paid-In Capital | Accumulated Deficit | Total |
|---|--------------------|--------|--------------------|--------|-------------|----------|----------------------------------|------------------------|--------------|
| | Shares | Amount | Shares | Amount | Shares | Amount | | | |
| Balances at January 1, 2020 | - | \$ - | - | \$ - | - | - | \$ 205,500 | \$ (281,542) | \$ (76,042) |
| Members interest purchased for cash | - | - | - | - | - | - | 198,750 | - | 198,750 |
| Net loss for the period | - | - | - | - | - | - | - | (78,136) | (78,136) |
| Balances March 31, 2020 | - | - | - | - | - | - | \$ 404,250 | \$ (359,678) | \$44,572 |
| Balances at January 1, 2021 | 7,000,000 | \$ 70 | - | \$ - | 974,177,443 | \$ 9,742 | \$ 2,545,825 | \$ (994,805) | \$ 1,560,832 |
| Share adjustment | - | - | - | - | 41,156 | - | - | - | - |
| Shares issued in reverse merger with HUMBL | - | - | 552,029 | 6 | - | - | 39,961 | - | 39,967 |
| Shares issued for services | - | - | 2,272 | - | - | - | 179,675 | - | 179,675 |
| Members interest purchased for cash (timing difference from 2020) | - | - | - | - | - | - | 10,000 | - | 10,000 |
| Reclassification from deferred revenue on warrant purchase | - | - | - | - | - | - | 43,243 | - | 43,243 |
| Net loss for the period | - | - | - | - | - | - | - | (1,436,862) | (1,436,862) |
| Balances at March 31, 2021 | 7,000,000 | \$ 70 | 554,301 | \$ 6 | 974,218,599 | \$ 9,742 | \$2,822,004 | \$(2,431,667) | \$ 396,855 |

*There was no Series C Preferred stock activity during these periods

See notes to financial statements.

HUMBL, INC.
(FORMERLY TESORO ENTERPRISES, INC.)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE 1: NATURE OF OPERATIONS

HUMBL, Inc. (formerly Tesoro Enterprises, Inc.), an Oklahoma corporation (“Company”) was incorporated November 12, 2009. The Company was redomiciled on November 30, 2020 to the State of Delaware.

Simultaneously with the November 12, 2009 incorporation, the Company entered into a share exchange agreement with Fashion Floor Covering and Tile, Inc. (“FFC&T”), whereby the sole stockholder of FFC&T received 125,000 shares of the Company’s restricted shares of common stock in exchange for all the outstanding shares of FFC&T. FFC&T is a full line (wood, carpet and tile) retail dealer and installer of floor and hard wall covering materials. FFC&T has been in business for over twenty-five years under the same ownership and management.

On December 3, 2020, HUMBL, LLC (“HUMBL LLC”) merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of a one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares, and 10,000,000 preferred shares.

The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock; however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed their name to HUMBL, Inc. (“HUMBL” or the “Company”).

All share figures and per share amounts have been stated retroactively for the reverse stock split.

HUMBL is a Web 3, digital commerce platform that was built to connect consumers, freelancers and merchants in the digital economy. HUMBL provides simple tools and packaging for complex new technologies like blockchain, in the same way that previous cycles of e-commerce and cloud were more simply packaged by companies like Facebook, Apple, Amazon and Netflix (FAANG) over the past several decades.

The goal of HUMBL is to provide ready built tools, and platforms, for consumers and merchants to seamlessly participate in the digital economy. HUMBL is built on a patent-pending decentralized technology stack that utilizes both core and partner technologies, to provide faster connections to the digital economy and each other.

HUMBL has three interconnected product verticals:

- **HUMBL Pay** – A mobile app that allows peers, consumers and merchants to connect in the digital economy
- **HUMBL Marketplace** – A mobile marketplace that allows consumers and merchants to connect more seamlessly in the digital economy
- **HUMBL Financial** – Financial products and services, targeted for simplified investing on the blockchain

HUMBL Pay

HUMBL is developing a mobile application that allows customers to migrate to digital forms of payment, along with services such as maps, ratings, reviews. The company is also working rapidly to integrate the use of search, discovery, peer-to-peer cash and ticketing around the world, as these services migrate into digital and blockchain-based modalities.

- **Individuals** - Consumers who want to discover, pay, rate and review experiences digitally vs. paper bills and hardware POS
- **Freelancers** - Service providers and gig workers that want to get paid from anywhere they work vs. paper bills and hardware POS
- **Merchants** – Primarily brick and mortar vendors that want to get paid digitally vs. paper bills and hardware POS

HUMBL Marketplace

HUMBL is developing the capability for merchants to list a wide range of soft goods and digital assets to mid-market audiences, that, when appropriate, incorporate the benefits of blockchain. HUMBL provides merchants with the ability to list and sell goods with greater levels of authentication, by using technologies such as the HUMBL Token Engine and HUMBL Origin Assurance, to improve the merchant ability to trade, track and pay for assets.

HUMBL is working to issue NFTs (Non-Fungible Tokens) that allow entities like individual global athletes, celebrities, agencies, artists and companies to monetize their digital images, multimedia, content and catalogues on the blockchain. The Company will work with clients to create, list and sell their NFTs across a variety of modalities and platforms.

