ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020 AND 2019

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We design audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override on internal control.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation, structure, and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

As part of an audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. We will also obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alternative Medical Enterprises, LLC and Affiliates as of December 31, 2020, and the results of their operations, changes in members' equity and their cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter – Cannabis Laws

As discussed in Note Q to the consolidated financial statements, the Company operates in the cannabis industry which is legal in the State of Arizona but illegal under United States federal law. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The consolidated financial statements of Alternative Medical Enterprises, LLC and Affiliates as of December 31, 2019 were audited by other auditors whose report dated October 26, 2020 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2020 consolidating information on pages 30 and 31 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and International Financial Reporting Standards. In our opinion, such information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The 2019 consolidating information on pages 32 and 33 was subjected to the auditing procedures applied in the 2019 audit of the basic consolidated financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2019 consolidated financial statements as a whole.

Hill, Barth & King LLC

Certified Public Accountants

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATED BALANCE SHEETS

December 31, 2020 and 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	**$ 957,389**	$ 1,935,410
Accounts receivable, net	**285,062**	403,542
Notes receivable	**263,896**	1,078,217
Inventories	**3,385,329**	2,768,022
Biological assets	**504,758**	446,085
Other current assets	**221,109**	302,237
TOTAL CURRENT ASSETS	**5,617,543**	6,933,513
PROPERTY AND EQUIPMENT, NET	**12,480,460**	5,459,299
OTHER ASSETS		
Intangible assets, net	**4,564,588**	5,195,408
Investments in related companies, net	**75,423,511**	34,322,458
Security deposits	**41,353**	40,154
TOTAL OTHER ASSETS	**80,029,452**	39,558,020
	$ 98,127,455	$ 51,950,832

LIABILITIES AND MEMBERS' EQUITY

	2020	2019
CURRENT LIABILITIES		
Accounts payable	**$ 458,001**	$ 580,194
Accrued expenses and other liabilities	**822,502**	375,711
Current portion of lease liabilities	**133,458**	493,043
Current portion of long-term debt	**1,468,063**	1,000,000
Income tax payable	**210,000**	0
TOTAL CURRENT LIABILITIES	**3,092,024**	2,448,948
LONG-TERM LIABILITIES		
Lease liabilities, net of current portion	**54,536**	296,352
Long-term debt, net of current portion	**1,083,741**	0
TOTAL LIABILITIES	**4,230,301**	2,745,300
MEMBERS' EQUITY	**93,897,154**	49,205,532
	$ 98,127,455	$ 51,950,832

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31, 2020 and 2019

	2020	2019
OPERATING INCOME		
Sales	**$ 20,648,304**	$ 14,482,050
Cost of sales	**10,315,252**	8,620,878
GROSS PROFIT BEFORE BIOLOGICAL ASSET ADJUSTMENT	**10,333,052**	5,861,172
NET EFFECT OF CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS	**23,586**	(255,001)
OPERATING EXPENSES		
General and administrative expenses	**4,543,847**	4,307,792
Amortization	**627,897**	1,300,447
Depreciation	**751,150**	895,724
TOTAL OPERATING EXPENSES	**5,922,894**	6,503,963
INCOME (LOSS) FROM OPERATIONS	**4,433,744**	(897,792)
OTHER INCOME (EXPENSES)		
Income from investments in related companies	**47,661,050**	12,199,444
Income from sale of investment	**885,678**	0
Interest expense	**(175,445)**	(19,387)
Loss on sale of property and equipment	**(415,575)**	(87,375)
Other (expense)	**3,674**	0
	47,959,382	12,092,682
INCOME BEFORE PROVISION FOR INCOME TAXES	**52,393,126**	11,194,890
PROVISION FOR INCOME TAXES	**210,000**	0
NET INCOME	**$ 52,183,126**	$ 11,194,890

See accompanying notes to consolidated financial statements

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years ended December 31, 2020 and 2019

Balances at December 31, 2018	**$ 39,465,496**
Adoption of IFRS 16, Leases	**(204,854)**
Repurchase of member's interest	**(1,250,000)**
Net income	**11,194,890**
Balances at December 31, 2019	**49,205,532**
Contribution from members	**1,000,000**
Distributions to members	**(8,491,504)**
Net income	**52,183,126**
Balances at December 31, 2020	**$ 93,897,154**

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2020 and 2019

	2020	2019
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net income	**$ 52,183,126**	$ 11,194,890
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**751,150**	895,724
Amortization	**627,897**	1,300,447
Income from investment in related companies	**(47,661,050)**	(12,199,444)
Loss on sale of property and equipment	**415,575**	87,375
Changes in assets and liabilities:		
(Increase) decrease in accounts and notes receivable	**932,802**	(259,788)
Increase in inventories and biological assets	**(675,980)**	(62,508)
Decrease in prepaid expenses	**81,128**	62,574
Increase in security deposits	**(1,199)**	0
Increase (decrease) in accounts payable	**(122,193)**	383,619
Increase in accrued expenses and other liabilities	**446,791**	109,610
Decrease in deferred revenue	**0**	(490,278)
Increase in income taxes payable	**210,000**	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	**7,188,047**	1,022,221
CASH FLOWS FROM INVESTING ACTIVITIES		
Distributions received from investments in related companies	**6,559,997**	287,000
Purchase of property and equipment	**(5,180,287)**	(997,911)
Proceeds from sale of property and equipment	**125,323**	17,500
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**1,505,033**	(693,411)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on lease liabilities	**(601,401)**	(30,013)
Payments on long-term debt	**(1,578,196)**	0
Repurchase of member's interest	**0**	(250,000)
Contributions from members	**1,000,000**	0
Distributions to members	**(8,491,504)**	0
NET CASH USED IN FINANCING ACTIVITIES	**(9,671,101)**	(280,013)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(978,021)**	48,797
CASH AND CASH EQUIVALENTS		
Beginning of year	**1,935,410**	1,886,613
End of year	**$ 957,389**	$ 1,935,410
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash paid during the year for:		
Interest	**175,445**	20,605
Acquisitons of property and equipment through debt	**3,130,000**	0
Issuance of debt to repurchase members' interest	**0**	1,000,000

See accompanying notes to consolidated financial statements

NOTE A - NATURE OF OPERATIONS

Organization and Nature of Business:
Alternative Medical Enterprises, LLC and Affiliates (collectively, the Company) consists of the following entities:

Alternative Medical Enterprises, LLC ("AME") (aka WP&RS Enterprises, LLC), was organized in 2014 as a limited liability company under the laws of the State of Florida. Alternative Medical Enterprises, LLC, through its subsidiaries, grows, cultivates, extracts, manufactures, and sells medical and recreational cannabis products. (MMJ).

