

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2020**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **000-56151**



**ONE WORLD PHARMA, INC.**

(Exact name of registrant as specified in its charter)

**NEVADA**

(State or other jurisdiction of  
incorporation or organization)

**61-1744826**

(I.R.S. Employer  
Identification No.)

**One World Pharma, Inc.**

**3471 W. Oquendo Road, Suite 301  
Las Vegas, Nevada 89118**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(800) 605-3210**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant based upon the closing price of \$0.35 per share as of June 30, 2020 was approximately \$9,954,107.

As of April 14, 2021, there were 61,335,305 shares of registrant's common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE: None**

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## PART I

### Forward Looking Statements

This Form 10-K contains "forward-looking" statements including statements regarding our expectations of our future operations. For this purpose, any statements contained in this Form 10-K that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "estimate," or "continue" or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within our control.

These risks and uncertainties include our limited operating history; changes in cannabis laws, regulations and guidelines; our reliance on Colombian licenses, our ability to obtain authorizations and quotas; regulatory compliance risks; competition in our industry; our ability to establish and maintain bank accounts; our ability to comply with foreign trade policies; the continued demand for cannabis and derivate products; our ability to retain and acquire skilled personnel; and the risks involved in conducting operations in Colombia, as well as other factors set forth under the caption "Risk Factors" in this Form 10-K. Although the forward-looking statements in this report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. In light of these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, we undertake no obligation to announce publicly revisions we make to these forward-looking statements to reflect the effect of events or circumstances that may arise after the date of this report. All written and oral forward-looking statements made subsequent to the date of this report and attributable to us or persons acting on our behalf are expressly qualified in their entirety by this section.

### ITEM 1. BUSINESS

#### Overview

On February 21, 2019, we entered into an Agreement and Plan of Merger ("Merger Agreement") with OWP Merger Subsidiary, Inc. ("OWP Merger Sub"), our wholly-owned subsidiary, and OWP Ventures, Inc. ("OWP Ventures"). Under the Merger Agreement, the acquisition of OWP Ventures by us was effected by the merger of OWP Merger Sub with and into OWP Ventures, with OWP Ventures being the surviving entity as our wholly-owned subsidiary (the "Merger"). The closing (the "Closing") of the Merger occurred on February 21, 2019.

Immediately prior to the Closing, we were a public "shell" company with nominal assets. As of the Closing, we are no longer a public shell. As a result of the Merger, we are engaged in OWP Ventures' business, including the business of its wholly-owned subsidiary, One World Pharma, S.A.S., a Colombian company ("OWP Colombia"). With respect to this discussion, the terms "we," "us," "our" and "our company" refers to One World Pharma, Inc. and its wholly-owned direct and indirect subsidiaries, OWP Ventures and OWP Colombia.

On June 3, 2020, Isiah L. Thomas III was appointed to serve as our Chief Executive Officer and Vice Chairman. Mr. Thomas was a 12-

time NBA All Star, two-time NBA champion, and is an accomplished international business executive. In February 2021, through ISIAH International, LLC, of which he is the sole member, Mr. Thomas entered into an agreement to purchase \$3,000,000 of our Series B Preferred Stock in installments over a period of time ending in July 2021. To date, Mr. Thomas has purchased \$1,250,000 of such shares of Series B Preferred Stock in accordance with the terms of the purchase agreement.

We plan to be a producer of raw cannabis and hemp plant ingredients for both medical and industrial uses across the globe. We have received licenses from Colombian regulators to cultivate, produce and distribute the raw ingredients of the cannabis and hemp plant for medicinal, scientific and industrial purposes. Specifically, we are one of the first companies in Colombia to receive licenses for seed, cultivation, extraction and export from the Colombian government (the "Licenses").

We planted our first crop of cannabis in Popayán, Colombia in 2018, and began initial harvesting in the first quarter of 2019 for the purpose of further research and development activities and quality control testing of the cannabis we have produced. We commenced limited shipping of non-psychoactive products to customers in May of 2020. Although we hold the four Colombian Licenses, we will need to obtain additional approvals from Colombian regulators before we can fully execute our business plan, particularly with respect to the sale of psychoactive products. As described further under "Regulation" below,

- We will need to obtain quota approvals from the Colombian authorities before we can commence commercial sale of our psychoactive products under our Cannabis Manufacturing License and Psychoactive Cultivation License;
- We have successfully registered three non-psychoactive distinct cannabis strains and have received the certification required by Colombia's National Registrar as of April 2020; and

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- We have been issued the sanitary registrations needed to sell our products intended for human consumption; and
- We have successfully registered eight psychoactive distinct cannabis strains and have received the certifications required by Colombia's National Registrar as of December 2020; and
- We will proceed to get quota approvals for 2021 and 2022.

