Innovest Global, Inc.

Consolidated Financial Report
December 31, 2018

Contents

Consolidated Balance Sheet

December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 793,903	$ 3,833
Accounts receivable:		
Trade	4,280,082	23,448
Retentions	528,622	-
Inventory (Note 6)	30,371	5,894
Costs in excess of billings (Note 12)	87,617	-
Backlog (Note 5)	333,000	-
Subscription receivable (Note 17)	342,000	100,000
Legal receivable	41,765	-
Prepaid expenses and other current assets	84,418	-
Total current assets	6,521,778	133,175
Property and Equipment - Net (Note 8)	317,273	-
Goodwill (Note 9)	4,929,695	82,381
Other Assets		
Investments (Note 7)	141,742	-
Deposits	2,191	-
Other noncurrent assets	29,172	-
Total other assets	173,105	-
Total assets	**$ 11,941,851**	**$ 215,556**
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 3,565,494	$ 61,847
Bank line of credit (Note 10)	348,640	-
Current portion of long-term debt (Note 10)	138,584	41,600
Billings in excess of cost and estimated earnings	180,594	-
Accrued and other current liabilities:		
Accrued compensation	105,418	-
Deferred compensation	48,750	-
Other accrued liabilities	163,471	114,596
Total current liabilities	4,550,951	218,043
Stock guarantee liability (Note 19)	6,919,000	-
Other Long-term Liabilities (Note 5)	750,000	-
Total liabilities	12,219,951	218,043
Stockholders' Equity	(278,100)	(2,487)
Total liabilities and stockholders' equity	**$ 11,941,851**	**$ 215,556**

Consolidated Statement of Operations

Years Ended December 31, 2018 and 2017

	2018	2017
Net Sales	$ 4,602,436	$ 49,756
Cost of Sales	2,726,585	26,122
Gross Profit	1,875,851	23,634
Operating Expenses	4,014,185	147,975
Operating Loss	(2,138,334)	(124,341)
Nonoperating Income (Expense)		
Interest income, affiliated	1,635	-
Other income	1,346	56
Interest expense	(25,696)	-
Fair value adjustment for Stock guarantee liability (Note 19)	(2,230,000)	-
Bargain purchase gain (Note 5)	444,600	-
Total nonoperating (expense) income	(1,808,115)	56
Consolidated Net Loss	**$ (3,946,449)**	**$ (124,285)**

Consolidated Statement of Stockholders' Equity

Years Ended December 31, 2018 and 2017

	Common Stock	Preferred Stock	Stock Subscriptions	Additional Paid-In Capital	Retained Deficit	Total
Balance - January 1, 2017	$ 62,339	$ 1,750	$ -	$ 32,344	$ (124,635)	$ (28,202)
Consolidated net income	-	-	-	-	(124,285)	(124,285)
Stock subscriptions issued	-	-	150,000	-	-	150,000
Balance - December 31, 2017	62,339	1,750	150,000	32,344	(248,920)	(2,487)
Consolidated net income	-	-	-	-	(3,946,449)	(3,946,449)
Issuance	62,518	-	-	3,266,318	-	3,328,836
Conversion of preferred shares to common	50,000	(500)	-	(49,500)	-	-
Redemption	(50,000)	-	-	50,000	-	-
Stock subscription	16,193	-	192,000	133,807	-	342,000
Balance - December 31, 2018	**$ 141,050**	**$ 1,250**	**$ 342,000**	**$ 3,432,969**	**$ (4,195,369)**	**$ (278,100)**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Net loss	$ (3,946,449)	$ (124,285)
Adjustments to reconcile net loss to net cash and cash equivalents from operating activities:		
Depreciation	5,908	-
Loss on disposal of property and equipment	5,298	-
Bad debt expense	32,774	-
Impairment of goodwill	43,169	-
Stock compensation	647,908	-
Bargain purchase gain	(444,600)	-
Fair value adjustment for stock guarantee liability	2,230,000	-
Changes in operating assets and liabilities which provided cash and cash equivalents:		
Accounts receivable	260,896	752
Inventory	529	3,282
Costs and estimated earnings in excess of billings	(87,617)	-
Prepaid expenses and other assets	(124,347)	-
Accounts payable	(194,144)	(3,540)
Billings in excess of costs and estimated earnings	156,614	-
Accrued and other liabilities	(6,887)	64,976
Net cash and cash equivalents used in operating activities	(1,420,948)	(58,815)
Cash Flows from Investing Activities		
Acquisition of cost basis investment	(16,742)	-
Acquisition of business (cash received in excess of cash paid)	238,314	(750)
Net cash and cash equivalents provided by (used in) investing activities	221,572	(750)
Cash Flows from Financing Activities		
Proceeds from debt	-	13,398
Payments on debt	(45,803)	-
Stock issuance	2,035,249	50,000
Net cash and cash equivalents provided by financing activities	1,989,446	63,398
Net Increase in Cash and Cash Equivalents	790,070	3,833
Cash and Cash Equivalents - Beginning of year	3,833	-
Cash and Cash Equivalents - End of year	**$ 793,903**	**$ 3,833**
Supplemental Cash Flow Information		
Restricted common shares issued in connection with acquisitions (Note 5)	$ 1,309,155	$ -
Restricted common shares issued for services (Note 18)	647,908	-
Restricted common shares issued for cost basis investment (Note 7)	125,000	-
Unpaid stock subscriptions (Note 17)	342,000	100,000

See notes to consolidated financial statements.

