UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC. 20549

FORM 10-Q

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

For the quarterly period ended September
30, 2019

OR

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

For the transition period from_______to________

Commission File Number: 000-55010

Arrestage International,
Inc.
(Exact name of registrant as specified in
its charter)

Nevada	3841	45-2552289
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

20343 N. Hayden
Road, Suite 101
Scottsdale,
Arizona 85255

(480) 710.2229

(Address, including
zip code, and telephone number, including area code, of Registrant’s principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities
Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports)

and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant
has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was
required to submit and post such files). Yes ☐ No ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

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

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

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**

At September 30, 2019 there were 3,600,000 shares of the registrants
Common Stock outstanding.

ARRESTAGE INTERNATIONAL, INC.
BALANCE SHEET
AS OF SEPTEMBER 30, 2019 AND DECEMBER 31, 2018

	September 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash In Bank	1,786	3,660
Prepaid Expenses	–	3,246
Total Current Assets	1,786	6,906
Other Assets		
Trademark License’	50,000	50,000
Impairment-Trademark License	(50,000)	(50,000)
Prepaid Expenses		–
Total Other Assets	–	–
TOTAL ASSETS	1,786	6,906
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable	12,762	8,303
Notes Payable-Related Party	204,992	150,857
Accrued Interest Payable	27,381	16,046
License Fee Payable	25,790	25,790
Total Current Liabilities	270,925	200,996
Total Liabilities	270,925	200,996
Stockholders’ (Deficit)		
Preferred Stock, $0.001 par value, 5,000,000 shares of preferred shares authorized, no shares of preferred stock outstanding.	–	–

Common Stock, $0.001 par value, 30,000,000 shares authorized, 3,600,000 shares issued and outstanding as of December 31, 2016 and December 31, 2016	3,600	3,600
Additional Paid-in Capital	148,851	148,851
Accumulated Deficit	(421,590)	(346,541)
Total Stockholders' (Deficit)	(269,139)	(194,090)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,786	6,906

The accompanying notes are an integral part of these financial statements

ARRESTAGE

INTERNATIONAL, INC.

STATEMENT

OF OPERATIONS

	For the Nine Months Ended		For the Three Months Ended	
	September 30, 2019	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
Revenues	–	–		
Operating Expenses				
Bank Charges	54	44	42	–
Professional and Legal Fees	39,281	56,199	10,628	8,133
Accounting and Bookkeeping Fees	23,559	19,503	7,800	5,063
Other Expenses	820	2,497	–	512
Total Operating Expenses	63,714	78,243	18,470	13,708
Other Expenses				
Interest Expense	11,335	6,521	4,059	2,574
Total Expenses	75,049	84,764	22,529	16,282
Net Income (Loss)	(75,049)	(84,764)	(22,529)	(16,282)
Per Share	(0.02)	(0.02)	(0.01)	(0.00)
Weighted Average number of shares outstanding	3,600,000	3,600,000	3,600,000	3,600,000

The

accompanying notes are an integral part of these financial statements

STATEMENT

OF CHANGES IN STOCKHOLDERS (DEFICIT)

For

the Nine Month Period Ended September 30, 2019

	Retained Earnings	AOCI	Common Stock	Additional Paid-In Capital	Total
January 1, 2019	**(346,541)**	**-**	**3,600**	**148,851**	**(194,090)**
Comprehensive income:					
Net Income (Loss)	**(23,725)**				**(23,725)**
March 31. 2018	**(370,266)**	**-**	**3,600**	**148,851**	**(217,815)**
Comprehensive income:					
Net Income (Loss)	**(28,795)**				**(28,795)**
June 30, 2019	**(399,061)**		**3,600**	**148,851**	**(246,610)**
Comprehensive income:					
Net Income (Loss)	**(22,529)**				**(22,529)**
September 30, 2019	**(421,590)**		**3,600**	**148,851**	**(269,139)**

STATEMENT

OF CHANGES IN STOCKHOLDERS (DEFICIT)

For

the Nine Month Period Ended September 30, 2018

	Retained Earnings	AOCI	Common Stock	Additional Paid-In Capital	Total
January 1, 2018	**(228,847)**	**-**	**3,600**	**148,851**	**(76,396)**
Comprehensive income:					
Net Income (Loss)	**(36,863)**				**(36,863)**
March 31. 2018	**(265,710)**		**3,600**	**148,851**	**(113,259)**
Comprehensive income:					
Net Income (Loss)	**(31,619)**				**(31,619)**
June 30. 2018	**(297,329)**		**3,600**	**148,851**	**(144,878)**
Comprehensive income:					
Net Income (Loss)	**(16,282)**				**(16,282)**
September 30,2018	**(313,611)**	**-**	**3,600**	**148,851**	**(161,160)**

