



ANNUAL REPORT

LEAF OF FAITH BEVERAGES, INC.

Trading Symbol (LOFB)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

June 12, 2019

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

LEAF OF FAITH BEVERAGES, INC

An Oklahoma Corporation

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Suite 104
San Diego, CA 92121
Office: (858) 345-6846
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Annual Report For Year Ended: December 31, 2018 (the "Reporting Period")

As of January 1, 2018, the number of shares outstanding of our Common Stock was:

411,902,087

As of December 31, 2018, the number of shares outstanding of our Common Stock was:

305,113

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐

No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐

No: ☒

1) Name of the issuer and its predecessors,

Parent and Successor Issuer: On June 8, 2018, Leaf of Faith Beverage, Inc., became the parent and successor issuer of Vision Plasma Systems, Inc., Trading Symbol (VLNX), pursuant to Agreement of Merger with Vision Plasma Systems, Inc., an Oklahoma corporation, (Vision Plasma Systems, Inc., a Nevada corporation redomiciled to Oklahoma, June 8, 2018).

Incorporation: Leaf of Faith Beverage, Inc. ("Leaf of Faith or Leaf of Faith (OK)) was incorporated in Oklahoma on June 8, 2018.

From date of incorporation, June 8, 2018, Leaf of Faith Beverage, Inc. (OK) has had ongoing operations and is therefore an "Issuer" that is not, and has never been a "Shell Company" or ever was a "Former Shell Company" as defined in Rule 144(i) of the Act.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☒ No: ☐ Receivership

2) Security Information

Trading symbol:	LOFB
Exact title and class of securities outstanding:	Common Shares
CUSIP:	52177L 10 1
Par or stated value:	\$0.0001 USD
Total shares authorized:	500,000,000 as of date: December 31, 2018
Total shares outstanding:	305,113 as of date: December 31, 2018
	*307,505,112 as of date: March 31, 2019
Number of shares in the Public Float	90,838 as of date: December 31, 2018
Total number of shareholders of record:	298 as of date: December 31, 2018

Additional class of securities

Trading symbol:	LOFB
Exact title and class of securities outstanding:	Preferred Stock
Par or stated value:	\$0.0001 USD
Total shares authorized:	50,000,000 as of date: December 31, 2018
Series A Preferred Stock Authorized:	20,000,000 as of date: December 31, 2018
Series A Preferred Stock issued and outstanding:	20,000,000 as of date: December 31, 2018
Series B Preferred Stock Authorized:	30,000,000 as of date: December 31, 2018
Series B Preferred Stock issued and outstanding:	29,999,999 as of date: December 31, 2018
	*0 as of date: March 31, 2019

Transfer Agent

Signature Stock Transfer, Inc.
Office in the Park
14673 Midway Road
Suite #220
Addison, Texas 75001
Tel: 972 612-4120
Email: info@signaturestocktransfer.com
Website: <http://signaturestocktransfer.com>

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors: None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

Certificate of Designation: On June 8, 2018, Leaf of Faith filed a Certificate of Designation of Preferences, Rights and Limitations of Series "A" Preferred Stock designating Twenty Million (20,000,000) shares of Preferred Stock as Series "A" Convertible Preferred Stock. The Certificate of Designation of Series "A" Convertible Preferred Stock granted special voting rights to any holder.

Certificate of Designation: On June 8, 2018, Leaf of Faith filed a Certificate of Designation of Preferences, Rights and Limitations of Series "B" Preferred Stock designating Thirty Million (30,000,000) shares of Preferred Stock as Series "B" Convertible Preferred Stock. The Certificate of Designation of Series "B" Convertible Preferred Stock granted special voting and conversion rights to any holder.

Holding Company Reorganization: On June 8, 2018, Leaf of Faith Beverage, Inc. became the parent/successor issuer pursuant to Section 1081(g) of the Oklahoma Act titled "Agreement of Merger" ("Reorganization") which was executed by Vision Plasma Systems, Inc. (OK), Leaf of Faith Beverage, Inc., and Vision Plasma MergerSub, Inc. (OK). Under the Agreement, Vision Plasma Systems, Inc. (OK) merged into Vision Plasma MergerSub, Inc. (OK) and Vision Plasma Systems, Inc. ceased to exist, wherein Leaf of Faith Beverage, Inc. became the survivor and successor under Section 1088 of the Oklahoma Act, having acquired all of Vision Plasma Systems, Inc. assets, rights financial statements, obligations, and liabilities as the constituent or resulting corporation. Leaf of Faith Beverage, Inc. became the parent and the holding company of Vision Plasma MergerSub, Inc. under the Reorganization which was in compliance with Section 1081(g) of the Oklahoma Act. At the time of the Reorganization, Leaf of Faith Beverage, Inc. as successor issuer had less than three hundred (300) shareholders.

