Protext Mobility, Inc.
(aka Protext Pharma, Inc.)
OTCPK: TXTM
Financial Statements
December 31, 2018
(Unaudited)

PROTEXT MOBILITY, INC.
(aka Protext Pharma, Inc)
Balance Sheets as of
(Unaudited)

	December 31, 2018	December 31, 2017
ASSETS		
Cash	$ -	$ 564
Total Current Assets	-	564
Fixed Assets		
License Agreement	2,170,000	2,170,000
CapitalizedSoftware Developement	433,395	433,395
Total Fixed Assets	2,603,395	2,603,395
TOTAL ASSETS	**$ 2,603,395**	**$ 2,603,959**
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 220,602	$ 47,032
Derivative Liability	288,650	289,112
Accrued Salary	218,604	67,500
Convertible Notes Payable	468,732	491,532
Payable to Related Party	540,016	515,016
Other Notes Payable	512,694	501,040
Total Current Liabilities	2,249,298	1,911,232
Total Liabilities	2,249,298	1,911,232
Equity		
Common Stock, 10,000,000,000 shares par value $0.0001 authorized, 4,324,316,008 and 3,991,316,008 issued and outstanding, respectively	43,244	39,913
Common Stock Issuable	116,750	116,750
Additional Paid-in Capital	1,791,294	1,620,120
Preferred Stock-Series A 100,000 par value $0.001 shares authorized, 72,108 shares and 76,123 issued and outstanding, respectively	72	76
Preferred Stock-Series B 1,000,000 par value $0.0001 shares authorized, 504,003 shares issued and outstanding	1	1
Preferred Stock - Series C 9,000,000 par value $0.001 shares authorized, 2,675,0000 issued and outstanding	2,675	2,675
Preferred Stock - Series D 100,000 par value $0.001 shares authorized, 100,000 shares issued and outstanding	100	100
Retained Deficit	(1,600,039)	(1,086,908)
Total Equity	354,097	692,727
TOTAL LIABILITIES & EQUITY	**$ 2,603,395**	**$ 2,603,959**

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

PROTEXT MOBILITY, INC.
(aka Protext Pharma, Inc.)
Statements of Income
(Unaudited)

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
Expenses		
Payroll	$ 179,000	$ 229,900
Consulting	47,500	130,249
Professional Services	20,800	51,891
Research & Development	38,400	43,000
General and Admin	35,796	44,532
Total Expense	321,496	499,572
Net Operating Loss	(321,496)	(499,572)
Derivative Expense	(110,500)	-
Interest Expense	(81,134)	(49,032)
Net Loss	**$ (513,130)**	**$ (548,604)**

The Accompanying Notes are an Integral Part of These Consolidated Financial Statement

PROTEXT MOBILITY, INC.
Statements of Equity
(Unaudited)

	Shares Outstanding	Common Stock	Series A Preferred	Series B Preferred	Series C Preferred	Series D Preferred	Paid In Capital	Stock Issuable	Retained Earnings	Total
Balance at December 31, 2016	1,946,690,324	19,468	79	1	2,675	100	1,160,980	-	(538,305)	644,998
Shares issued on conversion of debt	1,974,625,684	19,746					398,887			418,633
Shares issued on conversion of stock	20,000,000	200	(3)				(197)			-
Shares issuable for cash								46,750		46,750
Shares issued for services	50,000,000	500					60,450			60,950
Shares issuable to acquire subsidiary								70,000		70,000
Net Loss of the Period									(548,604)	(548,604)
Balance at December 31, 2017	3,991,316,008	$ 39,914	$ 76	$ 1	$ 2,675	$ 100	$ 1,620,120	$ 116,750	#########	$ 692,727
Shares issued on conversion of debt	265,000,000	2,650					150,849			153,499
Shares issued on conversion of stock	38,000,000	380	(4)				(375)			1
Shares issued for services	30,000,000	300					20,700			21,000
Net Loss of the Period									(513,130)	(513,130)
Balance at December 31, 2018	4,324,316,008	43,244	72	1	2,675	100	1,791,294	116,750	(1,600,039)	354,097

