PROFILE SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

	June 30, 2019	December 31, 2018
Current Assets:		
Cash	$ 126,083	$ 107,813
Accounts receivable, net	176,655	56,182
Loans receivable	150,000	150,000
Prepaid expenses	200,640	13,258
Inventory	352,485	167,837
Total current assets	1,005,863	495,090
Other Assets:		
Construction in progress	205,786	-
Right-of -use asset	86,260	-
Deposits	10,378	10,378
Total other assets	302,424	10,378
Total Assets	$ 1,308,287	$ 505,468

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2019	December 31, 2018
Current Liabilities:		
Accounts payable and accrued liabilities	$ 74,222	$ 58,258
Accrued liabilities - related parties	66,315	21,501
Right of use liability, current	16,250	-
Note payable - related party	24,423	5,168
Note payable	396,047	-
Total current liabilities	577,257	84,927
Note payable - related party	155,150	-
Right of use liability, net of current	75,050	-
Total liabilities	807,457	84,927
Stockholders' Equity:		
Preferred shares, par value $0.001 per share, 10,000,000 shares authorized; 0 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively		
Common stock, par value $0.001 per share, 1,000,000,000 shares authorized; 776,585,254 and 774,633,585 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	776,586	774,634
Additional paid-in capital	660,149	305,476
Accumulated deficit	(915,514)	(659,569)
Total stockholders' equity	521,221	420,541
Non-controlling interest	(20,391)	-
Total Equity	500,830	420,541
Total Liabilities and Stockholders' Equity	$ 1,308,287	$ 505,468

The accompanying notes to are an integral part of these condensed unaudited statements

PROFILE SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019 Consolidated	2018 Consolidated	2019 Consolidated	2018 Consolidated
Revenue	$ 537,637	$ 170,600	$ 991,369	$ 432,877
Cost of revenues	181,249	79,668	440,418	180,587
Gross Profit	356,388	90,932	550,951	252,290
Operating Expenses:				
Compensation - officers	58,055	25,346	70,791	25,346
General and administrative	253,606	126,848	450,620	383,803
Professional fees	128,716	111,780	315,222	118,209
Total operating expenses	440,377	263,974	836,633	527,358
Loss from operations	(83,989)	(173,042)	(285,682)	(275,068)
Other Expenses				
Interest expense	(2,466)	-	(2,529)	-
Total other expenses	(2,466)	-	(2,529)	-
Net loss before provision for income taxes	(86,455)	(173,042)	(288,211)	(275,068)
Provision for income taxes	-	-	-	-
Net loss	$ (86,455)	$ (173,042)	$ (288,211)	$ (275,068)
Net Loss Attributable to Non-controlling Interest Holders	(23,524)	$ -	$ (32,266)	$ -
Net Loss Attributable to Common Shareholders	**$ (62,931)**	**$ (173,042)**	**$ (255,945)**	**$ (275,068)**
Loss per common share:				
Loss per common share - Basic and Diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted Average Common Shares Outstanding:				
Basic and Diluted	775,549,575	772,656,870	775,111,099	770,599,776

The accompanying notes to are an integral part of these condensed unaudited statements

PROFILE SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLDIATED STATEMENT OF STOCKHOLDERS'DEFICIT
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(UNAUDITED)

	Common Stock		Preferred Stock		Additional Paid-in	Non Controlling	Accumulated	
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Interest**	**Deficit**	**Total**
Balance - December 31, 2018	774,633,585	774,634	-	-	305,476	-	(659,569)	420,541
Common stock issued for services ($0.020)	75,000	75	-	-	14,925	11,875	-	26,875
Net loss for the three months ended March 31, 2019	-	-	-	-	-	(8,742)	(193,014)	(201,756)
Balance - March 31, 2019	774,708,585	$ 774,709	-	$ -	320,401	$ 3,133	$ (852,583)	$ 245,660
Common stock issued for services ($0.020)	1,310,002	1,310	-	-	260,315	-	-	261,625
Common stock issued for cash	566,667	567	-	-	79,433	-	-	80,000
Net loss for the three months ended June 30, 2019	-	-	-	-	-	(23,524)	(62,931)	(86,455)
Balance - June 30, 2019	776,585,254	$ 776,586	- -	$ -	660,149	$ (20,391)	$ (915,514)	$ 500,830

