

AGTECH GLOBAL INTERNATIONAL, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019

(UNAUDITED)

AGTECH GLOBAL INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

Note 1: Establishment and operations of the Company

AgTech Global International, Inc. (the “Company”) was formed as a Nevada corporation on May 9, 2000 under the name of PasoVideo.com, Inc. On March 7, 2001 the Company changed its name to Legal Broadcast Company, Inc. and subsequent to that the Company changed its name to LBC Global, Inc. on September 13, 2003. On February 21, 2006 the name of the Company was changed to True Colors International, Inc. On April 4, 2017 the Company changed its name to AgTech Global International, Inc.

In April 2017 the Company entered into a Contribution Agreement with RxMM Health Ltd by which the Company acquired control of AgTech Global, Inc. a wholly owned subsidiary of RxMM Health Ltd. Subsequent to acquiring control of AgTech the Company changed its name to AgTech Global International, Inc. In June 2017 the terms of that Contribution Agreement were finalized by which the Company acquired AgTech Global, Inc. in an exchange of the Company’s common stock.

The Company’s operations currently are carried out by its subsidiary, AgTech Global, Inc. (“AgTech”).

AgTech Global International, Inc. revolutionizes concepts that people have regarding agriculture and cultivation in existing and emerging markets. AgTech was formed in response to key macro-market drivers such as population growth, urbanization, and the expected effects of increasing pollution on food and water quality. Our proprietary systems and processes optimize the use of resources such as water, energy, space, capital, and labor by controlling growing conditions throughout the development of a crop in enclosed structures such as a greenhouses, containers, or buildings. The Company's primary focus is the emerging Hemp industry, with a focus on hemp oil, hemp protein powder, hemp nutraceuticals, hemp microgreens, and numerous other hemp-related products. AgTech has a range of certified organic, non-GMO fertilizers, nutrients, and mold treatment products available for sale via its website, retail, and wholesale channels. Recently, the Company announced an agreement with Deep Root Irrigation Products Inc. as the exclusive world-wide distributor of “DRIP” Deep Root Irrigation products. A patented nutrient and water delivery system that has been cleverly designed to help reduced water usage and help the plant receive bioavailable nutrients directly to the root mass. This product can easily integrate into already existing drip lines and serves as an affordable option for upgrading already existing lines or systems. AgTech is undertaking the development of additional joint ventures for distribution of organic products outside the U.S. The Company is also negotiating deals to provide soil remediation, pest and mold control and accelerated growth products with established companies. The Company has been doing business and producing revenues in this area through its subsidiary AgTech Global Inc. since early 2016 prior the Company acquiring it in 2017.

The Company prepares its consolidated financial statements as of December 31 of each year.

Note 2: Summary of significant accounting policies

The financial statements are prepared in accordance with generally accepted accounting principles in the United States and under the historical cost convention.

The significant accounting policies adopted by the Company are as follows:

Cash and cash equivalents

Cash and cash equivalents comprise current bank accounts and other bank deposits free of encumbrances and having maturity dates of three months or less from the respective dates of deposit.

Financial instruments Financial assets and financial liabilities are recognized on the Company’s balance sheet when the Company has become a party to the contractual provisions of the instrument.

Receivables

Trade accounts receivable are stated at nominal value, less an appropriate allowance for estimated uncollectible accounts to reflect any loss anticipated on the trade accounts receivable balances and charged to the provision for

doubtful accounts. The allowance for doubtful accounts is determined based on the Company's history of write-offs, the level of past due accounts based on the contractual terms of the receivables and its relationship with its customers and their economic status.

Payables

Trade accounts payable and other accounts payable are stated at nominal value.

Due to related parties

Amounts due to related party are stated at nominal value.

Borrowing

Interest bearing bank loans and overdrafts are recorded at the time that the proceeds are received. Direct issue costs are capitalized and amortized over the related loan period.

Share capital

Shares of common stock issued by the Company are recorded at the consideration received, net of direct issue costs.

Use of Estimates and Assumptions

The use of estimates and assumptions as determined by management are required in the preparation of the Company's financial statements in conformity with generally accepted accounting principles. These estimates are based on management's evaluation of historical trends and other information available when the financial statements are prepared. Changes in estimates are recognized in accordance with the accounting rules for the estimate. Actual results could differ from those estimates.