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

PROTEXT PHARMA, INC.
Statements of Cash Flows
(Unaudited)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Cash Used in Operations:		
Net loss	$ (513,130)	$ (548,604)
Derivative Expense	110,500	
Shares issued for services		60,950
Change in derivative liability	(462)	
Non-cash Adjustments to operating accounts:		
Increase in accounts payable and accrued expenses	173,570	80,974
Increase in accrued salaries	151,104	(10,000)
Increase (Decrease) in related party payables	-	162,840
Net cash from operating activities	(78,418)	(253,840)
Cash From Financing Activities		
Proceeds from the sale of common stock	-	46,750
Proceeds from the issuance of debt	11,654	207,654
Proceeds from the issuance of convertible debt	66,200	-
Net cash from financing activities	77,854	254,404
Net Change in Cash Flow	(564)	564
Cash at beginning of period	564	-
Cash at end of period	$ -	$ 564
Supplemental Cash Flow Information:		
Cash Paid for -		
Interst	$ -	$ -
Taxes	$ -	$ -
Shares issued on conversion of debt	$ 153,500	$ 358,495
Shares issued to acquired subsidiary	$ -	$ 70,000

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

PROTEXT MOBILITY, INC.
Notes to Unaudited Consolidated Financial Statements
December 31, 2018

NOTE 1 - DESCRIPTION OF BUSINESS AND GOING CONCERN

ProText Mobility Inc. (the "Company") was incorporated in the State of Delaware on September 5, 2001 under the name SearchHelp, Inc. and completed its initial public offering on July 23, 2003. During the fiscal year ended December 31, 2008, the Company acquired 100% of the stock of EchoMetrix, Inc, which then became a wholly owned subsidiary, and in May of 2009 the Company filed a Certificate of Ownership and Merger with the State of Delaware pursuant to which EchoMetrix was merged with and into the Company, and the Company's corporate name was changed to EchoMetrix, Inc. In December 2010, filed a Certificate of Ownership and Merger with the state of Delaware pursuant to which the Company's then wholly owned subsidiary, ProText Mobility, Inc., was merged with and into the Company, and the Company's corporate name was changed to Protext Mobility, Inc.

On December 31, 2016, the Company acquired Plandaí Biotechnology South Africa (Pty) Ltd. (Plandaí), a South African company headquartered in the Mpumalanga province of South Africa through a share exchange agreement, and changed the corporate name to Protext Pharma, Inc. Plandaí was formed in 2014 and focuses on the development of pharmaceutical applications for botanical drugs and has the worldwide exclusive license to develop Phytofare® in botanical drug applications. Phytofare® is a highly bioavailable extract produced from live green tea leaves that has been clinically proven in double-blind human trials to have ten-times greater bioavailability over generic extract. The Company plans to commence human clinical trials to determine the effectiveness of using Phytofare® catechin complex in regulating insulin levels in Type II Diabetes patients. Under the terms of acquisition, the Company issued 100,000 shares of Series D Preferred Stock in exchange for all of the issued and outstanding shares of Plandaí. The Series D Preferred have the right to convert into 75% of the post-conversion issued and outstanding common stock of the Company. The Series D Preferred have voting rights equal to the number of shares issuable on conversion on all shareholder matters.

As a result of the transaction with Plandaí, the shareholders of Plandaí became the control entity, having voting and conversion rights equal to 75%. While Plandaí is a legal subsidiary of the Company, Plandaí elected to become the successor issuer to the Company for accounting and reporting purposes. Accordingly, the accompanying financial statements represent the results of operations of Plandaí Biotechnology South Africa exclusive of those of ProText Mobility. The balance sheet contains the consolidated assets and liabilities of both entities for all periods presented while the retained deficit is that of Plandaí exclusively. The shares of common stock of ProText Mobility outstanding as of the acquisition date are shown as issued as of the acquisition date while the shares issued to acquire Plandaí are shown as outstanding for all periods presented.

On March 14, 2017, the Company acquired 100% of the capital stock of Cannabis Biosciences, Inc., in exchange for 50,000,000 shares of the Company's restricted common stock. Cannabis Biosciences is engaged in the development of a non-psychoactive, full-profile cannabis extract using the Phytofare® technology for pharmaceutical applications. The operations of Cannabis Biosciences from the date of the acquisition forward have been consolidated in these financial statements.

The consolidated financial statements presented have been prepared pursuant to Generally Accepted Accounting Principles (GAAP). Certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been omitted pursuant to accepted rules and regulations for smaller reporting companies, but we believe that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments, consisting of normal, recurring adjustments and disclosures necessary for a fair presentation of these statements have been included. All intercompany transactions have been eliminated in consolidation.