Alternative Medical Enterprises, LLC owns 100% of the following companies:

AltMed, LLC, a Florida limited liability company, was formed in 2014, and it owns 41% of a license in Florida to grow, cultivate, extract, manufacture, and sell medical cannabis products. NuTrae, LLC, a Florida limited liability company, was formed in 2014, and develops products for cannabis delivery systems and licenses intellectual property to other parties. Agronomy Holdings, LLC (aka AltMed North America, LLC), a Florida limited liability company, was formed in 2015, and is a holding company for ventures entered outside the state of Florida. MuV Health, LLC, an Arizona limited liability company, was organized in 2019 to produce and sell CBD only products. Cave Creek RE, LLC was formed in 2020 in the state of Arizona as a real estate holding company.

Agronomy Holdings, LLC owns 100% of Agronomy Innovations, LLC, an Arizona limited liability company, was acquired during 2015, and is a cannabis cultivation facility located in Arizona.

Fort Consulting, LLC (the Dispensary) operates as a Medical Marijuana Dispensary and under the rules and regulations of the Arizona Department of Health Services - Medical Marijuana Program. The Dispensary is an Arizona nonprofit organization, incorporated under the laws of the state of Arizona in July 2016. The Dispensary's primary mission is to run a patient-centric wellness which processes the highest-grade medical marijuana in Arizona. The Dispensary has a goal of infusing horticultural innovations and sympathetic treatments into the Arizona medical marijuana industry and is committed to combining mental and physical health in a format previously inaccessible to terminally ill and other patients. The Dispensary has a one-year license with the Arizona Department of Health Services to operate a Medical Marijuana Dispensary in the state of Arizona. The contract is renewed annually.

Alternative Medical Enterprises, LLC, AltMed, LLC, NuTrae, LLC, Agronomy Holdings, LLC, Agronomy Innovations, LLC, Fort Consulting, LLC, Cave Creek RE, LLC and MuV Health, LLC will be referred to herein as "the Company".

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance:
The consolidated financial statements of the Company for the years ended December 31, 2020 and 2019, have been prepared in accordance with IAS 1 Presentation of Financial Statements (Revised 2007) as issued by the IASB.

The significant policies that have been applied in the preparation of these consolidated financial statements are summarized below. These accounting policies have been used throughout all periods presented in the consolidated financial statements.

Principles of Consolidation:
The accompanying consolidated financial statements include the accounts of the Company which are affiliated by virtue of common ownership and control. All significant intercompany transactions and balances have been eliminated in the consolidation.

Basis of Presentation:
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement:
The consolidated financial statements have been prepared on the going concern basis, under the historical cost convention except for biological assets and certain financial instruments, which are measured at fair value.

Functional Currency:
The functional currency of the Company, as determined by management, is the United States ("U.S.") dollar. These consolidated financial statements are presented in U.S. dollars.

Revenue Recognition:
Revenue is recognized by the Company in accordance with IFRS 15, Revenue from Contracts with Customers. Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In order to recognize revenue under IFRS 15, the Company applies the following five (5) steps:

- Identify a customer along with a corresponding contract;
- Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer;
- Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer;
- Allocate the transaction price to the performance obligation(s) in the contract;
- Recognize revenue when or as the Company satisfies the performance obligation(s).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued):
Under IFRS 15, revenues from the sale of cannabis are generally recognized at the point in time when control over the goods have been transferred to the customer. Payment is typically due upon transferring goods to the customer or within a specified time period permitted under the Company's credit policy.

Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon delivery and acceptance by the customer.

Significant Accounting Judgments, Estimates, and Assumptions:
The preparation of the Company's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Collectability of accounts receivable/computing the allowance for doubtful accounts:
The Company estimates the allowance for doubtful accounts based on historical experience and other known factors at the time of sale, which reduces the operating revenue.

Estimated useful lives and depreciation of property and equipment:
Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Estimated useful lives and amortization of intangible assets:
Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Judgments, Estimates, and Assumptions (Continued):

Inventories:
The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans, and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in cost of sales.

Biological assets:
Management is required to make estimates in calculating the fair value of biological assets and harvested cannabis inventory. These estimates include a number of assumptions, such as estimating the stages of growth of the cannabis, harvested costs, sales price and expected yields.

Impairment of non-financial assets:
An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs that would be directly attributable to the disposal of the asset.

The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Cash and Cash Equivalents:

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Credit Risk:

The Company maintains cash balances at financial institutions in excess of federally insured limits from time to time. The Company has experienced no losses due to this concentration.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable:
The Company's revenue consists primarily of retail sales to medical cannabis patients throughout the state of Arizona and to other medical cannabis licensees. The potential risk is limited to the amounts recorded in the consolidated financial statements. The Company provides for potentially uncollectable accounts receivable by use of the allowance method. The allowance is provided based upon a review of the individual accounts outstanding, prior history of uncollectable accounts receivable and existing economic conditions. Normal accounts receivable are due 15 days after the issuance of the invoice. Receivables past due more than 60 days are considered delinquent. The allowance for doubtful accounts was $9,625 and $2,894 as of December 31, 2020 and 2019, respectively. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Inventories:
Inventory of purchased finished goods and packing materials are initially valued at cost and subsequently at the lower of cost or net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value less costs to sell and complete at harvest which becomes the deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that the cost is less than net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. Products for resale and supplies and consumables are valued at lower of cost or net realizable value. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventories are written down to net realizable value.