Note 1 - Nature of Business

Innovest Global Inc. (the “Company” or “IVST”) was formed in 1999 as International an Sports Marketing Group, Inc. After a series of transactions in August, 2016 the Company’s ownership, name and business plan was changed to operate as a diversified holding company, or conglomerate.

The Company’s business plan includes the focus on acquisition of privately held businesses whose owners are willing to consider merging their businesses in order to establish a public trading market for their common stock, and whose management teams are willing to operate the acquired businesses as divisions or subsidiaries of our Company.

The current business operating units operate within the following segments:

Construction and building materials –Two businesses currently operate in this segment. Midwest Curtain Walls (MWC) designs and manufactures non-structural window solutions to commercial building contractors. Authority National Supply (ANS) is currently acting as an agent leveraging the combined purchasing power of its customers in securing vendor pricing for construction related supplies. These businesses are located in Ohio with customers in the Midwestern part of the United States. ANS is currently progressing towards changing its business model to be a distributor and maintaining its own inventory.

Energy services – Energy services includes energy broker services for both residential and commercial businesses throughout Ohio from H.P. Technologies Inc. (HP). This business receives commissions from Energy providers based the business secured and energy volumes used. Energy services also include the design and installation of energy efficient lighting solutions from Shepard Energy, LLC (SE).

Other – The other business segment includes a safety supplies distributor, which is organized as a division of Innovest, and operates under the name Chagrin Safety Supply (CHA). Additionally the Company has a call center serving the medical supplies sector, Contact Source Solutions (CSS).

Note 2 - Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Principles of Consolidation

The financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Note 2 - Significant Accounting Policies (Continued)

Concentration of Cash

The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk related to cash.

Fair Value of Financial Instruments

Financial instruments consist of cash equivalents, accounts receivable, accounts payable, debt and stock guarantee obligations. The carrying amount of all significant financial instruments approximates fair value due to either the short maturity or the existence of variable interest rates that approximate prevailing market rates.

Trade Accounts Receivable

Accounts receivable are stated at invoice cost. Account balances are reviewed regularly to determine whether delinquent accounts should be written off. After all attempts to collect a receivable have failed, the receivable is written off throughout the year. The Company has no allowance for doubtful accounts for financial reporting purposes. All accounts receivable are considered collectible.

Advertising Expenses

Advertising expenses are charged to income during the year in which they are incurred. Advertising expense for 2018 and 2017 was $275,016 and $248, respectively.

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost determined on the weighted average method. Inventory only consists of finished goods.

Management has reviewed inventory quantities and determined that no allowance for obsolete and excess inventory is necessary. Throughout the year, inventory identified as obsolete or excess are written off. The Company will continue its policy of regularly reviewing inventory quantities on hand based on related service levels and functionality. Carrying cost will be reduced to estimated net realizable value for inventories in which their cost exceeds their utility due to changes in marketing and sales strategies, obsolescence, changes in price levels or other causes.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Goodwill

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but rather is assessed at least on an annual basis for impairment.

During 2018, management determined that the carrying amount of the H.P. Technologies. Inc. exceeded its fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of $43,169 was recognized in 2018.

Note 2 - Significant Accounting Policies (Continued)

Revenue Recognition

The Company's revenues are derived primarily from part sales, services and the design and manufacture of custom products. These revenue streams are described below relative to each operating component. Transaction prices are specified in each contract and are not typically variable. If the consideration agreed to in a contract include a variable amount, the Company will estimate the amount of consideration expected to be entitled to in exchange for transferring the promised goods or services to the customer.

Construction and Building materials

For the construction of custom commercial window solutions, the Company has performance obligations for the window solution that is recognized overtime based on the contract terms. The Company recognizes revenue as costs are incurred (the input method), which best measures progress and results in a right to payment. . The production cycle for customer contracts is generally less than 12 months. The company uses standard, generally accepted payment terms; customers either pay at delivery of the product or are billed upon milestones achieved. Warranty terms cover the product workmanship and guarantee the product work as intended.

In some situations, the Company bills customers and collects cash prior to the satisfaction of the performance obligation which results in the Company recognizing contract liabilities. For some contracts, the Company recognizes revenue before its right to some or all consideration becomes unconditional which results in the Company recording contract assets.

The company also functions as an agent in connecting purchasers of building supplies to vendors and leveraging the purchasing power of the group to those participating. Revenue is recognized at a point in time based on when the products are shipped. As each vendor within the group has the inventory risk, dictates the pricing and has the obligation to fulfill the order, the company is determined to be the agent in the transaction. While Net revenue for the period from November 5, 2018 (date of acquisition) to December 31, 2108 totaled, $28,494, Gross transaction value for the same period totaled $3,414,511.

Energy Services

For Energy services, the Company has performance obligations for providing lighting and installation services. The Company recognizes revenue as costs are incurred (the input method), which best measures progress and results in a right to payment. The production cycle for customer contracts is generally less than 3 months. The Company uses standard, generally accepted payment terms, customers typically pay upon completion of the service or are billed. There are no significant obligations for warranties, refunds or similar obligations.

In some situations, the Company bills customers and collects cash prior to the satisfaction of the performance obligation which results in the Company recognizing contract liabilities.

The Company also acts as an energy broker connecting residential and commercial businesses with the lowest cost provider. This revenue is recorded as earned each month based on the commission schedule agreed to with each energy (gas or electric) distributor.