STATEMENT

OF CHANGES IN STOCKHOLDERS (DEFICIT)

For

the Three Month Period Ended September 30, 2019

	Retained Earnings	AOCI	Common Stock	Additional Paid-In Capital	Total
July 1, 2019	**(399,061)**	**-**	**3,600**	**148,851**	**(246,610)**
Comprehensive income:					
Net Income (Loss)	**(22,529)**				**(22,529)**
September 30, 2019	**(421,590)**	**-**	**3,600**	**148,851**	**(269,139)**

The

accompanying notes are an integral part of these financial statements

ARRESTAGE

INTERNATIONAL, INC.

STATEMENTS

OF CASH FLOWS FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018

		September 30, 2019		September 30, 2018
Cash Flows from operating activities:				
Net (Loss)	$	(75,049)	$	(84,764)
Adjustments to reconcile net (loss) to net cash used in operating activities:				
(Increase) or Decrease in Prepaid Expenses	$	3,246	$	803
Increase in Accounts Payable	$	4,459	$	6,817
Increase in accrued interest payable	$	11,335	$	6,521
Total Adjustments	$	19,040	$	14,141
Net Cash (used in) Operating Activities	$	(56,009)	$	(70,623)
Cash Flows from financing activities:				
Proceeds from (payments on) note payable-related party	$	54,135	$	69,044
Proceeds from sale of common stock	$	–	$	–
Net cash provided by financing activities	$	54,135	$	69,044
Net increase (decrease) in cash	$	(1,874)	$	(1,579)
Cash Balance at Beginning of Period	$	3,660	$	2,911
Cash Balance at End of Period	$	1,785	$	1,332
Interest Paid		0		0
Income taxes paid		0		0

The

accompanying notes are an integral part of these financial statements

ARRESTAGE
INTERNATIONAL, INC.

NOTES
TO THE FINANCIAL STATEMENTS

September
30, 2019

Note
1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This
summary of significant accounting policies of Arrestage International, Inc. (the “Company”) is presented to assist in understanding the Company’s financial statements. The financial statements and footnotes are representations of the Company’s
management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting
principles in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization
and Description of the Business

The
Company was incorporated under the laws of the State of Nevada on June 15, 2011 and is in the Nutraceutical business holding formulas
for skin care products as well as brand formulas, and other intellectual property.

Use
of Estimates by Management

The
preparation of financial statements in conformity with accounting principles generally accepted in the United States requires
management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent
assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting
period. Actual results could differ from those estimates.

Cash
and Cash Equivalents

Cash
and cash equivalents includes cash in banks and highly liquid investments with original maturities of three months or less that
are readily convertible into cash and are not subject to significant risk from fluctuations in interest rates. As a result, the
carrying amount of cash and cash equivalents approximates fair value.

Concentrations
of Credit Risk

The
Company places its cash and cash equivalents with major financial institutions. At September 30, 2019 and December 31, 2018 the
Company did not have any cash balances on deposit with banks which exceeded the balance insured by the FDIC, and does not believe
that it is subject to any unusual financial risk beyond the normal risk associated with
commercial banking relationships.

Intangible
Assets

Goodwill
and Intangible Assets—Intangible assets with finite useful lives are amortized while intangible assets with indefinite useful
lives are not amortized. Amortizable intangible assets are reviewed for impairment when events or changes in circumstances indicate
the carrying value may not be recoverable. Indefinite-lived intangible assets are tested annually for impairment and when events
or changes in circumstances indicate the carrying value may not be recoverable. The appropriateness of the indefinite-life classification
of non-amortizable intangible assets is also reviewed as part of the annual testing or when circumstances warrant a change to
a finite life. The Company performs its annual impairment testing as of December 31 each year, which is the last day of the Company’s
fiscal year.

Intangible
assets with indefinite useful lives (The Trademark License) are tested for impairment at the individual asset level by comparing
the fair value of the indefinite-lived intangible asset to its carrying amount. If the carrying amount of an indefinite-lived
intangible asset exceeds its fair value, an impairment charge is recognized to reduce the carrying amount to fair value. Fair
values of indefinite-lived intangible assets are estimated using discounted cash flow (“DCF”) models.

