

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **EVIO, Inc.**

2654 Horizon Ridge Dr. #B5-208  
Henderson, NV

---

702-748-9944  
Website: [www.eviolabs.com](http://www.eviolabs.com)  
Email: [info@eviolabs.com](mailto:info@eviolabs.com)  
7600 - Services - Misc.

### **Annual Report** **For the Period Ending: September 30, 2020** **(the "Reporting Period")**

As of September 21, 2021, the number of shares outstanding of our Common Stock was:

3,500,821,435

As of June 30, 2020, the number of shares outstanding of our Common Stock was:

94,217,473

As of September 30, 2019, the number of shares outstanding of our Common Stock was:

29,314,419

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: ☒

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

---

<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.

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.

EVIO, Inc. was originally incorporated in the State of New York, December 12, 1977, under the name 3171 Holding Corporation. On February 22, 1979, the name was changed to Electronic Industries Corp. On February 23, 1983, the name was changed to Quantech Electronics Corp. On September 18, 2014, the Company changed its name to Signal Bay, Inc. On August 31, 2017, the Company changed its name to EVIO, 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):

EVIO, Inc. is incorporated in the State of Colorado, effective December 15, 2003, and is currently "Active" and in good standing.

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:

None.

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

2654 Horizon Ridge Pkwy. #B5-208 Henderson, NV 89052

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:* ☐

14775 SW 74th Ave. Tigard, OR 97224

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:

Not Applicable

## **2) Security Information**

Trading symbol:	<u>EVIO</u>
Exact title and class of securities outstanding:	<u>Common</u>
CUSIP:	<u>30051V106</u>
Par or stated value:	<u>\$0.0001</u>

Total shares authorized:	<u>1,000,000,000</u>	as of date: September 30, 2020
Total shares outstanding:	<u>109,120,215</u>	as of date: September 30, 2020

Number of shares in the Public Float <sup>2</sup> :	<u>80,925,538</u>	as of date: September 30, 2020
Total number of shareholders of record:	<u>188</u>	as of date: September 30, 2020

*All additional class(es) of publicly traded securities (if any):*

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Series B Convertible Preferred</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>5,000,000</u>	as of date: September 30, 2020
Total shares outstanding:	<u>5,000,000</u>	as of date: September 30, 2020

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Series C Convertible Preferred</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>500,000</u>	as of date: September 30, 2020
Total shares outstanding:	<u>500,000</u>	as of date: September 30, 2020

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>Series D Convertible Preferred</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.0001</u>	
Total shares authorized:	<u>1,000,000</u>	as of date: September 30, 2020
Total shares outstanding:	<u>339,500</u>	as of date: September 30, 2020

#### Transfer Agent

Name: Pacific Stock Transfer  
Phone: 702-433-1979  
Email: info@pacificstocktransfer.com  
Address: 6725 Via Austi Pkwy, Suite 300 Las Vegas, NV

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.

<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.

## 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: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
<u>Opening Balance</u> Date: September 30, 2018      Common: 23,255,411 Preferred: 6,052,500									
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.
10/1/18	Issuance	37,500	Common	0.92	No	David Kane	Vesting of RSU (Employee Services)	Restricted	N/A
10/1/18	Issuance	300,000	Common	0.50	Yes	Gemini Special Opportunities Fund / Steven Winters	Debt conversion	Unrestricted	Rule 144
10/4/18	Issuance	180,000	Common	0.60	Yes	Brant Investments/Alfred Wirth	Debt conversion	Unrestricted	Rule 144
10/09/18	Issuance	75,869	Common	0.475	Yes	Adar Bays / Aryeh Goldstein	Debt conversion	Unrestricted	Rule 144
10/18/18	Issuance	104,302	Common	0.384	Yes	Adar Bays / Aryeh Goldstein	Debt conversion	Unrestricted	Rule 144
10/19/18	Issuance	50,000	Common	0.600	No	Mason Family/David Mason	Debt conversion	Unrestricted	Rule 144
10/25/18	Issuance	10,000	Common	0.603	No	Molly Lyons	Services	Restricted	N/A
10/31/18	Issuance	439,361	Common	0.60	No	William Bradford White	Debt conversion	Unrestricted	Rule 144
10/25/18	Issuance	5,000	Common	0.580	No	T. Gunther Group / Tim Gunther	Services	Restricted	N/A
11/2/18	Issuance	170,033	Common	0.294	Yes	Adar Bays / Aryeh Goldstein	Debt conversion	Unrestricted	Rule 144
11/8/18	Issuance	25,000	Common	0.40	No	Deanne Horner	Conversion of Preferred Series D	Unrestricted	Rule 144
11/8/18	Issuance	62,500	Common	0.400	No	Bryan Goodlove	Conversion of Preferred Series D	Unrestricted	Rule 144
11/8/18	Issuance	7,500	Common	0.400	No	Michael Rife	Conversion of Preferred Series D	Unrestricted	Rule 144
11/13/18	Issuance	139,767	Common	0.315	Yes	Adar Bays / Aryeh Goldstein	Debt conversion	Unrestricted	Rule 144
11/16/18	Issuance	25,000	Common	0.515	No	Paul Wright	Vesting of RSU (Employee Services)	Restricted	N/A
11/20/18	Issuance	200,000	Common	0.515	No	David Bernard	Services	Restricted	N/A

<u>11/20/18</u>	<u>Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>0.500</u>	<u>No</u>	<u>David Bernard</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>11/28/18</u>	<u>Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>0.475</u>	<u>No</u>	<u>Bryce Gartner</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/3/18</u>	<u>Issuance</u>	<u>5,000</u>	<u>Common</u>	<u>0.470</u>	<u>No</u>	<u>Lauren Frankel</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/3/18</u>	<u>Issuance</u>	<u>12,500</u>	<u>Common</u>	<u>0.470</u>	<u>No</u>	<u>Matthew Hoffman</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/3/18</u>	<u>Issuance</u>	<u>12,500</u>	<u>Common</u>	<u>0.470</u>	<u>No</u>	<u>Kaylynn Marquez</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>1/17/19</u>	<u>Issuance</u>	<u>412,500</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Susan Webb Grimmett</u>	<u>Conversion of Preferred Series D</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>2/11/19</u>	<u>Issuance</u>	<u>20,000</u>	<u>Common</u>	<u>0.588</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>2/16/19</u>	<u>Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>0.515</u>	<u>No</u>	<u>Paul Wright</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>2/20/19</u>	<u>Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>0.530</u>	<u>No</u>	<u>Annabeth Rose</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>2/20/19</u>	<u>Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>0.530</u>	<u>No</u>	<u>Albert Lustig</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>2/20/19</u>	<u>Issuance</u>	<u>12,500</u>	<u>Common</u>	<u>0.530</u>	<u>No</u>	<u>Tobias Paquet</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/17/19</u>	<u>Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Paul Saunders</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>40,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>George Adams</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>250,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Will Ollerhead</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>62,500</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Richard Boxer</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Robert McWhirter</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>62,500</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Garret Herman</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>150,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Quinsam Capital / Roger Dent</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Harold Wolkin</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Alred Wirth</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>125,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Dan Papulkas</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/28/19</u>	<u>Issuance</u>	<u>75,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Lynn Miller</u>	<u>Cash</u>	<u>Restricted</u>	<u>N/A</u>

<u>5/16/17</u>	<u>Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>0.515</u>	<u>No</u>	<u>Paul Wright</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/17/19</u>	<u>Issuance</u>	<u>12,948</u>	<u>Common</u>	<u>0.475</u>	<u>No</u>	<u>Shawn McKay</u>	<u>Settlement of AP</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/17/19</u>	<u>Issuance</u>	<u>12,948</u>	<u>Common</u>	<u>0.475</u>	<u>No</u>	<u>Jeremy Riggle</u>	<u>Settlement of AP</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/17/19</u>	<u>Issuance</u>	<u>3,947</u>	<u>Common</u>	<u>0.475</u>	<u>No</u>	<u>Gus Young</u>	<u>Settlement of AP</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/17/19</u>	<u>Issuance</u>	<u>1,7369</u>	<u>Common</u>	<u>0.475</u>	<u>No</u>	<u>Nick Ducote</u>	<u>Settlement of AP</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/17/19</u>	<u>Issuance</u>	<u>187,500</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Robert Howland</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>5/17/19</u>	<u>Issuance</u>	<u>60,000</u>	<u>Common</u>	<u>0.400</u>	<u>No</u>	<u>Stonebridge Partners, LLC/Michael Berger</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>6/13/19</u>	<u>Issuance</u>	<u>150,000</u>	<u>Common</u>	<u>0.212</u>	<u>No</u>	<u>David Bernard</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>6/13/19</u>	<u>Issuance</u>	<u>75,000</u>	<u>Common</u>	<u>0.212</u>	<u>No</u>	<u>Capital Markets Communications, Inc./ David Bernard</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>6/13/19</u>	<u>Issuance</u>	<u>161,638</u>	<u>Common</u>	<u>0.212</u>	<u>No</u>	<u>Robert Sullivan</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>6/13/19</u>	<u>Issuance</u>	<u>53,879</u>	<u>Common</u>	<u>0.212</u>	<u>No</u>	<u>Touch Media Group Inc./ Jason Hobbs</u>	<u>Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>8/2/19</u>	<u>Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>0.40</u>	<u>No</u>	<u>Greg Tucker</u>	<u>Conversion of Preferred Series D</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>8/16/19</u>	<u>Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>0.515</u>	<u>No</u>	<u>Paul Wright</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>9/6/19</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>0.300</u>	<u>Yes</u>	<u>FirstFire Global Opportunities Fund / Eli Fireman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/10/19</u>	<u>Issuance</u>	<u>99,255</u>	<u>Common</u>	<u>0.302</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/19/19</u>	<u>Issuance</u>	<u>175,824</u>	<u>Common</u>	<u>0.228</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/30/19</u>	<u>Issuance</u>	<u>150,500</u>	<u>Common</u>	<u>0.603</u>	<u>No</u>	<u>Ronald Russak</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>10/1/19</u>	<u>Issuance</u>	<u>37,500</u>	<u>Common</u>	<u>0.234</u>	<u>No</u>	<u>Ronald Russak</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>10/2/19</u>	<u>Issuance</u>	<u>307,692</u>	<u>Common</u>	<u>0.211</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>10/4/19</u>	<u>Issuance</u>	<u>26,666</u>	<u>Common</u>	<u>0.225</u>	<u>Yes</u>	<u>Thesis Capital / Prit Singh</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/18/19</u>	<u>Issuance</u>	<u>338,983</u>	<u>Common</u>	<u>0.192</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/19/19</u>	<u>Issuance</u>	<u>300,000</u>	<u>Common</u>	<u>0.192</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>

<u>11/20/19</u>	<u>Issuance</u>	<u>186,442</u>	<u>Common</u>	<u>0.192</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/20/19</u>	<u>Issuance</u>	<u>55,000</u>	<u>Common</u>	<u>0.192</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/21/19</u>	<u>Issuance</u>	<u>187,617</u>	<u>Common</u>	<u>0.133</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/25/19</u>	<u>Issuance</u>	<u>100,000</u>	<u>Common</u>	<u>0.169</u>	<u>Yes</u>	<u>Quarum Holdings LLC / Dennis Ringer</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/26/19</u>	<u>Issuance</u>	<u>1,495,972</u>	<u>Common</u>	<u>0.175</u>	<u>Yes</u>	<u>Bellridge Capital / Robert Klimkov</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/27/19</u>	<u>Issuance</u>	<u>120,000</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/27/19</u>	<u>Issuance</u>	<u>230,621</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>11/27/19</u>	<u>Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/2/19</u>	<u>Issuance</u>	<u>248,139</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/3/19</u>	<u>Issuance</u>	<u>130,000</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/3/19</u>	<u>Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/3/19</u>	<u>Issuance</u>	<u>231,404</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/3/19</u>	<u>Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>0.101</u>	<u>Yes</u>	<u>Quarum Holdings LLC / Dennis Ringer</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/4/19</u>	<u>Issuance</u>	<u>299,735</u>	<u>Common</u>	<u>0.075</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/5/19</u>	<u>Issuance</u>	<u>393,045</u>	<u>Common</u>	<u>0.069</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/5/19</u>	<u>Issuance</u>	<u>300,000</u>	<u>Common</u>	<u>0.069</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/6/19</u>	<u>Issuance</u>	<u>300,000</u>	<u>Common</u>	<u>0.050</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/9/19</u>	<u>Issuance</u>	<u>504,083</u>	<u>Common</u>	<u>0.050</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/9/19</u>	<u>Issuance</u>	<u>1,443,713</u>	<u>Common</u>	<u>0.044</u>	<u>Yes</u>	<u>Bellridge Capital / Robert Klimkov</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/10/19</u>	<u>Issuance</u>	<u>414,189</u>	<u>Common</u>	<u>0.041</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/10/19</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>0.041</u>	<u>Yes</u>	<u>Quarum Holdings LLC / Dennis Ringer</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/11/19</u>	<u>Issuance</u>	<u>1,230,769</u>	<u>Common</u>	<u>0.041</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>

