

**INNOVEST GLOBAL, INC.**  
**Symbol: IVST**

**Chesterland, OH**

**Financial Statements**  
**As of September 30, 2018**  
**and**  
**September 30, 2017**

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**INNOVEST GLOBAL, INC.  
BALANCE SHEETS**

		<b>Sept. 30, 2018</b>	<b>Sept. 30, 2017</b>
	<b>ASSETS</b>		
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	\$	390,186	\$ -
Accounts Receivable		320,863	-
Inventory		4,915	-
Other Current Assets		116,271	-
Notes Receivable		25,000	-
		<u>857,235</u>	<u>-</u>
Total Current Assets		<b>857,235</b>	<b>-</b>
<b>OTHER ASSETS</b>			
Goodwill		82,381	-
Intercompany		154,000	-
		<u>214,381</u>	<u>-</u>
Total Other Assets		<b>214,381</b>	<b>-</b>
<b>Total Assets</b>	<b>\$</b>	<b><u>1,271,616</u></b>	<b>\$ <u>-</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$	262,026	\$ -
Other Liabilities		165,779	-
Accrued Expenses		12,472	-
Inter-Company/Notes Payable - Current		58,000	37,366
Total Current Liabilities		<u>498,277</u>	<u>37,366</u>
Total Liabilities		<b>498,277</b>	<b>-</b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>			
Common Stock (1)		109,089	62,339
Preferred Stock (2)		1,250	1,750
Stock Subscriptions (3) – 2,226,667		342,000	-
		<u>1,111,666</u>	<u>32,344</u>
Additional Paid-In-Capital		(845,453)	(133,799)
Retained Earnings (Deficit)		<u>718,552</u>	<u>(37,336)</u>
Total Liabilities and Stockholder's Equity		<b>718,552</b>	<b>(37,336)</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$</b>	<b><u>1,271,616</u></b>	<b>\$ <u>-</u></b>

(1) 500,000,000 shares authorized, \$0.001 par value 109,088,071 issued and outstanding as of 9/30/2018

(2) Preferred Stock 10,000,000 shares authorized; Series A Issued and Outstanding \$0.001 par value 1.75 mm issued and outstanding 12/31/2016 and 12/31/17; 1.25 mm issued post conversion 3/31/18

(3) \$334,000 paid in stock subscriptions representing 2,226,667 Common Shares

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

**INNOVEST GLOBAL, INC.**  
**INCOME STATEMENTS**  
**FOR THE QUARTER ENDED**  
**SEPTEMBER 30, 2018 & 2017**

		<u><b>9-30-18</b></u>	<u><b>9-30-17</b></u>
<b>Net Sales</b>	\$	1,064,152	\$ -
Total Cost of Goods Sold		<u>602,351</u>	<u>-</u>
<b>Gross Profit</b>		461,801	-
<b>General and Administrating Expenses</b>		<u>722,978</u>	<u>1,977</u>
Loss before Other Income		(261,177)	(1,977)
Other Income/Other Expense		<u>8,680</u>	<u>-</u>
<b>Net Loss</b>	\$	<u><b>(252,497)</b></u>	<u><b>(1,977)</b></u>
Retained Earnings (Deficit) since Inception	\$	<b>(845,453)</b>	\$ <b>(133,799)</b>
Weighted Average number of Shares Outstanding		<b>109,088,071</b>	<b>62,338,524</b>
Basic and Diluted net loss per share	\$	<b>(0.0078)</b>	\$ <b>(0.0021)</b>