The accompanying notes to are an integral part of these condensed unaudited statements

PROFILE SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2019 (unaudited)	Six Months Ended June 30, 2018 (unaudited)
Cash Flow From Operating Activities:		
Net loss, including non controlling interest	(288,211)	(275,067)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	288,501	25,000
Right of use liability	5,040	-
Changes in operating assets and liabilities:		
Increase in prepaid expenses	(187,382)	(56,242)
Increase in inventory	(184,648)	(84,395)
Increase in accounts receivable	(120,473)	(11,638)
Increase in accounts payable and accrued expenses	15,963	23,260
Increase in accrued expenses - related parties	46,113	-
Net Cash Used in Operating Activities	(425,097)	(379,082)
Investing Activities:		
Construction in progress	(205,786)	-
Issuance of loan receivable	-	(150,000)
Net Cash Used in Investing Activities	(205,786)	(150,000)
Financing Activities:		
Proceeds from notes payable from related party	182,516	-
Repayments from notes payable to related party	(9,410)	-
Proceeds from note payable	396,047	-
Net cash received from stock sold	80,000	527,000
Cash received from stock subscription receivable	-	148,650
Net Cash Provided by Financing Activities	649,153	675,650
Net Increase In Cash	18,270	146,568
Cash - Beginning of Period	107,813	47,857
Cash - End of Period	126,083	194,425
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ 450	$ -

The accompanying notes to are an integral part of these condensed unaudited statements

NOTE 1 - ORGANIZATION OF OPERATIONS

Profile Solutions, Inc. ("Profile and the Company") is a Delaware corporation originally incorporated as YaFarm Technologies, Inc. on July 31, 2006.

On December 14, 2017, the Company entered into a Share Exchange Agreement with Elite Products International, Inc., a Florida corporation ("Elite") incorporated on February 15, 2016 issuing an aggregate total of 600,000,000 shares in exchange for 100% ownership of Elite. As part of the transaction, the Company filed a certificate of amendment with the State of Delaware increasing the authorized shares of common stock to 1,000,000,000 (one billion) shares of common stock. The acquisition of Elite through the issuance of 600 million shares of common stock resulted in a reverse acquisition (with Elite as the accounting acquirer). At the time of the transaction, the Company had nominal assets and operations. As a result, we accounted for the transaction as a reverse recapitalization, equivalent to the issuance of stock by Elite for the net monetary assets of the Company accompanied by a recapitalization tantamount to a corporate reorganization.

The unaudited condensed consolidated financial statements reflect the reorganized capital structure retrospectively for all periods presented for the Company and Elite, the Company has presented earnings per share based on the Company shares issued to the former shareholders of Elite.

The Company through its subsidiary Elite is a leading distributor and manufacturer in the cannabinoid (CBD) industry. The Company's products contain cutting-edge CBD Hemp extracts in the form of edibles, creams, oils, and salves.

On May 9, 2018, Elite Isolate Corp ("Elite Isolate") a wholly owned subsidiary was formed under the laws of the State of Florida. The Company does not have any operations reflected as of June 30, 2019.

On January 14, 2019 Stempro International, Inc., ("Stempro") was formed under the laws of the State of Nevada. The Company will own 51% of this entity. See Note 10.

On February 11, 2019, the Company formed Cannberry Tek Inc., ("Cannberry Tek"), under the laws of the State of Florida as a hi-tech innovative biotechnology company to manage various research and development activities with the major focus on the medical cannabis industry. The Company owns 80% of this entity.