Biological Assets:
The Company measures biological assets consisting of medical cannabis plants at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of internally produced work in progress and finished goods inventories after harvest. These costs are then recorded with costs of goods sold in the consolidated statements of operations in the period when the related product is sold. Unrealized gains or losses arising from changes in fair value less cost to sell during the period are included in the results of operations.

Production costs related to biological assets are expensed. They include the direct cost of seeds and growing materials as well as other indirect costs such as utilities and supplies used in the growing process. Indirect labor for individuals involved in the growing and quality control process is also included, as well as other costs to the extent it is associated with the growing space. Unrealized fair value gains/losses on growth of biological assets are recorded in a separate line on the face of the consolidated statements of operations.

The Company capitalizes costs incurred after harvest to bring the products to their present location and condition in accordance with IAS 41 Agriculture. The cost of inventories includes fair value less cost to sell at harvest and costs incurred after harvest (such as quality assurance costs, fulfillment costs and packaging costs) to bring the products to their present location and condition.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes Receivable:

The Company sold interests to related parties in exchange for notes receivable in the amount of the interest sold. The expectation was that these notes would be paid within three years. Any distributions the related parties receive as their share of income will first go towards the payment of the note receivable, and only after that note has been paid will they receive future distributions. The balance of notes receivable as of December 31, 2020 and 2019 is $163,895.

The Company's share in one of its related parties was repurchased for $1,800,000 in exchange for cash and a promissory note with a maturity date of December 31, 2021 and a face amount of $1,400,000. The balance of the note as of December 31, 2020 and 2019 is $0 and $914,322, respectively.

Prepaid Expenses:

The Company pays for certain expenses in advance of receipt of goods or services. The amount is expensed over the term of contract or period for which the expenses are paid, using the straight-line method.

Advertising:

The Company expenses advertising as incurred. Advertising expenses were $232,785 and $202,891 for the years ended December 31, 2020 and 2019, respectively.

Leased Assets:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The policy is applied to contracts entered into or changes, on or after January 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leased Assets (Continued):
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as a discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment:
Property and equipment are recorded at cost, net of depreciation. Expenditures for repairs and maintenance are charged to expense as incurred. Leasehold improvements are depreciated over the lesser of the useful life or the lease term. Depreciation is computed using the straight-line method over the assets' estimated useful life. Asset classes and their respective useful lives are as follows:

	YEARS
Buildings	39
Leasehold improvements	5-39
Machinery and equipment	5-15
Furniture and fixtures	5-7
Lab equipment	3-5
Computer equipment	5
Vehicles	5

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in operations in the year the asset is derecognized.

Income Taxes:
As limited liability companies, the Company's taxable income or loss is allocated to members in accordance with their respective percentage of ownership. Therefore, no provision for income taxes has been included in the consolidated financial statements.

Deferred Income Taxes - Fort Consulting, LLC - Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consists of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to depreciable assets (use of different depreciation methods and lives for financial statement and tax purposes). The deferred tax liability represents future tax return consequences for those differences, which will be deductible when the assets and liabilities are recovered or settled.

With limited exceptions, the Company is no longer subject to income tax examination for returns filed more than three years ago. The Company believes the only years open for potential IRS audits are the year ending December 31, 2018, 2019 and 2020. Management has performed an evaluation of income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties, or interest receivable or payable relating to uncertain tax positions in the accompanying consolidated financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements:

IFRS 13, "Fair Value Measurement", establishes the minimum disclosure requirements for fair value measurements (and those based on fair value) that are recognized in the consolidated balance sheet after initial recognition. The requirements vary depending on whether the fair value measurements are recurring or non-recurring and their categorization within the fair value hierarchy (i.e. Level 1, 2, or 3).

In order to determine the appropriate categorization of a fair value measurement (as a whole) within the hierarchy, the Company determines the categorization of the inputs used to measure fair value and categorization of the fair value measurement (as a whole). IFRS 13's fair value hierarchy categorizes inputs to valuation techniques into the following levels, based on their observability:

Level 1 - Quoted prices (that are unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date

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

Level 3 - Unobservable inputs for the asset or liability

A fair value measurement (as a whole) is categorized within the fair value hierarchy, based on the lowest level of input that is significant to the entire measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

The Company has a number of financial instruments, none of which are held for trading purposes and are measured using Level 3 measurements. The Company estimates that the fair value of all financial instruments at December 31, 2020 and 2019 does not materially differ from the aggregate carrying values of its financial instruments recorded in the accompanying consolidated balance sheets. The Company, using available market information and appropriate valuation methodologies, has determined the estimated fair value amounts. Considerable judgment is necessary in interpreting market data to develop estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Reclassifications:

The consolidated financial statements for 2019 have been reclassed to conform with the presentation for 2020. Such reclassifications had no effect on net results of operations.

Subsequent Events:

Management evaluated all activity of the Company through March 31, 2021, the date the consolidated financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements or notes, except as described below.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events (Continued):
Subsequent to the year end, the Company has continued construction on the expansion of its cultivation and manufacturing facilities. Total capital expenditures for the expansion of such facilities through year end 2021 is expected to be approximately $1,161,182.

On November of 2020, Arizona residents pass proposition 207, the Smart and Safe Act of Arizona, effectively legalizing the recreational adult use of marijuana for people 21 years of age or older. An "adult use" license is required for medical dispensaries to sell cannabis products to "adult use" customers. In addition, a 16% excise tax is placed on recreational use products. As of Q1 of 2021, over 80 dispensaries, including the MuV dispensary, have received the additional license. Recreational use sales in Arizona began in January of 2021.

On November 11, 2020, the Company entered into an agreement with Verano Holdings to sell 100% its membership units including 4,099,098 Class A shares in the Company's investment in Plants of Ruskin GPS, LLC and RVC 360, LLC, for total consideration net of fees totaling $35,000,000. This transaction was finalized subsequent to the year end.

NOTE C - CONCENTRATIONS

Financial instruments which potentially subject the Company to concentration of credit risks include cash and cash equivalents in financial institutions, which under U.S. federal law, money obtained from activities related to the marijuana industry cannot be federally insured. At December 31, 2020 and 2019, the Company had balances of $957,389 and $1,935,410 respectively, in uninsured cash and cash equivalents in financial instruments.