<u>12/12/19</u>	<u>Issuance</u>	<u>400,000</u>	<u>Common</u>	<u>0.036</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/12/19</u>	<u>Issuance</u>	<u>924,154</u>	<u>Common</u>	<u>0.036</u>	<u>Yes</u>	<u>Gemini Special Opportunities Fund / Steven Winters</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/13/19</u>	<u>Issuance</u>	<u>537,495</u>	<u>Common</u>	<u>0.036</u>	<u>Yes</u>	<u>Quarum Holdings LLC / Dennis Ringer</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/13/19</u>	<u>Issuance</u>	<u>1,258,741</u>	<u>Common</u>	<u>0.036</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/16/19</u>	<u>Issuance</u>	<u>370,000</u>	<u>Common</u>	<u>0.033</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/16/19</u>	<u>Issuance</u>	<u>599,505</u>	<u>Common</u>	<u>0.036</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/16/19</u>	<u>Issuance</u>	<u>657,532</u>	<u>Common</u>	<u>0.033</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/18/19</u>	<u>Issuance</u>	<u>590,197</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/19/19</u>	<u>Issuance</u>	<u>1,718,213</u>	<u>Common</u>	<u>0.029</u>	<u>Yes</u>	<u>Bellridge Capital / Robert Klimkov</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/19/19</u>	<u>Issuance</u>	<u>1,813,164</u>	<u>Common</u>	<u>0.017</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/20/19</u>	<u>Issuance</u>	<u>600,000</u>	<u>Common</u>	<u>0.017</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/20/19</u>	<u>Issuance</u>	<u>450,000</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/23/19</u>	<u>Issuance</u>	<u>1,100,000</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/23/19</u>	<u>Issuance</u>	<u>772,624</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/27/19</u>	<u>Issuance</u>	<u>491,697</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>TFK Investments LLC / Chad Friend</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/27/19</u>	<u>Issuance</u>	<u>75,000</u>	<u>Common</u>	<u>0.050</u>	<u>No</u>	<u>Paul Wright</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/27/19</u>	<u>Issuance</u>	<u>225,000</u>	<u>Common</u>	<u>0.050</u>	<u>No</u>	<u>Ronald Russak</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/27/19</u>	<u>Issuance</u>	<u>60,000</u>	<u>Common</u>	<u>0.050</u>	<u>No</u>	<u>James Horvath</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/27/19</u>	<u>Issuance</u>	<u>25,000</u>	<u>Common</u>	<u>0.050</u>	<u>No</u>	<u>James Kocis</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/30/19</u>	<u>Issuance</u>	<u>180,000</u>	<u>Common</u>	<u>0.049</u>	<u>No</u>	<u>William Elston</u>	<u>Professional Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>12/30/19</u>	<u>Issuance</u>	<u>750,000</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>12/30/19</u>	<u>Issuance</u>	<u>1,297,498</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>



<u>1/1/20</u>	<u>Issuance</u>	<u>37,500</u>	<u>Common</u>	<u>0.026</u>	<u>No</u>	<u>Ronald Russak</u>	<u>Vesting of RSU (Employee Services)</u>	<u>Restricted</u>	<u>N/A</u>
<u>1/2/20</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>1/6/20</u>	<u>Issuance</u>	<u>1,486,987</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>1/7/20</u>	<u>Issuance</u>	<u>1,561,338</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>1/8/20</u>	<u>Issuance</u>	<u>894,000</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Crown Bridge Capital / Seth Ahdoot</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>1/13/20</u>	<u>Issuance</u>	<u>944,691</u>	<u>Common</u>	<u>0.029</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>1/22/20</u>	<u>Issuance</u>	<u>144,928</u>	<u>Common</u>	<u>0.069</u>	<u>No</u>	<u>Stephanie Head</u>	<u>Settlement of litigation</u>	<u>Restricted</u>	<u>N/A</u>
<u>1/22/20</u>	<u>Issuance</u>	<u>3,750,000</u>	<u>Common</u>	<u>0.070</u>	<u>No</u>	<u>Robert Sullivan</u>	<u>Professional Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>1/24/20</u>	<u>Issuance</u>	<u>833,334</u>	<u>Common</u>	<u>0.031</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>1/31/20</u>	<u>Issuance</u>	<u>864,863</u>	<u>Common</u>	<u>0.037</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>1/31/20</u>	<u>Issuance</u>	<u>3,029,007</u>	<u>Common</u>	<u>0.071</u>	<u>No</u>	<u>William Waldrop</u>	<u>Settlement of deferred wages</u>	<u>Restricted</u>	<u>N/A</u>
<u>1/31/20</u>	<u>Issuance</u>	<u>2,503,650</u>	<u>Common</u>	<u>0.072</u>	<u>No</u>	<u>Lori Glauser</u>	<u>Settlement of deferred wages</u>	<u>Restricted</u>	<u>N/A</u>
<u>1/31/20</u>	<u>Issuance</u>	<u>1,820,881</u>	<u>Common</u>	<u>0.072</u>	<u>No</u>	<u>Anthony Smith</u>	<u>Settlement of deferred wages</u>	<u>Restricted</u>	<u>N/A</u>
<u>2/24/20</u>	<u>Issuance</u>	<u>733,603</u>	<u>Common</u>	<u>0.031</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>2/11/20</u>	<u>Issuance</u>	<u>1,036,437</u>	<u>Common</u>	<u>0.031</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>2/27/20</u>	<u>Issuance</u>	<u>450,000</u>	<u>Common</u>	<u>0.068</u>	<u>No</u>	<u>David Bernard</u>	<u>Professional Services</u>	<u>Restricted</u>	<u>N/A</u>
<u>3/9/20</u>	<u>Issuance</u>	<u>1,007,462</u>	<u>Common</u>	<u>0.027</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>3/20/20</u>	<u>Issuance</u>	<u>3,286,713</u>	<u>Common</u>	<u>0.014</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>4/9/20</u>	<u>Issuance</u>	<u>4,100,000</u>	<u>Common</u>	<u>0.010</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>5/4/20</u>	<u>Issuance</u>	<u>3,100,000</u>	<u>Common</u>	<u>0.010</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>5/4/20</u>	<u>Issuance</u>	<u>3,300,000</u>	<u>Common</u>	<u>0.010</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>5/24/20</u>	<u>Issuance</u>	<u>5,000,000</u>	<u>Common</u>	<u>0.021</u>	<u>No</u>	<u>C3 Labs Members / Jesse Kater</u>	<u>Acquisition</u>	<u>Restricted</u>	<u>N/A</u>

<u>9/08/20</u>	<u>Issuance</u>	<u>3,676,470</u>	<u>Common</u>	<u>0.014</u>	<u>No</u>	<u>David Bernard</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/10/20</u>	<u>Issuance</u>	<u>652,783</u>	<u>Common</u>	<u>0.011</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/11/20</u>	<u>Issuance</u>	<u>4,529,412</u>	<u>Common</u>	<u>0.009</u>	<u>Yes</u>	<u>Platinum Point Capital / Brian Friefield</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/15/20</u>	<u>Issuance</u>	<u>1,963,866</u>	<u>Common</u>	<u>0.011</u>	<u>Yes</u>	<u>LG Capital Funding LLC / Joseph Lerman</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/17/20</u>	<u>Issuance</u>	<u>1,003,288</u>	<u>Common</u>	<u>0.010</u>	<u>Yes</u>	<u>AES Capital / Alan Safdieh</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
<u>9/24/20</u>	<u>Issuance</u>	<u>3,076,923</u>	<u>Common</u>	<u>0.006</u>	<u>Yes</u>	<u>Adar Alef, LLC / Aryeh Goldstein</u>	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>Rule 144</u>
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date: September 30, 2020									
Common: 109,120,215									
Preferred: 5,839,500									

Include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

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

Refer to Note 18 – Subsequent Events of the Consolidated Financial Statements for all issuances post September 30, 2020.

## **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: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
27-Apr-17	562,500	500,000	0	4/27/18	Converted to common stock at \$1.25 per share on the maturity date. the Company will pay the difference between \$1.25 and the average lowest trading price during the preceding five days per share converted in cash.	Leaf Detective LLC / Michele Malaret	Note for Acquisition
29-Jan-18	25,000	25,000	5,403	12/31/21	Converts to common stock at \$0.003 per share	2411784 ONTARIO LTD / Elliot Bassin	Loan
29-Jan-18	108,000	108,000	23,340	12/31/21	Converts to common stock at \$0.003 per share	Allan Jacobs	Loan
29-Jan-18	400,000	400,000	86,444	12/31/21	Converts to common stock at \$0.003 per share	AlphaNorth Asset Management / Steve Palmer	Loan
29-Jan-18	100,000	100,000	21,611	12/31/21	Converts to common stock at \$0.003 per share	Armand Reale	Loan
29-Jan-18	120,000	120,000	25,933	12/31/21	Converts to common stock at \$0.003 per share	Aubrey Baillie	Loan
29-Jan-18	25,000	25,000	5,403	12/31/21	Converts to common stock at \$0.003 per share	Barrington Capital Corp/ Michael McIntosh	Loan
29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	Ben Cheng	Loan
29-Jan-18	32,000	32,000	6,915	12/31/21	Converts to common stock at \$0.003 per share	Brent Norton	Loan
29-Jan-18	100,000	100,000	21,611	12/31/21	Converts to common stock at \$0.003 per share	Brent Todd	Loan
29-Jan-18	100,000	100,000	21,611	12/31/21	Converts to common stock at \$0.003 per share	Bruce Bent	Loan
29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	Dan Papulkas	Loan
29-Jan-18	250,000	250,000	54,027	12/31/21	Converts to common stock at \$0.003 per share	Dark Bay International Ltd/ John Fielding	Loan
29-Jan-18	60,000	60,000	12,967	12/31/21	Converts to common stock at \$0.003 per share	David Farquharson	Loan
29-Jan-18	200,000	200,000	43,222	12/31/21	Converts to common stock at \$0.003 per share	Delaney Capital Management / Lynn Miller	Loan
29-Jan-18	100,000	100,000	21,611	12/31/21	Converts to common stock at \$0.003 per share	Donald Sandy Goss	Loan

29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	DV Trading Inc. / Mike Schlichting	Loan
29-Jan-18	250,000	250,000	54,027	12/31/21	Converts to common stock at \$0.003 per share	Embley Park Foundation	Loan
29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	Francis Pope	Loan
29-Jan-18	100,000	100,000	21,611	12/31/21	Converts to common stock at \$0.003 per share	Fred Hamilton	Loan
29-Jan-18	100,000	100,000	21,611	12/31/21	Converts to common stock at \$0.003 per share	Garret Herman	Loan
29-Jan-18	60,000	60,000	12,967	12/31/21	Converts to common stock at \$0.003 per share	George Adams	Loan
29-Jan-18	10,000	10,000	2,161	12/31/21	Converts to common stock at \$0.003 per share	Gordon Cornelius	Loan
29-Jan-18	75,000	75,000	16,208	12/31/21	Converts to common stock at \$0.003 per share	Grant Mccutcheon	Loan
29-Jan-18	150,000	150,000	32,416	12/31/21	Converts to common stock at \$0.003 per share	Harold & Shelley Wolkin	Loan
29-Jan-18	535,000	565,000	117,243	12/31/21	Converts to common stock at \$0.003 per share	HNW Management Inc / Alfred Wirth	Loan
29-Jan-18	75,000	75,000	16,208	12/31/21	Converts to common stock at \$0.003 per share	HRD Trust / Scott Dexter	Loan
29-Jan-18	20,000	20,000	4,322	12/31/21	Converts to common stock at \$0.003 per share	Hugh Jackson	Loan
29-Jan-18	200,000	200,000	43,222	12/31/21	Converts to common stock at \$0.003 per share	John Kutkevicius Professional Corporation	Loan
29-Jan-18	60,000	60,000	12,967	12/31/21	Converts to common stock at \$0.003 per share	John Kutkevicius Professional Corporation	Loan
29-Jan-18	40,000	40,000	8,644	12/31/21	Converts to common stock at \$0.003 per share	Lumira Capital Investment Management Inc./ Brent Norton	Loan
29-Jan-18	20,000	20,000	4,322	12/31/21	Converts to common stock at \$0.003 per share	Marshall Nicholishen	Loan
29-Jan-18	30,000	60,000	8,107	12/31/21	Converts to common stock at \$0.003 per share	Mason Family Holdco / J David Mason	Loan
29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	Millstone Ventures Ltd./ Trevor Fencott	Loan
29-Jan-18	40,000	40,000	8,644	12/31/21	Converts to common stock at \$0.003 per share	Myra Sourkes	Loan
29-Jan-18	100,000	100,000	21,611	12/31/21	Converts to common stock at \$0.003 per share	Nine Two Seven Ltd C/O Mr. Andrew Clark	Loan
29-Jan-18	10,000	10,000	2,161	12/31/21	Converts to common stock at \$0.003 per share	Pamela Gillies	Loan