Other

For call center services, the Company has performance obligations for providing staffing resources, and recognizes revenue on monthly basis based on staff hours spent. The customer is invoiced monthly and has 30-day payment terms.

Note 2 - Significant Accounting Policies (Continued)

For distributed part sales, the Company has a performance obligation to deliver goods in accordance with the terms and conditions of the contract. Revenue is recognized at a point in time when the Company transfers control to customers, either evidenced by shipment or delivery to customer when title and risk of loss pass. The Company uses standard, generally accepted payment terms, which require payment upon delivery or within 30 days.. There are no significant obligations for refunds, warranties or similar obligations.

Restricted Stock Awards

Stock issued to employees and to nonemployees for services consumed by the company are recognized compensation expense or as applicable operating expenses based on the fair value of the stock on the grant date of the shares issued. See note 18 for more information.

Shipping and Handling Costs

Shipping and handling costs are recorded as costs of sales as they are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Company's year ending December 31, 2019 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The Company is still evaluating which method it will apply. The new lease standard is expected to have a significant effect on the Company's financial statements as a result of the Company's operating leases, as disclosed in Note 13, that will be reported on the balance sheet at adoption. Upon adoption, the Company will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including April 15, 2019, which is the date the financial statements were available to be issued.

Note 3 - Change in Accounting Principle

ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)

In May, 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), that amends the guidance for revenue recognition. This amendment contains principles that require an entity to recognize revenue to depict the transfer of promised goods and services to customers at an amount an entity expects to be entitled to in exchange for those promised goods or services. The Company adopted this amendment on January 1, 2018, using the using the modified retrospective method for all contracts for which performance was not completed as of January 1, 2018.

There was no adjustment to opening equity as a result of the adoption of ASC 606, as there was no change to recognizing revenue from current practice, see also Note 11.

Note 3 - Change in Accounting Principle (Continued)

ASU No. 2017-04, Intangibles - Goodwill (Topic 350)

In January 2017, the FASB issued ASU No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. The standard simplifies the subsequent measurement of goodwill, requiring only a single-step quantitative test to identify and measure impairment based on the excess of a reporting unit's carrying amount over its fair value, instead of the current two-step test. A qualitative assessment may still be completed first to determine if a quantitative impairment test is required. While this standard is effective on a prospective basis for fiscal years beginning after December 15, 2019 for public business entities, the Company has decided to early adopt the standard as of December 31, 2018 in assessing Goodwill impairment, see Note 9.

ASU No. 2018-07, Compensation - Stock Conmpensation (Topic 718)

In June 2018, the FASB issued ASU No. 2018-07, Compensation – Stock Based Payment Accounting (Topic 718). This amendment expands the scope of Topic 718 to include nonemployee awards for acquiring goods and services from nonemployees. This amendment treats employee and nonemployee stock based awards the same, which is to measure the transaction at the grant-date fair value of the equity instruments that the entity is obligated to issue when the good has been delivered or the service has been rendered. While the standard is effective for fiscal years beginning after December 15, 2018, the Company has decided to early adopt the standard to account for its stock based awards, in order to simplify measurement processes as of January 1, 2018. The adoption of this standard had no effect on 2017 as no stock based awards were granted.

Note 4 - Going Concern

The Company has a history of recurring losses which have resulted in a stockholders defecit off $(278,100) as of December 31, 2018 and $(2,487) as of December 31, 2017. During the year ended December 31, 2018 the Company recognized a net loss of $(3,946,449) and used net cash of $(1,420,948) in operating activities. During the year ended December 31, 2017 the Company recognized a net loss of $(124,285) and used net cash of $(58,815) in operating activities.

The accompany consolidated financial statements are prepared assuming that the Company will continue as a concern. This assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the forseeable future. The Company anticipates future losses in the development of its business, raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Entering 2019, the Company is on a proforma budget that has closed the gap on losses relative to sales, and indicates it could approximately break-even, as a result of operations, if unanticipated expenses do not arise. Specifically, the acquisition of ANS and Midwest in November and December, respectively; and the meaningful growth of energy sales and other key clients early in 2019 provide profitability that reduce losses. In addition to that activity, the Company is converting ANS from primarily a Group Purchase Organization with a 1% gross margin, to a distributor with a gross margin potential of 1-7% from the same sales to the same customers, without raising prices. Additionally, as Midwest revenue is currently originating from one client, a sales effort has been undertaken which has resulted in bids totaling $30 million at commensurate profit levels, which would positively impact the Company's net income if won.

Note 4 - Going Concern (Continued)

Management plans to additionally increase cash flow by, acquiring and/or developing profitable businesses that will create positive income from operations, obtain debt through loans from directors, and/or issuance of common shares. Management believes that by taking these actions, the Company will be provided with sufficient future operations and cash flow to continue as a going concern. However, there can be no assurances or guarantees whatsoever that the Company will be successful in consummating such actions on acceptable terms, if at all. Moreover, any such actions can be expected to result in substantial dilution to the existing shareholders of the Company.

Note 5 - Business Combinations

Chagrin Safety Supply

On October 23, 2017, the Company entered into an asset purchase agreement with Chagrin Safety Supply, LLC (CHA) pursuant to which the Company purchased substantially all the assets and assumed certain liabilities of CHA. The complimentary strength of certain Company businesses are expected to create product and distribution synergies. The Company is expected to gain entry into new product categories by the association with other commercial companies acquired. The purchase price consisted of shares of the Company's restricted common stock.

