

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## CBD OF DENVER, INC.

720.424.3397  
[www.cbdoftdenver.com](http://www.cbdoftdenver.com)  
[info@cbdoftdenver.com](mailto:info@cbdoftdenver.com)

Primary SIC Code: 2833

### Quarterly Report For the Period Ending: June 30, 2021 (the "Reporting Period")

As of June 30, 2021, the number of shares outstanding of our Common Stock was:

5,309,588,107.

As of March 31, 2021, the number of shares outstanding of our Common Stock was:

5,309,588,107

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

5,309,588,107

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

Yes:  No:

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

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

CBD of Denver, Inc. (hereinafter referred to as the "Company" or "CBD of Denver, Inc.") was incorporated in Nevada on March 2, 2007 as Communications Corporation of America Inc. The Company redomiciled in the State of Delaware on December 23, 2009 as Hidalgo Mining International Inc. The company was Hidalgo Mining International Inc. until September 9, 2010, changing the name from Hidalgo Mining International Inc. to Verde Media Group Inc. The Company was Verde Media Group, Inc. until n June 27, 2018, when it changed its name to CBD of Denver, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

CBD of Denver, Inc. is active and in good standing in the State of Delaware and is an active foreign entity in good standing in the State of Colorado.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

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

The Company entered into an agreement to sell at total of 9,185,000 shares of its preferred stock to Swiss Industry Ventures AG ("Swiss Industries"), a Swiss company involved in the CBD business in Europe. The Company issued 3,100,000 newly issued shares to Swiss Industries, 5,500,000 shares were contributed by the Company's CEO and the Company repurchased 1,085,000 shares of preferred from a shareholder, that were then reissued to Swiss Industry. Swiss Industry will pay the Company a total of \$375,000 over 1 year. During that time, the shares are held in escrow by Swiss Industry maintains all voting rights associated with the preferred shares. Marcel Gamma was appointed CEO and Nicholas Sprung remains as the Company's president.

During the fiscal year ended December 31, 2021, the Company acquired two Swiss subsidiaries, Rockflowr and CBDWelt 24, now known as Rockflowr Exchange and Rockflowr Production.

The address(es) of the issuer's principal executive office:

Untere Fabrik 20  
CH-9100 Herisau, Switzerland

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address:

Europastrasse 30  
8152 Glattbrugg (Zurich)  
Switzerland

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

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## 2) Security Information

Trading symbol: CBDD  
Exact title and class of securities outstanding: Common  
CUSIP: 12482B107  
Par or stated value: .00001

Total shares authorized: 6,000,000,000 as of date: June 30, 2021  
Total shares outstanding: 5,309,538,107 as of date: June 30, 2021  
Number of shares in the Public Float<sup>2</sup>: 3,957,427,444 as of date: June 30, 2021  
Total number of shareholders of record: 240 as of date: June 30, 2021

All additional class(es) of publicly traded securities (if any): None

Trading symbol:  
Exact title and class of securities outstanding:  
CUSIP:  
Par or stated value:  
Total shares authorized: \_\_\_\_\_ as of date:  
Total shares outstanding: \_\_\_\_\_ as of date:

### Transfer Agent

Name: Olde Monmouth Stock Transfer  
Address: 200 Memorial Pkwy  
Atlantic Heights, NJ 07716  
Phone: 732-872-2727

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

## 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

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

### A. Changes to the Number of Outstanding Shares

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

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/18</u> Common: <u>3,903,688,107</u> Preferred: <u>5,500,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>01/25/19</u>	<u>New Issuance</u>	<u>600,000</u>	<u>Common Stock</u>	<u>.0006</u>	<u>No</u>	<u>Maurice Bright</u>	<u>Payment for Webpage Design Services</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>27,800</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Rory Michael Hussey</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>5,500</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Robert David Jaffe</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>6,667</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Nathan Middleton</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>134,000</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Otilla Schroeder</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>6,667</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Abraham Beckerman</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>10,000</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Patrick Michael Hanecak</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>16,000</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Richard Hamm</u>	<u>Services</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>6,000</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Brice Simon</u>	<u>Services</u>	<u>Unrestricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>20,000</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Clément Labelle</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>20,000</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Vincent Labelle</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>13,500</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Ron Kite</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>11,334</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Søren Traver Brammer Danø</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>April 11, 2019</u>	<u>Issuance</u>	<u>16,117</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Morgens Pohlmann Dohrenberg Arnskjold</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>