29-Jan-18	10,000	10,000	2,161	12/31/21	Converts to common stock at \$0.003 per share	Perry N Dellelce Professional Corporation	Loan
29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	Peter Mcrae	Loan
29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	Push Corp	Loan
29-Jan-18	450,000	450,000	97,249	12/31/21	Converts to common stock at \$0.003 per share	Quinsam Capital Corp / Roger Dent	Loan
29-Jan-18	200,000	200,000	43,222	12/31/21	Converts to common stock at \$0.003 per share	Richard Boxer	Loan
29-Jan-18	10,000	10,000	2,161	12/31/21	Converts to common stock at \$0.003 per share	Robert Stodgell	Loan
29-Jan-18	250,000	250,000	54,027	12/31/21	Converts to common stock at \$0.003 per share	Robert Ulicki	Loan
29-Jan-18	25,000	25,000	5,403	12/31/21	Converts to common stock at \$0.003 per share	Roger Muelhupt	Loan
29-Jan-18	5,000	5,000	1,081	12/31/21	Converts to common stock at \$0.003 per share	Walter Brian Carter	Loan
29-Jan-18	50,000	50,000	10,805	12/31/21	Converts to common stock at \$0.003 per share	Wellner Capital Advisor Ltd. / Thomas Wellner	Loan
12-Feb-18	300,000	300,000	63,912	12/31/21	Converts to common stock at \$0.003 per share	Pathfinder Partner Fund / Rob Ballard	Loan
01-Aug-18	396,000	330,000	108,238	10/1/18	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	John Kutkevicius Professional Corporation/John Kutkevicius	Loan
17-Sep-18	18.1	62,500	10,260	9/17/19	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Crown Bridge Capital / Seth Ahdoot	Loan
02-Oct-18	264,000	220,000	61,975	1/1/19	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	John Kutkevicius Professional Corporation/John Kutkevicius	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Blake Yorke Slader	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Cynthia Guina	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Cynthia Heeltine	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Dawn Setter Real Estate Corp	Loan

17-Oct-18	24,000	24,000	3,798	12/31/21	Converts to common stock at \$0.003 per share	Douglas Johnson	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Edward Robertson	Loan
17-Oct-18	20,000	20,000	3,239	12/31/21	Converts to common stock at \$0.003 per share	Eric McQuillan	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Fiona Pasay	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	John Vowles	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Justin Armstrong	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Kai Ohs	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	R. Millicent Dunn	Loan
17-Oct-18	20,000	20,000	3,165	12/31/21	Converts to common stock at \$0.003 per share	Roxy Smiley	Loan
23-Oct-18	30,000	30,000	4,708	12/31/21	Converts to common stock at \$0.003 per share	1765288 Alberta Ltd / Peter Laurensse	Loan
23-Oct-18	20,000	20,000	3,139	12/31/21	Converts to common stock at \$0.003 per share	Earl Andrews	Loan
23-Oct-18	10,000	10,000	1,569	12/31/21	Converts to common stock at \$0.003 per share	Edward Charles Beales	Loan
23-Oct-18	20,000	20,000	3,139	12/31/21	Converts to common stock at \$0.003 per share	Keith MJ Anderson Professional Corp	Loan
23-Oct-18	20,000	20,000	2,832	12/31/21	Converts to common stock at \$0.003 per share	Mark David Wilneff	Loan
23-Oct-18	10,000	10,000	1,569	12/31/21	Converts to common stock at \$0.003 per share	Peter Lee	Loan
15-Nov-18	0	222,600	15,564	11/15/19	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
04-Feb-19	212,000	265,000	31,984	2/4/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
05-Feb-19	131,250	131,250	17,260	1/14/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan

11-Feb-19	131,250	131,250	16,972	2/5/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan
15-Mar-19	70,913	70,913	8,782	3/15/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
15-Mar-19	61,013	70,913	8,549	3/15/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Cerebrus Finance Group, LTD. / Eliot Dayan	Loan
01-Jul-19	675,930	825,930	74,784	9/30/19	35% discount of the lowest volume weighted average price for the preceding 20 trading days	Gemini Special Opportunities Fund / Steven Winters	Loan
08-Aug-19	33,092	33,092	3,099	8/8/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
08-Aug-19	33,092	33,092	3,099	8/8/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan
30-Aug-19	72,500	110,000	8,815	5/30/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Platinum Point Capital / Brian Freifeld	Loan
04-Nov-19	33,516	33,516	2,432	11/4/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
04-Nov-19	33,516	33,516	2,432	11/4/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan
23-Dec-19	137,375	137,375	8,491	12/23/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
03-Jan-20	137,375	137,375	8,250	12/23/20	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan
15-Jan-20	100,000	100,000	1,512	1/14/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	AEON Markets / Kyle Johnston	Loan

21-Jan-20	52,500	50,000	2,923	1/20/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
21-Jan-20	52,500	50,000	2,923	1/20/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan
04-Feb-20	265,637	265,637	17,467	2/3/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
04-Feb-20	265,637	265,637	17,467	2/3/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan
03-Apr-20	66,000	66,000	3,255	4/3/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Platinum Point Capital / Brian Freifeld	Loan
26-Aug-20	39,500	39,500	796	8/26/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	Adar Alef, LLC / Aryeh Goldstein	Loan
26-Aug-20	39,500	39,500	796	8/26/21	35% discount from the lowest trading price of the Company's common stock in the preceding 15 trading days	LG Capital Funding LLC / Joseph Lerman	Loan

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

N/A

#### 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>:

Name: Lori Glauser  
Title: CEO  
Relationship to Issuer: CEO

<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.



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 Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial Statements and Notes are Attached as Exhibit to this Disclosure Statement on pages F1 – F25 (update page range)

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.

## **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")

The Company provides analytical testing services to agricultural and pharmaceutical industries, primarily for cannabis, hemp, and related products. The company also provides compliance consulting, product research and development and formulation support.

- B. Please list any subsidiaries, parents, or affiliated companies.

Smith Scientific Industries, LLC, Greenhaus Analytical Labs, LLC; Viridis Analytics, LLC; EVIO Labs OR, Inc.; C3 Labs, LLC; EVIO Labs Humboldt, LLC and Keystone Labs, Inc.

- C. Describe the issuers' principal products or services.

The company's principal products are analytical testing of cannabis and hemp including tests for potency quantitation, and detection of the presence of potentially harmful substances including pesticides, solvents, metals, microbial contaminants. The company also offers research & development and consulting services for participants in the cannabis and hemp industries.

## **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 and the extent in which the facilities are utilized.

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.

As of September 30, 2020, the company has the following properties:

Laboratory at 2448 Sixth St. Berkeley, CA Lease. Lease to renew 12/31/26

Laboratory at 7225 Roper Rd NW Edmonton, AB. Lease to renew 9/1/21

Laboratory at 14775 SW 74<sup>th</sup> Ave Tigard, OR. Property mortgaged

Laboratory at 540 E. Vilas Rd. Medford, OR. Lease transferred 1/28/21

Laboratory at 40 Speen St. Suite 301 Framingham, MA. Lease transferred 10/1/2020

Proposed Laboratory at 3505 Cadillac Ave Suite F-1 Costa Mesa, CA Lease released 5/27/21.

## 7) Company Insiders (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, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders 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 (City, State) 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 Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
William Waldrop	CEO	Henderson, NV	4,394,007	Common	4.0%	N/A
William Waldrop	CEO	Henderson, NV	2,500,000	Preferred Series B	50%	N/A
Lori Glauser	COO	Henderson, NV	3,947,017	Common	3.6%	N/A
Lori Glauser	COO	Henderson, NV	2,500,000	Preferred Series B	50%	N/A

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities 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);

None

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;

None

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

None

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.

None

- 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.

On February 6, 2020, MC CRE Investments, LLC landlord for the Palm Desert location, filed a Breach of Lease Agreement with the Superior Court of the State of California, County of Riverside. EVIO Labs Palm Desert has vacated the space and turned it back over to the landlord. The Company has expensed past due rents and late fees and these items are included in the liabilities in the balance sheet. On November 6, 2020, the Company entered into a settlement agreement with the landlord for \$148,338.

On or about March 5, 2020, Paul Tomaso, and Jonah Barber beneficiaries for MRX Labs, LLC, filed a Breach of Promissory Note in the original principal amount of \$750,000, plus late fees and penalties, with the Circuit Court of the State in Oregon, in Multnomah County against Greenhaus Analytical Labs, LLC. The Company has expensed penalties and late fees and these items are included in the liabilities in the balance sheet.

On or about April 30, 2020, Michele Malaret and Gordon Griswold filed, filed a Breach of Contract in the original principal amount of \$500,000, with the Superior Court of California, County of Humboldt. The Company currently recognizes the full liability on its balance sheet.

On or around March 10, 2021, SLC1,LLC filed a Complaint for Breach Guaranty Agreement with the District Court Clark County, NV against C3 Labs, LLC for \$513,485. C3 Labs returned leased equipment in May, 2020. The Company has expensed past due lease payments and late fees, and these items are included in the liabilities in the balance sheet.

## **9) Third Party Providers**

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

### Securities Counsel

Name: Gina Austin  
Firm: Austin Legal  
Address 1: 3990 Old Town Ave  
Address 2: San Diego, CA 92110  
Phone: 619-924-9600  
Email: info@austinlegalgroup.com

#### Accountant or Auditor

Name: Ben Borgers  
Firm: BF Borgers  
Address 1: 5400 W Cedar Ave.  
Address 2: Lakewood, CO 80226  
Phone: 303-953-1454  
Email: contact@bfbcpa.us

#### Investor Relations

Name: None  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Other Service Providers

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, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: Dean Skupen  
Firm: DSS Consulting Corp.  
Nature of Services: Accounting  
Address 1: 638 Linder Canyon Rd. Oak Park CA  
Address 2: Suite 117  
Phone: 310-955-5813  
Email: info@rfinteam.com

#### **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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Lori Glauser certify that:

1. I have reviewed this annual disclosure statement of EVIO, 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.

September 23, 2021 [Date]

/s/ Lori J. Glauser [CEO's Signature]

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

*Principal Financial Officer:*

I, Lori Glauser certify that:

1. I have reviewed this annual disclosure statement of EVIO, 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.

September 23, 2021 [Date]

/s/ Lori J. Glauser [CFO's Signature]

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

**EVIO Inc.**  
**FINANCIAL STATEMENTS**  
**(unaudited)**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**TABLE OF CONTENTS**

	<u><b>PAGE</b></u>
Consolidated Balance Sheets as of September 30, 2020 and September 30, 2019 (Unaudited)	F-2
Consolidated Statements of Operations for the years ended September 30, 2020 and 2019 (Unaudited)	F-3
Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the years ended September 30, 2020 and 2019 (Unaudited)	F-4
Consolidated Statement of Cash Flows for the for the years ended September 30, 2020 and 2019 (Unaudited)	F-6
Notes To Consolidated Financial Statements	F-7

**EVIO, INC.**  
Consolidated Balance Sheets (Unaudited)

	September 30, 2020	September 30, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 196,601	\$ 110,325
Accounts receivable, net	128,958	133,022
Prepaid expenses	33,744	190,460
Other current assets	8,225	9,689
Note receivable, current portion	-	538,904
Total current assets	367,528	982,400
Right of use assets	2,562,188	2,543,976
Capital assets, net	844,071	1,383,828
Land	212,550	212,550
Property and equipment, net	3,243,961	3,080,426
Security deposits	189,763	178,918
Note receivable, net	320,000	-
Prepaid expenses, net	-	4,061
Total assets	<u>\$ 7,740,061</u>	<u>\$ 8,386,159</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,785,398	\$ 3,811,237
Client deposits	73,827	108,418
Deferred revenue	-	-
Interest payable	1,917,076	1,387,642
Capital lease obligation, current	726,709	957,673
Derivative liability	2,337,968	2,545,735
Convertible notes payable, net of discounts	3,625,581	3,695,484
Loans payable, net of discounts, current	2,811,583	762,476
Total current liabilities	16,278,142	13,268,665
Convertible debentures, net of loan discounts	4,339,238	1,734,890
Lease liabilities	2,585,815	2,594,726
Capital lease obligation, net	121,729	381,786
Loans payable, net	85,504	657,603
Loans payable, related party, net	690,139	1,560,849
Total liabilities	24,100,567	20,198,519
Stockholders' Equity:		
Series B convertible preferred stock, \$0.0001 par value. 5,000,000 authorized; 5,000,000 shares issued and outstanding at September 30, 2020 and September 30, 2019, respectively	500	500
Series C convertible preferred stock, \$0.0001 par value. 500,000 authorized; 500,000 shares issued and outstanding at September 30, 2020 and September 30, 2019, respectively	50	50
Series D convertible preferred stock, \$0.0001 par value. 1,000,000 authorized; 349,500 and 349,500 shares issued and outstanding at September 30, 2020 and September 30, 2019, respectively	34	34
Common stock, \$0.0001 par value. 1,000,000,000 authorized; 109,120,215 and 29,314,419 shares issued and outstanding at September 30, 2020 and September 30, 2019, respectively	10,912	2,931
Additional paid-in capital	30,154,017	26,498,076
Retained earnings (accumulated deficit)	(46,190,271)	(37,775,183)
Accumulated other comprehensive income	(328,501)	(353,090)
Total stockholders' equity	(16,353,259)	(11,626,682)
Noncontrolling interest	(7,247)	(185,678)
Total equity	(16,360,506)	(11,812,360)
Total liabilities and equity	<u>\$ 7,740,061</u>	<u>\$ 8,386,159</u>

The accompanying notes are an integral part of the consolidated financial statements.