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

**INNOVEST GLOBAL, INC.**  
**STATEMENT OF STOCKHOLDERS' EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Preferred Stock		Common Stock		Stock Subscriptions		Paid-In Capital	Retained Earnings (Deficit)	Total Stockholders' Equity
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount			
Balance December 31, 2015	1,750,000	\$1,750	62,338,524	\$62,339	-	\$	\$32,344	(\$96,433)	\$
Net Income	-	-	-	-	-	-	-	(\$28,202)	(\$28,202)
Balance December 31, 2016	1,750,000	\$1,750	62,338,524	\$62,339	-	\$	\$32,344	(\$124,635)	(\$28,202)
Stock Subscriptions issued	-	-	-	-	16,193,183	\$150,000	\$32,344	-	\$150,000
Net Income	-	-	-	-	-	-	-	(\$124,285)	(\$124,285)
Balance December 31, 2017	1,750,000	\$1,750	62,338,524	\$62,339	16,193,183	\$150,000	\$32,344	(\$248,920)	(\$2,487)
Issuance of December 31, 2017 subscriptions	-	-	16,193,183	\$16,193	(16,193,183)	(\$150,000)	\$133,807	-	-
Restricted stock issued for asset acquisition	-	-	11,990,000	\$11,990	-	-	(\$11,990)	-	-
Conversion of 500 shares preferred to common	(500,000)	(\$500)	50,000,000	\$50,000	-	-	(\$49,500)	-	-
Stock Subscriptions issued	-	-	-	-	13,590,000	\$679,500	-	-	\$679,500
Paid- In- Capital	-	-	-	-	-	-	\$367,865	-	\$367,865
Net Income	-	-	-	-	-	-	-	(\$186,071)	(\$186,071)
Balance March 31, 2018	1,250,000	\$1,250	140,521,707	\$140,522	13,590,000	\$679,500	\$472,526	(\$434,991)	\$858,807
Restricted Stock issued for acquisition	-	-	5,136,364	\$5,136	-	-	(\$5,136)	-	-
Issuance of March 31, 2018 subscriptions	-	-	13,430,000	\$13,430	(13,430,000)	(\$671,500)	\$658,070	-	-
Contribution of shares back to the Company by a previous owner	-	-	(50,000,000)	(\$50,000)	-	-	\$50,000	-	-
Paid- In- Capital	-	-	-	-	-	-	\$17,710	-	\$17,710
Net Income	-	-	-	-	-	-	-	(\$157,965)	(\$157,965)
Balance June 30, 2018	1,250,000	\$1,250	109,088,071	\$109,089	160,000	\$8,000	\$1,193,170	(\$592,956)	\$718,552
Stock Subscriptions issued	-	-	-	-	2,226,667	\$334,000	-	-	\$334,000
Paid- In- Capital	-	-	-	-	-	-	(\$81,503)	-	(\$81,503)
Net Income	-	-	-	-	-	-	-	(\$252,497)	(\$252,497)
Balance September 30, 2018	1,250,000	\$1,250	109,088,071	\$109,089	2,386,667	\$342,000	\$1,111,666	(\$845,453)	\$718,552

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

**INNOVEST GLOBAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTER ENDED**  
**SEPTEMBER 30, 2018 & 2017**

	<u>9-30-18</u>	<u>9-30-17</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (252,497)	\$ (1,977)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities (increase) decrease in assets:		
Accounts Receivable	7,696	-
Inventory	4,915	-
Increase (decrease) in assets:	-	-
Accrued Expenses	5,840	-
Accounts Payable	(301,084)	-
Other liabilities	(21,256)	-
Net Cash provided by/(used in) operating activities	<u>(303,889)</u>	<u>(1,977)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of business	(17,500)	-
Net cash provided by/(used in) investing activities	<u>(17,500)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds on stock subscriptions	334,000	-
Proceeds on notes payable	-	1,977
Net cash provided by/(used in) financing activities	<u>334,000</u>	<u>1,977</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(239,886)	
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF QUARTER</b>	<u>630,072</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF QUARTER</b>	<u>\$ 390,186</u>	<u>\$ -</u>

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

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September 30, 2018

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**NATURE OF OPERATIONS:**

**Innovest Global, Inc.**, formerly Aurum Resources and Asset Management, Inc. (“The Company”) was incorporated in the State of Nevada on October 19, 1999 as International Sports Marketing Group, Inc. We changed our name to Cal Alta Auto Glass, Inc. in June 2005. On March 16, 2012 we entered into a Share Exchange Agreement with the shareholders of World Investments of Mexico, Inc. (“WIM”), a Nevada corporation.

At the closing of that agreement, the officers and directors of the Company resigned and were replaced by the officers and directors of WIM. As the shareholders of WIM were the majority shareholders of the Company after the exchange, the transaction is accounted for as a “reverse merger” and the financial statements of the Company prepared were then those of WIM. The Company was in the exploration stage with no revenues and limited operating history.