In
using a DCF method of establishing a fair value, management must make certain assumptions as to the likelihood of having cash
flow from operations in the future based on past performance and prospects of sales in the future. The Company has no history
of sales and no orders pending. Therefore, it is not possible to determine an appropriate level of cash receipts from operations
into the future. Based on this assumption, during 2014 management determined that the fair value of the Trademark License under
Generally Accepted Accounting Principles was zero. Accordingly, the Company has chosen to write the carrying value of the Trademark
license to zero as of December 31, 2014.

Fair
Value of Financial Instruments. The Company's financial instruments include cash, accounts receivable, employee advances,
due from related parties, prepaid expenses, development costs, deposits, accounts payable, credit cards payable, accrued expenses,
and due to related parties. The estimated fair value of these instruments approximates its carrying amount due to the short maturity
of these instruments. The carrying value of short and long-term debts approximates fair value because those financial instruments
bear interest at rates that approximate current market rates for loans with similar maturities and credit quality.

Recent
Accounting Pronouncements

The
Company does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material
effect on the accompanying financial statements.

Ricks
and Uncertainties

The
Company is subject to substantial business risks and uncertainties inherent in starting a new business. There is no assurance
that the Company will be able to complete a business combination.

Basis
of Presentation-Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplates continuation of the Company as a going concern. However, as reflected in the accompanying financial statements, the Company has no operations, a net loss of ($75,049) for the nine months ended September 30, 2019 as compared to ($84,764) for the nine months ended September 30, 2018, an accumulated deficit of (269,139) and ($194,090) at September 30, 2019 and December 31, 2018 respectively. This raises substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company’s ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

These financial statements are prepared on a going concern basis because the Directors, officers and significant shareholders have undertaken to provide continuing financial support so that the Company is able to pay its debts as and when they fall due. In addition, Management’s plans to ensure the Company continues as a going concern include the pay-down of outstanding debt of the Company and funding of future operations using proceeds from the revenues expected to be generated from the sale of products and services within acquired companies.

While the Company looks to acquire targeted acquisitions, adverse changes in market conditions or limits on the Company’s ability to obtain financing could limit the Company’s acquisition of such targets and the production, marketing and sale of products and services of the targeted acquisitions. The impact of such eventualities could influence future operations of the Company.

Income
Taxes

The
Company records deferred taxes in accordance with Statement of Financial Accounting Standards (SFAS) ASC 740, "Accounting
for Income Taxes." The statement requires recognition of deferred tax assets and liabilities for temporary differences between
the tax basis of assets and liabilities and the amounts at which they are carried in the financial statements, the effect of net
operating losses, based upon the enacted tax rates in effect for the year in which the differences are expected to reverse. A
valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Deferred
income taxes arise from temporary timing differences in the recognition of income and expenses for financial reporting and tax
purposes. The Company's deferred tax assets consist entirely of the benefit from net operating loss (NOL) carry forwards.
The net operating loss carry is severely restricted as per the Internal Revenue code if there is a change in ownership. The Company's
deferred tax assets are offset by a valuation allowance due to the uncertainty of the realization of the net operating loss carry
forwards. Net operating loss carry forwards may be further limited by other provisions of the tax laws.

Earnings
per Share

Basic
net income (loss) per share attributable to common stockholders is calculated by dividing the net income (loss) attributable to
common stockholders by the weighted-average number of common shares outstanding. There were no options or warrants outstanding
at September 30, 2019 nor December 31, 2018 diluted earnings per share is not shown for the periods in which the Company incurs
a loss because it would be anti-dilutive.

Equity-Based
Compensation

Pursuant
to accounting guidance related to accounting for equity-based compensation, the Company is required to

recognize all share-based
payments to non-employees and employees in the financial statements based on fair values on the grant date. The Company has accounted
for issuance of shares, options, and warrants in accordance with the guidance, which requires the recognition of expense, based
on grant-date fair values, over the service period.

Reclassifications

Certain
prior period amounts have been reclassified to conform to current classifications.

Other

The
Company has selected December 31 as its fiscal year end.

The
Company has paid no dividends.

No
advertising expense has been incurred.

The
Company consists of one reportable business segment.

The
Company has not entered into any leases.

Note
2-Income Taxes

At
September 30, 2019, the Company has approximately $324,586 of operating loss carryforwards for federal income taxes that may be
applied against future taxable income. There is no provision for income taxes because the Company has historically incurred operating
losses and maintains a full valuation allowance against its net deferred tax assets.

