2018 Annual Report

GRNH

GreenGro Technologies, Inc.

For the Period Ending December 31, 2018

THESE UNAUDITED FINANCIAL STATEMENTS ARE INCORPORATED BY REFERENCE INTO THE DISCLOSURE STATEMENT PURSUANT TO THE PINK BASIC DISCLOSURE GUIDELINES

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GREENGRO TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2018	December 31, 2017
ASSETS:		
Current Assets:		
Cash	$ 42,355	$ 715,255
Accounts Receivable	35,141	42,644
Inventory	174,533	508,336
Deposits	21,200	75,200
Investment	1,216,282	1,469,282
Note Receivable	204,750	204,750
Note Receivable to Related Party	640,591	665,591
Interest Receivable	25,735	2,995
Interest Receivable to Related Party	54,534	37,416
Total Current Assets	2,415,121	3,721,469
Fixed Assets:		
Property, Plant, & Equipment, net	2,217,107	2,275,950
Leasehold Improvements, net	-	59,961
Total Fixed Assets, net	2,217,107	2,335,911
Total Assets	$ 4,632,228	$ 6,057,380
LIABILITIES:		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 12,105	$ 11,793
Loan Payable	20,643	22,421
Accrued Interest	574,456	258,220
Stock Payable	950,250	2,928,163
Convertible Notes Payable	4,863,793	886,006
Related Party Payables	135,936	253,417
Total Current Liabilities	6,557,184	4,360,020
Convertible Note Payable	-	3,509,738
Total Liabilities	$ 6,557,184	$ 7,869,758
STOCKHOLDERS' EQUITY:		
Preferred Stock $.001 par value 10,000,000 authorized, 10,000,000 shares outstanding, respectively	10,000	10,000
Common Stock $.001 par value; 2,000,000,000 shares authorized, 501,720,980 and 431,770,980 shares outstanding, respectively	501,722	431,771
Additional Paid In Capital	25,159,053	23,010,448
Accumulated Deficit	(27,307,376)	(24,976,242)
Total Stockholders' Equity	(1,636,601)	(1,524,023)
Non-Controlling Interest	(288,355)	(288,355)
Stockholders' Deficit	(1,924,956)	(1,812,378)
Total Liabilities and Equity	$ 4,632,228	$ 6,057,380

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

GREENGRO TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Year Ended December 31, 2018	2017
Revenues	$ 383,067	$ 1,509,894
Cost of Revenues	565,738	897,200
Gross Margin	(182,671)	612,694
Operating Expenses:		
Amortization & Depreciation	134,153	125,428
Bad Debt Expense		14,125
Consulting	1,778,500	4,218,066
Charitable Contributions	3,000	195,000
Officer Compensation (See Note 12)	-	2,522,500
Salaries and Wages	65,414	86,887
General and Administrative	662,657	917,634
Professional Fees	202,254	664,463
Total Operating Expenses	2,845,978	8,744,103
Loss from Operations	(3,028,650)	(8,131,409)
Other Income (Expenses):		
Accretion	(459,812)	(1,242,544)
Gain of forgiveness of debt	-	1,850,000
Loss on conversion of debt		(83,278)
Gain on sale of intagible asset		830,000
Impairment of assets and goodwill		(1,192,755)
Rental Income	125,887	16,000
Interest expense	(316,592)	(274,775)
Interest income	39,911	12,798
Total Other Income (Expenses)	(610,605)	(84,554)
Net Income Before Taxes	(3,639,255)	(8,215,963)
Provision for Income Taxes	-	-
Net Loss	$ (3,639,255)	$ (8,215,963)
Net Loss Allocated to Non-Controlling Interest	-	205,905
Net Loss, Adjusted	$ (3,639,255)	$ (8,010,058)
Other Comprehensive Income:		
Gains/(Loss) on change in Investments	$ 1,308,121	$ 43,836
Other Comprehensive Income/(Loss)	$ (2,331,134)	$ (7,966,222)
Net loss per share- Basic and Diluted	$ (0.01)	$ (0.02)
Weighted average numbers of shares outstanding- Basic and Diluted	464,050,980	403,198,191

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

GREENGRO TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Non-Controlling Interest	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
December 31, 2017	10,000,000	$ 10,000	431,770,980	$ 431,771	$ 23,010,448	$ (288,355)	$ (24,976,242)	$ (1,812,378)
Acquisiton of Biodynamics			25,950,000	$ 25,950	$ 964,130			$ 990,080
Shares issued for Consulting Services			44,000,000	$ 44,000	$ 1,184,475			$ 1,228,476
Net Income					.		$ (2,331,134)	$ (2,331,134)
December 31, 2018	10,000,000	10,000	501,720,980	501,721	25,159,053	(288,355)	(27,307,376)	(1,924,956)

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

GREENGRO TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the nine months Ended September 30, 2018	For the year Ended December 31, 2107
Cash flows from operating activities:		
Net loss	$ (2,331,134)	$ (8,215,963)
Non-cash items:		
Stock for consulting services	1,778,500	4,197,275
Stock for charitable contribution	-	192,000
Forgiveness of debt	-	(1,850,000)
Gain on Sale of Intangible Assets		(830,000)
Loss on conversion of debt	-	83,278
Accretion	468,049	1,242,544
Debt Financing Costs		16,254
Bad Debt Expense	-	14,125
Depreciation & Amortization	134,153	125,428
Write of Inventory		5,000
Impairment of Assets	990,080	469,151
Impairment of Goodwill		623,253
Fair value adjustments	(1,151,913)	
Other		36
Changes in operating assets and liabilities		
Accounts Receivable	7,503	104,870
Prepaids	-	36,000
Inventory	333,803	(252,571)
Deposits	54,000	(54,000)
Note receivable to related party	(117,481)	-
Interest receivable	(41,636)	(2,995)
Interest receivable to related party		(11,082)
Accounts payable	311	(33,201)
Loan payable	-	-
Customer deposits		(37,384)
Accrued interest	316,236	258,220
Stock Payable	(132,942)	-
Deferred revenues	-	-
Related party payable	-	2,554,890
Net cash provided/(used) by operating activities	307,529	(1,364,872)
Cash flows from investing activities:		
Leasehold Improvements		(95,845)
Note Receivable Related party	(5,000)	(513,202)
Note Receivable	30,000	(200,000)
Acquisiton of Biodynamics	(990,080)	
Purchase intangible asset		(10,000)
Purchase of property, plant & equipment	(15,349)	(2,105,581)
Net cash provided by investing activities	(980,429)	(2,924,628)

