MATRIX OF LIFE TECH

ANNUAL REPORT

LEAF OF FAITH BEVERAGE, INC.

Trading Symbol (LOFB)

PRIVATE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

MATRIX OF LIFE TECH

BALANCE SHEET
As of December 31, 2018

	2018	2017
Assets		
Current assets		
Cash and cash equivalents	$ 4,036	$ 1,707
Total current assets	4,036	1,707
Property and equipment, net	116,000	127,000
Total assets	120,036	128,707
Liabilities and trust equity (deficit)		
Long term liabilities		
Loans payable	110,000	110,000
Interest Payable	6,000	4,500
Total liabilities	116,000	114,500
Trust equity		
Trust capital (deficit)	4,036	14,207
Total trust equity (deficit)	4,036	14,207
Total liabilities and trust equity (deficit)	$ 120,036	$ 128,707

MATRIX OF LIFE TECH

STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN TRUST EQUITY
for the year ended December 31, 2018

	2018	2017
Revenues		
Sales	$ 85,652	$ 76,212
Cost of Sales	18,195	23,544
Gross profit	67,457	52,668
Costs and expenses		
Selling Expenses	12,857	8,118
Auto amd trck	1,397	2,328
Occupancy Cost	24,000	24,060
Interest	11,508	11,508
Depreciation	11,000	11,000
Insurance	1,843	393
Supplies	264	1,058
Repairs & Mantenance	231	527
Legal and Professional	755	15
Bank Charges	166	150
Telecommunications	1,509	24
Utilities	2,701	2,168
Medical	22	-
Total costs and expenses	68,253	61,349
Net income before income taxes	(796)	(8,681)
Income taxes	-	-
Net income after income taxes	(796)	(8,681)
Beginning trust capital	14,207	15,297
Contributions to Capital	5,500	2,000
Distributions from capital	(14,875)	(3,090)
Ending trust capital	$ 4,036	$ 14,207

MATRIX OF LIFE TECH

STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

	2018	2017
Cash flows from operating activities		
Net income (loss) after income taxes	$ (796)	$(10,083)
Adjustments to reconcile net income (loss) to cash provided by operating sctivities		
Depreciation	11,000	11,000
Change in operating assets andlibilities		
Interest Payable (Unrecorded from prior years)		(834)
Accrued interest payable	1,500	1,500
Total adjustments	12,500	11,666
Net cash provided (used) by operating activities	11,704	1,583
Cash flows from capital activities		
Contribjutions	5,500	-
Distributions	(14,875)	(3,090)
Net cash provided (used) by capital activities	(9,375)	(3,090)
Net increase in cash and cash equivalents	2,329	493
Cash and cash equivalents at beginning of year	1,707	1,214
Cash and cash equivalents at end of year	$ 4,036	$ 1,707

MATRIX OF LIFE TECH

AUXILIARY STATEMENTS OF EXPENSES
For the year ended December 31, 2018

COST OF SALES

	2018	2017
Chemicals	-	5,678
Supplies	17,720	13,833
Contract Labor	475	4,033
	18,195	23,544

SELLING EXPENSES

	2018	2017
Web Hosting, Internet & Cable	1,773	1,943
Advertising	627	147
Consulting	-	600
Shipping	3,502	3,237
Travel	4,311	926
Lodging	801	645
Meals & Entertainment	1,843	620
	12,857	8,118

MATRIX OF LIFE TECH
An Oregon Irrevocable Trust
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – NATURE OF ORGANIZATION

Matrix of Life Tech was formed by Declaration of Trust in Josephine County, Oregon on October 14, 2011 as an irrevocable trust. The Grantor was Matrix of Life Tech, LLC. The name was adopted by the trust. Two initial trustees were named, and an income beneficiary. The Declaration indicates that the trust may be utilized as a business entity.

The trust currently operates a business at a product production and water bottling facility in Grants Pass, Oregon. The equipment for the facility was constructed by the trust. The business manufactures to order white label bottled water and sport beverages for back-end supply providers needing product lines ready for market.

No assets were transferred into the trust by the Grantor. However, the Declaration established an association of the Grantor with the trustees, which enabled the trust to have access to Grantor's technology. The value of this intangible was not established.

The Grantor ("LLC") operates a similar chemical production facility in Tumbaco, Ecuador in conjunction with LogiChem S.A. The LLC is an International Technology Company, specializing in creating and integrating proprietary formulas and technologies for the nano-emulsification and water treatment industries. It has integrated unique and proprietary technologies including electro-static treatment systems, rare paramagnetic materials applications, inline cavitation systems, and unique chemical formulas with widely used water and chemical treatment systems that have been modified to improve bottling performance, product performance and stability. The LLC has developed a unique approach to creating nano-emulsifications through ultrasonic transduction and super cavitation. This technology is currently being used to produce nutraceuticals and other unique food-supplement combinations in forms not previously offered in the industry.

Along with its propriety formulas and technologies, the LLC has developed its own unique bottle-cleaning system that is in operation in both Oregon and Ecuador. In addition to the bottling facilities, the Company has helped design and build a chemical production facility that specializes in non-toxic, biodegradable chemicals.