On June 10, 2019, the Company formed Green Horizons, . as a hi-tech innovative biotechnology company to manage various research and development activities with the major focus on the medical cannabis industry. The Company does not have any operations reflected as of June 30, 2019

The Company's fiscal year end is December 31. Essentially all the operations of the Company are conducted through the Company's subsidiaries in Sunrise, Florida and Israel.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and consolidation

The Company are the consolidated financial statements of Profile, Elite, Cannberry Tek and Stempro (the "Company). All Intercompany transactions have been eliminated in consolidation. The Company's accounting policies used in the presentation of the accompanying consolidated financial statements conform to accounting principles generally accepted in the United States of America ("US GAAP") as promulgated by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and have been consistently applied.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications have no effect on previously reported financial position on results of operations.

Use of estimates and assumptions

The preparation of consolidated financial statements in conformity with a US GAAP requires management to make estimates and assumptions that affect the 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.

The Company's significant estimates and assumptions include the fair value of financial instruments; income tax rate, income tax provision and valuation allowance of deferred tax assets; stock-based compensation, valuation of inventory and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Fair value of financial instruments

The carrying amount of the Company's financial assets and liabilities, such as cash, receivables, accounts payable, accrued expenses and third party notes approximate their fair value because of the short maturity of those instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not however practical to determine the fair value of advances from stockholders due to their related party nature.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents. The Company has $109,379 in a bank in Israel which were exposed to insurable limits. There were no cash equivalents at June 30, 2019 and December 31, 2018.

Related parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include (i) affiliates of the Company; (ii) Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; (iii) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (iv) principal owners of the Company; (v) management of the Company; (vi) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (vii) Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Revenue recognition

The Company January 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

The Company derives its revenues from sales contracts with its customer with revenues being generated upon delivery of products. Persuasive evidence of an arrangement is demonstrated via invoice; products are considered provided when the product is delivered to the customers; and the sales price to the customer is fixed upon acceptance of the purchase order and there is no separate sales rebate, discount, or volume incentive.

Accounts Receivable, net

The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. Accounts receivable at June 30, 2019 and December 31, 2018 are presented net of $2,920 and $2,920, for the accounts of doubtful accounts.

Inventories

Inventories are stated at the lower of cost or market using the first in, first out (FIFO) method. Provisions have been made to reduce excess or obsolete inventories to their net realizable value.

Costs of Revenue

Components of costs of revenue include product costs, shipping costs to customers and any inventory adjustments.

Shipping and Handling Costs

The Company includes shipping and handling fees billed to customers as revenues and shipping and handling costs for shipments to customers as cost of revenues.

Income taxes

The Company is governed by the income tax laws of the United States of America. The Company accounts for income tax using the liability method prescribed by ASC 740, "*Income Taxes*". Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the year in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely- than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

The Company applies the provisions of ASC 740-10-50, "Accounting for Uncertainty in Income Taxes", which provides clarification related to the process associated with accounting for uncertain tax positions recognized in our financial statements. Audit periods remain open for review until the statute of limitations has passed. The completion of review or the expiration of the statute of limitations for a given audit period could result in an adjustment to the Company's liability for income taxes. Any such adjustment could be material to the Company's results of operations for any given quarterly or annual period based, in part, upon the results of operations for the given period. As of December 31, 2018, and June 30, 2019, the Company had no uncertain tax positions, and will continue to evaluate for uncertain positions in the future.

The Company maintains deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The deferred tax assets at June 30, 2019 and December 31, 2018 consist of net operating loss carryforwards. The net deferred tax asset has been fully offset by a valuation allowance because of the uncertainty of the attainment of future taxable income

Net loss per common share

The Company follows ASC Topic 260 to account for earnings per share. Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

There were no potentially dilutive shares outstanding as of June 30, 2019 and June 30, 2018.

Foreign Currency

The assets and liabilities of Cannberry Tek, whose functional currency is Israeli new shekel, are translated into US dollars at period-end exchange rates prior to consolidation. Income and expense items are translated at the average rates of exchange prevailing during the period.