In August, 2016, current Chairman and CEO Daniel G. Martin acquired 100% of the 1.75MM non-trading class of Stock (Series “A” Preferred), and with a quorum vote effectuated a variety of corporate actions designed to position the Company to execute a new business plan. Among other items, all previous directors left the company, the company’s authorized common shares were increased to 500,000,000 and the company’s trading symbol was changed to “IVST”. The Company changed it’s SIC to reflect its new operating characteristics as a diversified holding company, or conglomerate.

The primary way we will grow the Company is by wholly acquiring operating businesses, or interests in opportunities which we believe will enhance shareholder value by yielding revenue, and/or profit, and/or participation in intellectual property ownership. The structure of our participation in business opportunities and ventures will continue to be situational. We may structure future acquisitions as an asset purchase, merger, or an acquisition of securities. It is likely that the anticipated value of the business and/or assets that we acquire relative to the current value of our securities will result in the issuance of debt, and/or a relatively large number of shares and, as a result, substantial additional dilution to the percentage ownership of our current stockholders, and leverage which would create additional financial risks. Moreover, our present management and shareholders may not have control of a majority of our voting shares following a business acquisition or other reorganization transaction. It is possible that the shareholders of the acquired entity will gain control of our voting stock and our directors may resign and new directors may be appointed without any vote by the shareholders. Those directors are entitled to replace our officers without stockholder vote.

In regard to nearly all of our potential acquisitions, we are typically focused upon acquiring existing privately held businesses whose owners are willing to consider merging their businesses into our Company in order to establish a public trading market for their common stock, and whose management teams are willing to operate the acquired businesses as divisions or subsidiaries of our Company.

Closing such potential acquisitions will likely require raising millions of dollars of capital, in order to pay the cash portion of the acquisition consideration and in some cases in order to make an injection of cash into the businesses being acquired. We can provide no assurance or guaranty whatsoever that we will be able to raise

such millions of dollars of capital on acceptable terms and conditions, if at all. No party has committed to provide such capital to us.

Our Chief Executive Officer will review material furnished to him by the proposed merger or acquisition candidates and will ultimately decide if a merger or acquisition is in our best interests and the interests of our shareholders. We intend to source business opportunities through our Chief Executive Officer and directors and their contacts, and in some cases through finders. These contacts include professional advisors such as attorneys and accountants, securities broker dealers, venture capitalists, members of the financial community, other businesses and others who may present solicited and unsolicited proposals. Management believes that business opportunities and ventures may become available to it due to a number of factors, including, among others: (1) management's willingness to consider a wide variety of businesses; (2) management's historical experience; (3) management's contacts and acquaintances; and (4) our flexibility with respect to the manner in which we may be able to structure, finance, merge with or acquire any business opportunity.

The analysis of new business opportunities will be undertaken by or under the supervision of our Chief Executive Officer and directors. Inasmuch as we will have limited funds available to search for business opportunities and ventures, we will not be able to expend significant funds on a complete and exhaustive investigation of such business or opportunity. We will, however, investigate, to the extent believed reasonable by our management, such potential business opportunities or ventures by conducting a so-called "due diligence investigation".

In a due diligence investigation, we intend to obtain and review materials regarding the business opportunity. Typically, such materials will include information regarding a target business' products, services, contracts, management, ownership, and financial information. In addition, we intend to cause our Chief Executive Officer or agents to meet personally with management and key personnel of target businesses, ask questions regarding our prospects, tour facilities, and conduct other reasonable investigation of the target business to the extent of our limited financial resources and management and technical expertise.

There is no guarantee that we can obtain or maintain the funding needed for our operations, including the funds necessary to search for and investigate acquisition candidates, and to close an acquisition including paying the substantial costs of legal, accounting and other relevant professional services.

## **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

The accompanying audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of financial position and the results of operations for the have been reflected herein.

### **Use of Estimates**

Preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect 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

For purposes of the financial statements, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less when purchased. All cash is maintained with major financial institutions in the United States. Deposits with these banks may exceed the amount of insurance provided on such deposits.

### Accounts Receivable

Accounts receivable have been adjusted for all known uncollectible accounts. Management reviews accounts receivable on a regular basis, based on contracted terms and how recently payments have been received, to determine if any such amounts will potentially be uncollected. After all attempts to collect a receivable have failed, the receivable is written off. As of December 31, 2017 and 2016, management believes no allowance for uncollectible accounts is necessary.

### Advertising Costs

The Company's policy regarding advertising is to expense advertising costs when incurred. Advertising expenses for the years ended September 30, 2018 and September 30, 2017 were \$328 and \$0, respectively.

### Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes resulting from temporary differences. Such temporary differences result from differences in the carrying value of assets and liabilities for tax and financial reporting purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB ASC 740 "Income Taxes" (ASC 740). A reconciliation of the beginning and ending amount of unrecognized tax benefits has not been provided since there is no unrecognized tax benefit at December 31, 2017. The Company has not recognized interest expense or penalties as a result of the implementation of ASC 740. If there were an unrecognized tax benefit, the Company would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

### Inventory

Inventories are carried at the lower of cost or estimated net realizable value. All inventories are finished goods. Costs for finished goods are determined under the average cost method.

Management has reviewed inventory quantities and determined that no allowance for obsolete and excess inventory is necessary. Throughout the year, inventory identified as obsolete or excess are written off. The Company will continue its policy of regularly reviewing inventory quantities on hand based on related service levels and functionality. Carrying cost will be reduced to estimated net realizable value for inventories in

which their cost exceeds their utility due to changes in marketing and sales strategies, obsolescence, changes in price levels or other causes.

### Impairments

Assets are evaluated for impairment when events change or a change in circumstances indicates that the carrying amounts of the assets may not be recoverable. When any such impairment exists, the related assets are written down to fair value.

### Intangible Assets

The Company adopted the provisions of ASC Topic 350 “Goodwill and Other Intangible Assets” which states that intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment annually. For the years ended December 31, 2017, and December 31, 2016, there were no impairments of intangible assets.

### Revenue Recognition

With respect to revenue from product sales, revenue is recognized only upon shipment of products to customers. Net sales are comprised of sales less discounts and returns and allowances.

### Shipping and Handling Costs

Shipping and handling costs for products sold are included in cost of goods sold when incurred.

### Fair Value of Financial instruments

Fair value measurements are based on a three tier hierarchy that prioritizes the inputs used to measure fair value, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3). The carrying amounts reflected in the balance sheets for cash and cash equivalents, accounts receivable, and other current assets as well as accounts payable, accrued expenses, short term borrowings and other liabilities approximate their fair values, due to their short-term nature. The fair value of the Company’s long-term debt is estimated based upon the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The carrying value approximates the fair value of debt. All assets and liabilities as of December 31, 2017 and December 31, 2016 are considered Level 1 on the fair value hierarchy.

### Recent Accounting Principles

On May 10, 2017, the FASB issued Accounting Standards Update (“ASU”) No. 2017-09, “Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting,” clarifying when a change to the terms or conditions of a share-based payment award must be accounted for as a modification. The new guidance requires modification accounting if the fair value, vesting condition or the classification of the award is not the same immediately before and after a change to the terms and conditions of the award. The new guidance is effective for the Company on a prospective basis beginning on January 1, 2018, with early adoption permitted. This new guidance is not expected to have an impact on the Company’s Financial Statements as it is not the Company’s practice to change either the terms or conditions of share-based payment awards once they are granted.

On January 5, 2017, the FASB issued ASU No. 2017-01, “Clarifying the Definition of a Business” (Topic ASC 805), guidance to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in this ASU provide a screen to determine when an integrated set of assets and activities (collectively referred to as a “set”) is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This screen reduces the number of transactions that need to be further evaluated. If the screen is not met, the amendments require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and remove the evaluation of whether a market participant could replace the missing elements. This ASU is effective for public business entities in annual periods beginning after December 15, 2017, including interim periods therein. We are currently evaluating the impact that this amendment will have on our financial statements.

In January 2017, the FASB issued ASU 2017-04, “Simplifying the Test for Goodwill Impairment.” The standard eliminates step two in the current two-step impairment test under ASC 350. Under the new standard, a goodwill impairment will be recorded for any excess of a reporting unit’s carrying value over its fair value. A prospective transition approach is required. The standard is effective for annual and interim reporting periods beginning after December 15, 2019, with early adoption permitted for annual and interim goodwill impairment testing dates after January 1, 2017. We are currently evaluating the impact the adoption of this standard will have on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230): Classification of certain cash receipts and cash payments (a consensus of the emerging issues task force).” This ASU addresses the following eight specific cash flow issues: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (including bank-owned life insurance policies); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. This guidance will be effective for the Company on January 1, 2018. The Company does not believe the guidance will have a material impact on its consolidated financial statements.