HUMBL is also building and acquiring capabilities to offer a range of tickets to sporting, concert and theatre events. These tickets will, when appropriate, incorporate the benefits of blockchain as well as the other aspects of the HUMBL mobile application. The Company will work with artist and venue clients to create, list and sell tickets to their events across HUMBL and other affiliate channels.

HUMBL Financial

HUMBL Financial is developing the ability to package the new, digital asset investment markets into "one click" for the customer. With the total value of the digital asset markets in excess of \$2 trillion dollars, there is increased conviction that investment markets will need to migrate to more digital forms of asset tokenization. This will create opportunities for a new generation of market participants on the blockchain.

HUMBL Financial has developed index, active and thematic investment products called Exchange Traded Index (ETX) products that allow customers to invest in baskets of assets on the blockchain. These products are non-custodial, algorithmically driven software services that allow customers to purchase and hold digital assets in pre-set allocations through their own digital asset exchange accounts.

The recent unprecedented events related to COVID-19, the disease caused by the novel coronavirus (SARS-CoV-2), have had significant health, economic, and market impacts and may have short-term and long-term adverse effects on our business that we cannot predict as the global pandemic continues to evolve. The extent and effectiveness of responses by governments and other organizations also cannot be predicted.

Our ability to access the capital markets and maintain existing operations is unknown during the COVID-19 pandemic. Any such limitation on available financing and how we conduct business with our customers and vendors would adversely affect our business.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and the rules and regulations of the United States Securities and Exchange Commission (the "Commission" or the "SEC"). It is management's opinion that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation.

The Company applies the guidance of Topic 805 *Business Combinations* of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

As the acquisition of HUMBL resulted in the owners of HUMBL gaining control over the combined entity after the transaction, and the shareholders of Tesoro Enterprises, Inc. continuing only as passive investors, the transaction was not considered a business combination under the ASC. Instead, this transaction was considered to be a capital transaction of the legal acquiree (HUMBL) and was equivalent to the issuance of shares by HUMBL for the net monetary assets of Tesoro Enterprises, Inc. accompanied by a recapitalization. As a result, all historical balances are those of HUMBL as they are the accounting acquirer.

Under generally accepted accounting principles of the United States, any excess of the fair value of the shares issued by HUMBL over the value of the net monetary assets of Tesoro Enterprises, Inc. is recognized as a reduction of equity. There was no excess of fair value in this transaction.

Reclassification

The Company has reclassified certain amounts in the 2020 financial statements to comply with the 2021 presentation. These principally relate to classification of certain expenses and liabilities. The reclassifications had no impact on total net loss or net cash flows for the period ended March 31, 2020.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. 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 reported amounts of revenues and expenses during the reporting period. These estimates include, but are not limited to, management's estimate of provisions required for permanent and temporary differences related to income taxes, liabilities to accrue, and determination of the fair value of stock awards. Actual results could differ from those estimates.

Cash

Cash consists of cash and demand deposits with an original maturity of three months or less. The Company holds no cash equivalents as of March 31, 2021 and December 31, 2020, respectively. The Company maintains cash balances in excess of the FDIC insured limit at a single bank. The Company does not consider this risk to be material.

Fixed Assets and Long-Lived Assets

ASC 360 requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company has adopted Accounting Standard Update ("ASU") 2017-04 *Intangibles – Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment*.

The Company reviews recoverability of long-lived assets on a periodic basis whenever events and changes in circumstances have occurred which may indicate a possible impairment. The assessment for potential impairment is based primarily on the Company's ability to recover the carrying value of its long-lived assets from expected future cash flows from its operations on an undiscounted basis. If such assets are determined to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets.

Intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment.

The Company assesses the impairment of identifiable intangibles whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers to be important which could trigger an impairment review include the following:

1. Significant underperformance relative to expected historical or projected future operating results;
2. Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

Subsequent Events

Subsequent events were evaluated through the date the financial statements were filed.

Revenue Recognition

The Company accounts for a contract with a customer that is within the scope of this Topic only when the five steps of revenue recognition under ASC 606 are met.

The five core principles will be evaluated for each service provided by the Company and is further supported by applicable guidance in ASC 606 to support the Company's recognition of revenue.

The Company accounts for revenues based on the verticals in which they were earned. The three principal verticals in which the Company operates today are HUMBL Pay, HUMBL Marketplace, and HUMBL Financial.

HUMBL Pay

The Company is anticipated to earn transaction revenues primarily from fees charged to merchants and consumers on a transaction basis through its mobile application. These fees may have a fixed and/or variable component. The variable component is generally a percentage of the value of the payment amount and is known at the time the transaction is processed. For a portion of our transactions, the variable component of the fee is eligible for reimbursement when the underlying transaction is approved for a refund. The Company may estimate the amount of fee refunds that will be processed each quarter and record a provision against the net revenues. The volume of activity processed on the platform, which results in transaction revenue, is referred to as Total Payment Volume ("TPV"). The Company will earn additional fees on transactions where currency conversion is performed, when cross-border transactions are enabled (i.e., transactions where the merchant and consumer are in different countries), to facilitate the instant transfer of funds for customers from their HUMBL account to their debit card or bank account, and other miscellaneous fees. The Company will rely on third party partners to perform all money transmission services.