**EVIO, INC.**  
Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

	Year Ended September 30, 2020	Year Ended September 30, 2019
Revenues		
Testing revenue	\$ 3,596,004	\$ 3,786,815
Consulting revenue	-	3,000
Total revenues	<u>3,596,004</u>	<u>3,789,815</u>
Cost of revenue		
Testing services	2,675,320	3,494,607
Consulting services	5,075	1
Depreciation and amortization	766,682	1,231,247
Total cost of revenue	<u>3,447,077</u>	<u>4,725,855</u>
Gross margin	148,927	(936,040)
Operating expenses:		
Selling, general and administrative	4,273,675	6,155,187
Depreciation and amortization	90,926	234,477
Total operating expenses	<u>4,364,601</u>	<u>6,389,664</u>
Income (loss) from operations	(4,215,674)	(7,325,704)
Other income (expense)		
Interest income (expense), net	(4,938,014)	(5,663,242)
Other income (expense)	57,149	(49,695)
Gain (loss) on settlement of debt	-	-
Impairment charge	-	(7,255,724)
Gain (loss) on change in fair market value of derivative liabilities	631,241	(366,974)
Total other income (expense)	<u>(4,249,624)</u>	<u>(13,335,635)</u>
Income (loss) before income taxes	(8,465,298)	(20,661,339)
Provision for income taxes (benefit)	124	7,694
Net income (loss)	(8,465,422)	(20,669,033)
Net income (loss) attributable to noncontrolling interest	(50,334)	(2,120,312)
Net income (loss) attributable to EVIO, Inc. shareholders	<u>\$ (8,415,088)</u>	<u>\$ (18,548,721)</u>
Basic and diluted earnings (loss) per common share	<u>\$ (0.12)</u>	<u>\$ (0.69)</u>
Weighted-average number of common shares outstanding:		
Basic and diluted	72,078,132	26,887,932
Comprehensive loss:		
Net income (loss)	\$ (8,465,422)	\$ (20,669,033)
Foreign currency translation adjustment	24,589	(89,105)
Comprehensive income (loss)	<u>\$ (8,440,833)</u>	<u>\$ (20,758,138)</u>

The accompanying notes are an integral part of the consolidated financial statements.



EVIO, INC.  
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

	Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Common Stock		Stock	Additional	Retained	Accumulated	Total	Noncontrolling	Total
	Shares	Value	Shares	Value	Shares	Value	Shares	Value	Subscriptions	Paid-in	Earnings	Other	Stockholders'	Interest	Equity
									Receivable	Capital		Comprehensive	Equity		Equity
Balance, September 30, 2018	5,000,000	\$ 500	500,000	\$ 50	552,500	\$ 55	23,255,411	\$ 2,326	\$ -	\$ 21,495,621	\$ (19,226,462)	\$ (263,985)	\$ 2,008,105	\$ 1,934,634	\$ 3,942,739
Net income (loss)	-	-	-	-	-	-	-	-	-	-	(18,548,721)	-	(18,548,721)	(2,120,312)	(20,669,033)
Change in foreign currency translation	-	-	-	-	-	-	-	-	-	-	-	(89,105)	(89,105)	-	(89,105)
Issuance of common stock in connection with the conversion of Series D preferred stock	-	-	-	-	(213,000)	(21)	532,500	53	-	(32)	-	-	-	-	-
Issuance of common stock in connection with sales made under private offerings	-	-	-	-	-	-	1,415,000	141	-	585,859	-	-	586,000	-	586,000
Issuance of common stock as compensation to employees, officers and/or directors	-	-	-	-	-	-	287,500	29	-	397,951	-	-	397,980	-	397,980
Issuance of common stock in exchange for consulting, professional and other services provided	-	-	-	-	-	-	1,038,017	104	-	336,787	-	-	336,891	-	336,891
Issuance of common stock in connection with the settlement of accounts payable	-	-	-	-	-	-	31,579	3	-	14,997	-	-	15,000	-	15,000
Issuance of common stock in connection with the conversion of loans payable	-	-	-	-	-	-	2,054,887	205	-	686,995	-	-	687,200	-	687,200
Issuance of common stock in connection with the conversion of debentures	-	-	-	-	-	-	669,362	67	-	387,933	-	-	388,000	-	388,000
Issuance of common stock in connection with the conversion of interest payable	-	-	-	-	-	-	10,163	1	-	25,109	-	-	25,110	-	25,110
Issuance of common stock purchase warrants in satisfaction of debt issuances costs	-	-	-	-	-	-	20,000	2	-	11,758	-	-	11,760	-	11,760
Recognition of beneficial conversion features related to convertible debt instruments	-	-	-	-	-	-	-	-	-	1,844,834	-	-	1,844,834	-	1,844,834
Stock based compensation related to employee stock options	-	-	-	-	-	-	-	-	-	710,264	-	-	710,264	-	710,264
Balance, September 30, 2019	5,000,000	\$ 500	500,000	\$ 50	339,500	\$ 34	29,314,419	\$ 2,931	\$ -	\$ 26,498,076	\$ (37,775,183)	\$ (353,090)	\$ (11,626,682)	\$ (185,678)	\$ (11,812,360)
Net income (loss)	-	-	-	-	-	-	-	-	-	-	(8,415,088)	-	(8,415,088)	(50,334)	(8,465,422)
Change in foreign currency translation	-	-	-	-	-	-	-	-	-	-	-	24,589	24,589	-	24,589
Issuance of common stock in connection with the conversion of Series D preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of common stock in connection with sales made under private offerings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of common stock as compensation to employees, officers and/or directors	-	-	-	-	-	-	7,453,538	745	-	742,367	-	-	743,112	-	743,112
Issuance of common stock in exchange for consulting, professional and other services provided	-	-	-	-	-	-	5,893,317	589	-	334,241	-	-	334,830	-	334,830
Issuance of common stock in satisfaction of debt issuances costs	-	-	-	-	-	-	2,285,449	229	-	62,271	-	-	62,500	-	62,500
Issuance of common stock in connection with the settlement of accounts payable	-	-	-	-	-	-	26,666	3	-	5,997	-	-	6,000	-	6,000
Issuance of common stock in connection with the settlement of a legal matter	-	-	-	-	-	-	144,928	14	-	9,986	-	-	10,000	-	10,000
Issuance of common stock in connection with the conversion of loans payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of common stock in connection with the conversion of debentures	-	-	-	-	-	-	53,636,398	5,364	-	1,749,421	-	-	1,754,785	-	1,754,785
Issuance of common stock in connection with the conversion of interest payable	-	-	-	-	-	-	5,365,500	537	-	217,016	-	-	217,553	-	217,553
Issuance of common stock purchase warrants in satisfaction of debt issuances costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of beneficial conversion features related to convertible debt instruments	-	-	-	-	-	-	-	-	-	260,083	-	-	260,083	-	260,083
Stock based compensation related to employee stock options	-	-	-	-	-	-	-	-	-	170,059	-	-	170,059	-	170,059
Acquisition of equity interests in subsidiaries	-	-	-	-	-	-	5,000,000	500	-	104,500	-	-	105,000	-	105,000
Acquisition of equity interests in C3 Labs	-	-	-	-	-	-	-	-	-	-	-	-	-	(116,667)	(116,667)
Variance between investment in C3 and NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	11,667	11,667
Acquisition of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	333,765	333,765
Balance, September 30, 2020	5,000,000	\$ 500	500,000	\$ 50	339,500	\$ 34	109,120,215	\$ 10,912	\$ -	\$ 30,154,017	\$ (46,190,271)	\$ (328,501)	\$ (16,353,259)	\$ (7,247)	\$ (16,360,506)

**EVIO, INC.**  
Consolidated Statements of Cash Flows (Unaudited)

	Year Ended September 30, 2020	Year Ended September 30, 2019
Cash flows from operating activities of continuing operations:		
Net income (loss)	(8,465,422)	\$ (20,669,033)
Adjustments to reconcile net loss to cash used in operating activities:		
Amortization of debt discount	3,220,050	3,713,299
Common stock issued in exchange for fees and services	344,830	348,651
Issuance of common stock in satisfaction of debt issuances costs	62,500	-
Default penalties and other covenant adjustments on convertible debentures		491,896
Deferred taxes		-
Depreciation and amortization	888,088	1,465,724
Impairment of goodwill and long lived assets		7,255,724
Loss on disposal of assets	63,766	64,095
Loss on settlement of accounts payable		-
Loss on settlement of debt		63,651
Provision for doubtful accounts	561,200	1,422,708
Provision for excess or obsolete inventory		-
Stock based compensation	913,171	1,108,244
Unrealized (gain) loss on derivative liability	(631,241)	366,974
Changes in operating assets and liabilities:		
Accounts receivable	35,629	(1,322,212)
Prepaid expenses	116,195	(85,000)
Other current assets	(52,397)	137,128
Security deposits	54,155	(19,254)
Operating lease right of use assets	(27,123)	50,750
Accounts payable and accrued liabilities	222,184	2,280,801
Customer deposits and deferred revenues	(34,591)	(254,667)
Interest payable	746,987	1,073,867
Net cash provided by (used in) operating activities	(1,982,019)	(2,506,654)
Cash flows from investing activities:		
Cash consideration for acquisition of business	-	
Proceeds from notes receivable	80,000.00	761,096
Purchase of fixed assets	(60,226.00)	(407,865)
Purchase of intangible assets	-	-
Net cash provided by (used in) investing activities	19,774.00	353,231
Cash flows from financing activities:		
Proceeds from issuance of preferred stock, net of issuance costs	-	-
Proceeds from issuance of common stock, net of issuance costs	-	586,000
Proceeds from exercise of common stock purchase warrants, net of issuance costs	-	-
Proceeds from issuance of convertible debentures	-	374,000
Proceeds from issuance of convertible notes, net of issuance costs	1,779,300.00	1,270,435
Proceeds from loans payable	1,477,008.00	-
Proceeds from related party advances		410,841
Repayments of capital leases	(335,103.00)	(305,781)
Repayments of convertible debentures		-
Repayments of loans payable		(36,629)
Repayments of related party loans payable	(897,273.00)	(112,277)
Net cash provided by (used in) financing activities	2,023,932.00	2,186,589
Effect of exchange rates on cash and cash equivalents	24,589.00	(4,576)
Net increase (decrease) in cash and cash equivalents	86,276.00	28,590
Cash and cash equivalents at beginning of period	110,325.00	81,735
Cash and cash equivalents at end of period	196,601.00	\$ 110,325
Supplemental disclosure of cash flow information:		
Cash paid for interest	67,370.00	\$ 230,424
Cash paid for income taxes	-	\$ -
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of convertible note and accrued interest into common stock	1,972,338.00	\$ 4,256,291
Reclassification of derivative liability to additional paid in capital	-	\$ 2,342,112
Settlement of account payable for common stock	6,000.00	\$ 18,750
Common stock issued for settlement of note payable	-	\$ 162,000
Common stock issued for settlement of related party note payable	-	\$ 62,500
Conversion of Series D Preferred stock to common stock	-	\$ 70
Debt discount recorded on convertible notes and debentures payable upon initial measurement of derivative liability	423,474.00	\$ 6,318,324
Debt discounts recorded for beneficial conversion features on convertible debentures and notes payable	260,083.00	\$ -
Debt discounts recorded for original issue discounts on convertible debentures	-	\$ 599,052
Issuance of shares for the acquisition of equity interests in subsidiaries	105,000.00	\$ -
Equipment financed through capital leases	-	\$ 466,195
Issuance of convertible notes payable and other obligations in connection with the acquisition of a business	-	\$ 600,000
Sale and assumption of note payable and accrued interest		\$ -

The accompanying notes are an integral part of the consolidated financial statements.