In May 2014, the FASB issued an accounting standards update with new guidance on recognizing revenue from contracts with customers. The standards update outlines a single comprehensive model for entities to utilize to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that will be received in exchange for the goods and services. Additional disclosures will also be required to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standards update is effective for fiscal years beginning after December 15, 2017, which has been delayed from the original effective date of December 15, 2016. Early adoption is permitted as of the original effective date. The Company will adopt the new revenue standard effective January 1, 2018 using the modified retrospective method. The Company does not believe the guidance will have a material impact on its consolidated financial statements. Substantially all of the Company’s revenue consists of product sales, therefore the Company does not anticipate a material change to result from the adoption of the new standard as revenue recognition will continue to be at a point in time.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." This update revises an entity's accounting for operating leases by a lessee, among other changes, and requires a lessee to recognize a liability to make lease payments and an asset representing its right to use the underlying asset for the lease term in the statement of financial position. The distinction between finance and operating leases has not changed and the update does not significantly change the effect of finance and operating leases on the statement of cash flows. Additionally, this update requires both qualitative and specific quantitative disclosures. This update is effective for the first interim and annual periods beginning after December 15, 2018, with early adoption permitted. At adoption, this update will be applied using a modified retrospective approach. While, the Company is currently evaluating the impact of adopting this new standard, the Company expects the adoption of ASU 2016-02 may have a material impact on its consolidated financial statements related to the recognition of new ROU assets and lease liabilities for its facility operating leases on its consolidated financial statements.

## **NOTE 2: GOING CONCERN**

The Company has a history of recurring losses which have resulted in an accumulated deficit of (\$248,920) as of December 31, 2017 and (\$124,635) as of December 31, 2016. During the year ended December 31, 2017, the Company recognized a net loss of (\$124,285) and used net cash of \$58,815 in operating activities and \$28,202 in operating activities. During the year ended December 31, 2016, the Company recognized a net loss of (\$28,202) and used net cash of \$28,202 in operating activities.

These financial statements have been prepared assuming that the Company will continue as a concern. This assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Currently, the Company has revenue-generating subsidiaries whose cash flows are insufficient to accommodating the Company's operating requirements. Management plans to sustain the Company as a going concern by taking the following actions: (1) acquiring and/or developing profitable businesses that will create positive income from operations; and/or (2) completing private placements of the Company's common stock and/or preferred stock. In the event that these efforts are unsuccessful, or Management's preference changes, the Company may seek debt or other liquidity options. Management believes that by taking these actions, the Company will be provided with sufficient future operations and cash flow to continue as a going concern. However, there can be no assurances or guarantees whatsoever that the Company will be successful in consummating such actions on acceptable terms, if at all. Moreover, any such actions can be expected to result in substantial dilution to the existing shareholders of the Company.

## **NOTE 3: INCOME TAXES**

For the years ending December 31, 2017 and 2016, the Company incurred a net operating loss of (\$124,285) and (\$28,202), respectively. Accordingly, no provisions for income taxes have been recorded. In addition, no benefits for income taxes have been recorded due to the uncertainty of the realization of any tax assets.

Based on the available objective evidence, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2017.

The years subject to potential audit vary depending on the tax jurisdiction. Generally, the Company's statutes of limitation for tax liabilities are open for tax years ended December 31, 2014 and forward. The Company's major taxing jurisdiction is the United States as well as various state and local jurisdictions. The Internal Revenue Service is not currently examining any of the Company's U.S. income tax returns for which the statute has yet to expire.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA"). The TCJA makes broad and complex changes to the U.S. tax code. On the same date, the SEC staff issued Staff Accounting Bulletin ("SAB") 118 which provides guidance on accounting for the tax effects of the TCJA. SAB 118 provides a measurement period that should not extend beyond one year from the TCJA enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. The change to a flat rate of 21% increased the Company's tax rate by 6% and effectively increased the Company's deferred tax asset in 2017. This increase was included in the valuation allowance that reduced that reduced the net deferred tax asset to \$0.