The Company may earn revenues from other value-added services, which are comprised primarily of revenue earned through partnerships, referral fees, subscription fees, gateway fees, ticketing, peer-to-peer payments and other services that will be provided to merchants and consumers. These contracts typically have one performance obligation which is provided and recognized over the term of the contract. The transaction price is generally fixed and known at the end of each reporting period; however, for some agreements, it may be necessary to estimate the transaction price using the expected value method. The Company is expected to record revenue earned in revenues from other value-added services on a net basis when they are considered the agent with respect to processing transactions.

HUMBL Marketplace

The Company will recognize revenue when its transfer control of promised goods or services to customers in an amount that reflects the consideration to which is expected to be entitled in exchange for those goods or services. Revenue is recognized net of any taxes collected, which are subsequently remitted to governmental authorities.

Net transaction revenues

The net transaction revenues will primarily include final value fees, feature fees, including fees to promote listings, and listing fees from sellers in our Marketplace. The net transaction revenues will also include store subscription and other fees often from large enterprise sellers. The net transaction revenues are reduced by incentives provided to customers.

The Company has identified one performance obligation to sellers on the Marketplace platform, which is to connect buyers and sellers on the secure and trusted Marketplace platforms. Final value fees are recognized when an item is sold on a Marketplace platform, satisfying this performance obligation. There may be additional services available to Marketplace sellers, mainly to promote or feature listings, that are not distinct within the context of the contract.

Accordingly, fees for these additional services are recognized when the single performance obligation is satisfied. Promoted listing fees are recognized when the item is sold and feature and listing fees are recognized when an item is sold, or when the contract expires.

Further, to drive traffic to the platform, the Company will provide incentives to buyers and sellers in various forms including discounts on fees, discounts on items sold, coupons and rewards. Evaluating whether a promotion or incentive is a payment to a customer may require significant judgment. Promotions and incentives which are consideration payable to a customer are recognized as a reduction of revenue at the later of when revenue is recognized or when the incentive is paid or promise to be paid. Promotions and incentives to most buyers on our Marketplace platforms, to whom there is no performance obligation, are recognized as sales and marketing expense. In addition, there may be credits provided to customers when certain fees are refunded. Credits are accounted for as variable consideration at contract inception when estimating the amount of revenue to be recognized when a performance obligation is satisfied to the extent that it is probable that a significant reversal of revenue will not occur and updated as additional information becomes available.

Ticketing revenues

The Company has not recognized revenues from their ticketing services as of yet but expect to upon completion of the acquisition of Tickeri. We expect to derive our ticketing revenues primarily from service fees and payment processing fees charged at the time a ticket for an event is sold. We also expect to derive revenues from providing certain creators with account management services and customer support. Our customers are expected to be primarily event creators who use our platform to sell tickets to attendees. Revenue will be recognized when or as control of the promised goods or services is transferred to customers, in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We expect to allocate the transaction price by estimating a standalone selling price for each performance obligation using an expected cost plus a margin approach. For service fees and payment processing fees, revenue is expected to be recognized when the ticket is sold. For account management services and customer support, revenue is expected to be recognized over the period from the date of the sale of the ticket to the date of the event.

We will evaluate whether it is appropriate to recognize revenue on a gross or net basis based upon our evaluation of whether we obtain control of the specified goods or services by considering if we are primarily responsible for fulfillment of the promise, have inventory risk, and have the latitude in establishing pricing and selecting suppliers, among other factors. We determined the event creator is expected to be the party responsible for fulfilling the promise to the attendee, as the creator is responsible for providing the event for which a ticket is sold, determines the price of the ticket and is responsible for providing a refund if the event is canceled. Our service is expected to provide a platform for the creator and event attendee to transact and our performance obligation is to facilitate and process that transaction and issue the ticket. The amount that we are expected to earn for our services is expected to be fixed. For the payment processing service, we determined that we are expected to be the principal in providing the service as we are expected to be responsible for fulfilling the promise to process the payment and we have discretion and latitude in establishing the price of our service. Based on our assessment, we are expected to record revenue on a net basis related to our ticketing service and on a gross basis related to our payment processing service. As a result, costs incurred for processing the transactions are expected to be included in cost of net revenues in the consolidated statements of operations.

Revenue is expected to be presented net of indirect taxes, value-added taxes, creator royalties and reserves for customer refunds, payment chargebacks and estimated uncollectible amounts. If an event is cancelled by a creator, then any obligations to provide refunds to event attendees are expected to be the responsibility of that creator. If a creator is unwilling or unable to fulfill their refund obligations, we may, at our discretion, provide attendee refunds. Revenue is also expected to be presented net of the amortization of creator signing fees when applicable. The benefit we are expected to receive by securing exclusive ticketing and payment processing rights with certain creators from creator signing fees is inseparable from the customer relationship with the creator and accordingly these fees are expected to be recorded as a reduction of revenue in the consolidated statements of operations.