GREENGRO TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Cash flows from financing activities:				
Proceeds from sale of common stock, net				
of offering costs				79,000
Proceeds from issuance of convertible note				4,526,750
Capital contributions		-		-
Advance from related parties, net				
Debt Financing Costs				(40,000)
Repayment of Loans Payable				(6,317)
Net cash provided by financing activities		-		4,559,433
Net Change in Cash	$	(672,900)	$	269,933
Cash, beginning of period	$	715,255	$	445,322

SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:				
Stock issued for debt reduction	$	-	$	550,000
Stock issued for provisional patent	$	-	$	-
Stock issued for acquisition of VH, Inc.	$	-	$	-
Stock issued for 26% investment in Tricor	$	-	$	-
Cash advanced to note receivable - related party	$	-		
from Company's lawyer trust account	$	-	$	68,251
Investment asset	$	-	$	166,557
Aquisiton of Biodynamics	$	990,080		
compensation	$	-	$	550,000
Investment asset donated by officer	$	-	$	58,889
Stock Issued for intangible asset	$	-	$	360,000
Stock Issued for Consulting Services	$	1,778,500		

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

Prepared by Management

NOTE 1- DESCRIPTION OF BUSINESS AND HISTORY

GreenGro Technologies Inc. (formerly Authorizor, Inc.) (the "Company" or "GreenGro") was incorporated in 1996 under the laws of the State of Delaware. On September 1, 2009, the Company changed its name to GreenGro Technologies, Inc. The Company owns BP Gardens, Inc. which was incorporated under the laws of the state of Nevada on September 9, 2013 for the purpose of building advanced greenhouses.

The Company sells eco-friendly greenhouse systems as well as hydroponic supplies through their retail store in Anaheim, California.

NOTE 2- SUMMARY OF SIGNIFICANT POLICIES

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Unaudited Financial Information

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however, that all material adjustments (consisting of normal and recurring adjustments) have been made which are necessary for a fair financial statements presentation. The results for the year ended December 31, 2018 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2018.

Principles of Consolidation

The accompanying consolidated financial statements include all of the accounts of the Company, BP Gardens 2, Inc. and Genobreeding Inc. as of December 31, 2018 and December 31, 2017.

The Company has an equity interest in the following entities;

- 51% of BP Gardens 2, Inc.
- 60% of Genobreeding Inc.

The Company has accounted for the non-controlling interest using GAAP accounting standards. All intercompany balances and transactions have been eliminated.

Non-Controlling Interest

Greengro Technologies, Inc. owns 51% of BP Gardens 2, Inc. and 60% of Genobreeding Inc. Under the Equity Method of Accounting, it is required to consolidate 100% of the operations of a majority-controlled subsidiaries, that portion of subsidiary net equity attributable to the non-controlling ownership, together with an allocated portion of net income or net loss incurred by the subsidiaries, must be reflected on the consolidated financial statements. On the balance sheet, non-controlling has been shown in the Equity Section, separated from the equity of Greengro Technologies, Inc. while on the income statement, the non-controlling shareholder allocation of net loss has been shown in the Consolidated Statements of Operations.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles 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. Accordingly, actual results could differ from those estimates. Such estimates include management's assessments of the carrying value of certain assets, useful lives of assets, and related depreciation and amortization methods applied.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of nine months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Accounts Receivable

Accounts receivable related to the products and services sold are recorded at the time revenue is recognized and are presented on the balance sheet net of allowance for doubtful accounts. The ultimate collection of the receivable may not be known for several months after services have been provided and billed.

The Company has established an allowance for doubtful accounts based upon factors pertaining to the credit risk of specific customers, analyses of current and historical cash collections, and the aging of receivables. Delinquent accounts are written-off when the likelihood for collection is remote and/or when the Company believes collection efforts have been fully exhausted and the Company does not intend to devote any additional efforts in an attempt to collect the receivable. The Company adjusts their allowance for doubtful accounts balance on a quarterly basis.

Inventory

The Company's inventory consists of finished product valued under the FIFO method, stated at the lower of cost or market value.

Property Plant, & Equipment

Property, plant, and equipment are recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. Expenditures for major additions and betterments are capitalized in amounts greater or equal to $500. Depreciation of equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of three (3), five (5), or seven (7) years. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Leasehold Improvements

Leasehold improvements are stated at cost less accumulated amortization. The Company records amortization using the straight-line method over the life of the lease. Maintenance and repair costs are expensed as they are incurred while renewals and improvements which extend the useful life of an asset are capitalized. At the time of retirement or disposal of property and equipment, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

Income Taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25") with regards to uncertainty in income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its assets and/or liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Earnings (loss) Per Share

The Company computes basic and diluted earnings per share amounts pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic earnings per share is computed by dividing net income (loss) available to common shareholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings per share is computed by dividing net income (loss) available to common shareholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially diluted debt or equity.

Fair Value of Financial Instruments

The Company adopted the provisions of FASB ASC 820 (the "Fair Value Topic") which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements.

The Fair Value Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

B) Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

C) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. An active market for an asset or liability is a market in which transactions for the asset or liability occur with significant frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Example of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
Level 3: Unobservable inputs based on the Company's assessment of the assumptions that are market participants would use in pricing the asset or liability.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, and accounts payable, approximate their fair value because of the short maturity of those instruments. The Company's note payable approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2018 and December 31, 2017.

Commitments & Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU creates a single comprehensive new revenue recognition standard. Under the new standard and its related amendments (collectively known as Accounting Standards Codification ("ASC 606"), an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. Enhanced disclosures will be required regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017. The Company adopted the standard as of January 1, 2018, using the modified retrospective method applied to contracts which were not completed as of that date, which represent contracts for which all (or substantially all) of the revenues have not been recognized under existing standard as of the date of adoption.

The Company has assessed the impact that the new standard had on its operations, financial statements and related disclosures. This includes a review of current accounting policies and practices to identify potential differences that would result from applying ASC 606.