**EVIO, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

EVIO, Inc., a Colorado corporation and its subsidiaries provide analytical testing and advisory services to the emerging legalized cannabis industry. EVIO, Inc. was originally incorporated in the State of New York, December 12, 1977 under the name 3171 Holding Corporation. On February 22, 1979, the name was changed to Electromatic Industries Corp. and on February 23, 1983 the name was changed to Quantech Electronics Corp. The Company was reincorporated in the State of Colorado on December 15, 2003. On August 29, 2014, the Company completed a reverse merger with Signal Bay Research, Inc., a Nevada Corporation, and assumed its operations. In September 2014, the Company changed its name from Quantech Electronics Corp. to Signal Bay, Inc. then to EVIO, INC. in August 2017. The Company has selected September 30 as its fiscal year end. The Company is domiciled in the State of Colorado, and its corporate headquarters are located in Henderson, Nevada.

Beginning in 2016, EVIO Inc. performed analytical testing for cannabis and cannabis products including hemp and CBD products. As of April 2021, the company has consolidated its operations to three locations: Keystone Labs in Edmonton, Alberta; GreenHaus Analytical Labs dba EVIO Labs Portland in Tigard, OR; and C3 Labs, LLC dba Steep Hill CA. These three locations serve the markets of Canada, Oregon and California, respectively.

The company performs consulting services and performs analytical testing for the cannabis and pharmaceutical industries. The company tests products to verify they meet regulatory requirements for sale. The tests also provide information about the content and quality of botanical and pharmaceutical products. Services include determination of product potency, and presence and quantitation of pesticides and growth regulators, microbial contamination, residual solvents, heavy metals, and other adulterants or additives.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

A summary of significant accounting policies of EVIO, INC. (the “Company”) is presented to assist in understanding the Company’s financial statements. The accounting policies presented in these footnotes conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying financial statements. These financial statements and notes are representations of the Company’s management who are responsible for their integrity and objectivity.

**Principles of Consolidation**

The Company prepares its consolidated financial statements on the accrual basis of accounting. The accompanying consolidated financial statements include the accounts of the Company and its wholly and partially owned subsidiaries, all of which have a fiscal year end of September 30. All intercompany accounts, balances and transactions have been eliminated in the consolidation.

The Company consolidates its subsidiaries in accordance with ASC 810, and specifically ASC 810-10-15-8 which states, the usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, or over 50% of the outstanding voting shares of another entity is a condition pointing toward consolidation."

**Cash and Cash Equivalents**

All cash is maintained with major financial institutions. Deposits may exceed the amount of insurance provided on such deposits. For the purposes of the cash flows, the Company considers all short-term debt securities purchased with original maturity of three months or less to be cash equivalents. The Company did not have any cash equivalents as of September 30, 2020 or 2019.

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivables are recorded at their original invoice amounts. We regularly review collectability and establish an allowance for uncollectible amounts as necessary based on our experience with historical collectability. Management recognized an allowance for uncollectible amounts, of \$654,945 and \$309,116 for 2020 and 2019, respectively.

**Notes Receivable**

The Company accounts investments for notes receivable in accordance with ASC 320.

On September 6, 2017, the Company entered in a note receivable with an unrelated entity for \$1,300,000. The note is due on September 6, 2024 and carries interest at a rate of 8% per annum. The note requires minimum principal payments of \$100,000 plus accrued interest on each anniversary date with the unpaid principal and interest being due on September 6, 2024. The note was purchased in May 2019, by an unrelated third party. The balance on the purchased note as of September 30, 2020 & 2019 was \$538,904. The Company evaluated the collectability of the note receivable as of September 30, 2020 and determined the collectability of full balance is at risk and accounted for a full reserve. This reserve is a portion of the \$654,945 recognized in the allowance for doubtful accounts.

#### Goodwill and Other Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized but are evaluated for impairment annually or more often if indicators of a potential impairment are present. Our annual impairment tests are conducted at the beginning of the fourth quarter. We use a two-step process to quantitatively evaluate goodwill for impairment. In the first step, we compare the fair value of each reporting unit with the carrying amount of the reporting unit, including goodwill. If the estimated fair value of the reporting unit is less than the carrying amount of the reporting unit, we complete a second step to determine the amount of the goodwill impairment that we should record. In the second step, we determine an implied fair value of the reporting unit's goodwill by allocating the reporting unit's fair value to all of its assets and liabilities other than goodwill (including any unrecognized intangible assets). We compare the resulting implied fair value of the goodwill to the carrying amount and record an impairment charge for the difference. We test individual indefinite-lived intangible assets by comparing the estimated fair value with the book values of each asset.

The Company recognizes an acquired intangible apart from goodwill whenever the intangible arises from contractual or other legal rights, or whenever it can be separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged, either individually or in combination with a related contract, asset or liability. Such intangibles are amortized on a straight-line basis over their estimated useful lives unless the estimated useful life is determined to be indefinite. The Company's intangible assets consist of client lists (amortized over five years), assembled workforce (amortized over five years), websites and domain names (amortized over 15 years) and testing licenses (amortized over 5 years).

The Company performed its annual fair value assessment at September 30, 2019, on its subsidiaries with material goodwill and intangible asset amounts on their respective balance sheets and determined that carrying value of its goodwill and Intangible assets on our financial statements exceeds its fair value. As such, the Company recorded an impairment charge to its goodwill of \$7,255,724. The impairment charge included \$1,569,911 for Greenhaus Analytical Labs, \$477,900 for EVIO Labs Humboldt, \$3,264,623 for Keystone Labs, \$784,814 for EVIO Labs Berkeley, \$441,903 for Smith Scientific, and \$643,729 for EVIO Labs MA due to changing outlook of market conditions.

Impairment of goodwill was \$0 during year ending September 30, 2020.

#### Business Combinations.

We have adopted the amendment to ASC 805 for the accounting for business acquisitions both during the period of the acquisition and in subsequent periods. Among the more significant changes in the accounting for acquisitions are the following:

- Contingent consideration is recorded at fair value as an element of purchase price with subsequent adjustments recognized in operations.
- Subsequent decreases in valuation allowances on acquired deferred tax assets are recognized in operations after the measurement period.
- Upon gaining control of an entity in which an equity method or cost basis investment was held, the carrying value of that investment is adjusted to fair value with the related gain or loss recorded in earnings.

#### Reclassification

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 financial presentation. These reclassifications have no impact on net loss.

#### Use of Estimates

The preparation of financial statements in accounting principles generally accepted in the United States of America 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. A change in managements' estimates or assumptions may have a material impact on the financial condition and results of operations of the Company during the period in which such changes occurred. Actual results could differ from those estimates. The Company's financial statements reflect all adjustments that management believes are necessary for the fair presentation of their financial condition and results of operations for the periods presented.

### Revenue Recognition

In 2020 the Company recognizes revenue under ASC 606, Revenue from Contracts with Customers. The core principle of the new revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the company satisfies a performance obligation

The Company generates revenue from consulting services, licensing agreements and testing of cannabis and cannabis products for both medicinal and recreational consumption.

The Company accounts for a contract after it has been approved by all parties to the arrangement, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company evaluates the services promised in each contract at inception to determine whether the contract should be accounted for as having one or more performance obligations. The Company's services included in its contracts are distinct from one another.

The Company determines the transaction price for each contract based on the consideration it expects to receive for the distinct services being provided under the contract.

The Company recognizes revenue as performance obligations are satisfied and the customer obtains control of the goods or services provided. In determining when performance obligations are satisfied, the Company considers factors such as contract terms, payment terms and whether there is an alternative future use of the product or service.

The Company recognizes revenue from testing services upon delivery of its testing results to the client. Customer orders for testing services are generally completed within two weeks of receiving the order.

Consulting engagements may vary in length and scope, but will generally include the review and/or preparation of regulatory filings, business plans and financial models to customers within the same industry. Revenue from consulting services is recognized upon completion of deliverables as outlined in the consulting agreement.

The Company recognizes revenue from right of use license agreements upon transfer of control of the functional intellectual property. In certain licensing agreements, the Company may receive royalty revenues based upon performance metrics which are recognized as earned over time.

### Cost of Revenue Recognition

The Company recognizes all costs incurred that are directly related to revenue generating activities as a cost of revenue. These costs include salaries and payroll taxes associated with lab employees, rent and utilities on lab facilities, repairs and maintenance to facilities and equipment, depreciation of lab equipment and outsourced professional services utilized for consulting engagements.

### Stock Based Compensation

In accordance with ASC No. 718, Compensation – Stock Compensation ("ASC 718"), the Company measures the cost of stock-based compensation arrangements based on the grant-date fair value and recognizes the cost in the financial statements at the time goods are received or over the period during which employees and non-employees are required to provide services. If the Company cannot estimate reliably the fair value of the goods and services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For transactions with employees and others providing similar services, the Company measures the fair value of the services by reference to the fair value of the equity instruments granted. Stock-based compensation arrangements may include stock options, restricted stock plans, performance-based awards, stock appreciation rights and employee stock purchase plans.

The Company utilizes the Black-Scholes simulation model, which was developed for use in estimating the fair value of options. Option-pricing models require the input of highly complex and subjective variables including the expected life of options granted and the expected volatility of the Company's stock price over a period equal to or greater than the expected life of the options.

### Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC 740-10, "Accounting for Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year; and, (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. 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 effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if, based on the weight of available positive and negative evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition of a tax position taken or expected to be taken on a tax return. Under ASC 740-10, a tax benefit from an uncertain tax position taken or expected to be taken may be recognized only if it is "more likely than not" that the position is sustainable upon examination, based on its technical merits. The tax benefit of a qualifying position under ASC 740-10 would equal the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority having full knowledge of all the relevant information. A liability (including interest and penalties, if applicable) is established to the extent a current benefit has been recognized on a tax return for matters that are considered contingent upon the outcome of an uncertain tax position. Related interest and penalties, if any, are included as components of income tax expense and income taxes payable.

### Capital Leases

The Company determines if an arrangement is a lease at inception and has lease agreements for warehouses, office facilities, and equipment. These commitments have remaining non-cancelable lease terms, with lease expirations which range from 2020 to 2026. As a result of the adoption of ASC 842, certain real estate and equipment operating leases have been recorded on the balance sheet with a lease liability and right- of-use asset ("ROU").

Operating leases are included in operating lease ROU assets, operating lease obligations, current, and operating lease obligations, long term on the condensed consolidated balance sheets. Finance leases are included in property and equipment, finance lease obligations, short term, and finance lease obligations, long term, on the condensed consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make scheduled lease payments. ROU assets and liabilities are recognized on the lease commencement date based on the present value of lease payments over the lease term. The present value of lease payments is calculated using the incremental borrowing rate at lease commencement, which takes into consideration recent debt issuances as well as other applicable market data available.

Amortization of lease assets is included in general and administrative expenses. The future minimum lease payments of lease liabilities as of September 30, 2020, are as follows:

<b><u>Year ended September 30,</u></b>	<b><u>Operating Leases</u></b>	<b><u>Financing Leases</u></b>
<u>2021</u>	723,939	561,300
<u>2022</u>	693,688	353,842
<u>2023</u>	564,942	289,938
<u>2024</u>	474,102	-
<u>2025</u>	443,400	-
<u>Thereafter</u>	<u>443,400</u>	-
<b><u>Total Lease Liabilities</u></b>	<b><u>\$ 3,343,471</u></b>	<b><u>\$ 1,196,079</u></b>

### Concentration of Credit Risk

Instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits, notes receivable and accounts receivable. As of September 30, 2020, the Company did not hold cash at any financial institution in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") of up to \$250,000.

No individual client represents greater than 10% of the annual revenue.