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases" Topic 842, which amends the guidance in former ASC Topic 840, Leases. The new standard increases transparency and comparability most significantly by requiring the recognition by lessees of right-of-use ("ROU") assets and lease liabilities on the balance sheet for all leases longer than 12 months. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. For lessees, leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The Company adopted the new lease guidance effective January 1, 2019 using the modified retrospective transition approach, applying the new standard to all of its leases existing at the date of initial application which is the effective date of adoption. Consequently, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019. We elected the package of practical expedients which permits us to not reassess (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) any initial direct costs for any existing leases as of the effective date. We did not elect the hindsight practical expedient which permits entities to use hindsight in determining the lease term and assessing impairment. The adoption of the lease standard did not change our previously reported consolidated statements of operations and did not result in a cumulative catch-up adjustment to opening equity. As a result, the Company has recorded Right-to-use assets and corresponding Lease obligations as more fully discussed in Note 10.

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2 018-07, Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, which expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of Topic 718 to nonemployee awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The Company adopted this ASU on January 1, 2018 with no impact to the consolidated Financial Statements.

All other newly issued accounting pronouncements but not yet effective have been deemed either immaterial or not applicable

NOTE 3 – LIQUIDITY AND GOING CONCERN

The accompanying condensed consolidated unaudited financial statements have been prepared assuming that the Company will continue as a going concern. As reflected in the accompanying condensed unaudited consolidated financial statements, the Company had, Loss from Operations of $288,211 and $275,068 and net negative cash used in operations of $425,097 and $379,082 and for the six months ended June 30, 2019 and 2018, respectively.

While the Company is attempting to generate sufficient revenues, the Company's cash position may not be sufficient enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate sufficient revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate sufficient revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate sufficient revenues.

The condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017, the Company entered into an employment agreement dated November 1, 2017 with Elite's CEO. As part of this agreement, Elite agreed to annual compensation of $ 90,000 with a 3-year term. On May 1, 2018, the Agreement has been modified to annual compensation of $48,000 plus 3.5% of sales over $50,000 per month not to exceed $ 3,500 per month.

On February 1, 2018 the Company entered into a one-year lease agreement with Profile's CEO commencing February 1, 2018 for aggregate rent of $51,996. A deposit of $1,250 was tendered to secure the lease. On January 1, 2019, the Company entered into an additional lease for extra office space with a related party for an additional aggregate rent of $105,840. The additional monthly rent is $2,940 per month.

On December 1, 2018 the Company entered into a consulting services agreement with a consultant to serve as a Corporate Director. The agreement will continue until November 30, 2020. In connection with this agreement, the Director will receive a monthly compensation of 21,667 common stock shares with a fair value of $4,333. The agreement calls for a percentage of future generations of sales. In In accordance with the agreement, the Company issued 130,002 and 32,917 shares of common stock for the six months ended June 30, 2019 and for the year ended December 31, 2018 (See Note 6).

On January 1, 2019, the Company entered into a one-year Director Agreement with Profile's CEO at a monthly base salary of $12,500 in addition to the following compensation:

- In the event Director initiates business for Company, Director shall be entitled to commission equal to 20% of the net proceeds received by Company.

On February 1, 2019, the Company entered into a one-year employment agreement with Cannberry Tek's CEO, for an average base salary of $8,000 per month. The employment agreement was terminated on August 27, 2019. See Note 13.

On February 1, 2019, the Company entered into a one-year employment agreement with Cannberry Tek's COO, for an average base salary of $3,500 per month. The employment agreement was terminated on August 7, 2019. See Note 13.

Note 5 – CONCENTRATION ON CREDIT RISK

Major Customers

During the six months ended June 30, 2019 and 2018, the Company had four customers that approximated 50.7% of sales and had one customer that approximated 35% of sales, respectively.

At June 30, 2019, the Company had a concentration of accounts receivable from four customers, totaling 88.25%.

At December 31, 2018, the Company had a concentration of accounts receivable from four customers, totaling 99.56%.

Major Vendors

During the six months ended June 30, 2019 and 2018, the Company had four vendors that approximated 62% of purchases and four vendors that approximated 59% of purchases, respectively.

NOTE 6 – EQUITY

Common Stock

On January 10, 2019, the Company issued 175,000 shares of Common stock at a fair value of $0.125 per share. The shares were issued on May 30, 2019 with a fair value of $35,000 (See Note 10).