Upon consummation of the Reorganization, each issued and outstanding equity of the former Vision Plasma Systems, Inc. was transmuted into and represented the identical equity structure of Leaf of Faith Beverage, Inc. (on a share-for-share basis) having the same designations, rights, powers and preferences, and qualifications, limitations and restrictions. Upon consummation, Holdings, was the issuer since the former Transnational Corporation equity structure was transmuted pursuant to Section 1081(g) into current issued and outstanding equities of Holdings. The Reorganization was exempt from the registration requirements of the Securities Act of 1933 ("Act") as there was no "offer" or "sale" as defined in Section 2(3) of the Act to invoke the requirements of Rule 145 also under the Act. Under the terms of the Agreement the shareholders and equity holders of the former Transition had no appraisal rights or rights to a shareholder vote and consequently no investment decision was made by the shareholders. Further, the transaction complied with the provisions of Rule 144(D)(3)(x) titled "Holding Company Formation".

Change of Control/ Share Exchange: On June 8, 2018, Leaf of Faith Beverage, Inc. the "Holding Company" completed a Share Exchange Agreement with Leaf of Faith Beverage Operations, Inc., an Oklahoma corporation, a company with ongoing operations. The Share Exchange followed Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended and resulted in a change in control of Leaf of Faith Beverage Operations, Inc. Leaf of Faith Beverage, Inc. (OK) is an operating business with ongoing operations since its date of incorporation on June 8, 2018. From the date of incorporation, Leaf of Faith Beverage, Inc. (OK) has had ongoing operations and is therefore an "Issuer" that is not, and has never been a "Shell Company" or ever was a "Former Shell Company" as defined in Rule 144(i) of the Act.

Corporate Separation: On June 8, 2018, the Board of Directors determined in the best interest of Leaf of Faith Beverage, Inc. (OK) to no longer own its subsidiary Vision Plasma MergerSub, Inc. (OK). The Board executed resolutions to this effect. As of June 8, 2018, Vision Plasma MergerSub, Inc. (OK), is no longer wholly owned subsidiary of Leaf of Faith Beverage, Inc. (OK).

On June 8, 2018, The Board of Directors accepted the resignation of James B. Frack as President, Chief Executive Officer, Chief Financial Officer Secretary and Sole Director and appointed Michael Boris as Director, Chairman, President, and CEO, Natalie Irene Hodges, As Director, Secretary and Treasurer and Lawrence Twombly as Director and CFO.

- A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.); None
- B. Any jurisdictions where the offering was registered or qualified; None
- C. The number of shares offered; None
- D. The number of shares sold; None
- E. The price at which the shares were offered, and the amount paid to the issuer; None

F. The trading status of the share; and
Restricted common shares

Reverse Stock Split: On July 16, 2018, Leaf of Faith implemented a reverse stock split by filing a Certificate of Amendment with the Oklahoma Secretary of State. Pursuant to the terms of the Reverse Stock Split, Leaf of Faith issued and outstanding capital shares of common and preferred stock shall be reverse split on a One Thousand Three Hundred Fifty (1,350) to One (1) [1,350 to 1] basis. As a result, stockholders will own One (1) share of capital stock for every One Thousand Three Hundred Fifty (1,350) currently owned. No fractional shares will be issued. Instead, all fractional shares will be rounded to the next whole number.

On April 4, 2018, The Board of Directors accepted the resignation of Lawrence Twombly as Director and CFO and Michael Boris was appointed CEO, Chairman and Director, Christopher Davis Cope, President, CFO and Director, Jason Christopher Jones, COO and Director, Natalie Irene Hodges, Secretary and Treasurer, Randy Villarba, CMO and Director and Martin Archer, as Director.

3) Issuance History

Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

*On June 8, 2018, Leaf of Faith Beverage, Inc. (OK) issued Nineteen Million One Hundred Thousand Nine Hundred Ninety-Nine (19,101,999), Series "B" Convertible Preferred Shares:

*16,468,308	Series "B" Convertible Preferred Shares to V Group, Inc.
*1,205,000	Series "B" Convertible Preferred Shares to Michael Boris
*100,000	Series "B" Convertible Preferred Shares to Antonio J Renteria
*1,327,691	Series "B" Convertible Preferred Shares to Lawrence L. Twombly

*Per the terms of Share Exchange Agreement, dated as of June 8, 2018 by and among Leaf of Faith Beverage, Inc. (OK) and Leaf of Faith Beverage Operations, Inc. (OK), the identified Equity Holders owning 100% of the (19,101,999) issued and outstanding shares of Leaf of Faith Beverage Operations, Inc. (OK).

On June 8, 2018, the company approved the cancelation of James B. Frack, (20,000,000) Vision Plasma Systems, Inc. (OK), Series "A" Convertible Preferred Shares and Immediate Reissuance of Twenty Million (20,000,000), Leaf of Faith Beverage, Inc. (OK), Series "A" Convertible Preferred Shares, to James B. Frack, in exchange for services, the initiation and completion of Holding Company Reorganization.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of January 1, 2018	Opening Balance: Common: 411,902,087 Preferred A: 0 Preferred B: 0		*Right-click the rows below and select “Insert” to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation , shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
*June 08, 2018	new issuance	7,618,309	Preferred B shares	\$0.0001	no	V Group, Inc.	Share Exchange	Restricted	368(a)(1)(B)