The Company had two major suppliers with significant outstanding accounts payable balances of approximately 10% at December 31, 2020. The Company had three major suppliers with significant outstanding accounts receivable balances of approximately 76% at December 31, 2019.

NOTE D - INVENTORY

Inventory at December 31, 2020 and 2019 is summarized as follows:

	2020	2019
Raw materials	**$ 276,813**	$ 607,057
Work-in-process	**1,525,473**	1,322,690
Finished goods	**1,583,043**	838,275
TOTALS	**$ 3,385,329**	$ 2,768,022

NOTE E - BIOLOGICAL ASSETS

Biological assets consist of cannabis plants. At December 31, 2020 and 2019, the changes in the carrying value of biological assets are shown below:

	2020	2019
Beginning of year	$ 446,085	$ 289,656
Costs incurred prior to harvest to facilitate biological transformation	1,379,148	1,306,563
Unrealized gain on fair value of biological assets	4,157,687	3,031,786
Transferred to inventory upon harvest	(5,478,163)	(4,181,920)
End of year	$ 504,758	$ 446,085

The Company values its biological assets at the end of each reporting period at fair value less costs to sell. This is determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated price per gram less processing and selling costs. This model also considers the progress in the plant life cycle.

Management has made the following estimates in this valuation model:

- The average number of weeks in the growing cycle is nineteen weeks from propagation to harvest for flower and trim;
- The average harvest yield of dried flower is 78.25 grams per plant for flower (57.93 grams – 2019) and 47.37 grams per plant for trim (50.87 grams – 2019);
- The average selling price of dried flower is $4.03 per gram for flower ($3.51 - 2019) and $.63 per gram used for trim ($0.55 – 2019);
- Processing costs include drying and curing, testing and packaging, post-harvest overhead allocation costs estimated to be $.81 per gram for flower ($0.66 - 2019) and $0.49 per gram for trim ($0.58 – 2019);
- Selling costs include shipping, order fulfillment, and labelling, estimated to be $0.25 per gram for flower sales ($0.25 - 2019) and $0 per gram for trim ($0 – 2019).

The estimates of growing cycle, harvest yield, and costs per gram are based on the Company's historical results. The estimate of the selling price per gram is based on the Company's historical sales in addition to the Company's expected sales price going forward.

Management has quantified the sensitivity of the inputs, and determined the following:

- Selling price per gram – an increase or decrease in the selling price for both flower and trim per gram by 5% would result in an increase or decrease the fair value of biological assets by $30,882 ($28,652 – 2019).
- Harvest yield per plant – an increase or decrease in the harvest yield per plant of 5% would result in an increase or decrease the fair value of biological assets by $25,238 ($22,304 – 2019).
- Cost of production per gram – an increase or decrease in the cost of production for both flower and trim per gram by 5% would result in an increase or decrease the fair value of biological assets by $3,895 ($4,554 – 2019).

NOTE E - BIOLOGICAL ASSETS (CONTINUED)

These inputs are level 3 on the fair value hierarchy, and are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

As of December 31, 2020 and 2019, the biological assets were on average, 29.8% and 42.8% respectively, for flower and 29.80% and 42.8% complete, respectively, for trim and the estimated fair value less costs to sell of dried flower was $2.97 and $2.60 per gram, respectively, and the estimated fair value less costs to sell of trim was $.14 and $-0.03 per gram, respectively.

As of December 31, 2020 and 2019, it is expected that the Company's biological assets will ultimately yield approximately 372 and 396 kilograms, respectively, of dry cannabis for flower sales and 225 and 348 kilograms, respectively, for trim sales.

NOTE F - OTHER CURRENT ASSETS

Other current assets at December 31, 2020 and 2019 are summarized as follows:

	2020	2019
Prepaid expenses	**$ 221,049**	$ 302,237
Other current assets	**60**	0
TOTALS	**$ 221,109**	$ 302,237

NOTE G - INCOME TAX STATUS- FORT CONSULTING, LLC

Fort Consulting, LLC is a non-profit entity for Arizona income tax purposes and elected to be taxed as a C-corporation for Federal tax purposes. Therefore, income taxes are provided for the tax effects of transactions in the consolidated financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The Company recorded $210,000 in current income tax expense for the year ended December 31, 2020.

Deferred taxes are provided on the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The Company accounts for uncertain tax positions in accordance with the provisions of IAS 12, Income Taxes ("IAS 12"). IAS 12 provides a comprehensive model for the recognition, measurement and disclosure in the consolidated financial statements of uncertain tax positions that the Company has taken or expects to take on a tax return. Under this standard, the Company can recognize the benefit of an income tax position only if it is probable that the tax position will be sustained upon tax examination, based solely on the technical merits of the tax position.

NOTE G - INCOME TAX STATUS- FORT CONSULTING, LLC (CONTINUED)

Otherwise, no benefit can be recognized. The tax benefits recognized are measured based on either the most likely amount approach or the expected value method.

The Company has not recorded a deferred tax asset for the period from inception to December 31, 2020 due to the uncertainty of any benefit of the loss being realized. Under IAS 12 any deferred tax asset or liability is recorded under the net approach.

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2020 and 2019 are summarized as follows:

	2020	2019
Buildings and improvements	$ 8,203,253	$ 4,268,411
IFRS 16 Right-of-use assets	796,949	2,051,211
Furniture and equipment	2,242,582	1,482,743
Vehicles	218,827	191,064
Construction in progress	2,292,432	180,131
Land and improvements	1,020,000	78,040
	14,774,043	8,251,600
Accumulated depreciation	(2,293,583)	(2,792,301)
Net property and equipment	$ 12,480,460	$ 5,459,299

Depreciation expense for the years ended December 31, 2020 and 2019 totaled $751,150 and $895,724 respectively. The value of property and equipment held under capital leases for both years ended December 31, 2020 and 2019 totaled $1,015,776 and $2,235,851, respectively.