<u>April 11, 2019</u>	<u>Issuance</u>	<u>1,133,866</u>	<u>Preferred</u>	<u>.00001</u>	<u>No</u>	<u>Kuno Zabell</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>06/11/19</u>	<u>New</u>	<u>2,500,000</u>	<u>Common</u>	<u>.0006</u>	<u>No</u>	<u>Max Crookston</u>	<u>Payment for Web Security Services</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>07/09/19</u>	<u>New Issuance</u>	<u>250,000</u>	<u>Common Stock</u>	<u>.0006</u>	<u>No</u>	<u>Maurice Bright</u>	<u>Payment for Webpage Design Services</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>October 10, 2019</u>	<u>New Issuance</u>	<u>1,500,000</u>	<u>Common Stock</u>	<u>.0005</u>	<u>No</u>	<u>Max Crookston</u>	<u>Payment for Web Security Services</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>February 7, 2020</u>	<u>New Issuance</u>	<u>3,100,000</u>	<u>Preferred</u>	<u>.0001</u>	<u>No</u>	<u>Swiss Industry Venture AG (Marcel Gamma)</u>	<u>Cash</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>February 12, 2020</u>	<u>New Issuance</u>	<u>90,000,000</u>	<u>Common Stock</u>	<u>.0007</u>	<u>No</u>	<u>Capitoline Venture Fund II LLC</u> <u>Robert Roever</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Section 4(a)(1)</u>
<u>April 15, 2020</u>	<u>New Issuance</u>	<u>300,000,000</u>	<u>Common Stock</u>	<u>.0007</u>	<u>No</u>	<u>Capitoline Venture Fund II LLC</u> <u>Robert Roever</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Section 4(a)(1)</u>
<u>May 22, 2020 (1)</u>	<u>New Issuance</u>	<u>400,000,000</u>	<u>Common Stock</u>	<u>.0018</u>	<u>No</u>	<u>Swiss Industry Venture AG</u> <u>Marcel Gamma</u>	<u>Acquisition of CBDWelt24 GmbH</u>	<u>Restricted</u>	<u>Section 4(a)(1)</u>
<u>June 18, 2020 (1)</u>	<u>New Issuance</u>	<u>200,000,000</u>	<u>Common Stock</u>	<u>.0014</u>	<u>No</u>	<u>Swiss Industry Venture AG</u> <u>Marcel Gamma</u>	<u>Acquisition of Rockflow GmbH</u>	<u>Restricted</u>	<u>Section 4(a)(1)</u>
<u>August 25, 2020</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common Stock</u>	<u>.0013</u>	<u>No</u>	<u>Brent LaGrange</u>	<u>Consulting Fee</u>	<u>Restricted</u>	<u>Section 4(a)(1)</u>
<u>January 7, 2020</u>	<u>New Issuance</u>	<u>410,000,000</u>	<u>Common Stock</u>	<u>.0007</u>	<u>No</u>	<u>Capitoline Venture Fund II LLC</u> <u>Robert Roever</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Section 4(a)(1)</u>
<u>February 10, 2021</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common Stock</u>	<u>.03</u>	<u>No</u>	<u>Gregory Gamma</u>	<u>Employment</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>February 10, 2021</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common Stock</u>	<u>.03</u>	<u>No</u>	<u>Maxim Gamma</u>	<u>Employment</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>February 10, 2021</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common Stock</u>	<u>.03</u>	<u>No</u>	<u>Stoja Bogicevic</u>	<u>Employment</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>

<u>February 10, 2021</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common Stock</u>	<u>.03</u>	<u>No</u>	<u>Riccardo Viscio</u>	<u>Employment</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>February 10, 2021</u>	<u>New Issuance</u>	<u>10,000</u>	<u>Common Stock</u>	<u>.03</u>	<u>No</u>	<u>Can Hozer</u>	<u>Employment</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>03/31/21</u>	Common: <u>5,309,588,107</u>								
Preferred: <u>10,000,000</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through June 30, 2021 pursuant to the tabular format above.

(1) The issuances dated May 22, 2020 and June 18, 2020 reflect the dates upon which the Company entered into the agreements calling for the issuances of the shares, though the shares were not issued until after the end of the second quarter. The issuances are reflected in our 3<sup>rd</sup> quarter financial statements filed herewith.

#### B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

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

<u>Date of Note Issuance</u>	<u>Outstanding Balance (\$)</u>	<u>Principal Amount at Issuance (\$)</u>	<u>Interest Accrued (\$)</u>	<u>Maturity Date</u>	<u>Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)</u>	<u>Name of Noteholder (entities must have individual with voting / investment control disclosed).</u>	<u>Reason for Issuance (e.g. Loan, Services, etc.)</u>
<u>4/30/14</u>	<u>\$253,214</u>	<u>172,522</u>	<u>80,692</u> <u>Including penalties</u>		<u>The Company has agreed to settle the debt by the issuance of 1,000,000,000 shares, to be issued from time-to-time. The Lender is limited to owning 9.99% of the issued and outstanding shares at any one time.</u>	<u>Capitoline Ventures II LLC (Robert Roever)</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Name: Paul Riss  
Title: \_\_\_\_\_  
Relationship to Issuer: Outside Accountant

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Changes in Shareholders' Equity
- G. Financial notes; and
- H. Audit letter, if audited

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

**The unaudited financial statements of the Company for the period ended June 30, 2021 are attached hereto.**

### **Management Discussion**

The Company has started rebranding its Swiss operating subsidiaries to better reflect their part in the Company's overall business plan. Each of the subsidiaries will be adopting the Rockflowr brand and will now be called:

- Rockflowr Exchange Wholesale Division
- Rockflowr Production Grow & Production Facilities
- Rockflowr Retail Consumer Sales, Retail Store and Web Shop

During the period ended June 30, 2021, the Company continued to have strong sales despite a new round of pandemic related lockdowns in Europe, while making capital investments in the grow facility, wholesale distribution, and direct sales to consumers, expanding our client base and increasing distribution of our products.