*June 08, 2018	new issuance	3,416,666	Preferred B shares	\$0.0001	no	V Group, Inc.	Share Exchange	Restricted	368(a)(l)(B)
*June 08, 2018	new issuance	18,865,025	Preferred B shares	\$0.0001	no	Michael Boris Voting Control 63.69%	Share Exchange	Restricted	368(a)(l)(B)
*June 08, 2018	new issuance	100,000	Preferred B shares	\$0.0001	no	Anthony J Renteria	Share Exchange	Restricted	368(a)(l)(B)
*June 08, 2018	new issuance	20,000,000	Preferred A shares	\$0.0001	no	James B. Frack		Restricted	368(a)(l)(B)
Shares Outstanding on December 31, 2018	Ending Balance: Common: 305,113 Preferred A: 20,000,000 Preferred B: 29,999,999								

*On March 9, 2019, the company approved Amendment to share exchange agreement to reissue new Series B Shares the amended number of shares Michael Boris, Eighteen Million Eight Hundred Sixty-Five Thousand Twenty-Five (18,865,025), V Group, Inc., Seven Million Six Hundred Eighteen Thousand Three Hundred Nine (7,618,309), V Group, Inc., Three Million Four Hundred Sixteen Thousand Six Hundred Sixty-Six (3,416,666) shares.

*On March 11, 2019, the company approved the issuance of Seven Million Two Hundred Thousand (7,200,000), Leaf of Faith Beverage, Inc. (OK), Restrictive Common Shares, to Michael Boris, for the cancelation of (35,787,872) Shares, of Leaf of Faith Beverage Operations, Inc. (OK) on June 8, 2018 and completion of share exchange.

*On March 11, 2019, the Company has received written notification of Preferred Series "B" Shares conversion the company approved conversion as set forth in Certificate of Designations Michael Boris, One Hundred Eighty-Eight Million Six Hundred Fifty Thousand Two Hundred Fifty (188,650,250), V Group, Inc., Seventy-Six Million One Hundred Eighty-Three Thousand Eighty-Three (76,183,083), V Group, Inc., Thirty-Four Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Six (34,166,666) and Antonio J Renteria, One Million (1,000,000) Restrictive Common Shares.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
June 23, 2016	\$45,033.10	\$27,357.10	\$17,676.37	July 7, 2017	Default Voluntary Conversion \$0.0001 per share of common stock	La Jolla I PO, Inc.	Loan

4) Financial Statements

For the Year Ended December 31, 2018 and statements for Year Ended December 31, 2017 and subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;

Leaf of Faith
Balance Sheet
As of December 31, 2018

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
Cash	129,519.00
Total Checking/Savings	129,519.00
Other Current Assets	
Accounts Receivable	32,300.00
Inventory Finished Goods	24,784.00
Inventory Raw Bottles	11,066.00
Inventory Raw Caps	2,915.00
Inventory Raw Ingredients	15,453.00
Inventory Raw Labels	4,063.00
Inventory Raw Trays	5,852.00
Total Other Current Assets	96,433.00
Total Current Assets	225,952.00
Fixed Assets	
Trademark	968.00
UPC Barcode	945.00
Total Fixed Assets	1,913.00
TOTAL ASSETS	227,865.00
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Convltble Prom Note V Group	27,357.00
Total Long Term Liabilities	27,357.00
Total Liabilities	27,357.00
Equity	
Retained Earnings	25,380.00
Net Income	175,128.00
Total Equity	200,508.00
TOTAL LIABILITIES & EQUITY	227,865.00

Leaf of Faith
Statement of Operations
January through December 2018

	Jan - Dec 18
Ordinary Income/Expense	
Income	
Sales Income Patience	654,910.00
Total Income	654,910.00
Cost of Goods Sold	
Cost of Patience	410,322.00
Freight Costs	59,990.00
Total COGS	470,312.00
Gross Profit	184,598.00
Expense	
Corporate Fees/ Taxes	3,600.00
Insurance	1,370.00
Professional Fees	
Legal Fees	4,500.00
Total Professional Fees	4,500.00
Total Expense	9,470.00
Net Ordinary Income	175,128.00
Net Income	175,128.00

Leaf of Faith
Statement of Cash Flows
January through December 2018

	Jan - Dec 18
OPERATING ACTIVITIES	
Net Income	175,128.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-28,540.00
Inventory Finished Goods	-19,407.00
Inventory Raw Bottles	3,820.00
Inventory Raw Caps	1,256.00
Inventory Raw Ingredients	-9,296.00
Inventory Raw Labels	2,840.00
Inventory Raw Trays	-1,921.00
Prepaid Copacking	4,605.00
Net cash provided by Operating Activities	128,485.00
Net cash increase for period	128,485.00
Cash at beginning of period	1,034.00
Cash at end of period	129,519.00

