Consolidated
Interim Financial Statements of
IDENTA CORP
For the 6 months
Ended June 30, 2016

IDENTA CORP

Consolidated Interim Financial Statements

For the 6 months

ended June 30, 2016

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IDENTA CORP
Consolidated Balance Sheets

	Notes	As of June 30 2016	As of December 31 2015
		$	
ASSETS			
Curret Assets			
Cash and cash equivalents		-	132
Accounts receivable		138,954	149,974
Other receivables		53,248	25,327
Inventories	3	327,950	323,243
Total Current Assets		520,152	498,676
Property and Equipment, Net	4	44,735	49,082
TOTAL ASSETS		**564,887**	**547,758**

IDENTA CORP
Consolidated Balance Sheets

	Notes	As of June 30 2016	As of December 31 2015
		$	
LIABILITY AND STOCKHOLDERS' DEFICIT			
Current liabilities			
Short-term credit	5	69,304	86,681
Accounts payable	6	145,593	102,701
Other payables	7	341,881	307,878
Other payables - related parties	8,14	348,656	342,326
Total Current Liabilities		905,434	839,586
Non-current liabilities			
Bank loans	9	78,305	68,459
Employee benefit obligations	10	31,461	31,010
Total Liabilities		1,015,200	939,055
Stockholders' deficit			
Common stock, $0.001 par value; 16,000,000,000 share authorized; 13,517,625,000 shares issued and outstanding at June 30, 2016 and December 31, 2015.	11	13,517,625	13,517,625
Discount on capital		(10,408,288)	(10,408,288)
Other comprehensive income		168,692	175,311
Accumulated deficit		(3,728,342)	(3,675,945)
Total stockholders' deficit		(450,313)	(391,297)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT		**564,887**	**547,758**

amichai
Director
August 15, 2016
The accompanying notes are an integral part of that financial statements.

IDENTA CORP
Consolidated Statement of Operations

		Period of 3 months ended	Period of 6 months ended
		June 30	June 30
		2016	2016
		$	
Revenues		165,187	248,134
Cost of sales		(45,463)	(75,394)
Gross profit		**119,724**	**172,740**
General and administrative costs		(105,503)	(209,802)
Profit (Loss) before finance costs		**14,221**	**(37,062)**
Finance costs, net	13	(6,518)	(15,335)
Net profit (loss)		**7,703**	**(52,397)**
Net loss per common share - basic and diluted			
Net loss per share attributable to common stockholders		(0.00)	(0.00)
Weighted-average number of common shares outstanding		13,517,625,000	13,287,625,000

The accompanying notes are an integral part of that financial statements.

IDENTA CORP
Consolidated Statements of Stockholders' Deficit

	Common Stock					
	Shares	**Amount**	**Discount on capital**	**Other comprehensive income**	**Accumulated deficit**	**Total shareholders' deficit**
				$		
Balance at January 1, 2015	13,287,625,000	13,287,625	(10,293,288)	98,024	(3,185,900)	(93,539)
Issuance of common stock at August 20th	200,000,000	200,000	(100,000)	-	-	100,000
Issuance of common stock at October 16th	30,000,000	30,000	(15,000)	-	-	15,000
Profit (Loss) for the year	-	-	-	77,287	(490,045)	(412,758)
Balance at December 31, 2015	13,517,625,000	**13,517,625**	**(10,408,288)**	**175,311**	**(3,675,945)**	**(391,297)**
Loss for the period	-	-	-	(6,619)	(52,397)	(59,016)
Balance at June 30, 2016	13,517,625,000	**13,517,625**	**(10,408,288)**	**168,692**	**(3,728,342)**	**(450,313)**

The accompanying notes are an integral part of that financial statements.

IDENTA CORP
Consolidated Statement of Cash Flows

	Period of 6 months ended June 30 2016
	$
Cash flows from operating activities	
Net loss	(52,397)
Ajustments for non-cash income and expenses	
Depreciation	4,347
Provision for severance pay	451
Changes in other comprehensive income	(6,619)
	(1,821)
Changes in operating assets and liabilities	
Decrease in accounts receivable	11,020
Increase in other receivables	(27,921)
Increase in inventory	(4,707)
Increase in accounts payable	42,892
Increase in other payables	5,879
	27,163
Net cash used in operating activities	**(27,055)**
Cash flows from financing activities	
Proceeds from short term loan from banks	4,645
Repayment of long terms loans	(12,176)
Proceeds from loan with shareholders	28,124
Proceeds from loan with related parties	6,330
Net cash earned in financing activities	**26,923**
Decrease in cash and cash equivalents	(132)
Cash and cash equivalents at the beginning of the year	132
Cash and cash equivalents at the end of the period	**-**

The accompanying notes are an integral part of that financial statements.