Equity instruments (750,000 common shares of the Company)	$	6,524
Stock guarantee liability		139,000
Fair value of total consideration transferred	$	145,524

The fair value of the 750,000 shares issued as part of the consideration transferred for CHA was determined on the basis of the value of shares trading near the time of acquisition.

Under the terms of the acquisition agreement, the former stockholders of CHA are guaranteed that the value of the 750,000 shares issued will be trading at $1 per share by the 4th anniversary of the acquisition, or October 23, 2021. The value of this guarantee was determined to be $139,000 at the time of acquisition. See note 19 regarding the valuation methodology and key assumptions made in the determination of this liability at date of acquisition and at year-end.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Cash	$	453
Accounts receivable		24,200
Inventories		9,176
Accounts payable		(45,882)
Accrued liabilities		(63,804)
Total identifiable net assets		(75,857)
Goodwill		221,381
Total	$	145,524

The fair value of financial assets includes accounts receivable with a fair value of $24,200, which is expected to be collected in the full amount. There were no acquisition costs related to this transaction.

The amounts of CHA's revenue and earnings included in the accompanying statement of operations for the year ended December 31, 2017 totaled $41,750 and $2,169, respectively, from the date of acquisition. The following pro forma information for 2017 is based on the assumption that the acquisition of CHA occurred on January 1, 2017.

Note 5 - Business Combinations (Continued)

	December 31, 2017
Revenue	$ 305,284
Net income	84,014

Shepherd Energy

Effective on January 1, 2018, the Company acquired 100 percent of the equity of Shepherd Energy, LLC ("SEL"). The primary reason for the acquisition was to launch a commercial energy division and further diversify the Company's portfolio. The purchase price consisted of shares of the Company's restricted common stock.

The following table summarizes the fair value of the consideration transferred as part of the acquisition of SEL:

Equity instruments (5,790,000 common shares of the Company)	$ 185,280
Stock guarantee liability	1,000,000
Fair value of total consideration transferred	$ 1,185,280

The fair value of the 5,790,000 shares issued as part of the consideration transferred for SEL was determined on the basis of the value of shares trading near the time of acquisition.

Under the terms of the acquisition agreement, the former stockholders of SEL are guaranteed that the issued stocks will be worth $1 per share and $5,790,000 in the aggregate at December 28, 2019. The value of this guarantee was determined to be $1,000,000 at the time of acquisition. See note 19 regarding the valuation methodology and key assumptions made in the determination of this liability at date of acquisition and at year-end.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Cash	$ 13,859
Accounts receivable	7,152
Other current assets	41,749
Accounts payable	(56,826)
Total identifiable net assets	5,934
Goodwill	1,179,346
Total	$ 1,185,280

The fair value of financial assets includes accounts receivable with a fair value of $7,152 which is expected to be collected in the full amount.

There were no acquisition related costs related to this transaction.

The amounts of SEL's revenue and loss included in the accompanying statement of operations for the year ended December 31, 2018 totaled $697,237 and $(233,729), respectively, from the date of acquisition. The following pro forma information for 2017 is based on the assumption that the acquisition of SEL occurred on January 1, 2017.

	December 31, 2017
Revenue	$ 496,562
Net income	2

Note 5 - Business Combinations (Continued)

Contact Source Solutions

On January 15, 2018, the Company acquired 100 percent of the equity interest of Contact Source Solutions, LLC (CSS). The primary reason for the acquisition was to increase revenue stream as well as a business unit that can provide marketing solutions for the other business units. The purchase price consisted of shares of the Company's restricted common stock.

The following table summarizes the fair value of the consideration transferred as part of the acquisition of CSS:

Equity instruments (2,500,000 common shares of the Company)	$ 43,875
Stock guarantee liability	500,000
Fair value of total consideration transferred	$ 543,875

The fair value of the 2,500,000 shares issued as part of the consideration transferred for CSS was determined on the basis of the value of shares trading near the time of acquisition.

Under the terms of the acquisition agreement, the former stockholders of CSS are guaranteed that the issued stocks will be worth $1 per share and $2,500,000 in the aggregate at March 22, 2020. The value of this guarantee was determined to be $500,000 at the time of acquisition. See note 19 regarding the valuation methodology and key assumptions made in the determination of this liability at date of acquisition and at year-end.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Cash	$ 12,375
Accounts receivable	103,087
Accounts payable	(21,670)
Accrued liabilities	(56,769)
Total identifiable net assets	37,023
Goodwill	506,852
Total	$ 543,875

The fair value of financial assets includes accounts receivable with a fair value of $103,087 which is expected to be collected in the full amount.

There were no acquisition costs related to this transaction.

The amounts of CSS's revenue and earnings included in the accompanying statement of operations for the year ended December 31, 2018 totaled $1,371,455 and $126,353, respectively, from the date of acquisition. The following pro forma information for 2018 and 2017 is based on the assumption that the acquisition of CSS occurred on January 1, 2017.

	December 31, 2018	December 31, 2017
Revenue	$ 1,474,112	$ 957,768
Net income	150,472	30,630

Note 5 - Business Combinations (Continued)

H.P. Technologies

On March 22, 2018, the Company acquired 100 percent of the outstanding common shares of H.P. Technologies, Inc. ("HPT"). The primary reason for the acquisition was to strengthen the commercial energy division and further diversify the Company's portfolio. The purchase price consisted of shares of the Company's restricted common stock.