The underlying applications developed by the LLC have many other potential uses in the chemical and food-supplements industries. These applications are supported by established back-end supply providers, manufacturing capacity and production ready product lines ready for market.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust have been prepared in accordance with accounting principles generally accepted in the United States. A precise determination of many periods necessarily involves the use of estimates which have been made using careful judgment.

Use of Estimates

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

The financial statements have, in management's opinion, been properly prepared within the framework of materiality and within the framework of the significant accounting policies summarized below.

Accounting Method

Matrix' financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenues

Revenues are wholesale sales to order of white label bottled water and sport drinks. Customers may provide specialized ingredients for the manufacture.

Impairment of Long-Lived Assets

The carrying value of long-lived assets are reviewed on a regular basis for the existence of facts and circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset over its estimated fair value.

Equipment and Fixtures

Equipment and fixtures are recorded at cost. Depreciation is provided using accelerated and Straight-line methods over the estimated useful lives of the related assets as follows:

Asset Category		Balance		Balance	Estimated Useful Life (Years)
		2018		2017	
Emulsification Equipment	$	150,000	$	150,000	15
Truck		10,000		10,000	10
	$	160,000	$	160,000	
Accumulated depreciation		(44.000)		(33,000)	
	$	116,000	$	127,000	

Income Taxes

The trust for tax purposes treats the business activity an unincorporated business entity owned by the trust. FASB ACS 740 Income Taxes is utilized which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the tax basis of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when, in the opinion of management; it is more likely than not that some or all deferred tax assets will not be realized.

Interest and penalties on tax deficiencies recognized in accordance with ACS accounting standards are classified as income taxes in accordance with ACS topic 740-10-50-19.

A variety of proposed or otherwise potential accounting standards are currently under study by standard setting organizations and various regulatory agencies. Due to the tentative and preliminary nature of those proposed standards, management has not determined whether implementation of such standards would be material to its financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash equivalents consist primarily of certificates of deposit and other securities with original maturities of 90 days or less. Investments consist of certificates of deposit with original maturities over 90 days. Investments are considered to be held to maturity. Investment income is recorded as it is earned. Investments are carried at cost.

The cash and investment account balances of the business as of December 31, 2017 is as follows:

Institution	Interest Rate	Maturity Date	Balance
Bank of America	–	–	$ 4,036

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Federal Deposit Insurance Coverage (FDIC) standard amount is $250,000 per depositor, per insured bank. As of December 31, 2019, the business had deposits with the Bank of America that did not exceed the FDIC coverage limit.

NOTE 5 – NOTES PAYABLE

	2018	2017
Note payable to Carolyn Hamburger, an individual	$ 100,000	$ 100,000
Note payable to Doris Notter, an individual	10,000	10,000
	$ 110,000	$ 110,000

$100,000 note is evidenced by a promissory note for $100,000 issued by Matrix on December 12, 2014. Interest rate is 10%. The term is five years. The maturity date is December 12, 2019. Secured by the emulsification equipment of the business.

$10,000 note is evidenced by a promissory note issued by Matrix on December 31, 2014. Interest rate is 15%. The term is five years. The maturity date is December 31, 2019. The note is unsecured. An undocumented arrangement with the lender permits the trust to defer interest payments until maturity. The lender is a related person to the trust.

Financial Instruments

Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing asset the asset volatility not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the standard expands the disclosure requirements around the value and establishing a fair value hierarchy for valuation inputs is expanded. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring the value are observable in the market. Each fair value measurement is reported in one of the three levels and which is determined by the lowest level input that is significant for the fair Value measurement in its entirely.

These levels are:

Level 1 – Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 – Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in market that are not active, and model-based valuation techniques for which all significant assumptions are observable

(Financial instruments – Continued)

in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

The carrying amounts of the Company's financial instruments as of December 31. 2019 are as follows:

	Level 1	Level 2	Level 3	Total
Cash, Cash Equivalent	$ 4,036	$ -	$ -	$ 4,036
$100,000 Note Payable	(100,000)	-	-	(100,000)
$17,000 Note Payable	-	(10,000)	-	(10,000)
Interest Payable	(6,000)	-	-	(6,000)
	$ (101,964)	$ (10,000)	-	$ (111,964)

NOTE 6 - CAPITAL STRUCTURE

The legal structure of Matrix of Life Tech is a trust. As such its residual equity is a unity, Capital, owned jointly by the two trustees.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The trust assumed a lease from a previous tenant for land and building for its business activities on October 11, 2011, (date of trust formation). Monthly lease rent is $2,000 on a month to month basis. There are no provisions related to term, rent escalation, property tax or operating costs.

The financial commitment is as follows:

Year	Amount
2019	$ 24,000
2020	24,000
2021	24,000
2022	24,000
2023	24,000
	$ 120,000

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions for potential recognition disclosure in the financial statements through December 31, 2018, the date the financial statements were available to be issued. Management found no subsequent events to be disclosed.

Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Justin Gonzales certify that:

1. I have reviewed this Annual Report for Year Ended: December 31, 2018;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 3, 2020

/s/Justin Gonzales

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Justin Gonzales, CEO

Principal Financial Officer:

I, Justin Gonzales certify that:

1. I have reviewed this Annual Report for Year Ended: December 31, 2018;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 3, 2020

/s/Justin Gonzales

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Justin Gonzales, CFO