Most of the Company's revenue growth has been provided by our wholesale division, Rockflowr Exchange, due to the acquisition of new customers throughout Switzerland and the European market.

For the 2<sup>nd</sup> quarter of 2021 our top line sales were approximately \$7.1 million, with sales of more than \$14.4 million since January 1, 2021.

Gross profit for the six months ended June 30, 2021 was \$1,502,834, while gross profit for the three months ended June 30, 2021 was \$143,271.

We have expanded into a new office/distribution/logistics center to house our expanding staff and distribution and logistics needs. Over the short term the company has grown from a shared 160 square meter facility to our current 260 square meter facility. Even with this impressive growth management continues to watch fixed expenses and the profitability of all divisions.

Rockflowr Exchange (wholesale division) previously expanded its sales team by 2 new salespeople as well as a part time social media person expanding our marketing efforts on Instagram and other social media platforms. These platforms have been instrumental in expanding our new client acquisition strategy in a very cost-effective manner. We continue to extend our presence on Instagram to help the expansion of our marketing efforts in other countries.

The Company has also made capital improvements in our Rockflowr Production (grow facilities) expanding the size of our largest facility by about 25% as well as adding new grow and vegetation rooms. We have increased our lighting and continued to develop our production processes and guidelines to increase our potential profitability in this division.

In our retail division, Rockflowr Retail (consumer and retail business) the Company has improved and implemented new processes to increase sales that were negatively affected by Covid19. We have renegotiated the lease at our retail location and developed new packaging.

The Company started to develop a B2B (business to business) strategy to provide products to existing retail locations, including pharmacies, convenience stores, petrol stations, and other brick and mortar locations.

During the 4<sup>th</sup> quarter of 2020 the Company introduced new logos for all 3 Swiss divisions as well as building new websites and additional online presence on Facebook, LinkedIn and other social media platforms for:

- Swiss Industry Ventures
- Rockflowr Exchange
- Rockflowr Production
- Rockflowr Retail
- CBD of Denver
- Black Pearl CBD
- CBD Social Network

Management's focus is to expand distribution of all company lines as well as expanding product lines to increase top line growth as well as bottom line growth, while always keeping an eye on Return on Investment (ROI) and profitability of all divisions.

The Company also looks to build out all 3 Swiss divisions' distribution and sales channels by adding new higher margin products including pet products, oils and extracts, supplements and health and wellness products.

## **5) Issuer's Business, Products and Services**

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

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

CBD of Denver, Inc. is participating in the development of innovative CBD products and related social networking. The Company's networking website can be accessed at: [www.cbdsocialnetwork.com](http://www.cbdsocialnetwork.com). The site connects CBD enthusiasts from around the world.

In addition, CBD of Denver, Inc. is producing zero percent THC CBD products, produced from qualified organic hemp, and marketing those products via the worldwide web at <https://blackpearlcbd.com> and exclusive retailers.

The Company recently acquired two Swiss subsidiaries, Rockflowr and CBDWelt 24, now known as Rockflowr Exchange and Rockflowr Production. These companies are involved in growing, producing, distributing and selling CBD products at retail in Switzerland and other countries in Europe.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Rockflowr Exchange  
Rockflowr Production

Both wholly owned subsidiaries of CBD of Denver, as described above.

C. Describe the issuers' principal products or services, and their markets

CBD of Denver, Inc. is producing zero percent THC CBD products, produced from qualified organic hemp, and marketing those products via the worldwide web and exclusive retailers. The company's products can be found at [cbdofdenver.com](http://cbdofdenver.com). During the last 3 months the company has introduced many new products. First new product is Black Pearl CBD Sunscreen. The sunscreen is "Reef Friendly" and doesn't contain any chemicals that bleach the ocean reefs and is made with CBD to help condition the user's skin. The second product is Black Pearl CBD Lip Balm which is available in two flavors, Strawberry and Berry. This product contains 25% CBD which is helpful in keeping the users lips soft and healthy. The last product is Black Pearl CBD 1%, which is an inexpensive version of our inline Black Pearl CBD 3.8%.

The Company recently acquired two Swiss subsidiaries that are involved growing, producing, distributing and selling CBD products at retail in Switzerland and other countries in Europe.

In addition, the Company's networking website can be accessed at: [www.cbdsocialnetwork.com](http://www.cbdsocialnetwork.com). The site will be connecting CBD enthusiasts from around the world. The site is currently being rebuilt.

**6) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

CBD of Denver, Inc. leases office space at 6436 South Quebec St., Ste. 240, Centennial, CO 80111.

Rockflowr Production leases space for its grow facility in Dietikon, Switzerland for 2,850 CHF per month on a month-to-month basis.