#### **NOTE 4: NOTES PAYABLE**

The following table summarizes Notes Payable for quarters ending June 30, 2018 and June 30, 2017

	<u>9 -18</u>	<u>9 - 17</u>
Note – TN3 LLC. The note between the company and TN3 LLC (owned by the Chairman and CEO) was initially signed on August 2016 part of the funding for working capital on behalf of the company with an interest rate of 7% (annually). The terms of repayment are that the company will repay the note in full plus interest upon execution of its business plan. The maturity date is June 30, 2017	\$ 0	\$ 37,366
Note- Upton Placement, Inc. The note with Upton and was signed on January 2017 part of the funding for working capital on behalf of the company with an interest rate of 7% (annually). The terms of repayment are that the company will repay the note in full plus interest upon execution of its business plan. The maturity date is July 27, 2017.		
\$	<u>0</u>	<u>-</u>
Long Term Debt	\$ 0	\$ 37,366
Less Current Portion	<u>0</u>	<u>37,366</u>
Long-Term Debt	<u>\$ 0</u>	<u>\$ 35,220</u>

## **NOTE 5: STOCK SUBSCRIPTIONS**

The following table summarizes Stock Subscriptions for quarters ending September 30, 2018 and September 30, 2017

	<u>2018</u>	<u>2017</u>
<b>Stock Subscriptions:</b>		
The company received stock Subscriptions for restricted common stock of the company in September 2018. The number of shares represented by Subscription agreements were 2,226,667 shares.	\$ 334,000	\$ -
Total Stock Subscriptions	<u>\$ 334,000</u>	<u>\$ -</u>

## **NOTE 6: RELATED PARTY TRANSACTIONS**

The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities that become available. They may face a conflict in selecting between the Company and other business interests. The Company has not formulated a policy for the resolution of such conflicts. On December 31, 2017 the Company increased a promissory note to TN3 LLC to \$34,013.23 with interest accrued on the unpaid balance at the rate of seven percent (7%) per annum. TN3 LLC is a company owned and controlled by the Company's Chairman and CEO Daniel Martin. TN3 LLC is also a significant Company shareholder.

## **NOTE 7: COMMON STOCK**

In January 2014 the Company issued 20,000,000 shares of its common stock to repay \$200,000 of long term debt. In July of 2014 the Company effected a 1 for 100 reverse split of the common stock issued and outstanding. After the 1 for 100 reverse split there were 1,084,033 shares outstanding. On September 2, 2014 there were 50,000,000 shares issued to complete the current capital restructuring. During the fourth quarter on December 17, 2014 there were 9,000,091 shares issued at \$0.001 to repay debt. During the first quarter of 2015 a total of 2,254,000 shares were issued at \$0.001 to further reduce debt. On December 27, 2017 TN3 LLC provided notice of conversion whereby 500,000 Preferred Shares were converted by TN3 LLC to 50 Million Common Shares. The conversion was not executed by the transfer agent until first quarter, 2018. At December 31, 2017 there are 62,338,524 common shares of the Company issued and outstanding.

In Q4 2017, the Company entered into sales agreements for a total of 16,193,183 restricted common shares at an average price of \$.01 and executed an acquisition for 750,000 common shares; none of which were issued prior to 12/31/2017 and all of which are anticipated to be issued as the complete requirements of those transactions either are in process of, or have already been satisfied between 12/31/2017 and the filing of this report.

The Company records common stock issuances when all of the legal requirements for the issuance of such common stock have been satisfied.

## **NOTE 8: EARNINGS (LOSS) PER SHARE**

Basic loss per share is computed by dividing net loss attributable to common stockholders by the weighted average common shares outstanding for the period. Diluted loss per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the exercise of stock options and warrants and the conversion of notes payable to common stock, if applicable. In periods in which a net loss has been incurred, all potentially dilutive common shares are

considered anti-dilutive and thus are excluded from the calculation. At June 30, 2018 and June 30, 2016 the Company did not have any potentially dilutive common shares.

#### **NOTE 9: SUBSEQUENT EVENTS**

For the year ending December 31, 2017 Management evaluated subsequent events through September 30, 2018, which is the date in which the financial statements were available to be issued. The following events were identified that required disclosure:

- A) The Company acquired 100% of Authority National Supply, an Ohio based company on November 5, 2018. Terms included the issuance of 5.0 million shares of IVST Restricted Common Stock. The shares issued feature a guarantee from the company, to be worth an aggregate value of \$5,000,000 by the second anniversary of the closing, such guarantee remains in effect unless there is a “Guarantee Disqualifying Event”. Should the guarantee remain in force and not be met, the Company has various remedies which may include the issuance of additional shares of stock