On February 18, 2019, the Company issued 75,000 shares of common stock of with a fair value of $15,000 at a fair value of $0.20 per share.

On May 7, 2019, the Company issued 366,667 shares of common stock in consideration of $55,000 pursuant to a subscription agreement, pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933.

On May 15, 2019, the Company issued 200,000 shares of common stock in consideration of $25,000 pursuant to a subscription agreement, pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933.

On May 24, 2019, the Company entered into a consulting agreement with Fusion Star Media to assist in its operations, business strategy and in negotiations with strategic partners. The agreement commenced on April 22, 2019 and will terminate on April 22, 2020. As part of the agreement the Company agreed to issue 1,000,000 shares of Common stock at a fair value of $0.20 per share. The shares were issued on May 24, 2019 (See Note 10).

On May 29, 2019, Company issued 5,000 shares of Common stock at a fair value of $0.20 per share. The shares were issued on May 24, 2019 with a fair value of $625 and cash of $625 for a total stock offering cost of $1,250 (See Note 10).

On May 31, 2019, the Company issued 130,002 shares of Common stock at a fair value of $26,000 of $0.20 per share for consulting services (See Note 4).

NOTE 7 – PREPAID EXPENSES

Prepaid Expense represents the payment advanced to a manufacturer to produce product and consulting services. For the six months ended June 30, 2019 and December 31, 2018, the prepaid balance was $200,640 and $13,258 respectively.

NOTE 8 – FIXED ASSETS

During the six months ended the Company recorded $205,786 as a construction in progress. No depreciation as of June 30, 2019 because assets were not placed in service.

NOTE 9 – LOANS RECEIVABLE

On June 15, 2018 and June 22, 2018, the Company entered into Royalty Participation Agreement with Stemtech Corporation. The Company loaned $150,000 to Stemtech Corporation to be used as working capital. The loan is interest free and due twelve months from the effective date. In consideration for the $150,000 loans from the Company, Stemtech Corporation will pay a percentage from the sales, licensing or disposition of its products or other revenue.

For the six months ended June 30, 2019 and year ended December 31, 2018, the Company recorded loan receivable of $150,000.

On December 19, 2018, the Company filed suit against Stemtech Corporation in the Circuit Court of the 17th Judicial Circuit, in and for Broward County, Florida for breach of contract for failure to make monthly royalty payments pursuant to a written secured royalty participation agreement. On February 20, 2019, Stemtech Corporation filed a motion to dismiss due to the contracts being unenforceable for criminally usury.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Lease agreements

On March 11, 2019, the Company entered into a 5-year lease in Israel with an option to extend for an additional five years. The Company will pay a monthly rent of $700 per month for the first 24 months and $2,800 per month for the next 36 months under the terms of the agreement.

The Company adopted the new lease guidance effective January 1, 2019 using the modified retrospective transition approach, applying the new standard to all of its leases existing at the date of initial application which is the effective date of adoption. Consequently, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019. We elected the package of practical expedients which permits us to not reassess (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) any initial direct costs for any existing leases as of the effective date. We did not elect the hindsight practical expedient which permits entities to use hindsight in determining the lease term and assessing impairment. The adoption of the lease standard did not change our previously reported consolidated statements of operations and did not result in a cumulative catch-up adjustment to opening equity. The adoption of the new guidance resulted in the recognition of ROU assets of $86,260 and lease liabilities of $91,300.

The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company utilizes its incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. In calculating the present value of the lease payments, the Company elected to utilize its incremental borrowing rate based on the remaining lease terms as of the January 1, 2019 adoption date. This rate was determined to be 8% and the Company determined the initial present value, at inception, of $91,659.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred, if any.

The Company has elected the practical expedient to combine lease and non-lease components as a single component. The lease expense is recognized over the expected term on a straight-line basis. Operating leases are recognized on the balance sheet as right-of-use assets, current operating lease liabilities and non-current operating lease liabilities.