**7) Officers, Directors, and Control Persons**

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

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

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
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<u>Nicholas Sprung</u>	<u>Former officer and director</u>	<u>Cherry Hills Village, Colorado</u>	<u>128,000,000</u>	<u>Common</u>	<u>3.28%</u>	
<u>Richard Hamm</u>	<u>Secretary</u>	<u>Englewood, Colorado</u>	<u>10,000,000</u>	<u>Common</u>	<u>0.26%</u>	
<u>Swiss Industry Ventures AG</u>  <u>(Marcel Gamma)</u>	<u>Owner of More than 5%</u>	<u>Switzerland</u>	<u>9,185,000</u>  <u>600,000,000</u>	<u>Series A Preferred</u>  <u>Common Stock</u>	<u>91.85%</u>  <u>12.25%</u>	
<u>Marcel Gamma</u>	<u>CEO</u>	<u>Switzerland</u>	-	-	-	Mr. Gamma does not personally own any Company shares, though he is also the CEO of Swiss Industry Ventures AG

## 8) Legal/Disciplinary History

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

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

No.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

No.

**9) Third Party Providers**

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

Securities Counsel

Firm: Jonathan D. Leinwand, P.A.  
Address 1: 18305 Biscayne Blvd., Suite 200  
Aventura, FL 33160

Outside General Counsel: Breton & Simon, PLC  
P.O. Box 240  
344 Mountain Road  
Stowe, VT 05672

Accountant or Auditor

Firm: Executive Industries  
Address 1: 430 North Street  
White Plains, NY 10605

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

Name:  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

Name:  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

## 10) Issuer Certification

*Principal Executive Officer:*

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

The certifications shall follow the format below:

I, Marcel Gamma, certify that:

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

Date: 08/13/21

By: /s/ Marcel Gamma, CEO

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

*Principal Financial Officer:*

I, Marcel Gamma certify that:

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

08/13/21 [Date]

/s/ Marcel Gamma [CFO's Signature]

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

**CBD of Denver, Inc.**  
**Consolidated Balance Sheets**  
**(Unaudited)**

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 754,334	\$ 82,648
Accounts receivable, trade	2,550,085	1,283,661
Accounts receivable, related parties	223,617	864,596
Inventory	959,199	421,635
<b>Total Current Assets</b>	<u>4,487,235</u>	<u>2,652,540</u>
Net fixed assets	87,267	23,204
Deposits	-	14,004
Other assets	-	51,612
<b>Total assets</b>	<u>\$ 4,574,502</u>	<u>\$ 2,741,360</u>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Liabilities		
Current liabilities		
Account payable	\$ 1,338,591	\$ 1,267,970
Account payable - related parties	32,197	93,671
Accrued expenses	972,192	19,806
Deferred revenue	-	308,329
Notes payable	253,214	253,214
<b>Total current liabilities</b>	<u>2,596,194</u>	<u>1,942,990</u>
<b>Total Liabilities</b>	2,596,194	1,942,990
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock, par value \$.00001; 10,000,000 shares authorized, issued and outstanding	100	100
Common stock, par value \$.00001; 6,000,000,000 shares authorized, 5,309,558,107 and 5,309,538,107 issued and outstanding, respectively	53,096	53,095
Additional paid in capital	3,439,366	3,437,747
Accumulated deficit	(1,518,402)	(2,734,402)
Accumulated other comprehensive income	4,148	41,830
<b>Total shareholders' equity</b>	<u>1,978,308</u>	<u>798,370</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 4,574,502</u>	<u>\$ 2,741,360</u>

See Accompanying Notes to the Consolidated Financial Statements

**CBD of Denver, Inc.**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Sales	\$ 14,494,477	\$ 517,025	\$ 7,136,628	\$ 515,840
Cost of sales	12,991,643	362,822	6,993,357	355,855
Gross profit	1,502,834	154,203	143,271	159,985
<b>Operating expenses:</b>				
Marketing	355	17,529	-	17,529
Rent	46,127	19,552	41,989	19,552
Depreciation	4,729	2,207	3,499	2,207
Stock-based compensation	1,620	-	-	-
General and administrative	82,179	121,637	47,605	97,028
Total operating expenses	135,010	160,925	93,093	136,316
Income (loss) from operations	1,367,824	(6,722)	50,178	23,669
<b>Other income (expense)</b>				
Interest expense	-	(178,390)	-	-
Total Other Expenses	-	(178,390)	-	-
Net Income (loss) before income taxes	1,367,824	(185,112)	50,178	23,669
Income tax expense	151,824	4,592	5,851	4,592
Net income (loss)	1,216,000	(189,704)	44,327	19,077
Other comprehensive income , net of tax	(37,682)	3,654	36,814	3,654
Comprehensive Income (Loss)	\$ 1,178,318	\$ (186,050)	\$ 81,141	\$ 22,731
Basic net income (loss) per share	\$ 0.00	\$ (0.00)	\$ 0.00	\$ 0.00
Diluted net income (loss) per share	\$ 0.00	\$ (0.00)	\$ 0.00	\$ 0.00
Weighted Average Number of Shares Outstanding - Basic	5,309,576,718	4,194,527,118	5,309,588,107	4,446,889,755
Weighted Average Number of Shares Outstanding - Diluted	20,509,576,718	4,194,527,118	20,509,588,107	19,446,889,755