Marketing services and other revenues

Marketing services and other revenues are derived principally from the sale of advertisements, classifieds fees, and revenue sharing arrangements. Advertising revenue is derived principally from the sale of online advertisements which are based on “impressions” (i.e., the number of times that an advertisement appears in pages viewed by users of our platforms) or “clicks” (which are generated each time users on our platforms click through our advertisements to an advertiser’s designated website) delivered to advertisers. The Company uses the output method and apply the practical expedient to recognize advertising revenue in the amount to which they have a right to invoice. For contracts with target advertising commitments with rebates, estimated payout is accounted for as a variable consideration to the extent it is probable that a significant reversal of revenue will not occur.

HUMBL Financial

Revenue is recognized upon transfer of control of promised services to customers in an amount to which the Company expects to be entitled in exchange for those services. Service subscription revenue is recognized for the month in which services are provided. If a customer pays for an annual subscription, revenue is allocated over the months in the subscription and recognized for each month of the service provided.

Accounts Receivable and Concentration of Credit Risk

An allowance is based on management’s estimate of the overall collectability of accounts receivable, considering historical losses. Based on these same factors, individual accounts are charged off against the allowance when management determines those individual accounts are uncollectible. Credit extended to customers is generally uncollateralized. Past-due status is based on contractual terms. The Company does not charge interest on accounts receivable. As of March 31, 2021 and December 31, 2020, there was no allowance necessary.

Income Taxes

Income taxes are accounted under the asset and liability method. The current charge for income tax expense is calculated in accordance with the relevant tax regulations applicable to the entities. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Differences between statutory tax rates and effective tax rates relate to permanent tax differences.

Prior to the merger with the Company, HUMBL LLC was a partnership. All losses generated were passed through to the individual members, and there was no provision for income taxes.

Uncertain Tax Positions

The Company follows ASC 740-10 *Accounting for Uncertainty in Income Taxes*. This requires recognition and measurement of uncertain income tax positions using a “more-likely-than-not” approach. Management evaluates their tax positions on an annual basis.

The Company files income tax returns in the U.S. federal tax jurisdiction and various state tax jurisdictions. The federal and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Vacation and Paid-Time-Off

The Company follows ASC 710-10 *Compensation – General*. The Company records liabilities and expense when obligations are attributable to services already rendered, will be paid even if an employee is terminated, payment is probable, and the amount can be estimated.

Share-Based Compensation

The Company follows ASC 718 *Compensation – Stock Compensation* and has adopted ASU 2017-09 *Compensation – Stock Compensation (Topic 718) Scope of Modification Accounting*. The Company calculates compensation expense for all awards granted, but not yet vested, based on the grant-date fair values. Share-based compensation expense for all awards granted is based on the grant-date fair values. The Company policy is to recognize these compensation costs, on a pro rata basis over the requisite service period of each vesting tranche of each award for service-based grants, and as the criteria is achieved for performance-based grants, when such grants are made.

The Company adopted ASU 2016-09 *Improvements to Employee Share-Based Payment Accounting*. Cash paid when shares are directly withheld for tax withholding purposes will be classified as a financing activity in the statement of cash flows.

Fair Value of Financial Instruments

ASC 825 *Financial Instruments* requires the Company to disclose estimated fair values for its financial instruments. Fair value estimates, methods, and assumptions are set forth below for the Company's financial instruments: The carrying amount of cash, accounts receivable, prepaid and other current assets, accounts payable and accrued liabilities, and amounts payable to related parties, approximate fair value because of the short-term maturity of those instruments. The Company does not utilize derivative instruments.

Leases

The Company follows ASC 842 *Leases* in accounting for leased properties, when they exceed a one-year term.

Earnings (Loss) Per Share of Common Stock

Basic net income (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share ("EPS") include additional dilution from common stock equivalents, such as convertible notes, preferred stock, stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents are not included in the computation of diluted earnings per share when the Company reports a loss because to do so would be anti-dilutive for periods presented, so only the basic weighted average number of common shares are used in the computations.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. Management evaluates all of the Company's financial instruments, including convertible notes and warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. The Company generally uses a Black-Scholes model, as applicable, to value the derivative instruments at inception and subsequent valuation dates when needed. The classification of derivative instruments, including whether such instruments should be recorded as liabilities, is remeasured at the end of each reporting period.

Fair Value Measurements

ASC 820 *Fair Value Measurements* defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. ASC 820 classifies these inputs into the following hierarchy:

Level 1 inputs: Quoted prices for identical instruments in active markets.

Level 2 inputs: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 inputs: Instruments with primarily unobservable value drivers.

Segment Reporting

The Company follows the provisions of ASC 280-10 *Segment Reporting*. This standard requires that companies disclose operating segments based on the manner in which management disaggregates the Company in making internal operating decisions.

For the three months ended March 31, 2020 the Company and its chief operating decision makers determined that the Company operated in one segment as they were developing their business model. Effective 2021, the Company has established three distinct operating segments: HUMBL Marketplace; HUMBL Pay; and HUMBL Financial. All operations for the three months ended March 31, 2021 and 2020, respectively were conducted in North America. Less than 4% of the Company's sales were from outside of North America, therefore the Company has determined that segment reporting by geographic location was not necessary. In the future, the Company will continue to monitor their activity by region to determine if it is feasible to report segment information by location.