The following table summarizes the fair value of the consideration transferred as part of the acquisition of HPT:

Equity instruments (1,500,000 common shares of the Company)	$	30,000
Stock guarantee liability		600,000
Fair value of total consideration transferred	$	630,000

The fair value of the 1,500,000 shares issued as part of the consideration transferred for HPT was determined on the on the basis of the value of shares trading near the time of acquisition.

Under the terms of the acquisition agreement, the former stockholders of CSS are guaranteed that the issued stocks will be worth $1 per share and $1,500,000 in the aggregate at March 22, 2020. The value of this guarantee was determined to be $600,000 at the time of acquisition. See note 19 regarding the valuation methodology and key assumptions made in the determination of this liability at date of acquisition and at year-end.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

		Innovest Global, Inc.
Cash	$	65,508
Accounts receivable		128,469
Commissions payable		(64,586)
Accrued liabilities		(65,509)
Total identifiable net assets		63,882
Goodwill		566,118
Total	$	630,000

The fair value of financial assets includes accounts receivable with a fair value of $128,469 which is expected to be collected in the full amount.

There were no acquisition costs related to this transaction.

The amounts of HPT's revenue and earnings included in the accompanying statement of operations for the year ended December 31, 2018 totaled $1,044,435 and $33,169, respectively, from the date of acquisition. The following pro forma information for 2018 and 2017 is based on the assumption that the acquisition of HPT occurred on January 1, 2017.

		December 31, 2018		December 31, 2017
Revenue	$	1,469,104	$	1,206,040
Net income		130,594		210,005

Note 5 - Business Combinations (Continued)

Authority National Supply

On November 5, 2018, the Company acquired 100 percent of the Member units of Authority National Supply, LLC. (A.N.S.). The primary reason for the acquisition was to strategically expand within the building supply distribution industry. The purchase price consisted of shares of the Company's restricted common stock and cash.

The following table summarizes the fair value of the consideration transferred as part of the acquisition of A.N.S.:

Cash	$	55,000
Equity instruments (5,000,000 common shares of the Company)		750,000
Stock guarantee liability		1,700,000
Fair value of total consideration transferred	$	2,505,000

The fair value of the 5,000,000 shares to be issued as part of the consideration transferred for A.N.S. was determined on the basis of the value of other restricted shares issued at the date of the transaction. This amount is shown as a liability as of December 31, 2018 as the shares have not yet been issued.

Under the terms of the acquisition agreement, the former members of A.N.S. are guaranteed that the issued stocks will be worth $1 per share and $5,000,000 in the aggregate at November 5, 2020. The value of this guarantee was determined to be $1,700,000 at the time of acquisition. See note 19 regarding the valuation methodology and key assumptions made in the determination of this liability at date of acquisition and at year-end.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Cash	$	88,224
Accounts receivable		2,054,311
Property, plant, and equipment		19,709
Other assets		14,096
Accounts payable		(2,104,464)
Accrued liabilities		(66,043)
Total identifiable net assets		5,833
Goodwill		2,499,167
Total	$	2,505,000

The fair value of financial assets includes accounts receivable with a fair value of $2,054,311 which is expected to be collected in the full amount.

Acquisition-related costs, which include legal, accounting, and valuation fees, totaled $68,261 and have been included in operating expenses in the accompanying statement of operations.

The amounts of A.N.S.'s revenue and loss included in the accompanying statement of operations for the year ended December 31, 2018 totaled $28,494 and $(17,125), respectively, from the date of acquisition. The following pro forma information for 2018 and 2017 is based on the assumption that the acquisition of A.N.S. occurred on January 1, 2017.

		December 31, 2018		December 31, 2017
Revenue	$	324,148	$	(12,340)
Net loss		(14,863)		(71,454)

Note 5 - Business Combinations (Continued)

Midwest Curtain Walls

On December 1, 2018, the Company acquired 100 percent of the outstanding common shares of Midwest Curtain Walls, Inc. The primary reason for the acquisition was to expand its penetration in the building materials segment as well as geographic reach. At the time of purchase the MWC shares were held in an estate which was not in a position to continue to manage the operations. The purchase price consisted of shares of the Company's restricted common stock.

The following table summarizes the fair value of the consideration transferred as part of the acquisition of MWC.

Equity instruments (2,000,000 common shares of the Company)	$ 300,000
Contingent consideration	32,000
Stock guarantee liability	750,000
Fair value of total consideration transferred	1,082,000
Total	$ 1,082,000

The fair value of the 2,000,000 shares issued as part of the consideration transferred for MWC was determined on the basis of the value of other restricted shares issued at the time of acquisition.

Contingent consideration consists of a success fee based on the profitability of current jobs in progress.

Under the terms of the acquisition agreement, the former members of MWC are guaranteed that the 1,600,000 of issued stocks will be worth $1.25 per share and $2,000,000 in the aggregate at December 1, 2020. The value of this guarantee was determined to be $600,000 at the time of acquisition.

In addition, the 400,000 shares issued to settle a shareholder loan are guaranteed to be trading at $1.00 per share or $400,000 in the aggregate at December 1, 2020. The value of this guarantee was determined to be $150,000 at the time of acquisition.

See note 19 regarding the valuation methodology and key assumptions made in the determination of this liability at date of acquisition and at year-end.

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Cash	$ 113,348
Accounts receivable	2,711,384
Inventory	25,006
Property, plant, and equipment	308,770
Backlog	333,000
Other assets	39,103
Accounts payable	(1,450,245)
Accrued liabilities	(62,339)
Debt	(491,427)
Total identifiable net assets	1,526,600
Bargain purchase gain	(444,600)
Total	$ 1,082,000

Note 5 - Business Combinations (Continued)

The fair value of financial assets includes accounts receivable with a fair value of $2,711,384 which is expected to be collected in the full amount.