IDENTA CORP
Notes to the Consolidated Financial Statements

Note 1 - Nature of business and basis of presentation

IDENTA CORP (the "Company") is a Florida Corporation incorporated on June 3, 1997 as Future products VI corp until July 2000 and was known also as Bouy Club, Inc. until January 2002. The Company is a sole shareholder of Identa Ltd, an Israeli limited company. The operation of the company is through its subsidiary, which develops products to test for the presence of illegal drugs for the law enforcements industry.

The company increased its client range during the year ended December 31, 2015 and negotiate with other entities for significant contracts. Due to the increase in clients the company presented an increase of sales of over 65% for the year ended December 31, 2015, compared to the year ended December 31, 2014.

The company earned a gross profit of over 25% for the year ended December 31, 2015, therefore the increase of sales will reduce the need of capital raising. During the year ended December 31, 2015 the company's capital raised reduced significantly.

Basis of Presentation

The Company maintains its accounting records on an accrual basis in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

These financial statements are presented in US dollars.

Fiscal Year End

The Corporation has adopted a fiscal year end of December 31.

Unaudited Interim Financial Statements

The interim financial statements of the Company as of June 30, 2016, and for the periods then ended are unaudited. However, in the opinion of management, the interim financial statements include all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the Company's financial position as of June 30, 2016, and the results of its operations and its cash flows for the three and six month period ended June 30, 2016. These results are not necessarily indicative of the results expected for the calendar year ending December 31, 2016. The accompanying financial statements and notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States. Refer to the Company's audited financial statements as of December 31, 2015, filed with the OTC, for additional information, including significant accounting policies.

Note 2 - Summary of significant accounting policies

The principal accounting policies are set out below, these policies have been consistently applied to the period presented, unless otherwise stated:

Use of Estimates

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

Principles of Consolidation

The consolidated financial statements include the accounts of IDENTA CORP and its subsidiaries. Intercompany transactions and balances have been eliminated. Equity investments through which we are able to exercise significant influence over but do not control the investee and are not the primary beneficiary of the investee's activities are accounted for using the equity method. Investments through which we are not able to exercise significant influence over the investee and which do not have readily determinable fair values are accounted for under the cost method.

Foreign Currencies

The consolidated financial statements are presented in U.S. Dollars, which is the Company's functional currency and presentation currency. The financial statements of entities that use a functional currency other than the U.S. Dollar are translated into U.S. Dollars. Assets and liabilities are translated using the exchange rate on the respective balance sheet dates. Items in the income statement and cash flow statement are translated into U.S. Dollars using the average rates of

Note 2 - Summary of significant accounting policies (Cont.)

exchange for the periods involved. The resulting translation adjustments are recorded as a separate component of other comprehensive income ("OCI") within stockholders' equity.

The functional currency of foreign entities is generally the local currency unless the primary economic environment requires the use of another currency. Gains or losses arising from the translation or settlement of foreign-currency-denominated monetary assets and liabilities into the functional currency are recognized in the income in the period in which they arise.

New Israeli Shekel ("NIS") amounts as of June 30, 2016 have been translated into U.S. Dollars at the representative rate of exchange on June 30, 2016 (USD 1 = NIS 3.846).

Cash and cash equivalents
Cash and equivalents include investments with initial maturities of three months or less. The Company maintains its cash balances at credit-worthy financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.

Accounts Receivable
The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. Based on historical collection activity, the Company had no allowances for bad debts at June 30, 2016 and December 31, 2015.

Inventories
Inventories are stated at weighted average cost, subject to the lower of cost or net realizable value. Cost includes materials, labor, and manufacturing overhead related to the purchase and production of inventories. We regularly review inventory quantities on hand, future purchase commitments with our suppliers, and the estimated utility of our inventory.

Property and Equipment
Property and equipment are stated at cost, less accumulated depreciation. Major repairs and betterments that significantly extend original useful lives or improve productivity are capitalized and depreciated over the period benefited. Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using shorter of useful live of the property or the unit of depletion method. For shorter-lived assets the straight-line method over estimated lives ranging from 3 to 10 years is used as follows:

Furniture	6-7 years
Capital Improvements	10 years
Computers and Electronic Equipments	3-10 years

Impairment Long-Lived Assets
For purposes of recognition and measurement of an impairment loss, a long-lived asset or assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The Company assesses the impairment of long-lived assets (including identifiable intangible assets) annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.
When management determines that the carrying value of long-lived assets may not be recoverable based upon the

Note 2 - Summary of significant accounting policies (Cont.)

existence of one or more of the above indicators of impairment, we test for any impairment based on a projected undiscounted cash flow method. Projected future operating results and cash flows of the asset or asset group are used to establish the fair value used in evaluating the carrying value of long-lived and intangible assets. The Company estimates the future cash flows of the long-lived assets using current and long-term financial forecasts. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If this were the case, an impairment loss would be recognized. The impairment loss recognized is the amount by which the carrying amount exceeds the fair value.