Inventories

Inventories are stated at the lower of cost or market value. Cost is determined using the first-in, first-out (FIFO) method. Cost comprises invoice value plus applicable shipping charges in the case of raw materials, packing materials and consumable operating supplies. Finished goods comprise cost of materials plus applicable labor and overhead charges that have been incurred in manufacturing the inventories. Market value is based on the estimated selling price of the product. Provisions are made for obsolete and slow-moving items.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Plant and equipment are depreciated using the straight-line method over their respective estimated useful lives as follows:

Machinery and equipment	7 Years
Furniture, fixtures and office equipment	5 Years
Computer equipment	3 Years

Depreciation is charged on these assets from the date on which they are placed in service.

Revenue Recognition

Revenue is recognized when title and risk of loss are transferred to customers upon delivery, based on the terms of the sale and collectability is reasonably assured. Revenue is recognized as the net amount received after deducting estimated amounts for discounts, trade allowances and returns of damaged or out-of-date products.

Income taxes

The Company is subject to federal and state taxes on corporate income. However, due to the lack of activity and losses that the Company has incurred it paid no federal corporate income taxes and only minimum state income taxes based on statutory requirements.

Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except those that are directly attributed to the acquisition and construction of an asset that takes a substantial period to get ready for its intended use. Such borrowing costs are capitalized as part of the related asset until such time as the asset is substantially ready for use.

Research and development costs

Expenditures for research and development are recognized as an expense as incurred.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The Company had no financing leases at June 30, 2019.

Note 3: Cash and cash equivalent

The Company had balances of \$88,156 in current bank accounts at June 30, 2019. The Company had no cash equivalents as of June 30, 2019

Note 4: Trade accounts receivable

At June 30, 2019 the Company had no trade receivables.

Note 5: Intercompany Receivables

At June 30, 2019 the Company had no intercompany receivables.

Note 6: Inventories

At June 30, 2019 the Company had inventories of \$228,671.

Note 7: Property, plant and equipment.

Property, plant and equipment are carried at cost less accumulated depreciation. The Company had no property, plant and equipment at June 30, 2019

There was no depreciation expense for the six months ended June 30, 2019

Note 8: Leases.

At June 30, 2019 the Company had no operating or financing leases. The Company currently is renting its present facility on a month-to-month basis and monthly rent is \$4,500. Rent expense for the six months ended June 30, 2019 was \$27,00.

Note 9: Trade accounts payable and other accounts payable

At June 30, 2019 trade accounts payables were \$425,607.

Note 10: Accrued Expenses

At June 30, 2019, accrued expenses were \$297,810.

Note 11: Loan Payable

At June 30, 2019, the Company had loans payable to RxMM Health Ltd of \$295,425.

Note 12: Income Taxes.

The Company is subject to federal and state taxes on corporate income. However, due to the losses that the Company has incurred in prior years it paid no federal corporate income taxes and only minimum state income taxes based on statutory requirements. As a result of loss carry-overs, the Company did not pay federal income taxes for the years ended December 31, 2018 and 2017.

Note 13: Capital Stock.

The Company has one class of common stock with a \$0.001 par value which carries no right to fixed income. The number of authorized shares of common stock at \$0.001 par value was 100,000,000 at June 30, 2019. The number of issued and outstanding shares of common stock at \$0.001 par value was 51,548,555 at June 30, 2019.

Note 14: Financial instruments: credit, interest rate and exchange rate risk exposures

The Company's activities expose it to a variety of financial risks, primarily credit risk and interest rate risk. Risk management is carried out by the Company's Chief Financial Officer. The Company does have written policies to manage customer credit risk that typically limit the amount of credit exposure to a single customer. The Company's interest rate risk arises from bank borrowings and other loans which have fixed interest rates.

Credit risk

The Company's credit risk is primarily attributable to trade accounts receivable.

The credit risk on cash and cash equivalents is limited as the counterparties are banks with high credit ratings.

Interest rate risk

Term loans and other bank borrowings are at floating rates of interest generally obtained within the United States of America, which are negotiated with the banks at various indexes plus negotiated margins. Amounts due to related parties currently bear interest rates varying between 5% and 10%.

Exchange rate risk

The Company has no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in U.S. dollars.

Note 15: Financial instruments: fair values

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. At June 30, 2019 the fair values of the Company's financial assets and financial liabilities approximate their carrying values.

Note 13: Segmental reporting

The Company has only one reporting segment. The Company's primary focus is the emerging industrial hemp industry with products such as full spectrum oils, protein powders, and nutraceuticals.

The Company also markets and sells a range of certified organic, non-GMO fertilizers, nutrients and mold treatment products.

Note 14: Contingent liabilities

There were no contingent liabilities of which management was aware at June 30, 2019.