The new standard also provides practical expedients and certain exemptions for an entity's ongoing accounting. We have elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases where the initial lease term is one year or less or for which the ROU asset at inception is deemed immaterial, we will not recognize ROU assets or lease liabilities. Those leases are expensed on a straight line basis over the term of the lease.

Right of use assets, net	$ 86,260
Total	$ 86,260
During the six months ended June 30, 2019, the Company recorded $17,366 as lease expense to current period operations.	
Lease liability is summarized below:	
	June 30, 2019
Right of use assets, net	$ 91,300
Total	$ 91,300
Less: short term portion	$ (16,250)
Long term portion	$ 75,050

On April 11, 2019, the Company, entered into a one-year lease in the State of Israel. The Company will pay a monthly rent of approximately $3,400 per month under the terms of the agreement.

Employment agreements

On January 1, 2019, the Company entered into a three-year consulting agreement for a monthly fee of $12,150 in addition to the following compensation:

- In the event the Consultant initiates business for Company, Consultant shall be entitled to commission equal to 20% of the net proceeds received by Company.
  On July 18, 2019 the agreement with the consultant was terminated.

In February 25, 2019, the Company entered into a consulting agreement for a monthly fee of 10% gross sales. During the three months ended March 31, 2019, the Company paid $306 to the consultant

On May 1, 2019 the Company entered into a one-year employment agreement with a consultant for a monthly fee of $1,763. The agreement was subsequently terminated.

On May 28, 2019 the Company entered into an employment agreement with a consultant for a monthly fee of $5,876 and $140 in expense reimbursements. The agreement was subsequently terminated.

On Jun 10, 2019 the Company entered into a one-year employment agreement to be effective on June 1, 2019, with Gideon Blum for a monthly fee of $5,000 and increasing to $6,000 per month once the Company's farm is operational.

Consulting agreements

On November 15, 2018, the Company entered into an Independent Contractor Agreement. This agreement will continue until February 14, 2019. In connection with this agreement, the Contractor will receive a monthly compensation of 37,500 common stock shares with a fair value of $7,500 plus 5% of the gross sales excluding shipping and handling costs, taxes and related delivery fees that were originated specifically by Contractor. In accordance agreement, the Company recorded 37,500 shares of common stock issuable for services for the year ended December 31, 2018. The shares were issued on February 15, 2019 (See Note 6).

On March 2, 2018, the Company entered into an Advisory Board Agreement with an individual that has expertise in the Hemp business and also has expertise in public companies. This agreement is for four months and consideration is for $25,000 worth of the Company's common stock payable at $0.035 a share. As of December 31, 2018, the consulting agreement has been terminated.

On May 24, 2019, the Company entered into a consulting agreement with third party to assist in its operations, business strategy and in negotiations with strategic partners. The agreement commenced on April 22, 2019 and will terminate on April 22, 2020. As part of the agreement the Company agreed to issue 1,000,000 shares of Common stock at a fair value of $0.20 per share. The shares were issued on May 24, 2019 with a fair value of $200,000. For the six months ended June 30, 2019 the Company record a consulting expense of $37,705 and a prepaid expense of $162,295 (See Note 6).

On January 10, 2019, the Company entered into an agreement with a third party, member of Deloitte Touche Tohmatsu Limited, to assist in its operations, business strategy and in negotiations with strategic partners. The two-year agreement commenced on January 15, 2019. As part of the agreement the Company agreed to issue shares of Common stock at a fair value of $35,000 and a payment of $35,000. Consultant is entitled to 7% of investment introduced by the consultant and 3% of investment not introduced by the consultant. As part of the agreement the Company issued 175,000 shares of Common stock at a fair value of $0.125 per share. The shares were issued on May 30, 2019 with a fair value of $35,000 (See Note 6).

Growing Rights

On October 2, 2018, the Company received preliminary approval from the eSwatini Ministry of Economic Planning and Development to establish an exclusive growing farm and processing plant for medical cannabis and hemp in The Kingdom of eSwatini f/k/a Swaziland.