The Company has no incomplete contracts as of the date of adoption and therefore did not have any cumulative effect adjustment to its opening balance of retained earnings. Prior periods were not retrospectively adjusted. The impact to the Company's future results from operations are not expected to differ based on the analysis of revenue streams and contracts under ASC 606, which supports revenue recognition over time.

The Company recognizes revenue pursuant to ASC 606. The Company's revenue is derived from the sales of its products, which represents net sales recorded in the Company's condensed consolidated statements of income. Product sales are recognized when performance obligations under the terms of the contract with the customer are satisfied. Typically, this would occur upon transfer of control, including passage of title to the customer and transfer of risk of loss related to those goods. Transfer of title and risk of loss takes place at the point of sale at the Company's retail stores. The Company measures revenue as the amount of consideration to which it expects to be entitled in exchange for transferring goods (transaction price). The Company records reductions to revenue for estimated customer returns, allowances, markdowns and discounts. The Company bases its estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by the Company. The actual amount of customer returns and allowances is inherently uncertain and may differ from the Company's estimates. If the Company determines that actual or expected returns or allowances are significantly higher or lower than the reserves it established, it would record a reduction or increase, as appropriate, to net sales in the period in which it makes such a determination. Reserves for returns, and markdowns are included within accrued expenses and other liabilities. Allowance and discounts are recorded in accounts receivable, net and the value of inventory associated with reserves for sales returns are included within prepaid expenses and other current assets on the consolidated balance sheet.

Revenues from multi-month training contracts are recognized over the length of the contract term rather than when the contract begins. Because a significant amount of the Company's contract sales are greater than three months in length, the Company apportions that revenue over the duration of the contract term even though either the full amount or a significant portion is collected when the contract begins. The difference between the gross cash receipts collected and the recognized revenue from those sales during the respective reporting period will appear as deferred revenue.

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued.

Recent Accounting Pronouncements

Company management does not believe that any other recently issued, (through pronouncement 2019-04) but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes ASC 840, Leases. This ASU is based on the principle that entities should recognize assets and liabilities arising from leases. The ASU does not significantly change the lessees' recognition, measurement and presentation of expenses and cash flows from the previous accounting standard. Leases are classified as finance or operating. The ASU's primary change is the requirement for entities to recognize a lease liability for payments and a right of use asset representing the right to use the leased asset during the term on operating lease arrangements. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. Lessors' accounting under the ASC is largely unchanged from the previous accounting standard. In addition, the ASU expands the disclosure requirements of lease arrangements. Lessees and lessors will use a modified retrospective transition approach, which includes a number of practical expedients. The effective date will be the first quarter of fiscal year 2019 with early adoption permitted. Management is currently assessing the impact of the new standard including the optional exemptions available. The recognition of all leases on the balance sheet is expected to increase the assets and liabilities on the Consolidated Balance Sheets upon adoption. The increase primarily relates to property leases currently accounted for as operating leases. The Company does not intend to early adopt the standard. Management does not believe that the adoption of ASU 2016-02 will have a material effect on the Company's financial statements.

NOTE 3 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had an accumulated deficit of $27,307.376 at December 31, 2018 and had a net loss of $3,639,255 for the year ended December 31, 2018.

While the Company is attempting to improve operations and increase revenues, the Company's cash position may not be significant enough to support the Company's daily operations over the next year. Management intends to increase revenues and 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 increase 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 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.

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

NOTE 4 – JOINT VENTURE

On September 1, 2017, the Company and an unrelated party entered into a Joint Venture Agreement to form Genobreeding Inc. The limited purpose and the sole business of the Joint Venture shall be to engage in the development of elite Cannabis strains, development of genomic library of unique cannabis strains, identification of unique genomic regions within each strain for differentiation. The intellectual property developed by this venture shall be licensed to partners or customers to create revenue. The Company is a 60% equity holder in Genobreeding Inc. As at December 31, 2018, the Company has not contributed any resource to the joint venture and there were no activities during the period from inception to December 31, 2018.

NOTE 5 –INVENTORY

The Company values its inventory using the FIFO method. As of the date of this filing, the Company has one brick-and-mortar store location that sells hydroponic supplies which consists of indoor and outdoor growing supplies, fully operational aquaponic systems and other nutrients and materials.

As of December 31,2018 and December 31, 2017, the Company had inventories held at a net realizable value of $174,533 and $508,336.

NOTE 6 – INVESTMENT

On March 22, 2017, the Company converted $249,835 of its note receivable to Gala Pharmaceutical, Inc. (GALA), into 462,657 shares of GALA, (ticker symbol "GLPH" on the OTCmarkets). The Company valued the stock at the time of the conversion at $0.36 per share which resulted in a loss on conversion of $83,278. In March 2017, in a separate transaction, the Company received 163,580 shares of GALA stock as a gift from a related party. As of December 31, 2018, the Company owns 626,237 shares of GALA. The closing stock price on December 31, 2018 was $0.026 which resulted in a total investment asset value of $66,381. During the year ended December 31, 2018, the Company recorded an unrealized loss on the investment of $202,901 (2017 – unrealized gain of $1,253).

On December 25, 2017, the Company received 6,000,000 shares of Family Room Entertainment Corporation (ticker symbol "FMYR" on the OTCmarkets) upon the sale of intangible assets as disclosed in Note 15. The Company valued the stock at the time the Company received the shares at $0.20 per share which resulted in a total investment asset value of $1,200,000. As of December 31, 2018, the Company owns 6,000,000 shares of FMYR and the closing stock price was $0.20. As the fair value of the FMYR shares did not change during the three months ended December 31, 2018, no unrealized gain or loss on investment was recognized.

NOTE 7 – NOTES RECEIVABLE

On February 3, 2015, the Company entered into a note receivable in the amount of $4,750. The note bears interest at 5% per annum and matures on March 3, 2015. As at December 31, 2018, the note is in default, the balance of the note receivable is $4,750 and the Company has an interest receivable of $866.

On November 28, 2017, the Company entered into a note receivable in the amount of $200,000. The note bears interest at 10% per annum and matures on December 11, 2017. As of December 31, 2018, the note is in default, the balance of the note receivable is $200,000 and the Company has an interest receivable of $19,557.