Leaf of Faith
Balance Sheet
As of September 30, 2018

	Sep 30, 18
ASSETS	
Current Assets	
Checking/Savings	
Cash	81,449.00
Total Checking/Savings	81,449.00
Other Current Assets	
Accounts Receivable	32,300.00
Inventory Finished Goods	70,641.00
Inventory Raw Bottles	11,066.00
Inventory Raw Caps	2,915.00
Inventory Raw Ingredients	15,453.00
Inventory Raw Labels	4,063.00
Inventory Raw Trays	5,852.00
Total Other Current Assets	142,290.00
Total Current Assets	223,739.00
Fixed Assets	
Trademark	968.00
UPC Barcode	945.00
Total Fixed Assets	1,913.00
TOTAL ASSETS	225,652.00
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Convrtble Prom Note V Group	27,357.00
Total Long Term Liabilities	27,357.00
Total Liabilities	27,357.00
Equity	
Retained Earnings	25,380.00
Net Income	172,915.00
Total Equity	198,295.00
TOTAL LIABILITIES & EQUITY	225,652.00

Leaf of Faith
Statement of Operatons
 January through June 2018

	Jan - Jun 18
Ordinary Income/Expense	
Income	
Sales Income Patience	361,240.00
Total Income	361,240.00
Cost of Goods Sold	
Cost of Patience	268,705.00
Freight Costs	28,440.00
Total COGS	297,145.00
Gross Profit	64,095.00
Expense	
Corporate Fees/ Taxes	1,800.00
Insurance	580.00
Professional Fees	
Legal Fees	1,500.00
Total Professional Fees	1,500.00
Total Expense	3,880.00
Net Ordinary Income	60,215.00
Net Income	60,215.00

Leaf of Faith
Statement of Cash Flows
 January through September 2018

	Jan - Sep 18
OPERATING ACTIVITIES	
Net Income	172,915.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-28,540.00
Inventory Finished Goods	-65,264.00
Inventory Raw Bottles	3,820.00
Inventory Raw Caps	1,256.00
Inventory Raw Ingredients	-9,296.00
Inventory Raw Labels	2,840.00
Inventory Raw Trays	-1,921.00
Prepaid Copacking	4,605.00
Net cash provided by Operating Activities	80,415.00
Net cash increase for period	80,415.00
Cash at beginning of period	1,034.00
Cash at end of period	81,449.00

Leaf of Faith
Balance Sheet
As of June 30, 2018

	Jun 30, 18
ASSETS	
Current Assets	
Checking/Savings	
Cash	11,830.00
Total Checking/Savings	11,830.00
Other Current Assets	
Accounts Receivable	27,100.00
Inventory Finished Goods	19,676.00
Inventory Raw Bottles	5,486.00
Inventory Raw Caps	4,731.00
Inventory Raw Ingredients	12,437.00
Inventory Raw Labels	7,323.00
Inventory Raw Trays	7,571.00
Prepaid Copacking	14,885.00
Total Other Current Assets	99,209.00
Total Current Assets	111,039.00
Fixed Assets	
Trademark	968.00
UPC Barcode	945.00
Total Fixed Assets	1,913.00
TOTAL ASSETS	112,952.00
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Convrtble Prom Note V Group	27,357.00
Total Long Term Liabilities	27,357.00
Total Liabilities	27,357.00
Equity	
Retained Earnings	25,380.00
Net Income	60,215.00
Total Equity	85,595.00
TOTAL LIABILITIES & EQUITY	112,952.00

Leaf of Faith
Statement of Operations
January through June 2018

	Jan - Jun 18
Ordinary Income/Expense	
Income	
Sales Income Patience	361,240.00
Total Income	361,240.00
Cost of Goods Sold	
Cost of Patience	268,705.00
Freight Costs	28,440.00
Total COGS	297,145.00
Gross Profit	64,095.00
Expense	
Corporate Fees/ Taxes	1,800.00
Insurance	580.00
Professional Fees	
Legal Fees	1,500.00
Total Professional Fees	1,500.00
Total Expense	3,880.00
Net Ordinary Income	60,215.00
Net Income	60,215.00

Leaf of Faith
Statement of Cash Flows
January through June 2018

	<u>Jan - Jun 18</u>
OPERATING ACTIVITIES	
Net Income	60,215.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-23,340.00
Inventory Finished Goods	-14,299.00
Inventory Raw Bottles	9,400.00
Inventory Raw Caps	-560.00
Inventory Raw Ingredients	-6,280.00
Inventory Raw Labels	-420.00
Inventory Raw Trays	-3,640.00
Prepaid Copacking	-10,280.00
Net cash provided by Operating Activities	<u>10,796.00</u>
Net cash increase for period	10,796.00
Cash at beginning of period	<u>1,034.00</u>
Cash at end of period	<u><u>11,830.00</u></u>

Leaf of Faith
Balance Sheet
As of March 31, 2018

	<u>Mar 31, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash	10,331.00
Total Checking/Savings	10,331.00
Other Current Assets	
Accounts Receivable	8,010.00
Inventory Finished Goods	4,221.00
Inventory Raw Bottles	12,436.00
Inventory Raw Caps	1,671.00
Inventory Raw Ingredients	1,937.00
Inventory Raw Labels	5,884.00
Inventory Raw Trays	1,021.00
Prepaid Copacking	4,605.00
Total Other Current Assets	39,785.00
Total Current Assets	50,116.00
Fixed Assets	
Trademark	968.00
UPC Barcode	945.00
Total Fixed Assets	1,913.00
TOTAL ASSETS	52,029.00
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Convltble Prom Note V Group	27,357.00
Total Long Term Liabilities	27,357.00
Total Liabilities	27,357.00
Equity	
Retained Earnings	25,380.00
Net Income	-708.00
Total Equity	24,672.00
TOTAL LIABILITIES & EQUITY	52,029.00