See Accompanying Notes to the Consolidated Financial Statements

**CBD of Denver, Inc.**  
**Consolidated Statements of Cash Flow**  
**(Unaudited)**

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
<b>OPERATING ACTIVITIES</b>		
Net loss from operations	\$ 1,216,000	\$ (189,704)
Adjustment to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	1,620	-
Foreign currency translation	(37,682)	3,654
Effect of exchange rate changes on cash	-	(5,508)
Depreciation	4,729	2,207
Changes in working capital items:		
Accounts receivable	(1,266,424)	(166,173)
Accounts receivable - related party	640,979	
Inventory	(537,564)	2,067
Prepaid expenses	-	(1,800)
Deposits	14,004	-
Other assets	51,612	(26,400)
Accounts payable	70,621	142,104
Accounts payable - related parties	(61,474)	14,484
Accrued expenses	952,386	240,861
Deferred revenue	(308,329)	-
Cash provided by operating activities	740,478	15,792
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(68,792)	-
Cash used in investing activities	(68,792)	-
<b>FINANCING ACTIVITIES</b>		
Proceeds from sale of preferred stock	-	310
Cash provided by financing activities	-	310
Increase (decrease) in cash during the period	671,686	16,102
Cash, beginning of the year	82,648	37,374
Cash, end of the period	\$ 754,334	\$ 53,476
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Non-cash financing activities:		
Settlement of accrued liabilities with common stock	\$ -	\$ 273,000
Stock issued for purchase of foreign subsidiaries	\$ -	\$ 1,276

See Accompanying Notes to the Consolidated Financial Statements.

**CBD of Denver, Inc.**  
**Statements of Shareholders' Equity**  
**Unaudited**

**Six Months Ended June 30, 2021 and Years Ended December 31, 2020 and 2019**

	Preferred Stock		Common Stock		Additional	Accumulated	Accumulated Other	Total
	Shares	Amount	Shares	Amount	Paid-In	Deficit	Comprehensive	Shareholders'
					Capital		Income	Equity
Balance at December 31, 2018	5,500,000	\$ 55	3,903,688,107	\$ 39,036	\$ 2,843,089	\$ (3,804,688)		\$ (922,508)
Capital contributions	1,400,000	14	-	-	43,397	-		43,411
Stock-based compensation	-	-	4,850,000	49	2,716	-		2,765
Net income	-	-	-	-	-	291,150		291,150
Balance at December 31, 2019	6,900,000	69	3,908,538,107	39,085	2,889,202	(3,513,538)		(585,182)
Sale of preferred stock	3,100,000	31			279			310
Settlement of liabilities			800,000,000	8,000	552,000			560,000
Purchase of foreign subsidiaries			600,000,000	6,000	(4,724)			1,276
Stock-based compensation			1,000,000	10	990			1,000
Other comprehensive income							\$ 41,830	41,830
Net income						779,136		779,136
Balance at December 31, 2020	10,000,000	100	5,309,538,107	53,095	3,437,747	(2,734,402)	41,830	798,370
Stock-based compensation			50,000	1	1,619			1,620
Other comprehensive income							(74,496)	(74,496)
Net income Q1						1,171,673.03		1,171,673
Balance at March 31, 2021	10,000,000	100	5,309,588,107	53,096	3,439,366	(1,562,729)	(32,666)	1,897,167
Other comprehensive income							36,814	36,814
Net income Q2						44,327		44,327
Balance at June 30, 2021	10,000,000	\$ 100	5,309,588,107	\$ 53,096	\$ 3,439,366	\$ (1,518,402)	\$ 4,148	\$ 1,978,308

See Accompanying Notes to the Consolidated Financial Statements

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2021 and 2020  
(Unaudited)

**1. Description of Business and Summary of Accounting Principles**

*Description of the Organization*

CBD of Denver Inc. (“CBDD,” “we,” “our,” or the “Company”), was formed as a corporation in the state of Nevada on March 2, 2007. On January 5, 2010 we filed a certificate of conversion from a non-Delaware corporation pursuant to Section 265 of the Delaware General Corporation Law. The Company has developed its own brand of CBD products and related social networking.

The Company’s networking website can be accessed at: [www.cbdsocialnetwork.com](http://www.cbdsocialnetwork.com). The site connects CBD enthusiasts from around the world.

In addition, the Company is producing zero percent THC CBD products, produced from qualified organic hemp, and marketing those products via the worldwide web at <https://blackpearlcbd.com> and exclusive retailers.

The Company recently acquired two Swiss subsidiaries, Rockflowr and CBDWelt 24, now known as Rockflowr Exchange and Rockflowr Production. These companies are involved in growing, producing, distributing and selling CBD products at retail in Switzerland and other countries in Europe. The majority of the revenues and expenses are generated by these Swiss subsidiaries.