Related-Party Transactions

Parties are considered to be related to the Company if the parties directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal stockholders of the Company, its management, members of the immediate families of principal stockholders of the Company and its management and other parties with which the Company may deal where one-party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all material related-party transactions. All transactions shall be recorded at fair value of the goods or services exchanged.

NOTE 3: REVERSE MERGER

HUMBL LLC

On December 3, 2020, HUMBL LLC merged into the Company in what is accounted for as a reverse merger. Under the terms of the Merger Agreement, HUMBL LLC exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL LLC following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares. The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. To assume control of the Company, the former CEO, Henry Boucher assigned his 7,000,000 shares of Series A Preferred Stock to Brian Foote, the President and CEO of HUMBL LLC for a \$40,000 note payable. The Series A Preferred Stock is not convertible into common stock, however, it has voting rights of 10,000 votes per 1 share of stock. After the reverse merger was completed, HUMBL LLC ceased doing business, and all operations were conducted under Tesoro Enterprises, Inc. which later changed its name to HUMBL.

As the acquisition of HUMBL resulted in the owners of HUMBL gaining control over the combined entity after the transaction, and the shareholders of Tesoro Enterprises, Inc. continuing only as passive investors, the transaction was not considered a business combination under the ASC. Instead, this transaction was considered to be a capital transaction of the legal acquiree (HUMBL) and was equivalent to the issuance of shares by HUMBL for the net monetary assets of Tesoro Enterprises, Inc. accompanied by a recapitalization. As a result, all historical balances are those of HUMBL as they are the accounting acquirer.

There were no outstanding liabilities of Tesoro Enterprises, Inc. that remained at the time of the merger so no amounts were assumed by HUMBL.

NOTE 4: PROMISSORY NOTE

The Company entered into a promissory note as follows as of March 31, 2021 and December 31, 2020:

| | March <u>31,</u> <u>2021</u> | December <u>31, 2020</u> |
|--|---------------------------------|-----------------------------|
| Note payable, at 8% interest, maturing December 31, 2021 | \$ 40,000 | \$ 40,000 |

Interest expense for the three months ended March 31, 2021 and 2020 was \$789 and \$0, respectively. Accrued interest at March 31, 2021 was \$1,341.

NOTE 5: CONVERTIBLE PROMISSORY NOTES

The Company entered into convertible promissory notes as follows as of March 31, 2021 and December 31, 2020:

| | March <u>31,</u> <u>2021</u> | December <u>31, 2020</u> |
|---|---------------------------------|-----------------------------|
| Convertible note, at 8% interest, maturing December 23, 2021 convertible into common shares at \$0.15 per share | \$ 112,500 | \$ 112,500 |
| Convertible note, at 8% interest, maturing December 23, 2021 convertible into common shares at \$0.15 per share | <u>112,500</u> | <u>112,500</u> |
| | 225,000 | 225,000 |
| Less: Debt discount | <u>(63,300)</u> | <u>(83,897)</u> |
| Total | \$ 161,700 | \$ 141,103 |

Interest expense for the three months ended March 31, 2021 and 2020 was \$4,438 and \$0, respectively. Accrued interest at March 31, 2021 was \$4,833.

NOTE 6: STOCKHOLDERS' EQUITY (DEFICIT)

Preferred Stock

The Company has 10,000,000 shares of Preferred Stock authorized, designated as follows: 7,000,000 shares of Series A Preferred Stock authorized, 900,000 shares of Series B Preferred Stock authorized, and 150,000 shares of Series C Preferred Stock authorized. All shares of preferred stock have a par value of \$0.00001.

Series A Preferred Stock

Dividends. Shares of Series A Preferred Stock shall be entitled to receive, out of funds legally available for that purpose, on the same terms and conditions as that of holders of common stock, as may be declared by the Board of Directors.

Conversion. There are no conversion rights.

Redemption. Subject to certain conditions set forth in the Series A Certificate of Designation, in the event of a Change of Control (defined in the Series A Certificate of Designation as the time at which as a third party not affiliated with the Company or any holders of the Series A Preferred Stock shall have acquired, in one or a series of related transactions, equity securities of the Company representing more than fifty percent 50% of the outstanding voting securities of the Company), the Company, at its option, will have the right to redeem all or a portion of the outstanding Series A Preferred Stock in cash at a price per share of Series A Preferred Stock equal to 100% of the liquidation value.

Voting Rights. Holders of Series A Preferred Stock are entitled to vote on all matters, together with the holders of common stock, and have the equivalent of one thousand (1,000) votes for every share of Series A Preferred Stock held.

Liquidation. Upon any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the liquidation value of the Series A Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company is insufficient to pay in full such amounts, then the entire assets to be distributed to the holders of the Series A Preferred Stock shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

The 7,000,000 shares were issued to a former officer of the Company and assigned to the new CEO at the time of the reverse merger of HUMBL.

Series B Preferred Stock

Dividends. Shares of Series B Preferred Stock shall be entitled to receive, out of funds legally available for that purpose, on the same terms and conditions as that of holders of common stock, as may be declared by the Board of Directors.