NOTE 8 - NOTES RECEIVABLE FROM RELATED PARTY

On March 20, 2014, the Company executed a note receivable in the amount up to $350,000 with Gala Pharmaceutical, Inc., (ticker symbol "GLPH" on the OTC markets), a private Nevada corporation which shares an officer with the Company. The note bears interest of 3% per annum and has a maturity date of December 31, 2014. In April of 2015, the Company and CV agreed to extend the maturity date to December 31, 2015 as well as increase the note receivable from $350,000 to $400,000. On March 22, 2017, the Company converted $249,835 of this note receivable into 462,657 shares of GALA. As of December 31, 2018 and December 31, 2017, the Company has a note receivable from GALA in the amounts of $270,125 and $265,126. As of December 31, 2018 and December 31, 2017, the Company has an interest receivable from GALA of $40,817 and $31,745.

During the year ended December 31, 2017, a private company wholly owned by the Company's CEO, James. Haas, received approximately $375,000 in advances. On June 30, 2017, the Company executed a promissory note agreement with the private company. The promissory note is in the amount of $375,000 with 3% interest per annum and due on December 31, 2017. As at December 31, 2018, the balance of the note receivable is $375,000 and the Company has an interest receivable from the private company in the amount of $11,218. The note is currently in default. The Funds were used pursuant to a contract dated April 22, 2017 for the purchase of a Los Angeles Medical Dispensary license, and a state recreational Marijuana 10A license. The Sellers were unable to deliver and the Company is looking at its options on how to recover the funds.

As at December 31, 2018 and December 31, 2017, the Company was owed $25,465 in advances from a related party. The advances bear interest at 3% per annum. The Company has an interest receivable of $1,036 and $660 from the related party at December 31, 2018 and December 31, 2017.

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NOTE 9 –PROPERTY, PLANT, & EQUIPMENT

Property, plant, & equipment at December 31, 2018 and December 31, 2017 consisted of the following:

	December 31, 2018	December 31, 2017
Building	$ 1,922,919	$ 1,922,919
Equipment	509,897	507,090
Computer hardware and software	15,471	15,471
Less: Accumulated depreciation	(231,179)	(169,530)
	$ 2,217,107	$ 2,275,950

Depreciation Expense

For the year ended December 31, 2018, the Company recorded depreciation expense of $74,550.

Purchase of Building in Cathedral City, California

In early June 2017, the Company purchased a building located at 68374 Kieley Road, Cathedral City, CA, 92234 for $1,906,677. The Company financed the purchase of the building through a convertible promissory note from ILIAD Research and Trading, L.P. further described in Note 12. There are three licenses attached to the building: 1) Manufacturing Medical Cannabis License, 2) Cultivation Medical Cannabis License and 3) a Dispensary Medical Cannabis License. The building contractor was recently removed due to major delinquency and work damage to the building. The Company is currently seeking a new contractor to get the project back on track.

NOTE 10 – LEASEHOLD IMPROVEMENTS

Leasehold improvements at December 31, 2018 and December 31, 2017 consisted of the following:

	December 31, 2018	December 31, 2017
Leasehold Improvements – Warehouse	$ 25,000	$ 25,000
Leasehold Improvements – Retail store – Lincoln Ave	2,661	2,661
Leasehold Improvements – BP Gardens	11,950	11,950
Leasehold Improvements – North Hollywood	95,845	95,845
Less: Accumulated Amortization	(126,098)	(75,495)
Leasehold Improvements, net	$ 0	$ 59,961

Amortization Expense

During the three months ended December 31, 2018 and 2017, the Company recorded amortization expense of $59,603 and $150.

NOTE 11 - CONVERTIBLE NOTE PAYABLE

St. George Investments LLC

On February 17, 2017, the Company entered into a Securities Purchase Agreement with St. George Investments, LLC. ("St. George") for the sale a Convertible Promissory Note (the "Note") in the principal amount of $1,120,000. The Note is due on February 17, 2018 and bears interest at 10% per year. The Company received net proceeds from the issuance of the Note in the amount of $1,000,000 net of an original discount ("OID") of $100,000 and debt financing costs of $20,000 which will be amortized over the term of the Note. All principal and accrued interest on the Note is convertible into shares of the Company's common stock at the lesser of (a) the fixed price of $0.09, and (b) 65% multiplied by the average of the three lowest volume weighted average prices during the 20 trading days prior to the conversion date; provided, however, in no event shall the conversion price be less than $0.04. On February 17, 2017, in conjunction with the issuance of the $1,120,000 Note, the Company issued a warrant to purchase 2,500,000 shares of the Company's common stock at $0.09 per share, expiring on February 17, 2022. At any time during the period beginning on the issuance date and ending on the 1st anniversary of the issuance date, the Company shall have the option to redeem the warrant by exchanging it for 2,000,000 shares of common stock. If the Company elects to exercise its redemption option, any outstanding notice of exercise will be cancelled, and the warrant will be deemed satisfied in full upon delivery of the 2,000,000 shares of common stock. The

Company exercised its redemption option on February 21, 2017 by the issuance of 2,000,000 shares of common stock.

The Company then evaluated whether the embedded conversion option within the debt instrument is beneficial to the holder under ASC 815-15 Derivatives and Hedging. Since the market price at closing was greater than the conversion price, it was determined that there was a beneficial conversion feature. The fair value of the 2,500,000 warrants on February 17, 2017 was $222,497, determined using Black-Scholes. As a result, the relative fair values of the convertible note and the warrants was $934,378 and $185,622, respectively. The Company recognized the relative fair value of the warrants of $185,622 as additional-paid-in capital and an equivalent discount that reduced the carrying value of the convertible debt to $934,378. The beneficial conversion feature of $614,182, the OID of $100,000 and the debt financing cost of $20,000 discounted the convertible debenture such that the carrying value of the convertible debt on the date of issue was $200,196. The discount and debt financing cost are being expensed over the term of the loan to increase the carrying value to the face value of the loan. During the period from February 17 to December 31, 2017, the Company recorded accretion of discount of $670,898 and debt financing costs of $14,912, increasing the carrying value of the loan to $886,006. During the year ended December 31, 2018, the Company recorded accretion of discount of $228,906 and debt financing costs of $5,088, increasing the carrying value of the loan to $1,120,000. As at December 31, 2018, the Company has recorded accrued interest of $168,353.

ILIAD Research and Trading, L.P.