Going Concern

The accompanying unaudited consolidated financial statements have been prepared assuming that the Company will continue as a going concern. To date, the Company has generated minimal revenue and has a history of net losses. These circumstances raise substantial doubt about the Company's ability to continue as a going concern. The unaudited consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management's efforts have been directed towards the development and implementation of a plan to generate sufficient revenues to cover all of its present and future costs and expenses.

If the Company does not generate sufficient revenues from the sales of its products in an amount necessary to meet its cash needs, the Company will need additional financing to continue to operate. There are no assurances that the Company can continue to successfully raise additional financing. If the Company fails to raise additional financing, it might have to file for reorganization under bankruptcy laws to satisfy its outstanding liabilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments consisting of a normal and recurring nature considered necessary for a fair presentation have been included.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses in the reporting period. We regularly evaluate our estimates and assumptions related to the useful life and recoverability of long-lived assets, stock-based compensation and deferred income tax asset valuation allowances. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by us may differ materially and adversely from our estimates. To the extent there are material differences between our estimates and the actual results, our future results of operations will be affected.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturities of three months or less when acquired, to be cash equivalents.

Income Taxes

The Company accounts for income taxes under the provisions issued by the FASB which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company computes tax asset benefits for net operating losses carried forward. The potential benefit of net operating losses has not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

Fair Value of Financial Instruments

Pursuant to ASC No. 820, “Fair Value Measurements and Disclosures”, the Company is required to estimate the fair value of all financial instruments included on its balance sheet as of December 31, 2018 and 2017. The Company’s financial instruments consist of cash and derivative liabilities. The Company considers the carrying value of such amounts in the financial statements to approximate their fair value due to the short-term nature of these financial instruments.

The Company adopted ASC No. 820-10 (ASC 820-10), Fair Value Measurements. ASC 820-10 relates to financial assets and financial liabilities. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (GAAP), and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements and are to be applied prospectively with limited exceptions.

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard is now the single source in GAAP for the definition of fair value, except for the fair value of leased property as defined in SFAS 13. ASC 820-10 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions, about market participant assumptions, that are developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820-10 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 Inputs that are both significant to the fair value measurement and unobservable. These inputs rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs are developed based on the best information available in the circumstances and July include the Company's own data.)

The following presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a non-recurring basis as of December 31, 2018 and December 31, 2017:

December 31, 2018:

	Level 1	**Level 2**	**Level 3**	**Total**
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

December 31, 2017:

	Level 1	**Level 2**	**Level 3**	**Total**
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

<u>Derivative Financial Instruments</u>

Fair value accounting requires bifurcation of embedded derivative instruments such as conversion features in convertible debt or equity instruments, and measurement of their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the Black-Scholes option-pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once determined, derivative liabilities are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes option-pricing model.

As of December 31, 2018, the fair value of the embedded derivative instruments was not considered material as all convertible instruments have fixed-floor conversion features.

Research and Development Costs

Costs incurred in the research and development during the preliminary project stage are expensed as incurred. Costs specifically attributable to clinical trials are capitalized and amortized over the expected life of the product. During the year ended December 31, 2018, the company expensed $38,400 in research costs.

Prior to 2015, the Company capitalized a total of $433,395 associated with software development by ProText Mobility. The Company is evaluating this asset for potential impairment.

NOTE 3 – PAYABLE TO RELATED PARTIES

Payables to related parties includes operational costs of $515,016 paid by the Company's majority shareholder, Plandaí Biotechnology, Inc. on behalf of the Company. It is anticipated that these costs will be reimbursed once the Company achieves profitable operations.

The Company had senior secured convertible notes payable to one of its directors, amounting to $25,000 at December 31, 2016. This class of notes bears interest at 10% and is convertible at the lesser of 60% of the weighted-average price for the 5-day immediately prior to the conversion or the lowest conversion price of the 120-day period prior to conversion, but no less than the par value. As of December 31, 2016, all accrued interest was forgiven and the parties agreed to suspend the accumulation of interest until July 1, 2017. The notes are currently due.

NOTE 4 - CONVERTIBLE NOTES PAYABLE

In prior years, the Company issued convertible notes payable to various individuals and funds, of which $388,480 remain issued and outstanding. As of December 31, 2016, the Company had negotiated with most of the convertible debt holders to eliminate all accrued interest and penalties and place a moratorium on future interest payments and conversions for a period of at least six months. Future conversions will not involve any discount off the then-trading price of the common stock. As a result, the derivative liability associated with these notes was deemed immaterial and all discounts and derivative liabilities were eliminated. During the year ended December 31, 2018, the Company converted $64,250 of principal and interest.