Liabilities arising from contingencies consist of stock guarantee liability and have been recognized at fair value.

Acquisition-related costs, which include legal, accounting, and valuation fees, totaled $21,800 and have been included in operating expenses in the accompanying statement of operations.

The amounts of MWC's revenue and operating income included in the accompanying statement of operations for the year ended December 31, 2018 totaled $1,118,064 and $252,088 respectively, from the date of acquisition. The following pro forma information for 2018 and 2017 is based on the assumption that the acquisition of MWC. occurred on January 1, 2017.

	December 31, 2018	December 31, 2017
Revenue	$ 6,466,392	$ 4,303,366
Net loss	(450,157)	(1,449,740)

The table below summarizes the fair value of the total consideration transferred for the business combinations occuring in 2018 and 2017.

	2018	2017
Cash	$ 55,000	$ -
Equity instruments	1,309,155	6,524
Contingent consideration	32,000	-
Stock guarantee liability	4,550,000	139,000
Fair value of total consideration transferred	$ 5,946,155	$ 145,524

The acquisition date fair values of the assets acquired and liabilities assumed for the business combinations are summarized as follows:

	2018	2017
Cash	$ 293,314	$ 453
Accounts receivable	5,004,403	24,200
Inventory	25,006	9,176
Property and equipment	328,479	-
Backlog	333,000	-
Other assets	94,948	-
Commissions payable	(64,586)	-
Accounts payable	(3,633,205)	(45,882)
Accrued liabilities	(250,660)	(63,804)
Debt	(491,427)	-
Total identifiable net assets	1,639,272	(75,857)
Goodwill	4,751,483	221,381
Bargain purchase gain	(444,600)	-
Total	$ 5,946,155	$ 145,524

Note 5 - Business Combinations (Continued)

The following pro-forma information for 2018 and 2017 is based on the assumption that all of the acquisitions occurring above occurred on January 1, 2017.

	December 31, 2018	December 31, 2017
Revenue	$ 9,733,746	$ 6,951,396
Net loss	(183,954)	(1,137,649)

Note 6 - Inventory

Inventory at December 31, 2018 and 2017 consists of the following:

	2018	2017
Finished goods	$ 30,371	$ 5,894
Total	$ 30,371	$ 5,894

Note 7 - Cost Method Investment

On July 17, 2018, the Company acquired 20% of StemVax Therapeutics for 2.5 million common IVST shares and a financial commitment of $17,500 related to the anticipated requirements of pending license agreements, presently being negotiated by StemVax with Cedars-Sinai Medical Center (Cedars) in Los Angeles, CA. Cedars owns intellectual property that StemVax requires to effectuate its business plan, and these license agreements would satisfy the business requirements. The license agreements were successfully executed. The cost basis of this investment totals $141,742 which represents the cost incurred related to license agreements plus the value of IVST shares issued based on the trading value of $.05 per share at the time of issuance or $125,000. This holding is not expected to generate revenue in the short term, but represents what the Company believes will be a substantially valuable intellectual property holding.

Note 8 - Property and Equipment

Property and equipment at December 31, 2018 are summarized as follows:

	Amount	Depreciable Life - Years
Machinery and equipment	$ 289,666	9
Transportation equipment	8,950	2
Furniture and fixtures	5,780	3
Computer equipment and software	18,785	3-5
Total cost	323,181	
Accumulated depreciation	5,908	
Net property and equipment	$ 317,273	

Depreciation and amortization expense for 2018 was $5,908. There was no property and equipment in 2017.

Note 9 - Acquired Intangible Assets and Goodwill

Note 9 - Acquired Intangible Assets and Goodwill (Continued)

The changes in the carrying amount of goodwill are as follows:

	2018	2017
Balance - January 1	$ 82,381	$ -
Current year activity:		
Goodwill as a result of acquisition	4,751,483	82,381
Impairment losses recognized during period	(43,169)	-
Remeasurement adjustment	139,000	-
Net current year activity	4,847,314	82,381
Balance - December 31	4,929,695	82,381
Total	$ 4,929,695	$ -

Goodwill is assigned to specific reporting units and is reviewed for possible impairment at least annually or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of $43,169 was recognized in that reporting unit.

As of December 31, 2018 and 2017, the Company had goodwill of $4,929,695 and $82,381, respectively, all of which is allocated to reporting units with zero or negative carrying values as of December 31, 2018 and 2017.

Note 10 - Line of Credit

MWC has a line of credit agreement with a bank, to borrow up to $1,500,000 to support working capital needs. Interest is payable monthly at the one month LIBOR plus 2.75% (an effective rate of 5.25percent at December 31, 2018). The line of credit is collateralized by all assets of MWC. The balance outstanding on this line of credit was $348,640 at December 31, 2018.

In addition, MWC has term loans related to equipment purchases totalling $138,584 at December 31, 2018, collateralized by the equipment purchased.

Ownership transitions before the acquisition of MWC and the acquisition of MWC by Innovest, have caused these loans to be in default, and remedied through a forbearance agreement enterred into in January, 2019. The conditions of the forbearance result in a new repayment schedule and these loans to be paid in full by September 2019. This has resulted in the loans to be reclassified as curent to reflect the new agreement.