On May 25, 2017, the Company entered into a convertible promissory note and Securities Purchase Agreement with ILIAD Research and Trading, L.P., a Utah Limited Partnership, for a $4,420,000 note, which included $400,000 original issue discount and $20,000 of debt financing costs. As of December 31, 2017, the Company has only been funded $3,486,750, net of original issue discount of $348,675 and $20,000 of debt financing costs. The note bears interest of 10% per annum and is unsecured and due May 25, 2019. After nine months of vesting, the note will be convertible into common shares of the Company at a fixed conversion price of $0.08 per share.

As the stock price on November 25, 2017, the date the note becomes convertible, was less than the effective conversion price, it was determined that there was no beneficial conversion feature. The Company recognized the original issue discount of $348,675 and the debt financing cost of $20,000 discounted the convertible debenture such that the carrying value of the convertible debt on November 25, 2017 was $3,486,750. The discount is being expensed over the term of the loan to increase the carrying value to the face value of the loan. The Company determined that there was no derivative liability or beneficial conversion associated with the debenture under ASC 815-15 Derivatives and Hedging. During the period from May 25, 2017, to December 31, 2017, the Company recorded accretion of discount of $21,646 and debt financing costs of $1,342, increasing the carrying value of the loan to $3,509,738. During the t12 month period ended December 31, 2018, the Company recorded accretion of discount and debt financing costs of $459,812. The carrying value of the loan is $3,743,793. As at December 31, 2018, the Company has recorded accrued interest of $406,103.

NOTE 12 - EQUITY

Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock with a par value of $0.001. The preferred shares entitles the holder equal to i) the greater of 25 votes for each share of Series A Preferred Stock or ii) the number of votes equal to the number of all outstanding shares of common stock, plus one additional vote such that the Series A stock shall always constitute a majority of the voting rights of the Company.

In February of 2012, the Company issued 10,000,000 preferred shares to its chief executive officer and director of the Company, James Haas, for founder related services rendered to the Company. The founder shares were valued at par $0.001 which resulted in a founder shares expense of $10,000.

Common Stock

On June 2, 2014, the Company amended its articles of incorporation to increase the number of authorized common shares from 200,000,000 to 500,000,000, with a par value of $0.001. On April 10, 2017, the Company amended its articles of incorporation to increase its authorized shares of common stock to 2,000,000,000 from 500,000,000, with a par value of $0.001.

During the year ended December 31, 2017, the Company issued 88,725,000 shares of common stock of which 3,000,000 shares were for cash proceeds of $90,000, 46,725,000 shares were for consulting services, 4,000,000 shares were donated valued at $192,000, 6,000,000 shares were issued pursuant to an asset purchase agreement with Weedwall (described in Note 15) with a fair value of $360,000, 27,000,000 shares were issued upon conversion of debt of $550,000 and 2,000,000 shares were issued for the redemption of outstanding warrants. The Company valued the stock issued for consulting services based on the closing stock price at the date of the consulting agreement which resulted in the Company recording consulting expenses of $2,728,150. The Company also cancelled 27,023,194 shares of common stock pursuant to a settlement agreement with the CEO of the Company for no consideration.

During the year ended December 31, 2018, the Company issued 25,950,000 shares of common for pursuant to a Membership Interest Purchase Agreement (described in Note 15) with a fair value of $990,080. The Company also issued 44,000,000 shares of common for consulting services based on the closing stock price at the date of the consulting agreement which resulted in the Company recording consulting expenses of $1,228,476.

NOTE 13 - RELATED PARTY TRANSACTIONS

Convertible Note Payable - James Haas (CEO of the Company)

On December 31, 2017, the Company entered into a Settlement Agreement and Mutual Release with its CEO, James Haas, regarding an Employment Agreement entered into in August 2009 for the periods August 1, 2009 through July 31, 2014 for services rendered. Pursuant to the terms of the Employment Agreement, the Company owes Mr. Haas $2,400,000 of which Mr. Haas forgave $1,850,000 in return for a secured convertible note in the amount of $550,000. On December 31, 2017, the Company issued Mr. Haas a callable secured convertible note in the amount of $550,000 maturing December 31, 2017, bearing interest of 1% per annum, and convertible into common shares of the Company at a fixed rate of $0.02 per share. On November 28, 2017, the $550,000 note was converted into 27,000,000 shares of common stock.

Note Receivable from Related Party – Igot420 Inc.

During the year ended December 31, 2017, a private company wholly owned by the Company's CEO, James Hass, received approximately $375,000 in advances. On June 30, 2017, the Company executed a promissory note agreement with the private company. The promissory note is in the amount of $375,000 with 3% interest per annum and due on December 31, 2017. As of December 31, 2018, the balance of the note receivable is $375,000 (December 31, 2017 - $375,000) and the Company has an interest receivable from the private company in the amount of $11,219 and $5,671 as of December 31, 2018 and December 31, 2017.

The note is currently in default. The Funds were used pursuant to a contract dated April 22, 2017 for the purchase of a Los Angeles Medical Dispensary license, and a state recreational Marijuana 10A license. The Sellers were unable to deliver and the Company is looking at its options on how to recover the funds.

Note Receivable from Related Party – Gala Pharmaceutical, Inc.

On March 20, 2014, the Company executed a note receivable in the amount up to $350,000 with Gala Pharmaceutical, Inc., (ticker symbol "GLPH" on the OTCmarkets), a private Nevada corporation which shares an officer with the Company. The note bears interest of 3% per annum and has a maturity date of December 31, 2014. In April of 2015, the Company and CV agreed to extend the maturity date to December 31, 2015 as well as increase the note receivable from $350,000 to $400,000. On March 22, 2017, the Company converted $249,835 of this note receivable into 462,657 shares of GALA. As of December 31, 2018, and December 31, 2017, the Company has a note receivable from GALA in the amounts of $270,126 and $265,126. As of December 31, 2018, and December 31, 2017, the Company has an interest receivable from GALA of $37,765 and $31,745.

Related Party Payables

The management of the Company has made non-interest bearing, unsecured, due on demand cash advances to the Company. As of December 31, 2018, and December 31, 2017, the related party payable balance was $75,935 and $253,417.