As of September 30, 2020, the Company had total accounts receivable, net of allowances, of \$264,720. Five clients comprised of 23% of this balance as follows:

	Balance	Percent of Total
Customer 1	\$20,321	8%
Customer 2	13,832	5%
Customer 3	10,180	4%
Customer 4	9,200	3%
Customer 5	8,976	3%
All others	202,211	76%
Total	264,720	100%
Allowance for doubtful accounts	(135,762)	
Net accounts receivable	<u>\$128,958</u>	

#### Property and Equipment

Property and equipment are carried at cost. Expenditures for maintenance and repairs are expensed in the period incurred. Renewals and betterments that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets and the modified accelerated cost recovery system for federal income tax purposes. The estimated useful lives of depreciable assets are:

	Estimated Useful Lives
Building	39 years
Laboratory and Computer Equipment	5 years
Furniture and Fixtures	7 years
Software	3 years
Domains	15 years

#### Impairment of Long-Lived Assets

The Company evaluates, on a periodic basis, long-lived assets to be held and used for impairment in accordance with the reporting requirements of ASC 360-10. The evaluation is based on certain impairment indicators, such as the nature of the assets, the future economic benefit of the assets, any historical or future profitability measurements, as well as other external market conditions or factors that may be present. If these impairment indicators are present or other factors exist that indicate that the carrying amount of the asset may not be recoverable, then an estimate of the undiscounted value of expected future operating cash flows is used to determine whether the asset is recoverable and the amount of any impairment is measured as the difference between the carrying amount of the asset and its estimated fair value. The fair value is estimated using valuation techniques such as market prices for similar assets or discounted future operating cash flows.

The Company performed its annual fair value assessment at September 30, 2020, on its subsidiaries with material long-lived asset amounts on their respective balance sheets and determined that no impairment exists.

#### Financial Instruments

The Company has adopted the guidance under ASC Topic 820 for financial instruments measured on a fair value on a recurring basis. Fair value is defined 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. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

ASC Topic 820 establishes a fair value hierarchy, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable data and requires disclosures for assets and liabilities measured at fair value based on their level in the hierarchy. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, as follows:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally cash, accounts payable, and accrued liabilities. The carrying values of these financial instruments approximate their fair value due to their short maturities. The carrying amount of the Company's debt approximates fair value because the interest rates on these instruments approximate the interest rate on debt with similar terms available to the Company.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity" and ASC 815, "Derivatives and Hedging". Derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjustments to fair value of derivatives. The effects of interactions between embedded derivatives are calculated and accounted for in arriving at the overall fair value of the financial instruments. In addition, the fair value of free-standing derivative instruments such as warrant and option derivatives are valued using the Black-Scholes simulation model.

The Company's derivative liabilities were adjusted to fair market value at the end of each reporting period, using Level 3 inputs.

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on September 30, 2020:

	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
Derivative financial instruments	\$ -	\$ -	\$ 2,337,968	\$ 2,337,968

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on September 30, 2019:

	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
Derivative financial instruments	\$ -	\$ -	\$ 2,545,735	\$ 2,545,735

#### Non-Controlling Interest

The Company reports the non-controlling interest in its majority owned subsidiaries in the consolidated balance sheets within the stockholders' deficit section, separately from the Company's stockholders' deficit. Non-controlling interest represents the non-controlling interest holders' proportionate share of the equity of the Company's majority-owned subsidiaries. Non-controlling interest is adjusted for the non-controlling interest holders' proportionate share of the earnings or losses and other comprehensive income (loss) and the non-controlling interest continues to be attributed its share of losses even if that attribution results in a deficit non-controlling interest balance.

#### Related Parties

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

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



The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: (a) the nature of the relationship(s) involved; (b) description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; (c) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and (d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

#### Basic Earnings (Loss) Per Share

The Company computes net income (loss) per share in accordance with Accounting Standards Codification (“ASC”) 260, “*Earnings per Share*.” ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Given the net losses of the Company during the years ended September 30, 2020 and 2019, the effects of convertible equity and debt instruments were anti-dilutive resulting in basic and diluted loss per weighted average common shares outstanding equal. There was a total of 72,078,132 and 26,887,932 common stock equivalents excluded from diluted earnings per share for the years ended September 30, 2020 and 2019.

#### Recently Issued Accounting Pronouncements

In January 2017, the FASB issued ASU 2017-04, “*Intangibles—Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment*”. The amendments in this update simplify how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. This update is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 31, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing after January 1, 2017. The Company notes that this guidance applies to its reporting requirements and will implement the new guidance accordingly in performing goodwill impairment testing; however, the Company does not believe this update will have a material impact on the consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, “*Business Combinations (Topic 805): Clarifying the Definition of a Business*,” which revises the definition of a business. This update is effective for annual periods beginning after December 15, 2017, including interim periods within those years. Early adoption is permitted. The Company notes that this guidance will impact its acquisitions beginning January 1, 2018.

Management believes recently issued accounting pronouncements will have no impact on the financial statements of the Company.

In June 2018, the FASB issued ASU 2018-07, *Compensation - Stock Compensation (Topic 718)* which simplifies certain aspects of the accounting for nonemployee share-based payment transactions resulting from expanding the scope of Topic 718, *Compensation - Stock Compensation*, to include share-based payment transactions for acquiring goods and services from nonemployees. Certain areas of the simplification apply only to nonpublic entities. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, *Revenue from Contracts with Customers*. The amendments of the ASU are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

In August 2018, the SEC issued Final Rule Release No. 33-10532, Disclosure Update and Simplification. Under the final rule Company's must now analyze changes in stockholders' equity in the form of a reconciliation, for the current and comparative year-to-date, with subtotals for each interim period.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our financial statements upon adoption.

#### NOTE 3 – ACQUISITIONS

*There were no acquisitions completed during the fiscal Years Ended September 30, 2020 and 2019, respectively.*

Not Applicable

#### **NOTE 4 – GOING CONCERN**

The Company's consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has negative working capital, recurring losses, and does not have a source of revenues sufficient to cover its operating costs. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

In the coming year, the Company's foreseeable cash requirements will relate to continual development of the operations of its business, maintaining its good standing and making the requisite filings with the Securities and Exchange Commission, and the payment of expenses associated with operations and business developments. The Company may experience a cash shortfall and be required to raise additional capital.

Historically, it has mostly relied upon internally generated funds such as shareholder loans and advances to finance its operations and growth. Management may raise additional capital by retaining net earnings or through future public or private offerings of the Company's stock or through loans from private investors, although there can be no assurance that it will be able to obtain such financing. The Company's failure to do so could have a material and adverse effect upon it and its shareholders.

#### **NOTE 5 – INTANGIBLE ASSETS**

There were \$0 in intangible assets during the years ended September 30, 2020 and September 30, 2019, respectively.

The Company has fully amortized the intangible assets during the fiscal year ended September 30, 2019, and no future amortization is to be calculated.

#### **NOTE 6 – PROPERTY, PLANT AND EQUIPMENT**

The Company's property and equipment was \$4,300,581 and \$4,676,804 for the years ended September 30, 2020 and 2019, respectively. Property, plant, and equipment includes capital assets, land, buildings & real estate, equipment, software, leasehold improvements, and vehicles net of accumulated depreciation.

	2020	2019
<b>Capital Assets</b>	<b>\$ 1,337,123</b>	<b>\$ 1,800,347</b>
<b>Land</b>	212,550	212,550
<b>Buildings &amp; Real Estate</b>	941,857	941,857
<b>Furniture and Equipment</b>	152,917	152,933
<b>Laboratory Equipment</b>	2,895,007	2,188,828
<b>Software</b>	77,219	78,996
<b>Leasehold Improvements</b>	677,552	697,333
<b>Vehicles</b>	148,051	83,915
<b>Total</b>	<b>6,371,947</b>	<b>6,188,777</b>
<b>Accumulated depreciation</b>	<b>(2,071,366)</b>	<b>(1,511,973)</b>
<b>Net value</b>	<b>\$ 4,300,581</b>	<b>\$ 4,676,804</b>

#### **NOTE 7 – RELATED PARTY TRANSACTIONS**

During the years ended September 30, 2020 and 2019, the Company received loans from its Chief Operating Officer totaling \$36,916 and \$142,739 and made repayments totaling \$5,400 and \$1,040, respectively. There was \$178,780 and \$193,780 due as of September 30, 2020 and 2019, respectively and are included in the accompanying consolidated balance sheets as a current portion of notes payable to related parties. The loans carry a 0% interest rate and are due on demand.

During the years ended September 30, 2020 and 2019, the Company received loans from its Chief Executive Officer totaling \$17,072 and \$75,000 and made repayments totaling \$12,722 and \$19,200, respectively. There was \$60,150 and \$55,800 due as of September 30, 2020 and 2019, respectively and are included in the accompanying consolidated balance sheets as a current portion of notes payable to related parties. The loans carry a 0% interest rate and are due on demand.

During the years ended September 30, 2020 and 2019 the Company made payments to Anthony Smith, our Chief Science Officer, associated with the purchase of 80% of Smith Scientific Industries, totaling \$92,263 and \$55,090, respectively. There was \$88,647 and \$180,910 of principal due as of September 30, 2020 and 2019, respectively. The note carries interest at a rate of 5% per annum and had accrued interest totaling \$44,407 and \$41,600 due as of September 30, 2020 and 2019, respectively.

During the years ended September 30, 2020 and 2019, the Company received loans from a related party associate with Keystone Labs totaling \$0 and \$191,515 and made repayments totaling \$0 of \$9,034. There was \$354,050 and \$354,050 due as of September 30, 2020 and 2019, respectively. Amounts have been adjusted for USD. The advances are non-interest bearing and due on demand and is included in the accompanying consolidated balance sheets as a current portion of notes payable to related parties.

## **NOTE 8 – STOCKHOLDERS’ EQUITY**

### **Series A Convertible Preferred Stock**

The Company designated 1,850,000 shares of Series A Convertible Preferred Stock (“Series A Preferred Stock”) with a par value of \$0.0001 per share. Initially, there will be no dividends due or payable on the Series A Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation’s Certificate of Incorporation. Any and all such future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

All shares of the Series A Preferred Stock shall rank (i) senior to the Corporation’s Common Stock and any other class or series of capital stock of the Corporation hereafter created, (ii) *pari passu* with any class or series of capital stock of the Corporation hereafter created and specifically ranking, by its terms, on par with the Series A Preferred Stock and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking, by its terms, senior to the Series A Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

The Series A Preferred shall have no liquidation preference over any other class of stock.

Except as otherwise required by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock or any other class or series of preferred stock) for the taking of any corporate action.

**Conversion at the Option of the Holder.** From 12 months from the date of issuance, each holder of shares of Series A Preferred Stock may, at any time and from time to time, convert (an “Optional Conversion”) each of its shares of Series A Preferred Stock into fully paid and nonassessable shares of Common Stock at a rate equal to 4.9% of the Common Stock.

For a period of 18 months after the Preferred is convertible, the conversion price of the Series A Preferred will be subject to adjustment to prevent dilution in the event that the Company issues additional shares at a purchase price less than the applicable conversion price. The conversion price will be subject to adjustment on a weighted basis that takes into account issuances of additional shares. At the expiration of the antidilution period, the conversion rate in Section VI (A) above shall be equal to a conversion rate equal to 4.9% on the Common Stock. For example, if on the date of expiration of the antidilution clause there are 500,000,000 shares of Common Stock issued and outstanding then each Series A Preferred Stock shall convert at a rate of 13.24 common shares for each 1 Series Preferred Share.

The Company has evaluated the Series A Preferred Stock in accordance with ASC 815 and has determined their conversion options were for equity and ASC 815 does not apply.

The Company has evaluated the Series A Preferred Stock in accordance with FASB ASC Subtopic 470-20, and has determined that there is no beneficial conversion feature that must be accounted.

The Company has 0 shares of Series A Convertible Stock issued and outstanding as of September 30, 2020 and 2019.

### **Series B Convertible Preferred Stock**

The Company designated 5,000,000 shares of Series B Convertible Preferred Stock (“Series B Preferred Stock”) with a par value of \$0.0001 per share.

Initially, there will be no dividends due or payable on the Series B Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation’s Certificate of Incorporation. Any and all such future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

All shares of the Series B Preferred Stock shall rank (i) senior to the Corporation’s Common Stock and any other class or series of capital stock of the Corporation hereafter created, (ii) *pari passu* with any class or series of capital stock of the Corporation hereafter

created and specifically ranking, by its terms, on par with the Series B Preferred Stock and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking, by its terms, senior to the Series B Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

The Series B Preferred shall have no liquidation preference over any other class of stock.

Each holder of outstanding shares of Series B Preferred Stock shall be entitled to the number of votes equal to one Common Share. Except as provided by law, or by the provisions establishing any other series of Preferred Stock, holders of Series B Preferred Stock and of any other outstanding series of Preferred Stock shall vote together with the holders of Common Stock as a single class.

Each holder of shares of Series B Preferred Stock may, at any time and from time to time, convert (an "Optional Conversion") each of its shares of Series B Preferred Stock into one (1) fully paid and nonassessable shares of Common Stock.

The Company has evaluated the Series B Preferred Stock in accordance with ASC 815 and has determined their conversion options were for equity and ASC 815 does not apply.

The Company has evaluated the Series B Preferred Stock in accordance with FASB ASC Subtopic 470-20, and has determined that there is no beneficial conversion feature that must be accounted.