Accounts Payable and Accrued Expenses
Accounts payable and accrued expenses are carried at amortized cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

Earnings per Share
The Company computes net loss per share in accordance with ASC 260, "Earnings Per Share" ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all potential dilutive common shares, which comprise options granted to employees. As June 30, 2016, the Company had no potentially dilutive shares.

Income Taxes
Income taxes are accounted for in accordance with ASC Topic 740, "Income Taxes." Under the asset and liability method, deferred tax assets and liabilities are recognized for the future consequences of differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases (temporary differences). Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are recovered or settled. Valuation allowances for deferred tax assets are established when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Revenue Recognition
The Company recognizes revenue when all of the following have occurred: persuasive evidence of an agreement with the customer exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable and collectability of the selling price is reasonably assured.
Sale consist of sale of products to test for the presence of illegal drugs for the law enforcements industry.

Cost of Sales
Cost of sales includes all of the costs to manufacture the Company's products. For products manufactured in the Company's own facilities, such costs include raw materials and supplies, direct labour and factory overhead. For products manufactured for the Company by third-party contractors, such cost represents the amounts invoiced by the contractors.

Fair Value of Financial Instruments
The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:
- Level 1: Quoted prices in active markets for identical instruments;
- Level 2: Other significant observable inputs (including quoted prices in active markets for similar instruments);

Note 2 - Summary of significant accounting policies (Cont.)

- Level 3: Significant unobservable inputs (including assumptions in determining the fair value of certain investments).

Recently Issued Accounting Pronouncements
In July 2015, the Financial Accounting Standards Board ("FASB") issued ASU No. 2015-11 "Simplifying the Measurement of Inventory"; guidance which requires inventory within the scope of the standard to be measured at the lower of cost and net realizable value. Previous guidance required inventory to be measured at the lower of cost or market (where market was defined as replacement cost, with a ceiling of net realizable value and floor of net realizable value less a normal profit margin). The updated guidance is effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption permitted. There were various other updates recently issued, none of which are expected to a have a material impact on the Company's financial position, results of operations or cash flows.
The Company has elected to early adopt these amendments and accordingly value its inventory at the lower of cost and net realizable value.

Note 3 - Inventories

	As of June 30	As of December 31
	2016	2015
	$	
Finished goods	114,533	112,889
Work in progress	213,417	210,354
	327,950	**323,243**

Note 4 - Property and Equipment, Net

	Computers and electronic equipment	Furniture	Capital Improvments	Total
	$			
Cost				
Balance as at January 1, 2016	40,709	51,325	20,525	112,559
Balance as at June 30, 2016	**40,709**	**51,325**	**20,525**	**112,559**
Accumulated Depreciation				
Balance as at January 1, 2016	33,049	23,951	6,477	63,477
Current period	1,606	1,757	984	4,347
Balance as at June 30, 2016	**34,655**	**25,708**	**7,461**	**67,824**
Property and Equipment, Net as at June 30, 2016	**6,054**	**25,617**	**13,064**	**44,735**
Property and Equipment, Net as at December 31, 2015	**7,660**	**27,374**	**14,048**	**49,082**

Note 5 - Short-term credit

	As of June 30 2016	As of December 31 2015
	$	
Short term credit	20,630	41,987
Short-term loans	26,002	-
Current maturities	22,672	44,694
	69,304	**86,681**

Note 6 - Accounts payable

	As of June 30 2016	As of December 31 2015
	$	
Trade creditors	54,260	76,640
Outstanding checks	91,333	26,061
	145,593	**102,701**

Note 7 - Other payables

	As of June 30 2016	As of December 31 2015
	$	
Institutions	553	554
Loans from shareholders	319,539	291,415
Accrued expenses	1,336	1,317
Employees	20,453	14,592
	341,881	**307,878**

Note 8 - Other payables - related parties

	As of June 30 2016	As of December 31 2015
	$	
Loan from related parties	**348,656**	**342,326**

The above loan is unsecured, bears no interest and has no set terms of repayment. This loan is repayable on demand

IDENTA CORP
Notes to the Consolidated Financial Statements

Note 9 - Bank loans

1. The loans are:

		As of June 30	As of December 31
		2016	2015
	interest rates	$	
Linked to the Israeli consumer price index	4%-5%	7,050	11,323
Linked to the Israeli consumer price index	7%-9%	93,927	101,830
		100,977	**113,153**

2. The loans will be paid in the years to come, after the financial reports date:

First year- current maturities	22,672	44,694
Second year	41,786	38,768
Third year and on	36,519	29,691
	78,305	68,459
	100,977	**113,153**

Note 10 - Employee benefit obligations

Israeli law generally requires payment of severance pay upon dismissal of an employee or upon termination of employment in certain other circumstances. The following principal plans relate to the employees in Israel:

The Company's liability for severance pay for its Israeli employees is calculated pursuant to Israeli severance pay law based on the most recent salary of the employee multiplied by the number of years of employment, as of the balance sheet date. Employees are entitled to one month's salary for each year of employment, or a portion thereof. The Company's liability for all of its Israeli employees is partially provided for by monthly deposits in insurance policies and the remainder by an accrual in the financial statements. The value of these policies is recorded as an asset in the Company's balance sheet.