The
Tax Cuts and Jobs Act (the “Act”) was enacted on December 22, 2017. The Act reduces the US federal corporate tax rate
from 34% to 21%. The most significant impact of the legislation for the Company was a $49,000 reduction of the value of net deferred
tax assets (which represent future tax benefits) as a result of lowering the U.S. corporate income tax rate from statutory rate

of 34% to 21%.

Deferred
income taxes arise from temporary timing differences in the recognition of income and expenses for financial reporting and tax
purposes. The Company's deferred tax assets consist entirely of the benefit from net operating loss (NOL) carry forwards.
The net operating loss carry is severely restricted as per the Internal Revenue code if there is a change in ownership. The Company's
deferred tax assets are offset by a valuation allowance due to the uncertainty of the realization of the net operating loss carry
forwards. Net operating loss carry forwards may be further limited by other provisions of the tax laws. With few exceptions, our
income tax returns are no longer subject to Federal tax examinations by tax authorities for years before December 31, 2011.

The
Company is subject to federal and state income tax. No provision for tax has been made as of September 30, 2019 or December 31,
2018 as the Company has incurred operating losses since inception. The following table reconciles the Company's statutory
tax rate to its effective tax rate as a percentage of income before income taxes under the Act:

The
components of the Company's deferred income tax assets are set forth below:

Period Ending	**Estimated NOL Carry-forward**	**NOL Expires**	**Estimated Tax Benefit from NOL**	**Valuation Allowance**	**Change in Valuation Allowance**	**Net Tax Benefit**
September 30, 2019	$ 324,586	Various	$ 68,163	**$ 68,163**	**$ 15,760**	$ –
December 31, 2018	$ 249,537	Various	$ 52,403	$ 52,403	**$ 17,868**	$ –
December 31, 2017	$ 164,450	Various	$ 34,535	$ 34,535	**$ 7,414**	$ –
December 31, 2016	$ 129,147	Various	$ 27,121	$ 27,121	**$ 8,306**	$ –
December 31, 2015	$ 89,595	Various	$ 18,815	$ 18,815	**$ 631**	$ –
December 31, 2014	$ 86,589	Various	$ 18,184	$ 18,184	**$ 18,184**	$ –

NOTE
3-RELATED PARTY TRANSACTIONS

On
June 27, 2011 the Company entered into a Multiple Advance Demand Note with The Shapiro Trust, owner of 40% of the outstanding
equity in the Company. The Note is due upon Demand and bears an interest rate of 8% per annum. As of September 30, 2019 and December
31, 2018 the principal balance on the Note was $204,992 and $150,857, respectively. As of September 30, 2019 and December 31,
2018 the accrued interest on the Note was $27,381 and $16,046, respectively. The total principal and interest due

The Shapiro
Trust as of September 30, 2019 and December 31, 2018 was $232,373 and $166,903, respectively. See Note 4.

On
June 22, 2011 the Company entered into a Trademark License Agreement with Ann Shapiro, a beneficiary of the Shapiro Trust and
wife of one of the Company's directors. Ms. Shapiro owns the Registered Trademark and cosmetic formulas. Under the terms
of the Agreement the Company was granted an exclusive license to sell "Arrestage Mark and Formula" in exchange for
a Royalty of $50,000 to be paid in three installments. Ms. Shapiro retains title and ownership of the Mark and Formulas. The Termination
Date of the License is 2025. See Note 3.

NOTE
4-TRADEMARK LICENSE

On
June 22, 2011 the Company entered into a Trademark License Agreement with Ann Shapiro. Ms. Shapiro owns the Registered Trademark
and cosmetic formulas. Under the terms of the Agreement the Company was granted an exclusive license to sell "Arrestage
Mark and Formula" in exchange for a Royalty of $50,000 to be paid in three installments. Ms. Shapiro retains title and ownership
of the Mark and Formulas. The Termination Date of the License is 2025.

The
Trademark License was originally recorded at a cost of $50,000 and tested for impairment in December 2014, at which time it was
determined that the fair value of the License was zero and an impairment allowance of $50,000 was recorded. See Footnote 1-Intangible
Assets.