Conversion. Each share of Series B Preferred Stock shall be convertible at the option of the holder thereof at any time after December 3, 2021 at the office of the Company or any transfer agent for such stock, into ten thousand (10,000) fully paid and nonassessable shares of common stock subject to adjustment for any stock split or distribution of securities or subdivision of the outstanding shares of common stock.

Redemption. Subject to certain conditions set forth in the Series B Certificate of Designation, in the event of a Change of Control (defined in the Series B Certificate of Designation as the time at which as a third party not affiliated with the Company or any holders of the Series B Preferred Stock shall have acquired, in one or a series of related transactions, equity securities of the Company representing more than fifty percent 50% of the outstanding voting securities of the Company), the Company, at its option, will have the right to redeem all or a portion of the outstanding Series B Preferred Stock in cash at a price per share of Series B Preferred Stock equal to 100% of the liquidation value.

Voting Rights. Holders of Series B Preferred Stock are entitled to vote on all matters, together with the holders of common stock, and have the equivalent of ten thousand (10,000) votes for every share of Series B Preferred Stock held.

Liquidation. Upon any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the liquidation value of the Series B Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company is insufficient to pay in full such amounts, then the entire assets to be distributed to the holders of the Series B Preferred Stock shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

HUMBL exchanged 100% of their membership interests for 552,029 shares of newly created Series B Preferred Stock. The Series B Preferred shares were issued to the respective members of HUMBL following the approval by FINRA of the one-for-four reverse stock split of the common shares and the increase in the authorized common shares to 7,450,000,000 shares. The FINRA approval for both the increase in the authorized common shares and reverse stock split occurred on February 26, 2021. These shares that were issued in the reverse merger had a value of \$39,967. These shares have a lock-up provision that prevents the holders to convert into common stock for a period of one-year from the date of the merger of December 3, 2020, with the exception of those held by the CEO who has a two-year lock up provision. In addition, officers and directors that received these shares are subject to strict selling limitations, where the number of shares sold within the preceding three months cannot exceed the greater of: (a) 1% of the total outstanding common shares; and (b) the average weekly reported trading volume for the previous four weeks.

On February 26, 2021, the Company issued 493 shares of Series B Preferred Stock for services rendered that were cancelled. On April 15, 2021, the Company revised their issuances and issued with an effective date of March 31, 2021, 2,272 Series B Preferred shares for services rendered. Of the 2,272 shares issued, 528 are vested immediately, 1,219 are vested over one year, and 525 are vested over two years. The vesting period commenced January 1, 2021. All of the Series B Preferred Shares issued have one-year lock up provisions to convert into common stock from the date of the merger of December 3, 2020.

As of March 31, 2021 and December 31, 2020, the Company has 554,301 and 0 shares of Series B Preferred Stock issued and outstanding, respectively.

Series C Preferred Stock

Dividends. Shares of Series C Preferred Stock shall be entitled to receive, out of funds legally available for that purpose, on the same terms and conditions as that of holders of common stock, as may be declared by the Board of Directors.

Conversion. Each share of Series C Preferred Stock shall be convertible at the option of the holder thereof at the office of the Company or any transfer agent for such stock, into five thousand (5,000) fully paid and nonassessable shares of common stock subject to adjustment for any stock split or distribution of securities or subdivision of the outstanding shares of common stock.

Redemption. Subject to certain conditions set forth in the Series C Certificate of Designation, in the event of a Change of Control (defined in the Series C Certificate of Designation as the time at which as a third party not affiliated with the Company or any holders of the Series C Preferred Stock shall have acquired, in one or a series of related transactions, equity securities of the Company representing more than fifty percent 50% of the outstanding voting securities of the Company), the Company, at its option, will have the right to redeem all or a portion of the outstanding Series C Preferred Stock in cash at a price per share of Series C Preferred Stock equal to 100% of the liquidation value.

Voting Rights. Holders of Series C Preferred Stock are entitled to vote on all matters, together with the holders of common stock, and have the equivalent of five thousand (5,000) votes for every share of Series C Preferred Stock held.

Liquidation. Upon any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the holders of Series C Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the liquidation value of the Series C Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company is insufficient to pay in full such amounts, then the entire assets to be distributed to the holders of the Series C Preferred Stock shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

As of March 31, 2021 and December 31, 2020, the Company has 0 shares of Series C Preferred Stock issued and outstanding, respectively.

Common Stock

The Company has 7,450,000,000 shares of common stock, par value \$0.00001, authorized. The Company has 974,177,443 and 974,177,443 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively. The Company on February 26, 2021 increased its authorized shares from 5,000,000,000 to 7,450,000,000 shares.

In December 2020 following the reverse merger, the Company cancelled 25,000,000 shares of common stock for no value received to assist in completing the merger with HUMBL, and the raising of capital through the purchase of warrants and warrants granted in the convertible notes.

In March 2021 there was an adjustment for 41,156 shares of common stock from the reverse stock split on February 26, 2021.

Warrants

On December 4, 2020, the Company granted 250,000,000 warrants to two separate holders at a price of \$400,000. These warrants have a term of 2 years and are exercisable into shares of common stock at a price of \$0.20 per share. On December 23, 2020, the Company granted 12,500,000 warrants which were part of a country rights option HUMBL granted. These warrants have a term of 1 year and are exercisable into shares of common stock at a price of \$1.00 per share.