Related Party Agreements

On August 1, 2009, the Company entered into an Employment Agreement with the Company's CEO, James Haas, for a term of 5 years. Pursuant to the agreement, the Company agreed to compensate the Company's CEO on a bi-weekly basis at the rate of $250,000 per year in the first year, $300,000 per year in the second year, $450,000 per year in the third year, $650,000 per year in the fourth year, and $750,000 per year in the fifth year. In addition, the Company agreed to pay a 10% incentive bonus on all net profit generated by the Company and to issue an option to purchase 10,000,000 common shares of the Company. The option was exercisable at $0.01 per share any time after September 1, 2009 and expired on August 31, 2014. During the year ended December 31, 2017, the CEO forgave $1,850,000 of the $2,400,000 owed to him and the Company recognized a gain on forgiveness of debt of $1,850,000.

On April 1, 2013, the Company entered into a Consulting Agreement with the Company's CEO, James Haas. Pursuant to the agreement, the Company agreed to issue 2,500,000 shares of the Company to the Company's CEO upon execution of the agreement, an additional 2,500,000 shares of the Company on December 1, 2013 and 2,500,000 shares of the Company annually thereafter. As at December 31, 2018 and December 31, 2017, the Company has not issued any shares to the CEO and the fair value of the shares to be issued to the CEO is included in stock payable.

On April 1, 2013, the Company entered into a Consulting Agreement with the Company's Director, Owen Naccarato. Pursuant to the agreement, the Company agreed to issue 2,500,000 shares upon execution of the agreement, an additional 2,500,000 shares on December 1, 2013 and 2,500,000 shares of the Company annually thereafter. As at December 31, 2018, the Company owed the Director 5,000,000 shares (December 31, 2017 – 5,000,000 shares) and the fair value of the shares to be issued to the Director is included in stock payable.

On September 1, 2017, the Company entered into a Consulting Agreement with its CFO, Owen Naccarato. Pursuant to the agreement, the Company agreed to issue 2,500,000 shares of the Company upon execution of the agreement, 2,500,000 shares on January 1, 2018 and 2,500,000 shares annually thereafter. During the year ended December 31, 2017, the Company issued 2,500,000 shares to its CFO. As at December 31, 2018, the Company owed the CFO 2,500,000 shares (December 31, 2017 – nil shares) and the fair value of the shares to be issued to the CFO is included in stock payable.

NOTE 14 – MATERIAL AGREEMENTS

BP Gardens

On September 9, 2013, the Company formed a subsidiary corporation, BP Gardens, Inc., for the purpose of entering into a joint venture agreement. The Company entered into a joint venture partnership agreement with John's Wholesale Nursery to develop 4.5 acres of leased land in Buena Park, California. The Company entered into a 20 year sublease agreement on September 1, 2013 at 7701 Knott Avenue in Buena Park, California. The sublease requires the Company to pay rent of $1,500 a month. The Company and the owner have agreed to substitute rent payments for 1,250,000 shares of common stock in the Company per year.

On March 27, 2017, the Company entered into a greenhouse purchase agreement with Fresh Local Produce of Ohio LLC, an indoor hydroponic farming company based in Akron Ohio. The purchase price is approximately $7,397,739 for a turnkey off-grid PV solar glass greenhouse sale. In March 2017, the Company received a $600,000 down payment for the sale. In April 2017, the Company began production and procurement of construction assets. The Company will recognize revenues and expenses pursuant to the percentage of completion method of accounting. During the year ended December 31, 2017, the Company recorded the $610,000 in revenues and $600,000 in direct cost of goods sold.

During the nine months ended December 31, 2018, the Company elected to write off its investment in BP Gardens due to lack of financing. . The Company recorded a gain of $20,324.

BP Gardens 2, Inc.

On January 15, 2014, the Company entered into a joint venture agreement with John Taylor (dba Lincoln Hills Organics) to construct nine greenhouses on the 45,000 square foot property. The Company plans to grow lettuce, tomatoes, leafy greens, herbs and fish for the sale in commercial markets. Pursuant to the joint venture agreement, the Company entered into a five year sublease agreement with John Taylor whereby the Company will pay Mr. Taylor $100 a month. The revenues and costs of operations will be split 51% / 49% whereby the Company has rights to 51% and John Taylor has rights to 49%.

BP Gardens 2, Inc. is current on its rent and waiting for John Taylor to provide supporting payments for capital expenses to verify corrected amounts. The Company has not received supporting payments to date.

On or about August 9, 2016, Lincoln Hills Organics, LLC served the Company with an unlawful detainer claiming that rents and expenses are owed The Company is of the opinion that such claim is false since the Company has prepaid the rent well into 2017 and has not received the documentation for any of the expenses claimed owed. The Company has answered the summons accordingly and the detainer was released. The Company is actively trying to reach a settlement with John Taylor, however the Company is still waiting for expense receipt information and other pertinent to determine whether to pursue the settlement or some other action.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Membership Interest Purchase Agreement

On May 1, 2017, the Company entered into a Membership Interest Purchase Agreement, whereby the

Company will purchase 800 shares of Biodynamics CEA, Inc., a State of Ohio company. . The Purchase Agreement was amended on March 30, 2018. Pursuant to the amended Purchase Agreement, the Company will issue 27,200,000 shares of common stock of the Company for the 800 shares of Biodynamics CEA, Inc. which represents 80% interest in Biodynamics CEA, Inc. On or after March 6, 2020, the seller will have the option to acquire 51% of Biodynamics CEA, Inc. back from the Company via a spinoff of the Company. In March 2018, the Company reserved 27,200,000 shares of the Company to Biodynamics, CEA, Inc. with a fair value of $990,080. The Company received the shares from Greengro in April 2018 and Biodynamics gave Greengro the 800 shares of Biodynamics on November 1, 2018 and that's the final closing date of the transaction .

At the time of the acquisition, Biodynamics had around three projects in various stages. Though the Company has been in contact with the seller concerning the status of these projects, to date they have not materialized nor have recent updates have been received from the projects directly. For this reason, the Company elected to reserve the $990,080 investment and will revisit the value of the project when it has received further communications with Biodynamics

Lease (1676 W. Lincoln Ave, Anaheim CA Unit #1)

In December of 2014, the Company executed a two (2) year lease to occupy a 4,000 square foot retail building located at 1676 W. Lincoln Ave, Anaheim CA 92801. In early 2015, the Company moved its retail operations from its former location at 1839 W. Lincoln Ave to this new location. The lease began on January 1, 2015 and terminates on December 31, 2016, if not extended. The Company had the option to extend the lease for five (5) additional two (2) year terms. The first two months of rent were free. That lease required monthly payments of $5,000 with no CAM fees for the first two years. The lease was revised on February 9, 2017 (see below).