The Company had senior secured convertible notes payable to the father of one of the directors amounting to $92,000 at December 31, 2016. This class of notes bears interest at 10% and is convertible at the lesser of 60% of the weighted-average price for the 5-day immediately prior to the conversion or the lowest conversion price of the 120-day period prior to conversion, but no less than the par value. As of December 31, 2016, all accrued interest was forgiven and the parties agreed to suspend the accumulation of interest until July 1, 2017. During the year ended December 31, 2018, the Company converted $20,500 of this debt, leaving a balance of $58,000.

During the year ended December 31, 2018, the Company issued new convertible note in the amount of $45,200 to an unrelated party. The note bears interest at 8% and is convertible at a 50% discount based on the average of the lowest three closing bid prices over the previous 10 days, with a floor of $0.000065 per share.

As of December 31, 2018, a total of $468,732 in convertible notes payable was outstanding.

NOTE 5 – OTHER NOTES PAYABLE

In prior years, the Company issued several notes payable of which $512,694, including accrued interest, which remain payable as of December 31, 2017. These notes are current due and payable and earn interest at the rate of 10% per annum. The Company has the option of converting these notes into common stock at a discount of 35% off the trading price on the date of conversion.

NOTE 6 - EQUITY TRANSACTIONS

Common Stock

The Company has authorized 10 billion shares of common stock, par value $0.00001, of which 4,324,316,008 shares were issued and outstanding as of December 31, 2018. During the year ended December 31, 2018, the Company issued the following:

- 265,000,000 shares were issued on the conversion of $153,500 in notes payable and accrued interest
- 38,000,000 shares were issued on the conversion of 4,473 shares of Series A Preferred stock
- 30,000,000 shares were issued to settle legal fees of $21,000.

In addition, the Company is obligated to issue 31,000,000 shares of common stock resulting from cash sales of $46,750 and 50,000,000 shares of common stock as consideration for acquiring Cannabis Biosciences, Inc. The value of these shares, $116,750, has been recorded as Stock Payable in the financial statements.

Series A Preferred

The Company has 100,000 shares of Series A Preferred stock, par value $0.001, authorized of which 79,450 shares were issued on December 31st, 2016 in exchange of 504,300 shares of Series B Preferred, previously issued. Of this amount, 10,000, 19,950 and 49,500 Series A were issued to Rock Island, Richard Grossfeld and David Lewis respectively, in exchange for 411,899, 46,052 and 46,052 Series B previously issued and held by each party respectively. The Series A Preferred has conversion rights equal to 20% of the post-conversion issued and outstanding shares of common stock and voting rights equivalent to the total shares issuable on conversion. As of December 31, 2018, there were 72,108 shares of Series A issued and outstanding.

Series B Preferred

The Company previously issued 550,055 shares of Series B Preferred stock for cash consideration of $4,825,000. On December 31, 2016, the Company exchanged 504,003 shares of Series B Preferred stock into 79,450 shares of Series A Preferred, leaving 46,052 shares of Series B Preferred stock outstanding. The Series B Preferred has voting rights equal to two votes per share on all shareholder matters and has a preference on dividend payments.

Series C Preferred

The Company has authorized 9,000,000 shares of Series C Preferred stock, par value $0.001, of which 9,000,000 were previously issued. On December 31, 2016, the holder of 6,325,000 shares of Series C Preferred returned the shares for cancellation in connection with the share exchange with Plandaí. The Series C have voting rights equal to 200 votes per share on all shareholder matters.

Series D Preferred

On December 31, 2016, the Company issued 100,000 shares of Series D Preferred stock to acquire 100% of the issued and outstanding capital stock of Plandaí Biotechnology South Africa (Pty) Ltd. There are 100,000 shares of Series D Preferred stock, par value $0.001, of which 100,000 were outstanding as of December 31, 2017 and 2016, respectively. The Series D Preferred stock has conversion rights equal to 75% of the post-conversion common stock and voting rights equivalent to the number of shares issuable on conversion.

NOTE 7- SUBSEQUENT EVENTS

The Company reviewed transactions subsequent to December 31, 2018 and noted no material events.