The Company has 5,000,000 shares of Series B Convertible Stock issued and outstanding as of September 30, 2020 and 2019.

### **Series C Convertible Preferred Stock**

The Company designated 500,000 shares of Series C Convertible Preferred Stock ("Series C Preferred Stock") with a par value of \$0.0001 per share.

Initially, there will be no dividends due or payable on the Series C Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation's Certificate of Incorporation. Any and all such future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

All shares of the Series C Preferred Stock shall rank (i) senior to the Corporation's Common Stock and any other class or series of capital stock of the Corporation hereafter created, (ii) pari passu with any class or series of capital stock of the Corporation hereafter created and specifically ranking, by its terms, on par with the Series B Preferred Stock and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking, by its terms, senior to the Series B Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

In any liquidation, dissolution, or winding up of the Corporation, the holders of the Series C Preferred Stock shall be entitled to receive (a) in preference to the holders of the Common Stock (b) on a pari passu basis to any sum that the holders of the Series B Preferred Stock shall be entitled to receive, but (c) subordinate in preference to any sum that the holders of any shares of any other series of the Corporation's Preferred Stock shall be entitled, an amount equal to \$1 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). After payment of such sums, (i) the holders of the Series A Preferred Stock and (ii) the holders of the Common Stock, shall be entitled to receive any remaining assets of the Corporation on a pro rata, as-converted basis assuming conversion of the Series A Preferred Stock into Common Stock at the then- current Conversion Rate. Each holder of outstanding shares of Series C Preferred Stock shall be entitled to the number of votes equal to five (5) Common Shares. Except as provided by law, or by the provisions establishing any other series of Preferred Stock, holders of Series B Preferred Stock and of any other outstanding series of Preferred Stock shall vote together with the holders of Common Stock as a single class.

Each holder of shares of Series C Preferred Stock may, at any time and from time to time, convert (an "Optional Conversion") each of its shares of Series C Preferred Stock into five (5) fully paid and nonassessable shares of Common Stock; provided, however, that any Optional Conversion must involve the issuance of at least 100 shares of Common Stock.

In the event of a forward or reverse split, the conversion ratio shall be modified on a pro rata basis to align with the forward or reverse split.

The Company has evaluated the Series C Preferred Stock in accordance with ASC 815 and has determined their conversion options were for equity and ASC 815 does not apply.

The Company has evaluated the Series C Preferred Stock in accordance with FASB ASC Subtopic 470-20, and has determined that there is no beneficial conversion feature that must be accounted.

There were 500,000 shares of Series C Convertible Stock issued and outstanding as of September 30, 2020 and 2019.

### **Series D Convertible Preferred Stock**

The Company designated 1,000,000 shares of Series D Convertible Preferred Stock ("Series D Preferred Stock") with a par value of \$0.0001 per share.

Initially, there will be no dividends due or payable on the Series D Preferred Stock. Any future terms with respect to dividends shall be determined by the Board consistent with the Corporation's Certificate of Incorporation. Any and all such future terms concerning dividends shall be reflected in an amendment to this Certificate, which the Board shall promptly file or cause to be filed.

All shares of the Series D Preferred Stock shall rank (i) senior to the Corporation's Common Stock and any other class or series of capital stock of the Corporation hereafter created, (ii) pari passu with any class or series of capital stock of the Corporation hereafter

created and specifically ranking, by its terms, on par with the Series B Preferred Stock and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking, by its terms, senior to the Series B Preferred Stock, in each case as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

As originally issued, in any liquidation, dissolution, or winding up of the Corporation, the holders of the Series D Preferred Stock shall be entitled to receive (a) in preference to the holders of the Common Stock (b) on a pari passu basis to any sum that the holders of the Series B Preferred Stock shall be entitled to receive, but (c) subordinate in preference to any sum that the holders of any shares of any other series of the Corporation's Preferred Stock shall be entitled, an amount equal to \$1 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). After payment of such sums, (i) the holders of the Series A Preferred Stock and (ii) the holders of the Common Stock, shall be entitled to receive any remaining assets of the Corporation on a pro rata, as-converted basis assuming conversion of the Series A Preferred Stock into Common Stock at the then- current Conversion Rate. On July 31, 2018, the Company amended its articles of incorporation such that the Series D Preferred Stock shall have no liquidation preference over any other class of stock.

Each holder of outstanding shares of Series D Preferred Stock shall be entitled to the number of votes equal to two hundred fifty (250) Common Shares. Except as provided by law, or by the provisions establishing any other series of Preferred Stock, holders of Series B Preferred Stock and of any other outstanding series of Preferred Stock shall vote together with the holders of Common Stock as a single class.

Each holder of shares of Series D Preferred Stock may, at any time and from time to time, convert (an "Optional Conversion") each of its shares of Series D Preferred Stock into 2.5 fully paid and nonassessable shares of Common Stock; provided, however, that any Optional Conversion must involve the issuance of at least 500 shares of Common Stock.

In the event of a forward or reverse split, the conversion ratio shall be modified on a pro rata basis to align with the forward or reverse split.

The Company has evaluated the Series D Preferred Stock in accordance with ASC 815 and has determined their conversion options were for equity and ASC 815 does not apply.

The Company has evaluated the Series D Preferred Stock in accordance with FASB ASC Subtopic 470-20, and has determined that there is no beneficial conversion feature that must be accounted.

During the Year Ended September 30, 2019, the Company received conversion notices from Series D Preferred Stockholders resulting in a total of 532,500 shares of common stock being issued for the conversion of 213,000 shares of Series D Preferred Stock.

There were 339,500 and 339,500 shares of Series D Convertible Stock issued and outstanding as September 30, 2020 and 2019, respectively.

### **Common Stock**

During the year ended September 30, 2020, the Company issued 4,380,000 common shares valued at \$301,830 for services; 100,000 common shares valued at \$217,334 under its employee equity incentive plan; 26,666 common shares for the settlement of \$6,000 of accounts payable; 144,928 common shares for the settlement of litigation valued at \$10,000; 53,636,398 common shares for the conversion of \$1,754,785 of outstanding principal on convertible notes payable; 5,365,500 for the conversion of \$217,553 of convertible accrued interest; 1,513,317 common shares for fees associated with the conversion of convertible debt valued at \$33,000; 2,285,449 common shares for the default penalties on convertible debt valued at \$62,500; 7,353,538 common shares for the settlement of \$525,778 of deferred wages, and 5,000,000 common shares to increase ownership of C3 Labs, valued at \$105,000. All conversions of outstanding principal and accrued interest on convertible notes payable were done so at contractual terms.

During the year ended September 30, 2019, the Company issued 1,038,017 common shares valued at \$336,891 for services; 1,415,000 common shares for cash proceeds of \$586,000; 287,500 common shares valued at \$397,980 as compensation to employees; 31,579 common shares for the settlement of \$15,000 of accounts payable; 2,054,887 common shares for the settlement of \$687,200 of convertible notes payable; 10,163 for the conversion of \$25,110 of convertible accrued interest; 20,000 common shares for issuance of a stock purchase agreement valued at \$11,760; 669,362 common shares for the settlement of \$388,000 debenture conversions, and 532,500 common shares for the conversion of Preferred Series D stock. All conversions of outstanding principal and accrued interest on convertible notes payable were done so at contractual terms.

There were 109,120,215 and 29,314,419 shares of common stock issued and outstanding at September 30, 2020 and 2019, respectively.

### **NOTE 9 – LOANS PAYABLE**

The Company had the following loans payable outstanding as of September 30, 2020 and September 30, 2019:

	September 30, 2020	September 30, 2019
On March 16, 2018, the Company executed notes payable for the purchase of three vehicles. The notes carry interest at 6.637% annually and mature on March 31, 2023. Two vehicles have been paid off, one note remains.	12,756	47,551
On June 28, 2018, the Company executed a note payable for \$650,000 for the purchase of the building at 14775 SW 74 <sup>th</sup> Ave, Tigard, OR. The note carries interest at 8% annually and is due on June 28, 2021.	603,470	622,523
On July 5, 2018, the Company executed a note payable for \$750,000 for the asset purchase of MRX Labs, The note carries interest at 8% annually and is due on January 5, 2019. (This note is in default as of 7/5/2019, which resulted in 5% penalty on outstanding amount.)	787,500	750,000
On October 20, 2019, the Company executed notes payable for the purchase of two vehicles for Medford. The notes carry interest at 5.99% and mature on December 31, 2023	45,986	-
On October 20, 2019, the Company executed notes payable for the purchase of two vehicles for Portland. The notes carry interest at 5.99% and mature on December 31, 2023	46,231	-
On November 1, 2016, the Company executes a note to purchase Greenstyle Analytics, the note carried a 5% interest rate. This note was previously listed in related party.	19,897	-
On May 24, 2016, the Company executed a note to purchase Oregon Analytical Analysis, the note carries a 5% interest rate. The balance of note was renegotiated to be \$600,000 as of 09/30/2020.	600,000	-
On November 5, 2019, the Company executed a note in the sales of Viridis Analytics, the note carried a 3% interest rate. The note was to be converted to cash advance at time transfer of control approved by MA Cannabis Control Commission.	694,991	-
<b>Total loans payable</b>	<b>2,810,831</b>	<b>1,420,079</b>
<b>Less: current portion of loans payable</b>	<b>2,138,936</b>	<b>762,476</b>
<b>Long-term portion of loans payable</b>	<b>\$ 671,895</b>	<b>\$ 657,603</b>

As of September 30, 2020 and 2019, the Company accrued interest of \$309,705 and \$74,301, respectively.

#### **NOTE 10 – CONVERTIBLE NOTES PAYABLE**

The Company has entered into convertible notes payable that convert to common stock of the Company at variable conversion prices. As further discussed in *Note 11 – Derivative Liabilities*, the Company analyzed the conversion features of the agreements for derivative accounting consideration under ASC 815-15 “Derivatives and Hedging” and determined that the embedded conversion features should be classified as a derivative because the exercise price of these convertible notes are subject to a variable conversion rate. In accordance with AC 815, the Company has bifurcated the conversion feature of the note and recorded a derivative liability.

The section above lists all convertible notes outstanding as of September 30, 2020 and September 30, 2019.

#### **NOTE 11 – DERIVATIVE LIABILITY**

The following table summarizes the derivative liabilities included in the balance sheet as of September 30:

**2020**                      **2019**

Balance, beginning of fiscal year	\$	2,545,735	\$	1,181,278
Initial measurement of derivative liabilities		1,027,506		3,967,933
Change in fair market value		(1,235,273)		(2,603,476)
<b>Balance, end of fiscal year</b>	<b>\$</b>	<b><u>2,337,968</u></b>	<b>\$</b>	<b><u>2,545,735</u></b>

The derivative liabilities are comprised of the following at September 30:

		<b>2020</b>		<b>2019</b>
Derivative liability related to conversion feature	\$	2,337,968	\$	2,363,919
Derivative liability related to warrants		—		181,816
<b>Balance, end of fiscal year</b>	<b>\$</b>	<b><u>2,337,968</u></b>	<b>\$</b>	<b><u>2,545,735</u></b>

On November 4, 2019, the Company issued an aggregate of \$67,032 convertible promissory note to unrelated parties that matures on November 4, 2020. Refer to “*Note 10 – Convertible Debentures*” for more information.

On December 23, 2019, the Company issued a \$137,375 convertible promissory note to an unrelated party that matures on December 23, 2020. Refer to “*Note 10 – Convertible Debentures*” for more information.

In January 2020, the Company issued an aggregate of \$392,375 convertible promissory note to unrelated parties that matures on December 2020 and January 2021. Refer to “*Note 10 – Convertible Debentures*” for more information.

On April 3, 2020, the Company issued a \$66,000 convertible promissory note to an unrelated party that matures on November 30, 2020. Refer to “*Note 10 – Convertible Debentures*” for more information.

On August 26, 2020, the Company issued an aggregate of \$79,000 convertible promissory note to unrelated parties that matures on August 26, 2021. Refer to “*Note 10 – Convertible Debentures*” for more information.

The Company analyzed the conversion feature of the agreements for derivative accounting consideration and determined that the embedded conversion features should be classified as a derivative because the exercise price of these convertible notes are subject to a variable conversion rate. The aggregate fair value of the derivative at the issuance date of the note was \$1,027,506 which was calculated using the Black-Scholes fair value option-pricing model with key input variables provided by management, as of the date of issuance, with the valuation offset against additional paid in capital, and at each reporting date, with changes in fair value recorded as gains or losses on revaluation in other income (expense).