Lease (1674 and 1676 W. Lincoln Ave, Anaheim CA Unit#1 and Unit #2)

On February 9, 2017, the Company revised the existing commercial lease to include the adjacent space, 1674 W. Lincoln Ave, Anaheim California. The lease began March 1, 2017 and terminates December 31, 2026. Lease payments are $10,750 per month for the period from March 1, 2017 to December 31, 2018, $11,288 per month for the period from January 1, 2019 to December 31, 2020, $11,852 per month for the period from January 1, 2021 to December 31, 2022, $12,444 per month for the period from January 1, 2023 to December 31, 2024, and $13,067 per month for the period from January 1, 2025 to December 31, 2026.

Minimum future rental payments for the next 5 fiscal years under the agreement are as follows:

2018 - $96,750
2019 - $135,450
2020 - $135,450
2021- $142,222
2022 - $142,222
2023- $142,222
Thereafter - $470,046

Sublease (1676 W. Lincoln Ave, Anaheim CA)

On August 24, 2017, the Company executed a sublease agreement which commences on September 1, 2017 and ends on December 31, 2026. Lease payments receivable will be $4,500 per month.

Sublease (11307 Vanowen Street, Los Angeles CA)

On March 1, 2017, the Company executed a sublease agreement with a company controlled by the CEO of the Company for period of 1 year. The lease payments will be $18,000 per month.

Consulting Agreements

On July 25, 2013, the Company entered into a consulting agreement with service commencing January 25, 2014. In consideration of the consulting services, the Company agreed to issue 1,250,000 shares of common stock of the Company annually. As of December 31, 2018,, the Company owed the consultant 3,750,000 shares of common stock and the fair value of 3,750,000 shares of common stock is included in stock payable.

On March 27, 2014, the Company entered into a consulting agreement for a term of 1 year. On March 27, 2015, 2016 and 2017, the Company renewed the agreement. In consideration of the consulting services, the Company agreed to issue 1,500,000 shares of common stock of the Company upon execution of the agreement. As of December 31, 2018,, the Company owed the consultant 4,500,000 shares of common stock and the fair value of 4,500,000 shares of common stock is included in stock payable.

On December 1, 2014, the Company entered into a consulting agreement for a term of 1 year. On July 20, 2016 and 2017, the Company renewed the agreement. In consideration of the consulting services, the Company agreed to issue 1,000,000 shares of common stock of the Company upon execution of the agreement, and 500,000 shares of common stock of the Company annually until the agreement is terminated. As of December 31, 2018, the Company owed the consultant 1,500,000 shares of common stock and the fair value of 1,500,000 shares of common stock is included in stock payable.

On January 1, 2015, the Company entered into an advisory agreement. In consideration of the advisory services, the Company agreed to issue 2,500,000 shares of common stock of the Company annually. As of December 31, 2018, the Company owed the advisor 7,500,000 shares of common stock and the fair value of 7,500,000 shares of common stock is included in stock payable.

On July 20, 2015, the Company entered into a consulting agreement for a term of 1 year. On July 20, 2016 and 2017, the Company renewed the agreement. In consideration of the consulting services, the Company agreed to issue 2,000,000 shares of common stock of the Company.

On January 28, 2016, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 750,000 shares of common stock of the Company annually. As at December 31, 2018, the Company owed the consultant 1,500,000 shares of common stock and the fair value of the 1,500,000 shares of common stock is included in stock payable.

On March 28, 2016, the Company entered into a consulting agreement with services starting April 1, 2016. In consideration of the consulting services, the Company agreed to issue 1,500,000 shares of common stock of the Company annually. As at December 31, 2018, the Company owed the consultant 1,500,000 shares of common stock and the fair value of the 1,500,000 shares of common stock is included in stock payable.

On June 15, 2016, the Company entered into an advisory agreement pursuant to which the Company agreed to issue 1,250,000 shares of common stock of the Company annually. As at December 31, 2017, the Company owed the consultant 1,250,000 shares of common stock and the fair value of the 1,250,000 shares of common stock is included in stock payable. In March 2018, the Company issued the 1,250,000 shares.

On June 22, 2016, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 750,000 shares of common stock of the Company upon execution and every 6 months thereafter. In addition, the Company will also pay a 10% commission of the net profit for the consummation of any contracts delivered to the Company. As of December 31, 2018, the Company owed the consultant 1,500,000 shares of common stock and the fair value of the 1,500,000 shares of common stock is included in stock payable.

On September 20, 2016, the Company entered into a consulting agreement for a term of four years. In consideration of the services, the Company agreed to issue 1,250,000 shares of common stock of the

Company annually and to pay a 10% fee above the manufacture's cost of greenhouses. As of December 31, 2018, the Company owed the consultant 1,250,000 shares of common stock and the fair value of 1,250,000 shares of common stock is included in stock payable.

On November 4, 2016, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 625,000 shares of common stock of the Company every 6 months. As of December 31, 2018, the Company owed the consultant 1,250,000 shares of common stock and the fair value of 1,250,000 shares of common stock is included in stock payable.

On November 4, 2016, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 1,500,000 shares of common stock of the Company annually. As of December 31, 2018, the Company owed the consultant 1,500,000 shares of common stock and the fair value of 1,500,000 shares of common stock is included in stock payable.

On January 7, 2017, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 1,250,000 shares of common stock of the Company upon execution of the agreement and every 6 months thereafter. During the year ended December 31, 2017, the Company issued 1,250,000 shares of common stock and recognized the fair value of 1,250,000 share of common stock owing to the consultant. As of December 31, 2018, the Company owed the consultant 2,500,000 shares of common stock and the fair value of the shares owing is included in stock payable.

On January 17, 2017, the Company entered into a consulting agreement. In consideration of the consulting services, the Company agreed to issue 1,250,000 shares of common stock of the Company every 6 months with the first stock certificate issued upon execution of the agreement. As of December 31, 2018 the Company owed the consultant 2,500,000 shares of common stock and the fair value of 2,500,000 shares of common stock is included in stock payable.