Leaf of Faith
Statement of Operations
January through March 2018

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
Sales Income Patience	32,400.00
Total Income	32,400.00
Cost of Goods Sold	
Cost of Patience	23,976.00
Freight Costs	6,532.00
Total COGS	30,508.00
Gross Profit	1,892.00
Expense	
Corporate Fees/ Taxes	900.00
Insurance	200.00
Professional Fees	
Legal Fees	1,500.00
Total Professional Fees	1,500.00
Total Expense	2,600.00
Net Ordinary Income	-708.00
Net Income	-708.00

**Leaf of Faith
Balance Sheet
December 31, 2017**

	<u>Dec 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash	1,033.50
Total Checking/Savings	<u>1,033.50</u>
Other Current Assets	
Accounts Receivable	3,760.00
Inventory Finished Goods	5,377.00
Inventory Raw Bottles	14,886.10
Inventory Raw Caps	4,171.50
Inventory Raw Case Trays	3,931.00
Inventory Raw Ingredient	6,157.00
Inventory Raw Labels	6,903.00
Prepaid CoPacking	4,605.00
Total Other Current Assets	<u>49,790.60</u>
Total Current Assets	<u>50,824.10</u>
Fixed Assets	
Trademark	968.00
UPC Barcode	945.00
Total Fixed Assets	<u>1,913.00</u>
TOTAL ASSETS	<u><u>52,737.10</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Cnvtb Prom Note Vgroup	27,357.10
Total Long Term Liabilities	<u>27,357.10</u>
Total Liabilities	<u>27,357.10</u>
Equity	
Retained Earnings	0.00
Net Income	25,380.00
Total Equity	<u>25,380.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>52,737.10</u></u>

Leaf of Faith
Statement of Cash Flows Unaudited
January through March 2018

	<u>Jan - Mar 18</u>
OPERATING ACTIVITIES	
Net Income	-708.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-4,250.00
Inventory Finished Goods	1,156.00
Inventory Raw Bottles	2,450.00
Inventory Raw Caps	2,500.00
Inventory Raw Ingredients	4,220.00
Inventory Raw Labels	1,019.00
Inventory Raw Trays	2,910.00
	<hr/>
Net cash provided by Operating Activities	9,297.00
	<hr/>
Net cash increase for period	9,297.00
	<hr/>
Cash at beginning of period	1,034.00
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Cash at end of period	<u><u>10,331.00</u></u>

Leaf of Faith
Statement of Operations
For Period Ended December 2017

	<u>Jan -Dec 2017</u>
Ordinary Income/Expense	
Income	
Sales Income Patience	238,988.00
Total Income	238,988.00
Cost of Goods Sold	
Cost of Patience	176,797.00
Freight Cost	32,931.00
Total COGS	209,728.00
Gross Profit	29,260.00
Expense	
Corporate Fees/Taxes	1,800.00
Insurance	580.00
Professional Fees	
Legal Fees	1,500.00
Total Professional Fees	1,500.00
Total Expense	3,880.00
Net Ordinary Income	25,380.00
Other Income/Expense	
Net Income	<u><u>25,380.00</u></u>

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Description of the issuer's business operations;

Leaf of Faith Beverage, Inc. is a for-profit stock corporation registered in the State of Oklahoma with its headquarters located in San Diego California. Leaf of Faith Beverage, Inc. was started as an answer to the growing need for innovative and healthy CBD infused products. Leaf of Faith, Inc. is committed to providing the highest quality products with a focus on efficacy, flavor, health and bioavailability aimed at a new health conscious consumer base. Leaf of Faith Beverage, Inc. is poised to target the readily available consumer base utilizing The Company's unique ability to market and promote products directly at events, retail locations, and through multiple media channels including radio, TV and social media. Leaf of Faith, Inc. is poised to create the next evolution of health conscious medical and recreational products.

Leaf of Faith Beverage's mission is:

- To develop, create and market the best CBD infused products with the consumers' needs and desires in mind;
- To maximize revenues and profitability for its investors, shareholders and partners;

Leaf of Faith Beverage Inc., is located in Anza, California and is incorporated in Oklahoma for the purpose of developing and marketing CBD Distillate products.

Leaf of Faith Beverage, Inc. has identified a rapidly growing and expanding segment that is transforming the multi-billion-dollar beverage industry. Most large beverage companies are continuing to largely ignore the CBD Market. They lack the expertise and the knowledge of the end consumer to execute the brands correctly. For instance: Beverage companies develop products that they know and have developed before. They would rather develop and market a "Sports" drink or an "Energy" drink rather than fill the needs of a vastly growing emerging "New Age" and enlightened market. Leaf of Faith Beverage, Inc. is concentrating on capturing that transition market with healthy and fun products that appeal to the captured market as well as the "Soccer Mom".