Note 11 - Long-term Debt

Long-term debt at December 31 is as follows:

	2017
Innovest - Unsecured working capital note payable to a related party (TN3, LLC) with interest of 7%. This note matured July, 2018.	$ 34,608
Innovest - Unsecured working capital note payable payable with interest at 7%. This matured July, 2018	6,992
Total	41,600
Less current portion	41,600
Long-term portion	$ -

Interest expense for 2018 and 2017 was $25,696 and $4,150, respectively.

Note 12 - Revenue Recognition

The following table shows revenue from contracts with customer by business segments. Predominately all revenue is derived from customers within the Midwestern part of the United States.

December 31, 2018					
Segments	Construction & Building Materials	Energy Services	Other	Corporate	Total
Major goods/service lines:					
Goods	$ 28,494	$ -	$ 336,745	$ -	$ 365,239
Customized goods	1,118,064	-	-	-	1,118,064
Commission	-	1,044,435	-	-	1,044,435
Lighting solutions	-	697,237	-	-	697,237
Call center	-	-	1,474,112	-	1,474,112
Other	-	-	-	6,006	6,006
Total	$ 1,146,558	$ 1,741,672	$ 1,810,857	$ 6,006	$ 4,705,093
Timing of revenue recognition:					
Point in time	$ 28,494	$ 1,044,435	$ 1,810,857	$ 6,006	$ 2,889,792
Over time	1,118,064	697,237	-	-	1,815,301
Total	$ 1,146,558	$ 1,741,672	$ 1,810,857	$ 6,006	$ 4,705,093

Included in the construction & building materials segment is $28,494 of revenue from ANS. This revenue represents $3,414,511 of gross transaction value and gross receipts during 2018.

2017 Revenue was only derived from sale of goods and was recognized at a point in time.

Contract Liabilities

The following table provides information on the changes in the balance of contract liabilities for the year ended December 31, 2018:

Note 12 - Revenue Recognition (Continued)

	2018
Cash received	$ 307,741
Less revenue recognized from continuing operations (net of returns, allowances, etc.):	
From satisfaction of performance obligations in the current period	(127,147)
Subtotal	180,594
Closing balance	$ 180,594

Total contract liabilities increased by $108,594 during the year ended December 31, 2018. The increase was primarily due to businesses acquired during 2018.

Contract Assets

The following table provides information on the changes in the balance of contract assets for the years ended December 31:

	2018
Revenue recognized from continuing operations (net of returns, allowances, etc.)	
From satisfaction of performance obligations in the current period	$ 1,118,064
Subtotal	1,118,064
Less consideration:	
Unconditionally receivable	(1,030,447)
Closing balance	$ 87,617

Total increase in contract assets and revenue from continuing operations was related to businesses acquired during 2018.

There were no impairment losses on trade receivables or contract assets.

Performance Obligations

Revenue that is expected to be recognized related to performance obligations that have not been fully satisfied as of December 31, 2018 total $7,075,209 and is expected to be realized during 2019.

Note 13 - Operating Leases

The Company is obligated under operating leases primarily for facilities, expiring at various dates through 2023. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was $73,420 and zero for 2018 and 2017, respectively.

Note 13 - Operating Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31		Amount
2019	$	206,188
2020		164,188
2021		141,046
2022		141,046
2023		141,046
Thereafter		-
Total	$	793,514

Note 14 - Income Taxes

The components of the income tax provision included in the statement of operations are all attributable to continuing operations and are detailed as follows:

		2018		2017
Current income tax expense (recovery)	$	-	$	-
Deferred income tax expense (recovery)		(828,754)		(33,578)
Recovery from net operating loss carryforward		-		-
Change in valuation reserve		828,754		33,578
Total income tax expense (recovery)	$	-	$	-

The details of the net deferred tax assets are as follows:

		2018		2017
Total deferred tax assets	$	881,027	$	52,273
Valuation allowance recognized for deferred tax assets		(881,027)		(52,273)
Total	$	-	$	-

The Company has $1,825,000 of net operating loss carryforwards available to reduce future income taxes that have no expiration.

Realization of deferred tax assets is dependent on generating sufficient taxable income prior to the expiration of loss carryforwards.Due to uncertainty as to the realization of the net operating loss carryforwards, a valuation allowance has been recorded against the related deferred tax assets..

Note 15 - Capital Stock

Common stock consists of 500,000,000 authorized shares of $0.001 par value stock. As of December 31, 2018 and 2017, there were 109,088,071 and 62,338,524 shares issued and outstanding. Preferred stock consists of 10,000,000 authorized shares. As of December 31, 2018 and 2017, there were 1,750,000 of Series A shares issued and outsanding. As of December 31, 2018 and 2017, $334,000 and $150,000 paid in stock subscriptions represented 2,226,667 and 16,193,183 common shares.

Note 16 - Earnings per Share

Basic loss per share are based on the weighted average number of common shares outstanding during the year. Diluted loss per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the exercise of stock options and warrants and the conversion of notes payable to common stock, if applicable. In periods in which a net loss has been incurred, all potentially dilutive common shares are considered anti-dilutive and thus are excluded from the calculation. At December 31, 2018 and December 31, 2017 the Company did not have any potentially dilutive common shares. Weighted average shares totalled 141,466,437 for 2018, resulting in Basic and Diluted net loss per share of $(.0278) per share. Weighted average shares totalled 62,338,524 for 2017, resulting in Basic and Diluted net loss per share of $(.0019) per share.