The consolidated financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries after elimination of significant intercompany balances and transactions. The Company’s fiscal year end is December 31. The Company’s headquarters is in Centennial, Colorado.

*Income Taxes*

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible. When appropriate, a

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2021 and 2020  
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valuation allowance is established to eliminate the Company's deferred tax assets if it is more likely than not that none of the deferred tax assets will be realized.

The Company recognizes 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 are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with the tax authorities. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in income tax expense. The Company has determined that it had no significant uncertain tax positions requiring recognition or disclosure.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

### ***Revenue Recognition***

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." The Company adopted the new standard as of January 1, 2018, utilizing a full retrospective transition method. Adoption of the new standard resulted in no changes in its revenue recognition.

Topic 606 established that the Company recognize revenue using the following five-step model:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as, the Company satisfies a performance obligation.

The following describes each step of Topic 606 and how the Company utilizes the guidance to recognize revenue:

Step 1: "Identify the contract with a customer."

Each sale is made with an individual customer and is a one-time transaction.

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2021 and 2020  
(Unaudited)

Step 2: "Identify the performance obligations in the contract." The Company ships the merchandise and subsequently records the customer payment.

Step 3: "Determine the transaction price." Each product sold has a regular price, and applicable sale price which is the amount that the customer pays the company.

Step 4: "Allocate the transaction price to the performance obligations in the contract." The transaction price is set on the company's ecommerce platform or is negotiated with a customer before shipment occurs and the customer is invoiced as soon as product is shipped.

Step 5: "Recognize revenue when the entity satisfies a performance obligation." The Company records the sale upon the order's shipping, identified by a tracking number.

### ***Stock-Based Compensation***

The Company accounts for employee stock-based compensation in accordance with the guidance of FASB ASC Topic 718, Compensation – Stock Compensation which requires all share-based payments to employees, including the vesting of restricted stock grants to employees, to be recognized in the financial statements based on their fair values. The fair value of the equity instrument is charged directly to compensation expense and credited to common stock and capital in excess of par value during the period during which services are rendered.

### ***Earnings Per Share***

Earnings per share is computed by dividing net income by the weighted-average number of shares outstanding. To the extent that outstanding securities are anti-dilutive, they are excluded from the calculation of diluted earnings per share. See Note 7 for details of dilutive securities.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company did not have any cash equivalents as of June 30, 2021 and December 31, 2020.

### ***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are stated at the amount management expects to collect. The Company generally does not require collateral to support customer receivables. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. As

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2021 and 2020  
(Unaudited)

of June 30, 2021 and December 31, 2020, the Company has not established an allowance for doubtful accounts.

***Fixed Assets***

Fixed asset expenditures are recorded at cost. Costs which extend the useful lives or increase the productivity of the assets are capitalized, while normal repairs and maintenance that do not extend the useful life or increase the productivity of the asset are expensed as incurred. Equipment is depreciated on the straight-line method over the estimated useful lives of the assets. Machinery, equipment, furnishings and vehicles are depreciated on a straight-line basis over 5 years. Depreciation expense amounted to \$4,729 and \$2,207 for the six months ended June 30, 2021 and 2020, respectively and \$3,499 and \$2,207 for the three months ended June 30, 2021 and 2020, respectively.

The following table summarizes components of fixed assets as of June 30, 2021 and December 31, 2020:

	<u>June 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Furniture and equipment	\$ 94,574	\$ 25,782
Accumulated depreciation	(7,307)	(2,578)
Net fixed assets	<u>\$ 87,267</u>	<u>\$ 23,204</u>

***Asset Impairment***

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. The Company recorded no asset impairment expense during the six- and three-month periods ended June 30, 2021 and 2020.

***Business Combinations***

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Allocation of purchase consideration to identifiable assets and liabilities affects Company amortization expense, as acquired finite-lived intangible assets are amortized over the useful life, whereas any indefinite lived intangible assets, including goodwill, are not amortized. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

***Long-lived Assets Including Goodwill and Other Acquired Intangibles Assets***

We evaluate the recoverability of property and equipment and acquired finite-lived intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate from the use and eventual disposition. If such review indicates that the carrying amount of property and equipment and intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value. We have not recorded any significant impairment charges during the years presented.

Acquired finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. We routinely review the remaining estimated useful lives of property and equipment and finite-lived intangible assets. If we change the estimated useful life assumption for any asset, the remaining unamortized balance is amortized or depreciated over the revised estimated useful life.

***Foreign Currency***

The functional currency of our international subsidiaries is the local currency. We translate the financial statements of these subsidiaries to U.S. dollars using quarter-end rates of exchange for assets and liabilities, and average rates of exchange for revenue, costs, and expenses. Translation gains and losses are recorded in accumulated other comprehensive income as a component of stockholders' equity. As of June 30, 2021 and December 31, 2020, the Company recorded a cumulative translation gain of \$4,148 and \$41,830, respectively. Net losses from foreign exchange transactions were \$37,682 for the six months ended June 30, 2021, as compared to a gain of \$3,654 in the six months ended June 30, 2020.