Leaf of Faith's initial product offering (**Patience CBD**), is packaged in a very attractive 16 oz. slim bottle that has a comfortable feel when held. The label depicts successful comic book and film series Patience that is currently marketed by Mike Boris and Benjie Cooper. Leaf of Faith Beverage, Inc. has been very careful to make sure the characters on the labels are highly promoted. They are just vivid enough for consumers to say "Cool" and for moms and dads to say "Healthy". The product inside is very colorful and is designed to catch the attention of consumers immediately. **Patience CBD** is initially offered in 4 exciting and fun flavors with others being developed and released as the market demands. The initial flavors are Green Apple, Blue Raspberry, Grape, Fruit Punch. **Patience CBD** will be the leader in flavored CBD beverages offering a product that tastes fantastic and is functional as well. Each offering contains a Vitamin Blend as well as an effective amount of CBD for optimum health benefits.

Leaf of Faith Beverage, Inc. is also in the process of developing other products aimed at the enlightened demographic and health conscience market to add to the product lines and to take advantage of new and existing distribution channels.

Our products are intended to have exceptional quality, fit, function and style for the discriminatory customer and will be manufactured in the United States.

Leaf of Faith Beverage, Inc. has developed its "flagship" brand **Patience CBD** to take advantage of the quickly emerging CBD and health conscious consumer beverage market. **Patience CBD** 's initial launch will be in four (4) extremely refreshing and colorful flavors:



- (Sour Green Apple) - a blissful mix of sour apple flavors with a matching green hue. The product is bottled with Vitamins and 20 mg of CBD Distillate.
- (Blue Raspberry) – a smooth blend of raspberry flavors with a bright blue color. The product is bottled with Vitamins and with 20 mg of CBD Distillate.
- (Grape) – a mix of grape and other sweet berry flavors with a brilliant purple color. The product is bottled with Vitamins and 20 mg of CBD Distillate.
- (Fruit Punch) – a mixed blend of fruit flavors from the tropics and a bright red appearance to attract attention. The product is bottled with Vitamins and 20 mg of CBD Distillate.

Distribution and Marketing Methods of Products

In the beverage industry a new brand must be marketed to three distinct groups, (1) the distributors and their sales force, (2) the store's manager or owner, (3) and last, but no less important, the consumers. Leaf of Faith Beverage, Inc. has composed an approach that is specific to each group.

The incubation period of a new brand the initial launch with a distribution base is crucial. Leaf of Faith Beverage, Inc. realizes that to ensure the successful launch of a brand it must get the distributors and their sales force to push the desired product over another. This is best accomplished through incentives for the sales force. For example, a salesperson might respond to a Ten Dollars (\$10.00) bonus for every new retail account they open. They would also receive \$1.00 per case for every case they sell in a sixty (60) day launch period. Other sales people may respond to a contest where the sales representative that opens the newest accounts over a sixty (60) day launch period would receive a vacation package for two (2). It is important to work with the distributor's general manager and/or owner to design an incentive program that best fits their needs and the needs of the brand. Some distributors are comfortable with financial incentives while others are not. Leaf of Faith Beverage, Inc. is poised and ready to support the distributors with various sales and promotional programs for the marketing of its "flagship" brand **Patience CBD**. Leaf of Faith Beverage, Inc. has created sales sheets to be used as tools for the distributors to educate and present vital information about the product to the retail store manager or owner. Universally, retail establishments try to maximize profit potential per cooler location. To help retailers in their endeavor, Leaf of Faith Beverage, Inc. will introduce the brand **Patience CBD** with a "buy four (4) cases get one (1) case free" program when they purchase all flavors. The free case would be offered on a co-op basis with Leaf of Faith Beverage, Inc., and the distributor. This will improve the store owner's profit margin by twenty percent (20%). There is limited retail shelf space available.

Leaf of Faith Beverage, Inc. will also take advantage of the opportunities presented at industry events, festivals and promotions. These events allow the Company to sell product to a captured market that consists of thousands of willing buyers.

To battle the dilemma of a lack of retail shelf space Leaf of Faith Beverage, Inc. is prepared to offer proprietary suction cup racks where needed.

As volume grows, Leaf of Faith Beverage, Inc. is prepared to offer proprietary coolers to select retail locations. Leaf of Faith Beverage, Inc. will again take advantage of its relationship with distributors to utilize shelf space in coolers that the distributors currently own and operate in various retail locations. Marketing within a dispensary and like locations is vastly different than marketing within a convenience store or "mom and pop" retail location. In many instances' strategic plans such as "in person" promotions, published advertising of the product that can be coordinated with the dispensary or retain general manager. This relatively simple strategy can be extremely effective and accomplished without the layout of massive capital.

Leaf of Faith Beverage, Inc. believes that the most successful strategy to market to the consumer starts with a grassroots campaign. Much like the phrase "all politics are local".

Leaf of Faith Beverage, Inc. feels "all marketing is local". It is the Company's goal to get products in the consumer's hands. Once they try the product, they will enjoy the taste and benefit from the health rewards. They will be encouraged to buy more and tell their friends.