	September 30, 2019		December 31, 2018	
	Gross Carrying Amount	Impairment Allowance	Gross Carrying Amount	Impairment Allowance
Trademark License	50,000	(50,000)	50,000	(50,000)

NOTE
5-FINANCING ACTIVITIES

Note
Payable

The
Following is a summary of The Note Payable-Current

	September 30, 2019			December 31, 2018		
	Principal	Interest payable	Total Due Upon Demand	Principal	Interest payable	Total Due Upon Demand
Unsecured Demand Note Payable to The Shapiro Trust, due upon demand. The Note Payable is a multiple advance demand Note with a stated interest rate of 8%.	204,992	27,381	232,373	150,857	16,046	166,903
Current Portion	204,992	27,381	232,373	150,857	16,046	166,903
Long Term portion	–	–	–	–	–	–
Total	204,992	27,381	232,373	150,857	16,046	166,903

Royalty
Fee Payable

The
following is a summary of the Royalty Fee Payable

A Trademark Licenses Agreement was signed June 22, 2011 which calls for to Royalty Payments of $50,000 to be paid in three installments, with no interest, on or before the 15th day of the month for which the Royalty is due.	25,790	–	25,790	25,790	–	25,790

Current Portion	25,790	–	25,790	25,790	–	25,790
Long Term portion	–	–	–	–	–	–

NOTE
6-CAPITAL STOCK and STOCKHOLDERS' EQUITY

Description
of Capital Stock–The Company has two classes of authorized capital stock: Common Stock and Preferred Stock. Both were authorized
June 22, 2011 and both have a par value of $001. The holders of Common Stock are entitled to one vote per share. Rights and Preferences
for the Preferred Stock will be determined by the Board of Directors prior to issuance of any Preferred Stock.

There
are 30,000,000 shares of Common Stock authorized. As of September 30, 2019 and December 31, 2018 there were 3,600,000 shares of
Common Stock issued and outstanding.

During
the six months ended September 30, 2019, nor during the year ended December 31, 2018, the Company did not issue any shares of
common stock.

There
are 5,000,000 shares of Preferred Stock authorized and zero outstanding.

NOTE
7-COMMITMENTS AND CONTINGENCIES

In
March 2017 the Board of Directors of the Company authorized management to pursue certain merger and acquisition targets and to
pay certain legal, consulting, and diligence fees on behalf of these entities. Approximately $9,000 has been paid for these legal
fees and due diligence during 2017. No such fees were paid during 2018 and no such fees were paid during the nine months ended
September 30, 2019

NOTE
8-SUBSEQUENT EVENTS

The
Company has evaluated events subsequent to September 30, 2019 and the date the financial statements were available to be issued,
to assess the need for potential recognition or disclosure, and
has determined that there have been no events that have occurred that would require adjustments to our

disclosures in the financial statements.

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ITEM
2. Managements' Discussion and Analysis
of Financial Condition and Results of Operations

<u>Overview</u>

Arrestage
International, Inc. ("AII") is a Nevada Corporation within the nutraceutical healthcare and wellness space.

Nutraceutical
and Topical Pain Relief

Arrestage
owns formulations and an exclusive license for various unique product lines and formulations for skin care products. The Company
is also exploring opportunities to acquire and/or license product lines within the topical pain relief market.

The
Company intends to create significant brands in the aesthetic skin care and the topical pain relief segments. The product lines
will be held in wholly, or majority, owned subsidiaries created to specialize in the various segments. For instance, skin care
products will be held in a distinct subsidiary and topical pain products will be held in another. The financial results will be
consolidated at the corporate level.

Arrestage
is exploring the possibility of expanding product lines through acquisitions of new products that will allow additional market
share. The Company may also perform research and development functions in-house, which could include the development or acquisition
of an entirely new product line or expansion of the current line. Management feels that the target products are on the cutting
edge of health applications and import new techniques integrating Allopathic medicine, Naturopathic medicine, and some New Age
features. Because of the relationships that have been established within the research and development planning and due diligence,
the Company in a prime position to view and explore potential products that fit within the Company's strategy.

Medical
Device Equipment Rental

The Company plans to capitalize on current trends in the health care industry where healthcare providers have begun renting expensive medical equipment rather than purchasing that equipment as cost saving strategy. Arrestage will establish a medical device rental subsidiary that purchases or secures medical devices such as MRI and ultra-sound systems and various other diagnostic equipment. Our target market will be physician groups, clinics, rural hospitals, and insurance companies. Arrestage intends to obtain residual income from such rentals and will attempt to secure a fully secured UCC-1 position on each piece of equipment.

According to market research by IBISWorld in a March 2019 report, the United States medical equipment rental market has reached a value of $4 billion in 2019. Over the past five years, the Medical Equipment Rental industry has exhibited growth due to the rapid advent of high-cost equipment. As many healthcare providers have grappled with cuts in Medicare and Medicaid reimbursements, they have implemented cost-saving strategies. In particular, many healthcare providers have rented rather than purchased medical equipment because they can access up-to-date technologies at a lower cost. For instance, some hospitals have rented ultrasound, remote patient monitoring and X-ray equipment, as well as other types of medical equipment that tend to become obsolete quickly. Furthermore, the regulatory environment has promoted demand for medical equipment rentals.

