

Agtech Global International, Inc.
Balance Sheet
January 1, 2019 to December 31, 2019

ASSETS

Current Assets

Bank Accounts

Business Fundamentals Chk - 6100 (6100)	\$	9,164.96
Business Fundamentals Chk - 6113 (6113)	\$	(3,252.09)
Business Investment Acct - 8349 (8349)	\$	0.03
US Bank	\$	(215.01)
Total Bank Accounts	\$	5,697.89

Other Current Assets

Loans to Officers-George Roth	\$	-
Loans to Officers-Michael Roth	\$	323.00
RxMM Health Mgmt Inc. Loan Receivable	\$	80,006.17
Short Term Loan-Geza Molnar	\$	500.00
Total Other Current Assets	\$	80,829.17

Total Current Assets	\$	86,527.06
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TOTAL ASSETS	\$	86,527.06
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LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable	\$	166,015.58
Total Accounts Payable	\$	166,015.58

Other Current Liabilities

Accrued Expenses	\$	244,423.61
Officers Loan - G. Roth	\$	624.00
Total Other Current Liabilities	\$	245,047.61

Total Current Liabilities	\$	411,063.19
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Long-Term Liabilities

Boston Scientific	\$	80,000.00
Clarisy Corp	\$	10,000.00
King County Hemp Loan	\$	22,463.82
RxMM Health Mgmt Inc. Loan	\$	295,425.00

Total Long-Term Liabilities	\$	407,888.82
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Total Liabilities	\$	818,952.01
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Equity

Additional Paid In Capital

Common Stock	\$	298,910.46
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Owner's Investment	\$	-
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Owner's Pay & Personal Expenses	\$	-
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Retained Earnings	\$	(521,241.33)
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Net Income	\$	(743,844.08)
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Total Equity	\$	(732,424.95)
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TOTAL LIABILITIES AND EQUITY	\$	86,527.06
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AgTech Global International, Inc.

Profit and Loss

January - December 2019

	Total
Income	
Miscellaneous Income	122.25
Sales	500.00
Sales of Product Income	29,709.37
Total Income	\$ 30,331.62
Cost of Goods Sold	
Cost of Goods Sold	28,345.00
Total Cost of Goods Sold	\$ 28,345.00
Gross Profit	\$ 1,986.62
Expenses	
Advertising & Marketing	4,263.07
Ask My Accountant	0.00
Automobile Expense	9,643.90
Bank Charges & Fees	259.88
Car & Truck	557.36
Cash Withdrawal	20.00
Computer and Internet Expense	1,065.29
Consultants Fees	87,797.50
Contractors	7,284.80
Deferred Officer Salaries	467,499.99
Job Supplies	6.99
Legal & Professional Services	
Accounting	7,047.47
Legal	10,339.99
Total Legal & Professional Services	\$ 17,387.46
Meals & Entertainment	1,108.62
Misc Expense	1,075.01
Office Supplies & Software	2,128.73
Other Business Expenses	49.85
Postage & Delivery	789.65
Purchases	0.00
Reimbursable Expenses	0.00
Rent & Lease	20,753.00
Salaries & Wages	1,608.80
Taxes & Licenses	1,950.00
Telephone Expense	7,452.33
Travel	454.82
Uncategorized Expense	100.16
Utilities	0.00
Website	500.00

Total Expenses	\$ 633,757.21
Net Operating Income	-\$631,770.59
Other Income	
Interest Income	0.04
Total Other Income	\$ 0.04
Net Other Income	\$ 0.04
Net Income	-\$631,770.55

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AgTech Global International, Inc.
Statement of Cash Flows
January - December 2019

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	(631,770.55)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Loans to Officers-George Roth	-
Loans to Officers-Michael Roth	(323.00)
RxMM Health Mgmt Inc. Loan Receivable	(80,006.17)
Short Term Loan-Geza Molnar	(500.00)
Accounts Payable	-
Accrued Expenses	478,173.61
Officers Loan - G. Roth	624.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>\$ 397,968.44</u>
Net cash provided by operating activities	<u>-\$233,802.11</u>
FINANCING ACTIVITIES	
Aquadynamics	-
RxMM Health Mgmt Inc. Loan	-
Additional Paid In Capital	-
Common Stock	239,500.00
Owner's Investment	-
Owner's Pay & Personal Expenses	-
Net cash provided by financing activities	<u>\$ 239,500.00</u>
Net cash increase for period	<u>\$ 5,697.89</u>
Cash at end of period	<u>\$ 5,697.89</u>

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AgTech Global

Statement of Owners Equity

December 31, 2019

	Shares	Common Stock	Retained Earnings	Total Equity
Balance at December 31, 2018	-	-	-	-
Net Income (Loss)			(631,770.55)	(631,770.55)
Equity Compensation				-
Dividends				-
Contributions		239,500.00		239,500.00
Distributions				-
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 239,500.00</u>	<u>\$ (631,770.55)</u>	<u>\$ (392,270.55)</u>

AGTECH GLOBAL INTERNATIONAL, INC.

FINANCIAL STATEMENTS

PERIOD ENDING DECEMBER 31, 2019

(UNAUDITED)

AGTECH GLOBAL INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 & 2018

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 had been carried out by its subsidiary, AgTech Global, Inc. and during the year 2019 were conducted solely by its parent AgTech Global International, Inc. (“AgTech”).