Note 17 - Stock Subscriptions

The following table summarizes Stock Subscription for year ending December 31, 2018 and 2017:

	2018	2017
The company received stock Subscriptions for restricted common stock of the company in 2018 and in 2017. The number of shares represented by Subscription agreements were 2,226,667 and 16,193,183 shares as of December 31, 2018 and 2017, respectively.	$ 334,000	$ 150,000
Total	$ 334,000	$ 150,000

For the year ended December 31, 2018, all stock subscriptions were paid by March of 2019, which are prior to the publication of the financial statements and therefore have been treated as receivables in the current assets section on the balance sheet rather than a deduction from equity.

For the year ended December 31, 2017 all stock subscriptions were paid by March of 2018, which was prior to the publication of the financial statements and therefore have been treated as receivables in the current assets section on the balance sheet rather than a deduction from equity.

Note 18 - Stock Compensation and other Stock Awards

During 2018, the Company issued 16,520,555 shares of its restricted common stock to employees and service providers. 7,975,000 shares were issued to employees, officers or directors of the Company and 8,545,555 shares were issued for consulting services to nonemployees. The fair value of the shares issued was determined using an option pricing model at the time the shares were granted, and resulted in a $647,908 increase to equity and a charge to operations for the year ended December 31, 2018.

Note 19 - Fair Value Measurements and Stock Guarantee Liability

Accounting standards require certain liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical liabilities that the Company has the ability to access. Fair values determined by Level 2 inputs use other inputs that are observable either directly or indirectly. These Level 2 inputs include quoted prices for similar liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the liability.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each liability.

In connection with business combinations (see Note 5), Innovest Global, Inc. has recorded contingent consideration in the form of a guaranteed stock price at a future date. Should the stock price not reach the guaranteed market price by the agreed upon date, the Company has guaranteed the difference in the form of issuance of additional shares of stock. The maximum potential payments under these guarantees is equal to the number of shares multiplied by the guaranteed stock price. The Company has a recorded a stock guarantee liability upon issuance of the guarantee and has adjusted the fair value at December 31, 2018. Adjustments to the liability are recorded in the accompanying statement of operations as non-operating expense.

This liability is measured at fair value on a recurring basis using Level 3 fair value measurements. Specifically, the Company has estimated the fair value using a Monte Carlo simulation that is affected by the Company's stock price as well as assumptions regarding a number of complex and subjective variables. Changes to contingent consideration obligations can result from movements in publicly traded stock prices of Innovest, adjustments to discount rates, expected stock price volatility, estimated dividend rates, estimated counter party risk, periods, and updates in the assumed achievement or timing of exceeding any target stock price. The assumptions related to determining the value of a contingent consideration include a significant amount of judgment and any changes in the assumptions could have a material impact in any given period. In determining the fair value, the Company used the following significant unobservable inputs:

Expected stock price volatility – 75 percent
Risk-free interest rate – range from 1.89 percent to 3.19 percent
Counter party credit risk (discount rate) – 30 percent
Dividend rate - 0 percent

The following table summarizes the stock guarantee liability at December 31, 2018:

Acquire - Number of shares	Guarantee Date	Guarantee Stock Price	Fair Value
Chagrin Safety Supply - 750,000 shares	October 23, 2021	$1.00	$ 229,000
Shepherd Energy - 5,790,000 shares	January 1, 2020	$1.00	2,470,000
Contact Source Solutions - 2,500,000 shares	January 15, 2020	$1.00	1,060,000
H.P. Technologies - 1,500,000 shares	March 22, 2020	$1.00	620,000
Authority National Supply - 5,000,000 shares	November 5, 2020	$1.00	1,820,000
Midwest Curtain Walls - 1,600,000 shares	December 1, 2020	$1.25	570,000

Note 19 - Fair Value Measurements and Stock Guarantee Liability (Continued)

Acquire - Number of shares	Guarantee Date	Guarantee Stock Price	Fair Value
Midwest Curtain Walls - 400,000 shares	December 1, 2020	$1.00	$ 150,000
			$ 6,919,000

Note 20 - Related Party Transactions

The officers and directors of the Company are involved in other business activities. They may face a conflict of interests between the Company and other business interests. The Company has not formulated a policy to address such conflicts.

TN3, LLC is a company owned and controlled by the Company's Chairman and CEO, Daniel Martin. TN3, LLC is also a significant shareholder of Innovest. As of December 31, 2017 there was a loan payable to TN3, LLC, which was paid off in 2018 as described in Note 11.

Note 21 - Subsequent Events

On February 21, 2019,The Company acquired 100% of Innovest Electric Solutions, an Ohio based company. Terms included the issuance of million shares of IVST Restricted Common Stock. The shares issued feature a guarantee from the Company, to be worth an aggregate value of $2,000,000 by the second anniversary of the closing, such guarantee remains in effect unless there is a “Guarantee Disqualifying Event”. Should the guarantee remain in force and not be met, the Company has various remedies which may include the issuance of additional shares of stock.). This acquisition provides our Energy group the ability to directly provide procurement solutions to clients, as Innovest Electric Solutions is fully licensed in all energy deregulated states for commercial and industrial energy brokerage. It is expected to add approximately $ million in annual sales to the Company, and growing.

On March 18, 2019, the Company entered an agreement to issue 1,500,000 restricted common shares in exchange for the cancellation of the stock guarantee related to the Shepherd Energy, LLC acquisition, whereby the 5,790,000 shares were guaranteed to have a trading value of $1 per share by December, 2019. This share issuance settles a stock liability of $2,470,000 at December 31, 2018.