Corporate Governance

Arrestage international has of two officers. As the Company acquires additional product lines and/or licenses, it may add additional full-time employees. However, under the Company's business plan, most day to day operations will be at the subsidiary level, allowing Arrestage to minimize the number of employees and other G&A expenses at the Corporate level.

Licensing
Agreement

Effective
June 22, 2011 Arrestage entered into an agreement to acquire an exclusive licensing agreement from Ann Shapiro. Mrs. Ann Shapiro
is the wife of one of the BOD members Dr. Roy Shapiro, so he had direct insight on this product line. This transaction was completed
as a related party transaction with Arrestage. As part of the license agreement Arrestage agreed to pay $50,000 in three installments
of unspecified amounts and on unspecified dates in exchange for consideration received. The license agreement expires in 2025.

"GRANT
OF LICENSE. ALS (*Ann Shapiro*) owns Registered Trademark of Arrestage and cosmetic formulas ("ARRESTAGE MARK &
FORMULAS"). In accordance with this Agreement, ALS grants All *(Arrestage International, Inc.*) an exclusive license
to sell the ARRESTAGE MARK & FORMULAS. ALS retains title and ownership of the ARRESTAGE MARK & FORMULAS."

All
rights other than those specifically granted herein to Licensee are reserved to Licensor, including, without limitation, Licensors
right to continue to use the Licensed Property in any form, manner, and medium.

Funding
during the next twelve months will come primarily from serviceable debt financing and, if effective, capital market financing.
The Company will be reliant on such debt financing, access to capital markets, or future revenues, since the company currently
has no revenue.

Planned
Medical Device Rental Division

The
Company plans to capitalize on current trends in the health care industry where healthcare providers have begun renting expensive
medical equipment rather than purchasing that equipment as cost saving strategy. Arrestage will establish a medical device rental
subsidiary that purchases or secures medical devices such as MRI and ultra sound systems and various other diagnostic equipment.

Our target market will be physician groups, clinics, rural hospitals, and insurance companies. Arrestage intends to obtain residual income from such rentals and would maintain a fully secured UCC-1 position on each piece of equipment. To grow this division, Arrestage plans to aggressively market such services to help meet the expanding demand of medical systems due to the current healthcare trends. The United States medical equipment rental market has reached a value of $4 billion in 2019. Over the past five years, the Medical Equipment Rental industry has exhibited growth due to the rapid advent of high-cost equipment. As many healthcare providers have grappled with cuts in Medicare and Medicaid reimbursements, they have implemented cost-saving strategies. In particular, many healthcare providers have rented rather than purchased medical equipment because they can access up-to-date technologies at a lower cost. For instance, some hospitals have rented ultrasound, remote patient monitoring and X-ray equipment, as well as other types of medical equipment that tend to become obsolete quickly. Furthermore, the regulatory environment has promoted demand for medical equipment rentals.

Results of Operations

Nine Months Ended September 30, 2019, compared to the Six Months Ended September 30, 2018

The following table sets forth the results of our current operations for the periods indicated as a percentage of total expenses:

	9 months ended September 30, 2019		**9 months ended September 30, 2018**	
	$	**% of Total Expenses**	**$**	**% of Total Expenses**
Net Sales	–	–	–	–
Cost of Goods Sold	–	–	–	–
Gross Profit	–	–	–	–
Operating Expenses	63,714	85%	78,243	95%
Operating (Loss)	(63,714)	85%	(78,243)	95%
Interest (Expense)	11,335	13%	6,521	5%
Net (Loss)	(75,049)	98%	(84,764)	100%

Operating
Expenses

Total
operating expenses decreased approximately 19% to $63,714 for the nine months ended September
30, 2019, from $78,243for nine months ended September 30, 2018. The
decrease in our operating expenses between the periods was mostly attributable to a decrease in legal and professional fees related
to the filing of the Company's an S-1 Registration.

Interest
Expense

Interest
Expense increased by $4,814 to $11,335 for the nine months ended September 30, 2019 from $6,521 for the nine months ended September
30, 2018 as a result of increased borrowing to fund operations.

Net
Income (Loss)

Net
loss from continuing operations for the nine months ended September 30, 2019 was ($75,049). compared to net loss from continuing
operations of ($84,764) for the nine months ended September 30, 2018. The decrease in our net loss between the periods was mostly
attributable to a decrease in legal and professional fees related to the filing of the Company's an S-1 Registration.