Leaf of Faith Beverage is capable of producing the product for roughly \$1.00 per unit in the early stages of production. That price will decrease to roughly \$0.65 to \$0.80 per unit as production quantity grows. At this point, the full production cost of **Patience CBD** is \$0.75 per unit or \$9.00 per twenty-four (12) pack case.

Currently, Patience CBD is sold to the retailer for Two Dollars Fifty Cents (\$2.50) per unit or Thirty Dollars (\$30.00) per twelve (12) pack case. This allows the Company to retain a \$1.50 to \$1.75 per unit or \$18.00 to \$21.00 profit per case not including distributors profit margin where applicable and/or shipping.



Patience CBD is shipped to the distributor in a palletized format. Each pallet contains seventy-two (72) 12-pack cases with a revenue amount of \$1,080.00 to \$2,160.00. A full trailer contains twenty (20) pallets with a revenue figure of \$21,600.00 to \$43,200.00.



Patience CBD has a target retail price of Five Dollars (\$5.00) to Twelve Dollars (\$12.00) depending on the market. Leaf of Faith Beverage has found that the lower retail price will serve as an incentive to purchase the product.

Initial Forecast:

In the Company's first full year of operations, Leaf of Faith Beverages expects to generate Two Hundred Fifty Thousand Dollars (\$250,000.00) to Four Hundred Thousand Dollars (\$400,000.00) in revenue primarily through the sale of **Patience CBD** product.

The key to sustainable revenue and growth is directly tied to the number and quality of distributors and the number of events and festivals the Company can secure and partner with. Each distributor has a specific geographical area. Within that area they have a large amount of retail outlets they can potentially sell the product into. Each event has specific rules for retail and promotion of products.

Leaf of Faith Beverage's goal is four-fold:

- 1) Secure as many distributors as possible.
- 2) Have those distributors sell to their customers as many cases of **Patience CBD** as possible.
- 3) Attend and market at as many festivals and events as possible. This will allow the highest volume of consumers the opportunity to have the product in their hands.
- 4) Secure as many retail locations as possible.

After twelve (12) months of operations, the Company has a goal of a minimum of twenty (20) distributors located in specific geographical locations selling a minimum of 500 cases of **Patience CBD** per month. The minimum goal is ten thousand (10,000) cases of **Patience CBD** per month generating \$150,000.00 per month and be on a pace to generate revenue exceeding \$1,800,000.00 in that year. This does not include revenues generated from events and festivals.

Once the Company surpasses the One Million Dollars (\$1,000,000.00) in revenue goal, growth can be accomplished quickly. With a cash flow exceeding One Hundred Thousand Dollars (\$100,000.00) per month, the Company will have the capability of placing sales persons in specific regions of the Country to bring on new distributors and to help grow distribution within existing distributors.

The initial distribution is in Southern California. Distribution is growing quickly in the West from there. The second area of distribution is the North West. Distribution has started in late 2017 in Southern California and will be growing throughout 2018 and 2019.

Leaf of Faith Beverage, Inc. has targeted growth from Southern California, Arizona and Nevada up the West Coast into Oregon, Washington, Colorado, etc. The Company has also targeted growth through festivals and events in the North East, Mid-West and Caribbean throughout the coming years.

Leaf of Faith Beverage, Inc. intends to initiate its grassroots campaign by promoting samples at sporting events, CBD fairs, and stage events and utilizing sampling crews wherever possible. At the early stages of a product's introduction, it is imperative to get the product into the hands of as many potential consumers as possible.

Leaf of Faith, Inc. believes once a consumer has sampled a **Patience CBD beverage** once, that person will be a **Patience CBD** customer for years to come. The unique stand-alone packaging was designed to draw the consumer's attention to the product enticing them to hold it, buy it, taste it, and buy it again. Initially, Leaf of Faith Beverage, Inc. intends to keep all advertising local to the markets it is currently distributed in to ensure the advertising message reaches a consumer that can readily purchase the product.

Not until the product has a strong national distribution base will Leaf of Faith Beverage, Inc. allocate funds to a national promotion program.

B. Date and State (or Jurisdiction) of Incorporation:

Leaf of Faith Beverage, Inc. was incorporated on June 8, 2018 as an Oklahoma corporation under the Oklahoma General Corporation Laws ("Oklahoma Act"). From the date of incorporation, June 8, 2018, Leaf of Faith Beverage, Inc. (OK) has had ongoing operations and is therefore an "Non-Shell Company Issuer" as defined in Rule 144(i) of the Act.

C. The issuer's primary and secondary SIC Codes;

2080 - Beverage Products

D. The issuer's fiscal year end date;

31st DAY OF DECEMBER

E. principal products or services, and their markets;

Beverage Products

6) Issuer's Facilities

The Issuer's primary address is 7220 Trade St., Suite 104, San Diego, CA 92121. The Issuer rents this facility for the purpose of coordinating the day-to-day operations.

Production of products is conducted on a contract packing basis. Primary co-packing is currently conducted in Ramona California with plans to contract with facilities on the East Coast.