NOTE I - INVESTMENTS

Investment in Related Company:

In 2016, the Company invested $1,201,000 in a minority interest (10%) of a farm in Colorado. The investment is recorded using the equity method. The Company does not have significant influence or control. In 2019, the Company sold the investment and received the final payment in 2020.

Below is a reconciliation of this investment:

	2020	2019
Balance, beginning of year	$ 0	$ 863,703
Share in current year net income	0	50,619
Sale of interest in related party	0	(914,322)
Balance, end of year	$ 0	$ 0

NOTE I – INVESTMENTS (CONTINUED)

Investment in Related Company (Continued):

Below is a summary of the balance sheet and income statement of the entity that the Company has invested in:

	2020	2019
Total Assets	$ 0	$ 5,339,131
Total Liabilities	$ 0	$ 34,966
Total Equity	0	5,304,165
	$ 0	$ 5,339,131
Total Income	$ 0	$ 506,190
Total Expenses	0	2,313,987
Net Income	$ 0	$ (1,807,797)

The Company has invested $16,206,150 for a minority interest (41%) in a Company in Florida. The investment has been recorded at equity method as the Company has significant influence or control.

Below is a reconciliation of this investment:

	2020	2019
Balance, beginning of year	$ 34,322,458	$ 22,522,932
Distributions during the year	(6,588,263)	(287,000)
Share in current year net income	47,661,050	12,086,526
Balance, end of year	$ 75,395,245	$34,322,458

Below is a summary of the balance sheet and income statement of the entity that the Company has invested in:

	2020	2019
Total Assets	$ 186,878,023	$ 77,216,022
Total Liabilities	$ 36,791,465	$ 17,375,926
Total Equity	150,086,558	59,840,096
	$ 186,878,023	$ 77,216,022
Total Income	$ 168,675,743	$ 39,371,011
Total Expenses	52,429,281	9,891,679
Net Income	$ 116,246,462	$ 29,479,332

NOTE J – INTANGIBLES

Goodwill, Net of Impairment:
Goodwill is from the 2015 purchase of Agronomy Innovations, LLC. The purchase of Agronomy Innovations, LLC for $775,000 was to establish a foothold in Arizona by obtaining a grow facility that was already established and provide the Company the opportunity to do business in Arizona. The entire purchase price went towards goodwill as there were almost no assets purchased. The Company assesses goodwill for impairment on an annual basis in accordance with IAS 36 *Impairment of Assets* and has fully impaired the asset as of December 31, 2020. The recorded value of the asset was $0 and $432,708 as of December 31, 2020 and 2019, respectively.

Right-to-Use Agreement:
The Company contracted with a nursery in Florida for the use of their farm land. In exchange for $310,000 worth of Class A Units, the Company obtained the right to grow Medical Marijuana on their land for a 7-year period. Management has elected to amortize this intangible asset over 7 years, which is the term of the lease. Accumulated amortization expense for the years ended December 31, 2020 and 2019 was $310,000 and $221,429, respectively. Net book value of the asset was $0 and $88,571 as of December 31, 2020 and 2019, respectively.

Cultivation and Management Agreement:
During 2017, the Company entered into a cultivation and management agreement for a marijuana grow and dispensary operation in Arizona with a related party and requires the Company to provide cultivation and management services to a related party (under common control). The Company receives a fee for these services on a monthly basis. The Company has experience and expertise in managing the medical marijuana program and its associated retail operation. The Company oversees the day to day operations of the dispensary and cultivation site and provides services related to the purchase and sales of the product. The Company is also involved in ensuring compliance with all Federal, State and local laws applicable to the Company. The total fee for cultivation services for the years ended December 31, 2020 and 2019 was $12,882,867 and $13,249,504, respectively. The total management fees related to this management agreement for the years ended December 31, 2020 and 2019 was $2,350,234 and $2,037,290, respectively.

NOTE K - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at December 31, 2020 and 2019 are summarized as follows:

	2020	2019
Accounts payable	**$ 458,001**	$ 580,194
Related party payable	**24,673**	157,229
Sales tax payable	**100,395**	80,645
Accrued expenses	**697,434**	137,837
TOTALS	**$ 1,280,503**	$ 955,905

NOTE L - LONG-TERM DEBT

Long-term debt at December 31, 2020 and **2019** is as follows:

	2020	2019
Mortgage to Pioneer Title Agency, monthly payments totaling $31,661 including interest rate of 6%, maturing through March 2023.	**$ 770,554**	$ 0
Note payable to Fidelity National Title, monthly payments totaling $112,318 including interest rate of 10%, maturing through July 2022.	**1,781,250**	0
	2,551,804	0
Less current portion	**1,468,063**	0
TOTAL LONG TERM-DEBT	**$ 1,083,741**	$ 0

Maturities related to this debt are as follows:

2021	$ 1,468,063
2022	1,018,659
2023	65,082
TOTAL	$ 2,551,804

NOTE M – MEMBERS' EQUITY

The Company has sold ownership interests to related and non-related parties (Subscriber), in the form of Class A Units ("Units"). These Units are restricted securities under applicable U.S. Federal and state securities laws, and the Units cannot be offered for sale, sold, delivered after sale, pledged, hypothecated, transferred, or otherwise disposed of by Subscriber, and must be held indefinitely unless Subscriber's offer and sale of the Units are subsequently registered under the Securities Act, and any applicable state securities laws, or an exemption from such registration is available. Subscriber understands and agrees that the Company has no obligation or intent (i) to register any of the Units under the Securities Act or any applicable state securities laws; (ii) to take any action so as to permit sales pursuant to Rule 144 under the Securities Act; and (iii) the Company has not covenanted to assure that such Rule 144 is, or will be, available for resale of the Units.

Subscriber understands and agrees that (i) there will be no public market for the Units; (ii) the investment in the Units is not liquid; and (iii) Subscriber must bear the economic risk of the Subscriber's investment in the Units for an indefinite period of time. The total value, net of redemptions, (and total number) of Class A Units outstanding as of December 31, 2020 and 2019 was $58,802,887 and $47,703,986, respectively.