Seasonality

We
believe that our business will be characterized by minor seasonality. However, sales to any particular customer or of any particular
product can vary substantially from one quarter to the next based on such factors as industry trends, timing of promotional discounts,
domestic and international economic conditions and acquisition related activities. The Industry has historically recorded higher
branded product sales volume during the second fiscal quarter (January through March) due to increased interest in health-related
products among consumers following the holiday season.

Liquidity
and Capital Resources

Our
immediate future principal demands for liquidity are to enable the Company to continue to fund the expenses associated with maintaining
reporting requirements and becoming a trading Company and general corporate purposes. We have no history of sales and have incurred
negative operating cash flows since inception to date in 2019. To date we have borrowed approximately $205,000 from a shareholder
and Director in the form of a multiple advance 8% Demand Note.

Although
the Company may produce revenues within the next few operating quarters, we do not plan on our operating activities being able
to fund operations over the next four quarters. In December 2017, the Company filed an S-1 Registration with the SEC with the
plan of raising equity financing to raise capital to execute on its business plan. On October 11, 2018 the Company received a
Notice of Effectiveness from the SEC indicating that the S-1 Registration was effective as of that date. The Company has been
in conversations with Network 1 Financial Securities, a FINRA registered broker/dealer, to facilitate the filing of a Form 15(c)211
with FINRA to enable the Company to become a trading company. The Company and Network 1 has determined that the quickest route
to a trading symbol is to file a that, post effective amendment to the S-1 registering existing shares. Subsequent to acceptance
by the SEC of that amendment, the Company and Network 1 will determine the best strategy for raising additional capital through
the capital markets.

There
can be no assurance that required future financing can be successfully completed on a timely basis, or on terms acceptable to
us. Any future issuance of equity securities could cause dilution to our shareholders. Any incurrence of indebtedness would increase
our debt service obligations and would cause us to be subject to restrictive operating and financial covenants.

We had negative net working capital of ($269,139) as of September 30, 2019 as compared to negative working capital of $(194,090) as of December 31, 2018.

The following is a summary of cash provided by or used in each of the indicated types of activities during the six months ended September 30, 2019 and September 30, 2018:

		2019		2018
Cash provided by (used in):				
Operating activities	$	(56,009)	$	(70,623)
Financing activities	$	54,135	$	69,044

Net cash used by operating activities of continuing operations was $(56,009) for the six months ended September 30, 2019, compared to net cash used in operating activities of continuing operations of $(70,623) for the same period in 2018. The decrease in the amount of cash used by our operating activities was due primarily to an decrease in professional fees related to the S-1 Registration.

Net cash flows provided by financing activities was $54,135 for the six months ended September 30, 2019, compared to net cash flows provided by financing activities of $69,044 for the same period in 2018. Net cash flows provided by financing activities was a result of proceeds from the Multiple Advance 8% Demand Note Payable in the first six months of 2019.

Indebtedness

On June 27, 2011 the Company entered into a Multiple Advance Demand Note with The Shapiro Trust, beneficial owner of 40% of the outstanding equity in the Company. The Note is due upon Demand and bears an interest rate of 8% per annum. As of September 30, 2019 and December 31, 2018 the principal balance on the Note was $204,992 and $150,857, respectively. As September 30, 2019 and December 31, 2018 the accrued interest on the Note was $27,381 and $16,046, respectively. The total principal and interest due The Shapiro Trust as of September 30, 2019 and December 31, 2018 was $232,373 and $166,903, respectively. See Note 5 to the Financial Statements.

On
June 22, 2011 the Company entered into a Trademark License Agreement with Ann Shapiro, a beneficiary of the Shapiro Trust and
wife of one of the Company’s directors. Mrs. Shapiro owns the Registered Trademark and cosmetic formulas. Under the terms
of the Agreement the Company was granted an exclusive license to sell “Arrestage Mark and Formula” in exchange for
a Royalty of $50,000 to be paid in three installments. Ms. Shapiro retains title and ownership of the Mark and Formulas. The Termination
Date of the License is 2025. See Note 5 to the Financial Statements.

Off-Balance
Sheet Arrangements

There
are no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or
future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity,
capital expenditures or capital resources that is material to shareholders.

We
have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties.
We have not entered into any derivative contracts that are indexed to our shares and classified as stockholders’ equity
or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest
in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity.