***General and Administrative Expenses***

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited)

General and administrative expenses include office supplies, software, payroll, Internet, insurance and other overhead expenses.

***Segments***

Our chief operating decision-maker is our Chief Executive Officer who makes resource allocation decisions and assesses performance based on financial information presented on a consolidated basis. There are no segment managers who are held accountable by the chief operating decision-maker, or anyone else, for operations, operating results, and planning for levels or components below the consolidated unit level. Accordingly, we have determined that we have a single reportable segment and operating segment structure.

***Use of Estimates***

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. On a continual basis, management 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.

***Recent Accounting Pronouncements***

In February 2016, the FASB issued ASU 2016-02 – “Leases (Topic 842).” Under ASU 2016-02, entities will be required to recognize lease asset and lease liabilities by lessees for those leases classified as operating leases. Among other changes in accounting for leases, a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee (and a lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. The amendments in ASU 2016-02 will become effective for companies for fiscal years beginning after December 15, 2021, including interim periods with those fiscal years, for public business entities. We are currently evaluating the effect of the adoption of ASU 2016-02 will have on our results of operations, financial position or cash flows.

In June 2018, the FASB issued ASU 2018-07, Improvement to Nonemployee Share-based Payment Accounting, which simplifies the accounting for share-based payments. The company elected early adoption of this ASU, using the modified retrospective approach, so

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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that all stock compensation to employees and nonemployees is treated under the same guidance as in ASC 718.

In December 2019, the FASB issued Accounting Standard Update No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* (ASU 2019-12), which simplifies the accounting for income taxes. This guidance will be effective for us in the first quarter of 2021 on a prospective basis, and early adoption is permitted. We are currently evaluating the impact of the new guidance on our consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

## **2. Debt**

Notes payable amounted to \$253,214 as of June 30, 2021 and December 31, 2020. On February 7, 2020, the Company entered into an agreement with the note holder in which principal, interest and penalties totaling \$813,214.11 (the “Debt”) would be exchanged for 1,000,000,000 (one billion) shares of the Company’s common stock. In conjunction with this settlement, the Company recorded interest expense in the quarter ended March 31, 2020 of \$178,390. The Company’s common stock closed at \$0.0007 per share on February 7, 2020, and consequently the value of the shares of common stock to be issued to satisfy the Debt is \$700,000.

The note holder may take down from time-to-time, upon the request of the holder (each a “Takedown Request”), any number of shares it desires, so long as the number of shares of common stock issuable upon a Takedown Request does not result in beneficial ownership by the holder, together with its affiliates and any persons acting as a group together with the holder, of more than 9.99% of the outstanding shares of common stock of the Company.

As of December 31, 2020, the Company has issued 800,000,000 shares of common stock to the note holder. The issuance was recorded as a reduction in accrued interest and penalties, which are recorded as a component of accrued expenses on the Company’s balance sheet, and as a reduction in notes payable. The total reduction in liabilities as of June 30, 2021 and December 31, 2020, due to the issuance of stock in conjunction with the debt settlement agreement, amounted to \$560,000. Upon issuance of an additional 200,000,000 shares of common stock the Debt will be satisfied, and any existing notes shall be cancelled.

## **3. Fair Value Measurements**

CBD OF DENVER, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2021 and 2020  
(Unaudited)

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of financial instruments on a recurring basis.

***Fair Value Hierarchy***

The Fair Value Measurements Topic of FASB's ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

***Determination of Fair Value***

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

Valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value where it is practicable to do so for financial instruments not recorded at fair value are as follows:

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***Cash and cash equivalents, accounts receivable, inventory, and accounts payable***

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. In general, carrying amounts approximate fair value because of the short maturity of these instruments.

***Long-lived Assets***

All carrying amounts of long-lived assets approximate fair value.

***Debt***

As of June 30, 2021 and December 31, 2020, the Company's debt was carried at its face value plus accrued interest. Based on the financial condition of the Company, it is impracticable for the Company to estimate the fair value of its short and long-term debt.

The Company has no instruments with significant off-balance sheet risk.

**4. Income Taxes**

The Company recorded a provision for income taxes of \$151,824 and \$5,841 for the six- and three-month periods ended June 30, 2021, respectively and a provision for income taxes of \$4,592 and for the six- and three-month periods ended June 30, 2020. The tax provision relates to tax expense for profitable operations of its two wholly owned subsidiaries in Switzerland.

As of December 31, 2020, the Company had net operating loss carryforwards for Federal income tax purposes of approximately \$190,000. However, under Section 382 of the Internal Revenue Code, the use of the net operating loss carryforwards are limited by a change in ownership in 2020.

The Company did not have any material unrecognized tax benefits as of June 30, 2021 and December 31, 2020. The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the six- and three-month periods ended June 30, 2021 and 2020. The Company is subject to U.S. federal income tax, as well as taxes by various state jurisdictions and foreign jurisdictions. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the years ending December 31, 2018 through 2020.