The Company marked-to-market the fair value of the derivative liabilities related to conversion features and determined an aggregate fair value of \$2,337,968 and \$2,363,919 as of the fiscal year ended September 30, 2020 and 2019, respectively. The Company recorded a \$1,235,273 and \$1,502,833 gain from change in fair value for the fiscal year ended September 30, 2020 and 2019, respectively. The fair value of the embedded derivatives was determined using a Black-Scholes option pricing model based on the following assumptions as of September 30: (1) expected volatility of 128%, (2) risk-free interest rate of 1.75%, (3) exercise prices of \$0.21 - \$0.26, and (4) expected lives of 0.13 – 0.67 of a year.

The following table sets forth the assumptions used to estimate the fair value of option granted for the year ended September 30:

	<b>2020</b>	<b>2019</b>
Expected life (in years)	2	0.13 – 0.67
Risk-free interest rate	0.12%	1.75%
Expected volatility	167.50%	128.00%
Dividend yield	0.00%	0.00%
Stock price	\$0.01	\$0.21 to \$0.26

At September 30, 2019, the Company marked-to-market the fair value of the derivative liabilities related to warrants and determined an aggregate fair value of \$181,816 and recorded a \$1,100,643 gain from change in fair value for the fiscal year ended September 30, 2019. The fair value of the derivatives was determined using a Black-Scholes option pricing model based on the following assumptions

Expected life (in years)	0.33 – 1.07
Risk-free interest rate	1.75%
Expected volatility	128.00%

Dividend yield	0.00%
Stock price	\$0.60 to \$0.80

There were no derivative liabilities related to warrants as of September 30, 2020.

The following table summarizes the gain (loss) on derivative liability included in the income statement for the years ended September 30:

	2020	2019
Day one gain (loss) due to derivatives on convertible debt	\$ 1,866,514	\$ (2,970,450)
Change in fair value of derivatives	(1,235,273)	2,603,476
Total derivative gain (loss)	<u>\$ 631,241</u>	<u>\$ (366,974)</u>

#### **NOTE 12 – INCOME TAXES**

We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. When it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carry forwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carry forward period.

The Company has not taken a tax position that, if challenged, would have a material effect on the financial statements for the years ended September 30, 2020 and 2019 applicable under FASB ASC 740. We did not recognize any adjustment to the liability for uncertain tax position and therefore did not record any adjustment to the beginning balance of accumulated deficit on the balance sheet.

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences for the periods presented are as follows:

	September 30, 2020	September 30, 2019
Income tax provision at the federal statutory rate	21.0%	35.0%
Effect on operating losses	-21.0%	-35.0%

#### **Net deferred tax assets consisted of the following:**

	September 30, 2019	September 30, 2018
Net operating loss carryforward	\$ 1,767,168	\$ 3,895,231
Valuation allowance	(1,767,168)	(3,895,231)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

A reconciliation of income taxes computed at the statutory rate is as follows.

	September 30, 2020	September 30, 2019
Computed federal income tax expense at statutory rate is as follows.	\$ (1,767,168 )	\$ (3,895,231)
Depreciation and amortization	180,098	307,802
Deferred revenue	15,504	22,768
Common stock issued for services	2,097	69,520
Common stock issued under employee incentive plan	45,638	36,025
Stock option expense	35,712	149,155
Amortization of debt discounts	676,211	779,793
Default penalties on convertible notes payable	491,896	98,378
Change in derivative liability	63,292	387,415



Change in valuation allowance		256,721	2,044,376
Income tax expense	\$	-	\$ -

### **NOTE 13 – STOCK OPTIONS AND WARRANTS**

The following tables summarizes all stock option and warrant activity for the year ended September 30, 2020 and 2019:

	<b>Shares</b>	<b>Weighted-Average Exercise Price Per Share</b>
Outstanding, September 30, 2019	5,484,970	0.742
Granted	-	-
Exercised	-	-
Forfeited	5,484,970	0.742
Expired	-	-
Outstanding, September 30, 2020	-	-

	<b>Shares</b>	<b>Weighted-Average Exercise Price Per Share</b>
Outstanding, September 30, 2018	4,638,050	0.902
Granted	846,920	0.519
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding, September 30, 2019	5,484,970	0.742

In determining the compensation cost of the stock options granted, the fair value of each option grant has been estimated on the date of grant using the Black-Scholes option pricing model. The assumptions used in these calculations are summarized as follows:

	<b>September 30, 2019</b>
Expected term of options granted	1.0-5.0 years
Expected volatility	103- 122%
Risk-free interest rate	2.00 – 2.67%
Expected dividend yield	0%

### **NOTE 14 – SUBSEQUENT EVENTS**

#### **Stock Issuances**

Shares Outstanding as of the Reporting  
Period Ending:

\*Right-click the rows below and select "Insert" to add rows as needed.

Date: September 30, 2020									
Common: 109,120,215									
Preferred: 5,839,500									
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.
10/13/20	Issuance	1,249,347	Common	0.0046	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
10/13/20	Issuance	1,249,347	Common	0.0046	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
10/13/20	Issuance	5,555,556	Common	0.0045	Yes	Platinum Point Capital / Brian Friefield	Debt Conversion	Unrestricted	Rule 144
10/14/20	Issuance	2,059,767	Common	0.0046	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
10/20/20	Issuance	4,835,165	Common	0.0045	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
10/22/20	Issuance	1,845,401	Common	0.0036	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
10/23/20	Issuance	6,043,956	Common	0.0036	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
10/23/20	Issuance	6,250,000	Common	0.0040	Yes	Platinum Point Capital / Brian Friefield	Debt Conversion	Unrestricted	Rule 144
10/23/20	Issuance	5,860,604	Common	0.0036	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
10/28/20	Issuance	6,909,729	Common	0.0021	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
10/28/20	Issuance	6,952,633	Common	0.0021	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
10/29/20	Issuance	6,020,500	Common	0.0020	Yes	AES Capital / Alan Safdieh	Debt Conversion	Unrestricted	Rule 144
10/30/20	Issuance	7,864,336	Common	0.0021	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/2/20	Issuance	7,863,459	Common	0.0021	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
11/2/20	Issuance	7,453,837	Common	0.0022	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144

11/3/20	Issuance	8,189,953	Common	0.0021	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
11/3/20	Issuance	8,256,876	Common	0.0021	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/5/20	Issuance	8,773,415	Common	0.0020	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
11/5/20	Issuance	10,092,308	Common	0.0017	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/5/20	Issuance	10,084,899	Common	0.0017	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
11/6/20	Issuance	11,412,453	Common	0.0015	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
11/6/20	Issuance	11,537,124	Common	0.0015	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/9/20	Issuance	12,682,274	Common	0.0015	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/9/20	Issuance	11,547,257	Common	0.0015	Yes	AES Capital / Alan Safdieh	Debt Conversion	Unrestricted	Rule 144
11/10/20	Issuance	12,668,473	Common	0.0015	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
11/10/20	Issuance	13,076,923	Common	0.0013	Yes	Platinum Point Capital / Brian Friefield	Debt Conversion	Unrestricted	Rule 144
11/11/20	Issuance	13,913,871	Common	0.0012	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
11/11/20	Issuance	13,891,453	Common	0.0009	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/12/20	Issuance	14,875,188	Common	0.0012	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
11/12/20	Issuance	6,312,410	Common	0.0002	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/13/20	Issuance	16,512,821	Common	0.0010	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/13/20	Issuance	16,573,569	Common	0.0010	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
11/16/20	Issuance	14,210,235	Common	0.0010	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
11/17/20	Issuance	19,871,795	Common	0.0008	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/18/20	Issuance	17,872,153	Common	0.0007	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
11/19/20	Issuance	19,989,734	Common	0.0007	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
11/19/20	Issuance	21,864,336	Common	0.0007	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144

11/19/20	Issuance	14,899,542	Common	0.0007	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
11/23/20	Issuance	21,818,182	Common	0.0007	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
11/25/20	Issuance	25,784,615	Common	0.0007	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
12/1/20	Issuance	27,142,857	Common	0.0007	Yes	Platinum Point Capital / Brian Friefield	Debt Conversion	Unrestricted	Rule 144
12/1/20	Issuance	27,071,329	Common	0.0007	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
12/3/20	Issuance	29,776,224	Common	0.0007	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
12/7/20	Issuance	31,261,538	Common	0.0007	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
12/8/20	Issuance	31,273,818	Common	0.0007	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
12/14/20	Issuance	4,771,552	Common	0.0007	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
12/15/20	Issuance	7,288,462	Common	0.0008	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
12/29/20	Issuance	27,094,872	Common	0.0008	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
1/7/21	Issuance	23,815,061	Common	0.0007	Yes	AES Capital / Alan Safdieh	Debt Conversion	Unrestricted	Rule 144
1/7/21	Issuance	17,462,871	Common	0.0008	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
1/9/21	Issuance	26,217,949	Common	0.0008	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
1/8/21	Issuance	31,532,215	Common	0.0013	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
1/12/21	Issuance	14,287,492	Common	0.0013	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
1/19/21	Issuance	25,781,724	Common	0.0012	Yes	AES Capital / Alan Safdieh	Debt Conversion	Unrestricted	Rule 144
2/17/21	Issuance	45,384,615	Common	0.0013	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
2/17/21	Issuance	10,353,406	Common	0.0030	Yes	Barrington Capital Corp. / Michael McIntosh	Debt Conversion	Unrestricted	Rule 144
2/18/21	Issuance	43,499,726	Common	0.0030	Yes	Robert Ulicki	Debt Conversion	Unrestricted	Rule 144
2/19/21	Issuance	14,082,514	Common	0.0008	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
2/21/21	Issuance	11,265,282	Common	0.0008	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144

2/23/21	Issuance	870,153	Common	0.0008	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
2/25/21	Issuance	37,692,308	Common	0.0013	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
3/3/21	Issuance	38,689,530	Common	0.0007	Yes	John Kutkevicious Professional Corporation	Debt Conversion	Unrestricted	Rule 144
3/3/21	Issuance	50,551,473	Common	0.0021	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
3/8/21	Issuance	49,479,839	Common	0.0021	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
3/9/21	Issuance	58,758,462	Common	0.0013	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
3/10/21	Issuance	57,744,029	Common	0.0014	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
3/16/21	Issuance	93,261,274	Common	0.0030	Yes	Clareste LP / Robert Ulicki	Debt Conversion	Unrestricted	Rule 144
3/24/21	Issuance	54,033,838	Common	0.0013	Yes	Adar Alef, LLC / Aryeh Goldstein	Debt Conversion	Unrestricted	Rule 144
3/24/21	Issuance	67,857,143	Common	0.0014	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
3/24/21	Issuance	60,670,699	Common	0.0014	Yes	LG Capital Funding LLC / Joseph Lerman	Debt Conversion	Unrestricted	Rule 144
4/15/21	Issuance	73,333,333	Common	0.0012	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
4/16/21	Issuance	79,044,176	Common	0.0008	Yes	John Kutkevicious Professional Corporation	Debt Conversion	Unrestricted	Rule 144
4/30/21	Issuance	86,601,124	Common	0.0011	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
5/17/21	Issuance	85,000,000	Common	0.0008	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
5/19/21	Issuance	89,855,342	Common	0.0008	Yes	John Kutkevicious Professional Corporation	Debt Conversion	Unrestricted	Rule 144
6/1/21	Issuance	97,142,857	Common	0.0007	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
6/7/21	Issuance	61,538,460	Common	0.0007	Yes	John Kutkevicious Professional Corporation	Debt Conversion	Unrestricted	Rule 144
6/18/21	Issuance	65,934,068	Common	0.0009	Yes	John Kutkevicious Professional Corporation	Debt Conversion	Unrestricted	Rule 144

6/21/21	Issuance	102,857,143	Common	0.0007	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
6/30/21	Issuance	100,465,452	Common	0.0009	Yes	John Kutkevicious Professional Corporation	Debt Conversion	Unrestricted	Rule 144
7/9/21	Issuance	120,988,133	Common	0.0006	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
7/19/21	Issuance	103,857,533	Common	0.0006	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144
9/20/21	Issuance	161,399,067	Common	0.0002	Yes	Bellridge Capital / Robert Klimkov	Debt Conversion	Unrestricted	Rule 144

#### Divestitures

Effective February 1, 2021, EVIO, Inc. completed the sale of assets of Smith Scientific Industries, Inc. d/b/a EVIO Labs Medford to SSI Acquisition Company, LLC for \$523,001 which included a combination of \$130,001 cash and transfer of liabilities of \$393,000.

On May 29, 2020, EVIO Inc. entered into an Amended and Restated Purchase Agreement with Green Analytics Massachusetts, LLC (“Green Analytics”) to sell 100% of the Company’s membership and economic interests in Viridis Analytics, MA LLC d/b/a EVIO Labs MA. Pursuant to the agreement, Green Analytics paid the aggregate the sum of \$1,148,000 consisting of \$398,000 advanced to the company and a promissory note of \$750,000 net of any future advances.