7) Current Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling, or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Michael Boris	CEO, Chairman and Director
Christopher Davis Cope	President, CFO and Director
Jason Christopher Jones	COO and Director
Randy Villarba	CMO and Director
Martin Archer	Director
Natalie Irene Hodges	Secretary and Treasurer

Michael Boris is the top booked cannabis themed performer in the US hosting dozens of events each year including business summits and conferences and is known by the stage name, 'Medicinal Mike'. Michael uses his stage presence as a key promotional tool to promote directly to brands, distributors and local consumers.

Michael's radio show, Nuglife Radio show, was the first nationally syndicated radio show in the US and his continued partnerships with media outlets such as Cannabis Club TV allow his message to reach millions of consumers every month all around the US.

Christopher Cope has a long history within the cannabis industry of developing successful businesses and working directly with cannabis brands, events and local consumers giving him a critical understanding of consumer needs.

Christopher is the CEO of Ibudtender LLC, a website designed to give patients greater insight into the products they are consuming as well as provide feedback. Christopher also runs the largest cannabis voting platform that is used by many of the top cannabis events to provide fair and auditable results for competitions.

Jason C. Jones is a Marketing Manager who works with Aegis Electronic Group, Inc. to draw attention to the wide range of imaging products available through the company. Jason holds a Master of Business Administration (MBA) as well as a Bachelors in the Science of Business with a focus on Sustainable Enterprise Management BSB/SEM.

After working for the past 3 years as a Marketing/SEO/SEM Manager, Jason knows the importance of accurately measuring the success of marketing campaigns through analytics and sales. He is also aware of what truly drives conversions from online and offline sources, and it is not the current marketing flavor of the week.

Jason delivers numerous blogs, social media posts, and videos regarding his current employer as well as for numerous entrepreneurs. His ability to grasp business persona and buyer personas is what makes him stand out among other marketers.

Randy Villarba is a Cannabis Marketing and Sales Consultant, stand-up comic and writer originally from San Diego, California and is currently based in Las Vegas, Nevada.

Villarba is currently the active Marketing and Sales Director for Remedy Cultivation and Concentrates and has been involved in the cannabis industry since the medical days of California.

Villarba's wordsmithing has been featured in High Times Magazine, Culture Magazine, Vegas Cannabis Magazine, Tahoe Cannabis Magazine, Elevate Magazine, Dope Magazine, Nug Magazine, Remedy Cultivation and Extracts, TerpX, Bleacher Report, The Filipino Press, The Mammoth Times, 90 Minutes Soccer Magazine, The Anfield Shop, Dining Out San Diego, Flow Snowboarding, Flow Sports, Inc., i9media, Nidecker Snowboards, Rusty Surfboards, SIC Maui and Silver Sage Wellness.

As a stand-up comic and has featured at The Comedy Store Hollywood and The Comedy Store La Jolla, Flappers Burbank, The Improv Hollywood, Inside Jokes LA at Mann's Chinese Theater, Jon Lovitz Comedy Club, Mad House Comedy Club, V Theater at Planet Hollywood, Rampart Casino, Bonkerz Comedy, along with various clubs, bars and mics in the Western United States. Villarba was on Deathsquad's Kill Tony Podcast and Comics Talk Comedy on WSradio.

Using the tabular format below, please provide information regarding any person or entity owning 5% of more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
V Group, Inc.	more than 5%	3425 Circilo Adorno Carlsbad, CA 92009	7,618,309	Series B Preferred	24.77%	Dividend Shares Shareholders

V Group, Inc.	more than 5%	3425 Circilo Adorno Carlsbad, CA 92009	3,416,666	Series B Preferred	11.11%	Dividend Shares Management
Michael Boris	Officer/Director	53250 HWY 371 Anza CA 92563	18,865,025	Series B Preferred	63.69%	
Anthony J Renteria	Shareholder	53250 HWY 371 Anza, CA 92563	100,000	Series B Preferred	0.33%	
James B. Frack	Shareholder	Two Prudential Plaza 180 N. Stetson Street Chicago, Illinois, 60601	20,000,000	Series A Preferred	100%	

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses); No
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities; No
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or No
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities. No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities. None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

John Heskett
Heskett & Heskett
John Heskett
2401 Nowata Place Ste. A.
Bartlesville, OK 74006

Accountant or Auditor

None

Investor Relations Consultant

None

Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

None

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Michael Boris certify that:

1. I have reviewed this Annual Report for Year Ended, December 31, 2018 and statements for Year Ended December 31, 2017 and subsequent interim periods of Leaf of Faith Beverage, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 12, 2019

Mike Boris

Michael Boris, CEO

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Christopher Davis Cope certify that:

1. I have reviewed this Annual Report for Year Ended, December 31, 2018 and statements for Year Ended December 31, 2017 and subsequent interim periods of Leaf of Faith Beverage, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 12, 2019

DocuSigned by:

Chris Cope

EA8B5A14F1B94D5...

Christopher Davis Cope, CFO

(Digital Signatures should appear as "/s/ [OFFICER NAME]")