**5. Commitments and Contingencies**

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***Litigation***

The Company accrues for loss contingencies associated with outstanding litigation, claims and assessments for which management has determined it is probable that a loss contingency exists, and the amount of loss can be reasonably estimated. Costs for professional services associated with litigation claims are expensed as incurred. As of June 30, 2021, the Company has not accrued or incurred any amounts for litigation matters.

***Leases***

Rockflowr Production leases space for its grow facility in Dietikon, Switzerland for 2,850 CHF per month on a month-to month basis.

**6. Stockholders' Equity**

The Company is authorized to issue 6,000,000,000 shares of its common stock, par value \$0.00001 and 100,000,000 shares of preferred stock, par value \$0.00001. 5,309,888,107 and 5,309,538,107 shares of common stock were outstanding as of June 30, 2021 and December 31, 2020, respectively. 10,000,000 shares of preferred stock were outstanding as of June 30, 2021 and December 31, 2020, respectively. The preferred shares have voting control of the Company.

On February 7, 2020, the Company sold 3,100,000 shares of preferred stock at a price of \$0.0001 per share.

Effective May 22, 2020 the Company issued 400,000,000 shares of common stock to purchase Rockflowr Exchange. Effective June 18, 2020 the Company issued 200,000,000 shares of common stock to purchase Rockflowr Production. See Notes 1, 8 and Note 9.

On August 25, 2020, the Company issued 1,000,000 shares of common stock, valued at \$1,000, as stock-based compensation to a consultant.

During the year ended December 31, 2020, the Company issued an aggregate of 800,000,000 shares of common stock, valued at \$560,000 in conjunction with a debt settlement agreement. See Note 2 for details of the debt settlement.

On February 10, 2021, the Company issued 50,000 shares as stock-based compensation to employees and recorded stock-based compensation expense of \$1,620.

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**7. Income Per Common Share**

Income per common share data was computed as follows:

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Net income loss attributable to common stockholders – basic	\$ 1,216,000	\$ (189,704)	\$ 44,327	\$ 19,077
Adjustments to net loss	-	-	-	-
Net loss attributable to common stockholders – diluted	<u>\$ 1,216,000</u>	<u>\$ (189,704)</u>	<u>\$ 44,327</u>	<u>\$ 19,077</u>
Weighted average common shares outstanding - basic	5,309,576,718	4,194,527,118	5,309,588,107	4,446,889,755
Effect of dilutive securities	<u>15,200,000,000</u>	<u>-</u>	<u>15,200,000,000</u>	<u>15,000,000,000</u>
Weighted average common shares outstanding – diluted	<u>20,509,576,718</u>	<u>4,194,527,118</u>	<u>20,509,588,107</u>	<u>19,446,889,755</u>
Earnings (loss) per common share - basic	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Earnings (loss) per common share - diluted	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

All of the Company's preferred stock is convertible into shares of common stock at a rate of 1,500 shares of common stock for every preferred share. 15,000,000,000 shares of common stock issuable to preferred shareholders and 910,000,000 shares to be issued in conjunction with a debt settlement agreement were not included in the calculated of loss per share in the six months ended June 30, 2020 because the effect would be anti-dilutive.

**8. Business Combinations**

During the second quarter of 2020, the Company purchased two Swiss-based CBD entities, Rockflowr Exchange and Rockflowr Production. The financial results of these business acquisitions are included in the consolidated financial statements from their respective dates of acquisition.

Rockflowr Production was purchased on May 22, 2020 for a purchase price of 400,000,000 shares of the Company's common stock, valued at \$720,000. The fair value of the assets over the liabilities of Rockflowr Production amounted to \$18,315. The Company did not record any intangible assets for the excess of the value of the stock issued over the fair market value of the net assets purchased because it was purchased from a related party.

Rockflowr Exchange was purchased on June 18, 2020 for a purchase price of 200,000,000 shares of the Company's common stock, valued at \$280,000. The fair value of the liabilities over the assets of Rockflowr Exchange amounted to \$17,039. The Company did not record

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any intangible assets for the excess of the value of the stock issued over the fair market value of the net assets purchased because it was purchased from a related party.

**9. Related Party Transactions**

Rockflowr Production was purchased on May 22, 2020 by issuing 400,000,000 shares of our common stock, valued at \$720,000, to Swiss Industry Ventures, which holds all of the preferred shares and voting control of the Company.

Rockflowr Exchange was purchased on June 18, 2020 by issuing 200,000,000 shares of our common stock, valued at \$280,000, to Swiss Industry Ventures.

As of June 30, 2021, the Company recorded accounts receivable and accounts payable to related parties of \$223,617 and \$32,197, respectively. As of December 31, 2020, the Company recorded accounts receivable and accounts payable to related parties of \$864,596 and \$93,671, respectively.

**10. Subsequent Events**

The Company evaluated subsequent events through August 12, 2021. There were no material subsequent events that required recognition or additional disclosure in these financial statements.