On January 17, 2017, the Company entered into a consulting agreement pursuant to which the Company agreed to compensate the consultant with the issuance of 2,500,000 shares of common stock of the Company, issuable in increments of 1,250,000 shares of common stock upon execution of the agreement and 6 months thereafter. The Company will also compensate the consultant from time to time on a per job basis. The term of the consulting agreement is one year. The agreement was renewed on January 17, 2018. As at December 31, 2018, the Company owed the consultant 2,500,000 shares of common stock and the fair value of 2,500,000 shares of common stock is included in stock payable. In April 2018, the Company issued 1,250,000 of the 2,500,000 shares.

On February 22, 2017, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 1,250,000 shares of common stock of the Company upon execution of the agreement and every 6 months thereafter. In addition, the Company will pay a 10% net commissions on deals brought in by the consultant. During the year ended December 31, 2017, the Company issued 2,500,000 shares of common stock to the consultant. As at December 31, 2018, the Company owed the consultant 1,250,000 shares of common stock and the fair value of 1,250,000 shares of common stock is included in stock payable. In May 2018, the Company issued the 1,250,000 shares owing to the consultant.

On April 8, 2017, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 1,250,000 shares of common stock of the Company upon execution of the agreement and every 6 months thereafter. During the year ended December 31, 2017, the Company issued 1,250,000 shares of common stock and recognized the fair value of 1,250,000 share of common stock owing to the consultant. The fair value of the shares owing is included in stock payable at December 31, 2018.

On April 8, 2017, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 1,250,000 shares of common stock of the Company upon execution of the agreement and every 6 months thereafter. During the year ended December 31, 2017, the Company issued 1,250,000 shares of common stock and recognized the fair value of 1,250,000 share of common stock owing to the consultant. The fair value of the shares owing is included in stock payable at December 31, 2018.

On April 24, 2017, the Company entered into an advisory agreement pursuant to which the Company agreed to issue 2,500,000 shares of common stock of the Company annually. During the year ended December 31, 2017, the Company issued 2,500,000 shares of common stock.

On May 1, 2017, the Company entered into a consulting agreement for a term of 1 year. In consideration of the consulting services, the Company agreed to issue a quarterly fee of 1,000,000 shares of common stock of the Company which are due at the beginning of each quarter. During the year ended December 31, 2017, the Company issued 2,000,000 shares of common stock and recognized the fair value of 1,000,000 shares of common stock owing to the consultant. During the three months ended December 31, 2018, the Company recognized the fair value of 1,000,000 shares of common stock for service period begins February 1, 2018. As at December 31, 2018, the Company owed the consultant 2,000,000 shares of common stock and the fair value of 2,000,000 shares is included in stock payable.

On May 1, 2017, the Company entered into an advisory agreement pursuant to which the Company agreed to issue 1,500,000 shares of common stock of the Company annually. During the year ended December 31, 2017, the Company issued 1,500,000 shares to the consultant.

On October 1, 2017, the Company entered into a consulting agreement. In consideration of the consulting services, the Company agreed to issue 2,500,000 shares of common stock of the Company upon execution of the agreement. On October 6, 2017, the Company issued 2,500,000 shares.

On September 1, 2017, the Company entered into a consulting agreement. In consideration of the consulting services, the Company agreed to issue 2,500,000 shares upon execution of the agreement, an additional 2,500,000 shares of common stock of the Company on January 1, 2018 and 2,500,000 shares of common stock of the Company annually thereafter. On October 6, 2017, the Company issued 2,500,000 shares. As at December 31, 2018, the Company owed the consultant 2,500,000 shares of common stock and the fair value of 2,500,000 shares is included in stock payable.

On November 9, 2017, the Company entered into a consulting agreement pursuant to which the Company agreed to issue 1,250,000 shares of common stock of the Company upon execution of the agreement and every 6 months thereafter. As at December 31, 2017, the Company owed the consultant 1,250,000 shares of common stock and the fair value of the 1,250,000 shares of common stock is included in stock payable. In March 2018, the Company issued the 1,250,000 shares.

On February 6, 2018, the Company entered into two consulting agreements pursuant to which the Company agreed to compensate each consultant with the issuance of 2,500,000 shares of common stock of the Company upon execution of the agreement and every 12 months thereafter. During the three month period ended December 31, 2018, the Company issued 2,500,000 shares to one of the consultants. As at December 31, 2018, the Company owed 2,500,000 shares of common stock and the fair value of the 2,500,000 shares of common stock is included in stock payable. In May 2018, the Company issued 2,500,000 shares to the other consultant.

Legal Proceedings

In April 2018, the Company received notice of a pending lawsuit, filed in the State of California for which the Company was one of several defendants named, citing several complaints including breach of contract, conspiracy to commit fraud, and specific performance. The Company’s position is that the claims are without merit and intends to defend itself and its position in a court of law. This case was dismissed on April 24, 2019. The settlement aount was $12,500 and 1,500,000 shares.

NOTE 17 - SUBSEQUENT EVENTS

Carpenteria Agreements:

a) 20% net Cultivation Management: On March 22, 2019, the Company entered into a Business management and technical related agreement with Louis Armstrong & Associates, LLC., Santa Barbara county whose business includes licensed recreational and medical marijuana cultivation with pending distribution and extraction operations. This contract is with Greengro,s Cannabis Ventures Inc .

b) 50% net Nursery management: Also on March 22, 2019 the Company entered into a Nursery management and technical related agreement with Louis Armstrong & Associates, LLC., Santa Barbara county to supply equipment and supplies. The nursery contract is with Greengro,s subsidiary Genobreeding

Salinas Agreements:

a) 20% net Cultivation Management: On March 30, 2019, the Company entered into a Business management and technical related agreement with VBF Brands Inc., Monterey County whose business includes licensed recreational and medical marijuana cultivation with pending distribution and extraction operations. This contract is with Greengro,s Cannabis Ventures Inc .

b) 50% net Nursery management: Also on March 30, 2019 the Company entered into a Nursery management and technical related agreement with VBF Brands Inc., Monterey County to supply equipment and supplies. The nursery contract is with Greengro,s subsidiary Genobreeding

Contingency:

In April 2018, the Company received notice of a pending lawsuit, filed in the State of California for which the Company was one of several defendants named, citing several complaints including breach of contract, conspiracy to commit fraud, and specific performance. This case was dismissed on April 24, 2019. The settlement amount was $12,500 and 1,500,000 shares.