NOTE N – LEASES

The Company leased office space in Sarasota, Florida under an initial non-cancelable agreement which was expiring in June 2019, with monthly rent of $6,400. The agreement was amended effective July 2018 expiring on July 2020 with a monthly payment of $6,592 from July 2018 to July 2019 and $6,790 from July 2019 to July 2020. The lease was renewed to June 2021 with monthly payments escalating to $9,761.

The Company leases a dispensary facility in Arizona with a term of five years starting July 2017 with a monthly payment of $7,000.

The Company recognized right-of-use assets and lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

As of December 31, the Company's lease liabilities consisted of the following:

The Company has lease liabilities for leases related to real estate used for dispensaries. The weighted average discount rate for the years ended December 31, 2020 and 2019 was 8%.

NOTE N – LEASES (CONTINUED)

The maturity of the contractual undiscounted lease liabilities at December 31, 2020 and 2019 is as follows:

Interest rates on capitalized leases vary from 6.6% to 10.2% and are imputed based on the lower of the Company's incremental borrowing rate at the time of inception of each lease or the lessor's implicit rate of return.

NOTE O - LEASES WHERE COMPANY IS LESSEE

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise primarily of:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable under a residual value or guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonable certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonable certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured this way, a corresponding adjustment is made to the carrying amount of the right- of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTE O - LEASES WHERE COMPANY IS LESSEE

The maturity of the contractual undiscounted lease liabilities at December 31, 2020 is as follows:

2021	$ 151,069
2022	56,000
Total undiscounted lease liabilities	207,069
Interest on lease liabilities	(19,073)
Total present value of minimum lease payments	187,996
Lease liabilities - current portion	133,458
Lease liabilities - noncurrent	$ 54,536

The Company's right-of-use assets consist of real property and office equipment. As of December 31, 2020, the Company's lease schedule consisted of the following:

	2020	2019
Balance, beginning of year	**$ 789,395**	$ 65,294
Additions (Deletions)	**(241,580)**	2,051,211
Lease and interest payments, accretion, and accrued interest, net	**(359,821)**	(1,327,110)
Balance, end of year	**187,994**	789,395
Lease liability - current portion	**133,458**	493,043
Lease liability - noncurrent portion	**$ 54,536**	$ 296,352

Interest expense charged to operations for right-of-use lease liabilities for the years ended December 31, 2020 and 2019 totaled $35,772 and $82,900, respectively.

NOTE P – RELATED PARTY TRANSACTIONS

The LLCs entered into management agreement with a company (the management company) that is owned by a related party that provides management services for all the LLCs. There is no formal written agreement. The terms of the verbal agreement state that the LLCs must pay the management company's service fees and reimburse any out-of-pocket expenses. The total amount of related party management fees for the years ended December 31, 2020 and 2019 was $2,350,234 and $2,037,290, respectively.

There was a total of $360,969 and $336,135 paid to members of the LLCs in the form of guaranteed payments for the years ended December 31, 2020 and 2019, respectively.

NOTE Q - CONTINGENCIES

Compliance:
The Company's compliance with certain laws and regulations is subject to review by the various states in which they operate. Although such reviews could result in adverse decisions, it is the opinion of management that any matters could be resolved without significant impact to the operations of the Company.

Litigation
The Company is contingently liable for claims and judgments resulting from lawsuits incidental to the normal operation of a company. In the opinion of the Company's management, the Company's insurance coverage is adequate to cover claims relating to normal operations and any lawsuit that might adversely impact the Company would not have a material effect on the consolidated financial statements. Accordingly, no provision for possible losses is reflected in the consolidated financial statements.

Marijuana Remains Illegal under Federal Law:
The Company engages in the medical marijuana business. Marijuana is currently illegal under U.S. federal law. It is a Schedule I controlled substance. Accordingly, in those jurisdictions in which the use of medical marijuana has been legalized at the U.S. state level, its prescription is a violation of federal law. The U.S. Supreme Court has ruled that the U.S. federal government has the right to regulate and criminalize marijuana, even for medical purposes. Therefore, U.S. federal law criminalizing the use of marijuana supersedes U.S. state laws that legalize its use for medicinal purposes. The Obama administration made a policy decision to allow U.S. states to implement these laws and not prosecute anyone operating in accordance with applicable U.S. state law. A change in the U.S. federal position towards enforcement could cripple the industry, rendering the Company unable to operate. Moreover, a change in the U.S. federal position towards enforcement could result in U.S. federal law enforcement seizing the assets of the Company, which would result in a complete loss for the Company. Additionally, the U.S. federal government could extend enforcement of the antidrug laws against people who are assisting the medical marijuana industry, including investors and finance sources.

As discussed above, the cultivation, sale, and use of marijuana is illegal under U.S. federal law. Therefore, there is a compelling argument that banks cannot accept deposit funds from the medical marijuana business and therefore would not be able to do business with the Company. As such, the Company may have trouble finding a bank willing to accept its business. There can be no assurance that banks in U.S. states currently or in the future will decide to do business with medical marijuana growers or retailers, or that in the absence of U.S. legislation, U.S. state and federal banking regulators will not strictly enforce current prohibitions on banks handling funds generated from an activity that is illegal under U.S. federal law. This may make it difficult for the Company to open accounts, use the service of banks, and otherwise transact business, which in turn may negatively affect the Company.

NOTE Q – CONTINGENCIES (CONTINUED)

COVID-19 Pandemic:
On January 30, 2020 the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity.