On December 23, 2020, the Company entered into two separate convertible note agreements that are convertible into shares of common stock at \$0.60 per share. The note holders were each granted 112,500 warrants under the convertible note agreements. These warrants have a term of 2 years and are exercisable into shares of common stock at a price of \$1.00 per share.

The following represents a summary of the warrants:

| | Three Months Ended March 31, 2021 | | Year Ended December 31, 2020 | |
|---|--|--|---|--|
| | Number | Weighted Average Exercise Price | Number | Weighted Average Exercise Price |
| Beginning balance | 262,725,000 | \$ 0.23875 | - | \$ - |
| Granted | - | - | 262,725,000 | 0.23875 |
| Exercised | - | - | - | - |
| Forfeited | - | - | - | - |
| Expired | - | - | - | - |
| Ending balance | <u>262,725,000</u> | <u>\$ 0.23875</u> | <u>262,725,000</u> | <u>\$ 0.23875</u> |
| Intrinsic value of warrants | \$885,712,250 | | \$104,800,000 | |
| Weighted Average Remaining Contractual Life (Years) | 1.63 | | 1.88 | |

NOTE 7: RELATED-PARTY TRANSACTIONS

Since May 13, 2019 when HUMBL was incorporated, they relied on entities that had common ownership to HUMBL for either assistance with payment of bills or for services rendered to assist HUMBL in bringing their products to market.

NOTE 8: COUNTRY RIGHTS OPTION

Tuigamala Group Pty Ltd

On December 23, 2020, the Company and Tuigamala Group Pty Ltd, an Australian corporation (“TGP”), entered into a Securities Purchase Agreement whereby TGP agreed to purchase an option to purchase territory rights to 15 countries in the Oceania region (“Option”). The purchase price for this Option was \$5,600,000, payable in two payments. The initial payment was \$600,000 and was paid on December 23, 2020. The second payment of \$5,000,000 was due on or before March 31, 2021.

In addition to receiving the Option, TGP was granted a warrant to purchase 12,500,000 shares of common stock of the Company at an exercise price of \$1.00 per share. The warrant expires one-year from the grant date, December 23, 2021. As the warrant and the Option were granted for one price, the Company calculated the relative fair values of each instrument and recognized \$556,757 of the \$600,000 paid as the value of the warrant, and the remaining \$43,243 as the value of the Option, which is reflected as deferred revenue on the Consolidated Balance Sheet as the criteria for revenue recognition under ASC 606 has not been satisfied to be recognized as revenue as of December 31, 2020. There was no guarantee that TGP would be able to make the second payment under the Option by the deadline of March 31, 2021.

On February 26, 2021, the Company and TGP entered into a term sheet to revise the Option. The revised terms of the Option are that the Company would form a subsidiary in the Oceania region. TGP would purchase a 35% ownership interest in the subsidiary and 3,750,000 shares of common stock for an aggregate purchase price of \$15,000,000. The subsidiary shares and common shares would be purchased as follows: (a) by March 31, 2021, 1,250,000 shares will be issued for \$5,000,000 and 33.33% of the subsidiary shares are to be sold to TGP; and (b) by September 30, 2021 with reasonable extensions to be determined, 2,500,000 shares will be issued for \$10,000,000 and the remaining 66.66% of the subsidiary shares are to be sold to TGP. As a result of the revised terms, the \$600,000 paid on December 23, 2020, will be used in its entirety to pay for the warrants described below, and the deferred revenue recognized will be reflected as additional paid in capital on February 26, 2021.

The Company and TGP were unable to come to agreement on new terms of this transaction and have as of April 14, 2021 have terminated negotiations. TGP still owns the warrants received in December 2020 and continues to have the right to exercise them. The Company is not obligated to return any of the \$600,000 received on December 23, 2020.

Aurea Group

On March 1, 2021, the Company and Aurea Group (“Aurea”) entered into a term sheet for Country Rights in Chile. Under the term sheet, the Company will form a subsidiary in Chile where Aurea will purchase a 35% ownership interest and 2,000,000 shares of common stock to be issued for \$7,500,000, as follows: (a) at the first closing date, 437,500 shares will be issued for \$1,000,000; and (b) nine months after closing, 1,562,500 shares will be issued for \$6,500,000 and the subsidiary shares will be issued. The Company closed on this transaction on March 15, 2021. The first closing date was March 30, 2021, however due to strict banking regulations in Chile, the \$1,000,000 was received in two tranches of \$500,000 each and the funds came in between April 5, 2021 and April 6, 2021.

NOTE 9: COMMITMENTS

On March 1, 2021, the Company entered into a term sheet to acquire Tickeri, Inc. (“Tickeri”) in a debt and stock transaction totaling \$20,000,000. Tickeri is a leading ticketing, live events and box office SaaS platform featuring Latin events and artists throughout the United States, Latin America and the Caribbean corridor.