Directors
and Employees

The
company currently has two members of management and 5 Board Members, whom do not receive compensation. The Board of Directors
of the Company will address compensation of the Officers on a case-by-case basis into the foreseeable future as corporate needs
arise. The Board plans to maintain minimal overhead, believing that by adhering to its licensing strategy and utilizing its current
Board and Management, it can keep the Company's headcount to ten or fewer employees in the near term.

On
April 19, 2019 Phillip Weisman, a member of the Board of Directors since June 2011, passed away. The Board appointed Mr. Nick
White to the Board of Directors as of August 22, 2019 to fill the seat vacated by Mr. Phillip Weisman's death on April 19,
2019. In addition, the Board appointed Mr. John Muldoon to the Board on August 22, 2019 also. On October 21, 2019 the
Board appointed Mr. Muldoon as the Company's Chief Executive Officer.

Critical
Accounting Policies

Our
significant accounting policies are described more fully in Note 1 to the September 30, 2019 Financial Statements which we believe
are the most critical to aid you in fully understanding and evaluating this management discussion and analysis.

ITEM
3. Quantitative and Qualitative Disclosures about Market Risk

Not
applicable

ITEM
4. Controls and Procedures

Disclosure
Controls and Procedures

During
the first quarter of 2018 our CEO, the Chairman of the Audit Committee of the Board of Directors, and a financial

consultant began evaluating the design and effectiveness of our “disclosure controls and procedures” (as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report. Where required they have the authority to implement appropriate disclosure controls and procedures to remedy any material weaknesses. Once the S-1 Registration is effective we will a Chief Financial Officer to implement the controls and oversee all financial activities of the Company.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART
II OTHER INFORMATION

ITEM
1. Legal Proceedings

Presently,
there are not any material pending legal proceedings to which the Registrant is a party or as to which any of its property is
subject, and no such proceedings are known to the Registrant to be threatened or contemplated against it.

ITEM
1.A. Risk Factors

We
believe there are no changes that constitute material changes from the risk factors previously disclosed in our S-1 and S-1A previously
filed with the SEC

ITEM
2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During
the nine months ended September 30, 2019, the Company did not issue any equity (considered financing activities). However, the
Company did receive $54,135 in debt financing from a Board member during the nine months ended September 30, 2019.

ITEM
3. DEFAULTS UPON SENIOR SECURITIES

There
has been no default in the payment of principal and/or interest, or any other material default, with respect to any indebtedness
of the Company.

ITEM
4. MINE SAFETY DISCLOSURES

Not
Applicable

ITEM

5. OTHER INFORMATION

Cyber
Security, Data Protection and Privacy

Arrestage
has assessed its level of controls and procedures for cybersecurity risk. Due to the current lack of exposure within its current
business operations, Arrestage has been informed the effect of any cyber-attack would be minimum. Arrestage has not had any such
occurrence to date. The Company is informed of cyber-risk factors and will create disclosure controls and procedures when they
become relevant to its business model.

Based
on new Regulatory authority of the European Unions' General Data Protection Regulation ("GDPR") and tightening
US laws, Arrestage International must abide by and follow directives provided by such regulation.

For
Privacy Protection Compliance in the US, California's SB1386 bill of 2003, implemented in 2015 as (California Electronic
Communication Privacy Act (S.B. 178) a pioneered mandatory data-breach notification across the United States, spurring
a decade of unprecedented corporate spending on information security. Europe has expanded this idea into its landmark General
Data Protection Regulation (GDPR). As such, Arrestage International, Inc., now needs to update its US privacy incident-response
playbook in many areas outlined in the GDPR's May 2018 compliance directives.

Data
Protection in the US deals with the security of the electronic transmission of personal data. While the US does not have any
centralized, formal legislation at the federal level regarding this issue, it does mandate a form of compliance through various
organizations. Again, California has taken the lead as far as State mandates (California A.B 1541, 2015), but the EU's GDPR
creates a centralized regulatory framework that multi-nationals must now follow (as of May 25, 2018). While Arrestage International,
Inc. has acted to abide by data privacy and protection mandates, any misinterpretation or non-adherence would case regulatory
scrutiny, fees/fines, and other potential issues. Any such regulatory mandate would affect business operations and percentage
of profitability.

ITEM

6. EXHIBITS

Exhibits:

31.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
31.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Accounting Officer).
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Account Officer).

SIGNATURES

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

ARRESTAGE INTERNATIONAL, INC.

DATED: November 14, 2019

By: /s/ John Muldoon
Mr. John Muldoon
CEO