SUPPLEMENTARY INFORMATION

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATING BALANCE SHEET

December 31, 2020

ASSETS

	Alternative Medical Enterprises, LLC	Agronomy Holdings, LLC	Agronomy Innovations, LLC	AltMed, LLC	Cave Creek RE, LLC	Fort Consulting, LLC	MuV Health LLC	NuTrae, LLC	**Elimination**	Total
CURRENT ASSETS										
Cash and cash equivalents	$ 0	$ 7,746	$ 281,449	$ 0	$ 9,867	$ 646,213	$ 6,310	$ 5,804	$ 0	$ 957,389
Accounts receivable, net	0	0	60,000	0	0	225,143	(21)	(60)	0	285,062
Notes receivable	163,896	100,000	16,745,052	0	(2,684,088)	-	0	(3,370)	(14,057,594)	263,896
Inventories	0	0	276,812	0	0	2,876,037	232,480	0	0	3,385,329
Biological assets	0	0	0	0	0	504,758	0	0	0	504,758
Other current assets	122,384	0	195,353	0	0	0	60	0	(96,688)	221,109
TOTAL CURRENT ASSETS	286,280	107,746	17,558,666	0	(2,674,221)	4,252,151	238,829	2,374	(14,154,282)	5,617,543
PROPERTY AND EQUIPMENT, NET	67,708	0	7,302,149	46,067	5,064,536	0	0	0	0	12,480,460
OTHER ASSETS										
Intangible & investments in related companies, net	39,686,508	21,540,258	4,564,588	75,423,511	0	0	0	0	(61,226,766)	79,988,099
Security deposits	0	0	34,753	6,400	0	0	0	200	0	41,353
TOTAL OTHER ASSETS	39,686,508	21,540,258	4,599,341	75,429,911	0	0	0	200	(61,226,766)	80,029,452
	$ 40,040,496	$ 21,648,004	$ 29,460,156	$ 75,475,978	$ 2,390,315	$ 4,252,151	$ 238,829	$ 2,574	$ (75,381,048)	$ 98,127,455

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

	Alternative Medical Enterprises, LLC	Agronomy Holdings, LLC	Agronomy Innovations, LLC	AltMed, LLC	Cave Creek RE, LLC	Fort Consulting, LLC	MuV Health LLC	NuTrae, LLC	**Elimination**	Total
CURRENT LIABILITIES										
Accounts payable	$ 0	$ 0	$ 231,724	$ 0	$ 0	$ 225,197	$ 1,080	$ 0	$ 0	$ 458,001
Accrued expenses	9,883,741	0	9,829,788	(6,760,886)	0	5,548,836	933,643	(2,758,547)	(15,854,073)	822,502
Current portion of lease liabilities	0	0	84,378	49,080	0	0	0	0	0	133,458
Current portion of long-term debt	0	0	0	0	1,468,063	0	0	0	0	1,468,063
Income tax payable	0	0	0	0	0	210,000	0	0	0	210,000
TOTAL CURRENT LIABILITIES	9,883,741	0	10,145,890	(6,711,806)	1,468,063	5,984,033	934,723	(2,758,547)	(15,854,073)	3,092,024
LONG-TERM LIABILITIES										
Lease liabilities, net of current portion	0	0	54,536	0	0	0	0	0	0	54,536
Long-term debt, net of current portion	0	0	0	0	1,083,741	0	0	0	0	1,083,741
TOTAL LONG-TERM LIABILITIES	0	0	54,536	0	1,083,741	0	0	0	0	1,138,277
TOTAL LIABILITIES	9,883,741	0	10,200,426	(6,711,806)	2,551,804	5,984,033	934,723	(2,758,547)	(15,854,073)	4,230,301
MEMBERS' EQUITY (DEFICIT)	30,156,755	21,648,004	19,259,730	82,187,784	(161,489)	(1,731,882)	(695,894)	2,761,121	(59,526,975)	93,897,154
	$ 40,040,496	$ 21,648,004	$ 29,460,156	$ 75,475,978	$ 2,390,315	$ 4,252,151	$ 238,829	$ 2,574	$ (75,381,048)	$ 98,127,455

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year ended December 31, 2020

	Alternative Medical Enterprises, LLC	Agronomy Holdings, LLC	Agronomy Innovations, LLC	AltMed, LLC	Cave Creek RE, LLC	Fort Consulting, LLC	MuV Health LLC	NuTrae, LLC	**Elimination**	Total
OPERATING INCOME										
Sales	$ 0	$ 3,566	$ 15,552,777	$ 0	$ 0	$ 20,591,054	$ 41,184	$ 732,004	$ (16,272,281)	$ 20,648,304
Cost of sales	0	0	6,060,393	0	0	17,859,078	17,400	(44)	(13,621,575)	10,315,252
GROSS PROFIT BEFORE BIOLOGIAL ASSET ADJUSTMENT	0	3,566	9,492,384	0	0	2,731,976	23,784	732,048	(2,650,706)	10,333,052
NET EFFECT OF CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS	0	0	0	0	0	23,586	0	0	0	23,586
OPERATING EXPENSES										
General and administrative expenses	1,231,457	5,834	2,800,805	(350)	(41,112)	2,662,660	498,174	44,990	(2,658,611)	4,543,847
Amortization	0	0	542,252	85,645	0	0	0	0	0	627,897
Depreciation	5,855	0	560,351	125,527	59,417	0	0	0	0	751,150
TOTAL OPERATING EXPENSES	1,237,312	5,834	3,903,408	210,822	18,305	2,662,660	498,174	44,990	(2,658,611)	5,922,894
INCOME (LOSS) FROM OPERATIONS	(1,237,312)	(2,268)	5,588,976	(210,822)	(18,305)	92,902	(474,390)	687,058	7,905	4,433,744
OTHER INCOME (EXPENSE)										
Income from investments in related companies	0	0	0	47,661,050	0	0	0	0	0	47,661,050
Income from the sale of investment	0	885,678	0	0	0	0	0	0	0	885,678
Interest expense	0	(100)	(26,854)	(9,279)	(143,183)	0	(15)	0	0	(179,431)
Gain (loss) on sale of property and equipment	0	0	94,918	(510,493)	0	0	0	0	0	(415,575)
Interest income	3,871	115	0	0	0	0	0	0	0	3,986
Other income (expense)	(109,425)	0	(127)	0	0	0	0	113,226	0	3,674
	(105,554)	885,693	67,937	47,141,278	(143,183)	0	(15)	113,226	0	47,959,382
INCOME BEFORE PROVISION FOR INCOME TAXES	(1,342,866)	883,425	5,656,913	46,930,456	(161,488)	92,902	(474,405)	800,284	7,905	52,393,126
PROVISION FOR INCOME TAXES	0	0	0	0	0	210,000	0	0	0	210,000
NET INCOME (LOSS)	$ (1,342,866)	$ 883,425	$ 5,656,913	$ 46,930,456	$ (161,488)	$ (117,098)	$ (474,405)	$ 800,284	$ 7,905	$ 52,183,126