NOTE 10: SEGMENT REPORTING

The Company follows the provisions of ASC 280-10 *Disclosures about Segments of an Enterprise and Related Information*. This standard requires that companies disclose operating segments based on the manner in which management disaggregates the Company in making operating decisions. As of March 31, 2021 and for the three months ended March 31, 2021, the Company operated in three segments. The segments are HUMBL Marketplace, HUMBL Pay, and HUMBL Financial. For the three months ended March 31, 2020, the Company operated in one segment.

| Three Months Ended March 31, 2021 | HUMBL Pay | HUMBL Marketplace | HUMBL Financial | Total |
|---|--------------|----------------------|--------------------|----------------|
| Segmented operating revenues | \$ - | \$ 154,104 | \$ 2,156 | \$ 156,260 |
| Cost of revenues | - | 104,743 | - | 104,743 |
| Gross profit | - | 49,361 | 2,156 | 51,517 |
| Total operating expenses net of depreciation and amortization | 841,719 | 365,875 | 254,960 | 1,462,554 |
| Depreciation and amortization | - | - | - | - |
| Other (income) expense | 12,912 | 7,748 | 5,165 | 25,825 |
| Income (loss) from operations | \$ (854,631) | \$ (324,262) | \$ (257,969) | \$ (1,436,862) |
| Segmented assets as of March 31, 2021 | | | | |
| Property and equipment, net | \$ - | \$ - | \$ - | \$ - |
| Intangible assets, net | \$ - | \$ - | \$ - | \$ - |
| Capital expenditures | \$ - | \$ - | \$ - | \$ - |

NOTE 11: SUBSEQUENT EVENTS

The following is a list of events that have occurred between April 1, 2021 and May 16, 2021:

On April 14, 2021, the Company entered into a Convertible Promissory Note with Brighton Capital Partners, LLC (“BCP”) in the amount of \$3,300,000, which includes a \$300,000 Original Issue Discount (the “BCP Note”). The BCP Note bears interest at ten percent (10%) per annum and matures July 14, 2022. The BCP Note is convertible into shares of the Company’s common stock at \$3.15 per share. As per the BCP Note, the Company shall have the right to prepay all or any portion of the outstanding balance. If the Company exercises its right to prepay this note, it will be at an amount of 115% of the balance being prepaid. The Company has reserved 4,500,000 shares of common stock for conversion of this note with the Company’s transfer agent. The BCP Note also contains a redemption right, where beginning on the earlier of the effective date of the to be filed Form S-1 Registration Statement and the twelve-month anniversary of the BCP Note, BCP may cause the Company to redeem all or any portion of the BCP Note.

On April 14, 2021, the Company and BCP entered into an Equity Financing Agreement (“EFA”), whereby, at the Company’s election, BCP shall invest up to \$50,000,000 over the course of twelve months.

Under the terms of the EFA, the Company shall send written notice to BCP stating the amount of money they intend to sell to BCP in the form of common shares. The Company shall not be entitled to deliver another notice to BCP for a period of 10 days between notices. The Company will be limited to a dollar amount of no more than 250% of the average daily trading volume during the preceding 10 days of trading, but will be required to be above \$10,000 and no greater than the lesser of \$3,500,000 and 100% of the average daily trading volume of the previous 5 days, provided that the shares sold to BCP do not cause BCP to exceed 4.99% of the outstanding share capital of the Company. The purchase price of the put notice will be at 80% of the market price of the common shares. Under the terms of the EFA, the Company will be required to file a Registration Statement with respect to this agreement.

Between May 3 and May 6, 2021, the Company’s CEO converted 79,625,000 shares of common stock into 7,962 Series B Preferred shares. These shares are subject to a lock-up provision whereby the CEO has agreed not to convert these Series B shares to common for a period of two years.

On May 7, 2021, the Company formed two subsidiaries, Tickeri I Acquisition Corp. and Tickeri II Acquisition Corp., Delaware corporations. These entities were formed to effectuate the acquisition of Tickeri.

On May 7, 2021, the Company entered into a binding term sheet to acquire Monster Creative, LLC, (“Monster”) an advertising agency in the entertainment space. Monster will assist the Company in collaborating on creating multimedia NFTs and ticketing for clients in the sports, music, entertainment, fashion, gaming and photography fields. The purchase price for this acquisition is anticipated to be \$8,500,000 in the form of the Company’s common stock, cash and a promissory note.

On May 13, 2021, the Company issued a convertible promissory note to an investor for \$382,500 with an original issue discount of \$7,500. In addition, the Company issued a warrant to the same investor to purchase up to 750,000 warrant shares with the convertible note.

On May 13, 2021, the Company issued a convertible promissory note to an investor for \$420,750 with an original issue discount of \$8,250. In addition, the Company issued a warrant to the same investor to purchase up to 825,000 warrant shares with the convertible note.

During the period April 1, 2021 through May 16, 2021, the Company was able to add 7,500 customers to HUMBL Financial, which is estimated to grow the revenues of that segment by \$37,425 per month. In addition, the Company launched their mobile application on April 16, 2021 and has amassed over 35,000 downloads with over 30,000 active user accounts that contain a username and password, and over 13,000 merchant accounts.

Between the growth in revenues by fees generated by HUMBL Financial and through sales of merchandise in HUMBL Marketplace from April 1, 2021 through May 16, 2021, as well as from proceeds received from convertible notes and equity investments, the Company's current cash position has grown to \$4,538,337.