The deposited funds include profits/loss accumulated up to the balance sheet date. The value of the deposited funds is based on current redemption value of these policies. Withdrawals from the funds may be made only upon termination of employment.

Note 11 - Capital Stock

Common stock

On January 7, 2014, the Company issued 629,250,000 shares of common stock. 609,250,000 shares to investors at a price of $ 0.0002 per share for cash, for $140,000.
20,000,000 shares to officer of the company for work salary equivalent- the price evaluate is $4,596.

On July 27, 2014 the Company issued 2,086,500,000 shares of common stock. 1,893,750,000 shares to investors at a price of $ 0.0002 per share for cash, for $475,000.
193,000,000 shares to officer of the company for work salary equivalent- the price evaluate is $48,416.

On November 26, 2014 the Company issued 220,000,000 shares of common stock. 200,000,000 shares to investors at a price of $ 0.0005 per share for cash, for $100,000.
20,000,000 shares to officer of the company for work salary equivalent- the price evaluate is $10,000.

On August 20, 2015 the Company issued 200,000,000 shares of common stock. Shares were issued to lenders of the company for interest equivalent- the price evaluate is $100,000.

On October 16, 2015 the Company issued 30,000,000 shares of common stock. Shares were issued to lenders and vendors of the company for service equivalent- the price evaluate is $15,000.

Note 12 - Income taxes

The provision (benefit) for income taxes for the three months period ended June 30, 2016 was follows (assuming a 15% effective tax rate):

	June 30, 2016
	$
Current tax provision:	
Federal-	-
Taxable income	-
Total current tax provision	-

	June 30, 2016
	$
Deferred Tax Provision:	
Federal-	
Loss carry forwards	-
Change in valuation allowance	-
Total deferred tax provision	-

The Company had deferred income tax assets as of June 30, 2016 and December 31, 2015 as follows:

	June 30, 2016	December 31 2015
	$	$
Loss carryforwards	559,251	551,392
Less - Valuation allowance	(559,251)	(551,392)
Total net deferred tax assets	-	-

The Company provided a valuation allowance equal to the deferred income tax assets for the period ended June 30, 2016 because it is not presently known whether future taxable income will be sufficient to utilize the loss carryforwards.
As of June 30, 2016, the Company had approximately $3,728,342 in tax loss carryforwards that can be utilized future periods to reduce taxable income, and expire by the year 2,036 .
The Company did not identify any material uncertain tax positions. The Company did not recognize any interest or penalties for unrecognized tax benefits.
The federal income tax returns of the Company are subject to examination by the IRS, generally for three years after they are filed.

Note 13 - Finance costs,/income, net

	Period of 6 months ended June 30 2016
	$
Finance costs	
Bank institutions	3,082
Others	10,377
Exchange rate differences	1,876
	15,335

Note 14 - Related party transactions

Details of transaction between the Company and related parties are disclosed below:

The following entities have been identified as related parties:

Yaakov Shoham	-Director and greater than 10% stockholder (held directly and/or by immediate family)
Baruch Glattstein	-Director and greater than 10% stockholder (held directly and/or by immediate family)
Amichai Glattstein	-Director and greater than 10% stockholder (held directly and/or by immediate family)

The following transactions were carried out with related parties:

	As of June 30	As of December 31
	2016	2015
	$	
Loan from related parties	**348,656**	**342,326**

From time to time, the directors and stockholder of the Company provides advances to the Company for its working capital purposes. These advances bear no interest and are due on demand.

Note 15 - Subsequent events

The company signed contracts with international entities, according to the management those achievements will rise the sales and will bring the company to profitability.

The company issued 340,000,000 shares at the beginning of July. The company issued the shares for director compensation and for interest payments.

In accordance with ASC 855-10, Company management reviewed all material events through the date of this report and determined that there are no additional material subsequent events to report.

WEINSTEIN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

NOTICE TO READER

On the basis of information provided by management, we have compiled the consolidated balance sheet of IDENTA Corp as at June 30, 2016 and the statements of income, cash flows and stockholders' equity for the period then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Jerusalem, Israel

August 15, 2016

Dov Weinstein & Co. C.P.A (Isr.)

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