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATING BALANCE SHEET

December 31, 2019

ASSETS

	Alternative Medical Enterprises, LLC	Agronomy Holdings, LLC	Agronomy Innovations, LLC	AltMed, LLC	Fort Consulting, LLC	MuV Health LLC	NuTrae, LLC	**Elimination**	Total
CURRENT ASSETS									
Cash and cash equivalents	$ 5,495	$ 9,792	$ 921,491	$ 10,577	$ 943,628	$ 26,203	$ 18,224	$ 0	$ 1,935,410
Accounts receivable, net	0	0	0	0	400,040	0	3,502	0	403,542
Notes receivable	163,895	914,322	0	0	0	0	0	0	1,078,217
Inventories	0	0	382,206	0	2,156,356	229,460	0	0	2,768,022
Biological assets	0	0	0	0	446,085	0	0	0	446,085
Due from, related party	84,593	0	6,609,549	287,000	33,110	10,000	2,050,270	(9,074,522)	0
Prepaid expenses	117,886	0	184,351	0	0	0	0	0	302,237
TOTAL CURRENT ASSETS	371,869	924,114	8,097,597	297,577	3,979,219	265,663	2,071,996	(9,074,522)	6,933,513
PROPERTY AND EQUIPMENT, NET	218,879	0	4,697,748	542,672	0	0	0	0	5,459,299
OTHER ASSETS									
Intangible assets, net	0	0	5,106,838	88,570	0	0	0	0	5,195,408
Investments in related companies, net	39,686,509	19,840,466	0	34,322,458	0	0	0	(59,526,975)	34,322,458
Security deposits	0	0	33,554	6,400	0	0	200	0	40,154
TOTAL OTHER ASSETS	39,686,509	19,840,466	5,140,392	34,417,428	0	0	200	(59,526,975)	39,558,020
	$ 40,277,257	$ 20,764,580	$ 17,935,737	$ 35,257,677	$ 3,979,219	$ 265,663	$ 2,072,196	$ (68,601,497)	$ 51,950,832

LIABILITIES AND MEMBERS' EQUITY

	Alternative Medical Enterprises, LLC	Agronomy Holdings, LLC	Agronomy Innovations, LLC	AltMed, LLC	Fort Consulting, LLC	MuV Health LLC	NuTrae, LLC	**Elimination**	Total
CURRENT LIABILITIES									
Accounts payable	$ 19,159	$ 0	$ 75,504	$ 350	$ 404,187	$ 65,250	$ 15,744	$ 0	$ 580,194
Accrued expenses and other liabilities	6,817	0	287,229	0	80,645	0	1,020	0	375,711
Due to related parties	1,111,585	0	2,337,270	0	5,109,174	421,900	94,593	(9,074,522)	0
Current portion of long-term debt	-	0	1,000,000	0	0	0	0	0	1,000,000
Current portion of lease liabilities	107,426	0	385,617	0	0	0	0	0	493,043
TOTAL CURRENT LIABILITIES	1,244,987	0	4,085,620	350	5,594,006	487,150	111,357	(9,074,522)	2,448,948
Lease liabilitiies, net of current portion	49,055	0	247,297	0	0	0	0	0	296,352
TOTAL LIABILITIES	1,294,042	0	4,332,917	350	5,594,006	487,150	111,357	(9,074,522)	2,745,300
MEMBERS' EQUITY (DEFICIT)	38,983,215	20,764,580	13,602,820	35,257,327	(1,614,787)	(221,487)	1,960,839	(59,526,975)	49,205,532
	$ 40,277,257	$ 20,764,580	$ 17,935,737	$ 35,257,677	$ 3,979,219	$ 265,663	$ 2,072,196	$ (68,601,497)	$ 51,950,832

ALTERNATIVE MEDICAL ENTERPRISES, LLC AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year ended December 31, 2019

	Alternative Medical	Agronomy Holdings, LLC	Agronomy Innovations, LLC	AltMed, LLC	Fort Consulting, LLC	MuV Health LLC	NuTrae, LLC	**Elimination**	Total
OPERATING INCOME									
Sales	$ 0	$ 0	$ 9,998,619	$ 0	$ 13,981,195	$ 0	$ 1,068,591	$ (10,566,355)	$ 14,482,050
Cost of sales	16,033	0	3,812,555	0	13,249,504	0	82,428	(8,539,642)	8,620,878
GROSS PROFIT (LOSS) BEFORE BIOLOGIAL ASSET ADJUSTMENT	(16,033)	0	6,186,064	0	731,691	0	986,163	(2,026,713)	5,861,172
NET EFFECT OF CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS	0	0	0	0	(255,001)	0	0	0	(255,001)
OPERATING EXPENSES									
General and administrative expenses	776,867	0	3,238,683	0	2,075,148	221,487	22,320	(2,026,713)	4,307,792
Amortization	0	0	1,256,161	44,286	0	0	0	0	1,300,447
Depreciation	92,270	0	768,349	35,105	0	0	0	0	895,724
TOTAL OPERATING EXPENSES	869,137	0	5,263,193	79,391	2,075,148	221,487	22,320	(2,026,713)	6,503,963
INCOME (LOSS) FROM OPERATIONS	(885,170)	0	922,871	(79,391)	(1,598,458)	(221,487)	963,843	0	(897,792)
OTHER INCOME (EXPENSE)									
Income from investments in related companies	62,299	50,619	0	12,086,526	0	0	0	0	12,199,444
Interest expense	(20,552)	178	779	192	0	0	16	0	(19,387)
Loss on sale of property and equipment	0	0	(87,375)	0	0	0	0	0	(87,375)
	41,747	50,797	(86,596)	12,086,718	0	0	16	0	12,092,682
NET INCOME (LOSS)	$ (843,423)	$ 50,797	$ 836,275	$ 12,007,327	$ (1,598,458)	$ (221,487)	$ 963,859	$ 0	$ 11,194,890