On October 31, 2018, the Company executed a joint venture term sheet with South African Ventures, Inc. to become the only licensed growing farm and processing plant for medical cannabis and hemp in The Kingdom of eSwatini. As a condition of the term sheet, South African Ventures was to deliver to Escrow Agent the sum of Two Million Five Hundred Thousand Dollars ($2,500,000.00) as a deposit against a $5,000,000 Investment.

On January 11, 2019, South African Ventures delivered to the Escrow Agent the sum of $2,500,000.00 as a deposit against a $5,000,000 investment to become a licensed growing farm and processing plant for medical cannabis and hemp in The Kingdom of eSwatini. An extension was granted to March 15, 2019 with instructions to release $75,000 as payment for the license when applicable. The Company is currently in the final stages of this venture being finalized.

On March 29, 2019, the Company executed a letter of intent to receive a temporary license to prepare farm located at Hatzeva 37 Arava, Israel to grow and cultivate Medical Cannabis on 10,000 square meters therein with the intent to receive a permanent license to grow, cultivate, distribute and export Medical Cannabis.

Distribution Rights

On November 7, 2018, the Company acquired distribution rights to grooming products with hemp in the United States and Israel and their related internet websites for one year and requires minimum purchases for the year are $255,000.

On November 27, 2018, the Company granted a Distributor the exclusive distribution rights for Mexico and Argentina with first year minimum purchases of $500,000 and 20% growth per year thereafter to retain exclusivity.

On March 21, 2019, the Company granted a Distributor the rights to sell its products in Paraguay, Chile and Brazil with first year minimum purchases of $500,000 and 20% gross per year thereafter.

Ongoing SEC Investigation

On June 18, 2019, the Company received notification from the U.S. Securities and Exchange Commission (the "SEC") that it was conducting an informal, non-public inquiry regarding the Company. The SEC stated in its notification letter that this private investigation should not be construed as an indication by the SEC or its staff that any violation of law has occurred, nor should it be considered a reflection upon any person, entity or security. The investigation is ongoing, and the Company continues to cooperate fully with the SEC.

The Company cannot predict the outcome of the SEC investigation. There can be no assurance that the scope of the SEC investigation will not expand. The outcome of and costs associated with the SEC investigation could have a material adverse effect on the Company's business, financial condition and/or operating results, and the investigation could divert the efforts and attention of management from the Company's ordinary business operations.

NOTE 11 – LOANS PAYABLE – RELATED PARTY

From November 2018 through March 2019, a related party made a total of $36,170 of advances. They are due on demand or within 12 months with interest rates from 0% to 5%. Notes payable to related party, current portion were $24,423 and $5,168 as of June 30, 2019 and December 31, 2018, respectively.

From February 2019 through June 2019 with same related party made a total of $153,900 of advances that are due in 2021 incurring 0% interest. Notes payable, net of current portion was $155,150 as of June 30, 2019.

NOTE 12 – LOANS PAYABLE

On April 18, 2019, the Company entered into an unsecured loan agreement with a third party, in the amount of $65,423. Pursuant to the terms of the loan, the loan is bearing 4% interest, secured and is due on April 17, 2020.
For the six months ended June 30, 2019 the Company recorded $375 in accrued interest.

On May 22, 2019, the Company entered into an unsecured loan agreement with third party, in the amount of $164,831. Pursuant to the terms of the loan, the loan is bearing 4% interest, secured and is due on May 22, 2020.

On April 29, 2019, the Company entered into an unsecured loan agreement with third part , in the amount of $166,404. Pursuant to the terms of the loan, the loan is bearing 4% interest, secured and is due on April 28, 2020.

For the six months ended June 30, 2019 the Company recorded $2,046 in accrued interest related to third parties.

NOTE 13 – SUBSEQUENT EVENTS

On July 5, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $15,000. Pursuant to the terms of the loan, the loan is non-interest bearing and is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before June 5, 2021.

On July 16, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $17,000 Pursuant to the terms of the loan, the loan is non-interest bearing and is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before July 16, 2021.

On August 7, 2019 the Company's subsidiary the Company terminated an employment agreement Cannberry Tek's COO.

On August 27, 2019 the Company terminated an employment agreement Cannberry Tek's CEO.