The goal of Agtech Global International Inc. current and planned business operations is to provide the ultimate consumer with cleaner, safer, more nutritious agricultural products for an increasingly health conscious America, as well as providing solutions to the demands of the agricultural industry for more effective methods of producing higher quality food products for human and animal consumption. 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. The Company offers its innovative organic and non-organic agricultural systems and products that enable broad commercialization and industrialization of the hemp industry from its facilities in Southern California. It also specializes in offering education and guidance under contract with growers and processors to put into practice breakthrough techniques relative to nutrients; mold, weed and insect control; cultivation, processing, storage, and delivery of agricultural products and derivatives to industry participants around the world. 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 crops in the field or in enclosed structures such as a greenhouses, containers, or buildings. The Company's primary focus is the emerging Hemp industry, with a focus on agricultural systems and techniques that enable users to create the highest organic quality end products such as hemp oil, hemp protein powder, hemp nutraceuticals, hemp microgreens, and many other hemp-related products. Agtech has a range of certified organic, non-GMO fertilizers, nutrients, weed killer and insect and mold control treatment products available for sale via its website, retail, and wholesale channels, as well as through its distribution agreements with its joint venture partners and affiliates. Recently, the Company announced an exclusive distribution arrangement under which it secured exclusive rights to the North American distribution of GOTCHA™, a safe and organically derived weed killer, one of a unique line of organic fertilizers, nutrients and herbicides derived from sea minerals, which are due for release to North and South American markets in the third quarter of 2020. This line of cutting-edge Organic products are applicable not only to commercial producers, but also to the rapidly developing consumer cultivation market being driven by the COVID 19 Pandemic, which in the news is causing people turn to home-grown vegetable production. In particular GOTCHA™ is the Company’s premier Weed & Grass Killer product for the multi-Billion commercial herbicide market. Recently developed in Australia by a leading industrial bioscientist, tests there have proven that GOTCHA is a highly effective, non-hazardous, long-lasting organic herbicide that is scheduled to be stocked in over 2,500 Australian home and garden supply outlets. With a view towards broad domestic market recognition, GOTCHA is in process for U.S. accreditation as an OMRI (Organic Materials

Review Institute) registered agricultural product. The OMRI Seal of Approval will provide instant recognition in the agricultural market that GOTCHA is compliant with U.S. Organic Standards. Through its affiliates, the Company also has a distribution agreement with Deep Root Irrigation Products Inc. for sale 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. The Company is also negotiating joint venture agreements to provide distribution of soil remediation, pest and mold control and accelerated growth products with established companies, in addition to providing education and training of enterprises undertaking endeavors in agricultural production and systems including production machinery, testing and control systems. The Company is undertaking the development of additional joint ventures for distribution of organic products outside the United States. In August 2013, after the Company changed its name back to LBC Global Inc., the Company had a subsidiary named True Colors Intl, a Nevada Company, (aka TUCL) which sold its business operations and trademark licenses to Millennium Media Holdings for \$1.00 cash with sales royalties to be paid during the term of the agreement. Millennium Media Holdings then established True Colors LLC of the Cook Islands. Subsequently, the sale contract was cancelled, and in the settlement the trademark licenses reverted to True Colors Intl in 2015. TUCL was an educational company that developed a training and software program designed for educators. TUCL marketed and sold licenses to franchisees who paid fees to become certified in training educators about this program. TUCL has since been dormant. During this reporting period it was determined the Company has only 20% ownership of the TUCL entity, the value of which has been determined as zero and is not reflected in our financial statements as of year-end 2019.

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 December 31, 2019 and 2018.

Note 3: Cash and cash equivalent

The Company had balances of \$84,350 and \$5,698 in current bank accounts at December 31, 2018 and 2019, respectively. The Company had no cash equivalents as of December 31, 2018 and 2019.

Note 4: Trade accounts receivable

At December 31, 2018 and 2019 the Company had no trade receivables. At December 31, 2017 the Company had trade receivables of \$7,238.

Note 5: Intercompany Receivables

At December 31, 2018 and 2019 the Company had no intercompany receivables.

Note 6: Inventories

At December 31, 2018 the Company had inventories of \$228,671. and December 31, 2019 the Company had no inventories.

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 December 31, 2019 and 2018.

There was no depreciation expense for the years ended December 31, 2019 and 2018.

Note 8: Leases.

On August 10, 2016 AgTech entered into an operating lease agreement for the facility that it occupied through July 31, 2018. The lease term was for one year with an option to extend the lease for one year and ended on July 31, 2018. From that time on the Company rented space at 2361 Campus Drive, Suite 140, Irvine, California, and 4540 Campus Drive, Suite 115, Newport Beach, California. The total monthly rent in 2018 and 2019 was \$1,325.00 and \$3,180.00 respectively.

The Company currently is renting its present facility on a month-to-month basis and monthly rent is \$265.

Note 9: Trade accounts payable and other accounts payable

At December 31, 2019 and 2018 trade accounts payables were \$166,015.58 and \$394,866, respectively.

Note 10: Accrued Expenses

At December 31, 2019 and 2018 accrued expenses were \$244,423.61 and \$251,598, respectively. At December 31, 2019 and 2018 \$205,000 of the accrued expenses were due to affiliated companies.

Note 11: Loan Payable

At December 31, 2019 and 2018 received advances from and had amount balances payable to RxMM Health Ltd of \$295,425 an affiliated company, for both years. Company also had received advances from and had amount balances payable to Boston Scientific for \$80,000; Clerisy Corporation for \$10,000 and Kings County Hemp Corporation \$22,463.82 at the end of December 2018 and 2019.

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 filed but did not pay federal income taxes for the years ended December 31, 2019 and 2018.

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 December 31, 2019 and 2018. The number of issued and outstanding shares of common stock at \$0.001 par value was 51,548,555 at December 31, 2018, and The

number of issued and outstanding shares of common stock at \$0.001 par value was 52,098,555 as of September 30, 2019, respectively

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 December 31, 2019 and 2018 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 in the development and distribution of nutraceuticals and fertilizers , and also with joint ventures in areas 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 as of December 31, 2019 and 2018.