Our first cultivation site is located in Popayán, Colombia and our extraction facility will be located in Medellín, Colombia. Our cultivation facility encompasses approximately 30 acres and includes a covered greenhouse built specifically to cultivate high-grade cannabis and hemp. In addition, we have entered into agreements with local farming co-operatives that include small farmers and indigenous tribe members, under which they will cultivate cannabis on up to approximately 140 acres of land using our seeds and propagation techniques, and sell their harvested products to us on an exclusive basis.

We employ modern propagation and cultivation techniques drawn from U.S. practices that allow us to rapidly multiply the cells of a specific plant strain to produce large numbers of genetically consistent progeny plants using our own plant tissue culture method. We believe this technique allows us to cultivate plants which are stable, robust and able to produce genetically superior cannabis and hemp derived products. We intend to have our processes and products certified as compliant with international standards, including Good Agricultural Practices ("GAP"), Good Manufacturing Practice ("GMP") and the standards set forth in EU Pharmacopoeia, a publication that sets forth quality standards applicable to the European pharmaceutical industry.

We currently have 120,000 square feet of covered greenhouse capacity, which we intend to increase to 160,000 square feet. We are building out our extraction and production facility and expect it to be operational before the end of 2021. In addition, we have a contractual relationship with a local co-operative under which they agree to assist us in cultivation at our facility.

We have received full registrations from the Instituto Colombiano Agropecuario (the "ICA") for the full registration of 3 non-psychoactive high CBD strains and 13 proprietary high THC cannabis strains. Only registered strains may be sold under Colombian law. We are now able to start the quota process, which is required in order to commercialize THC products. We believe we will receive a supplementary quota for 2021 by the last quarter of 2021, this will allow us to sell THC products before year end 2021. We also believe we will receive ordinary quota for 2022 by the last quarter of 2021, this will allow us to sell THC products in 2022.

We believe there is a large and growing market for cannabis and hemp products around the world. The market for CBD has shown particular demand and growth. We will pursue sales into this market using a direct sales force to establish direct customer relationships and distributor relationships. We will seek out customers who have large and recurring needs and demands. Countries that we intend to focus on include EU countries, the UK, Poland, Israel, and Canada. We have commenced limited initial shipments of non-psychoactive products to customers in May of 2020. However, we remain subject to numerous risks that may affect or delay future sales, including regulatory requirements imposed or that may in the future be imposed by the Colombian regulating authorities. In addition, we will need to obtain quota approval from Colombian regulators before making we can make sales of our psychoactive products.

### **History and Background**

One World Pharma S.A.S., is a Colombian company ("OWP Colombia"), incorporated on July 14, 2017 with the goal of procuring the following Colombian Licenses.

On December 20, 2017, the Colombian Ministry of Health, by means of resolution No. 5251 of 2017, granted OWP Colombia its license for the production of cannabis derivatives for domestic use and export, allowing OWP Colombia to extract high tetrahydrocannabinol ("THC") compounds ("Cannabis Manufacturing License"). This license will expire on December 20, 2022.

On December 26, 2017, the Colombian Ministry of Justice, by means of resolution No. 1087 of 2017, granted OWP Colombia its license to use seeds for sowing for sale or delivery of seeds and/or for scientific research purposes, allowing for genetic and seed bank registration ("Cannabis Seed Possession License"). This license will expire on December 26, 2022.

On December 26, 2017, the Colombian Ministry of Justice, by means of resolution No. 1088 of 2017, granted OWP Colombia its license to grow non-psychoactive cannabis plants (less than 1.0% THC). Under this license, OWP Colombia can produce seeds for planting, deliver and make sales of the cannabis crop in order to produce cannabis derivatives and deliver and make sales of the cannabis crop for industrial purposes ("Cannabis Non-Psychoactive Cultivation License"). This license will expire on December 26, 2022.

On January 4, 2018, the Colombian Ministry of Justice, by means of resolution No. 0015 of 2018, granted OWP Colombia its license to grow psychoactive cannabis plants (greater than 1.0% THC) ("Psychoactive Cultivation License"). Under this license, OWP Colombia can produce seeds for planting, and deliver and make sales of the cannabis crop in order to produce cannabis derivatives. This license will expire on January 4, 2023.

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Six months prior to the expiration of each of the Licenses, we can apply for successive renewals for additional five-year periods. In each renewal application, the corresponding Ministry will assess compliance with all the relevant requirements in determining whether or not to renew the License.

On March 27, 2018, OWP Ventures, Inc. was formed as a Delaware corporation for the purpose of acquiring OWP Colombia.

On May 30, 2018, OWP Ventures entered into a Stock Purchase Agreement with the shareholders of OWP Colombia whereby the shareholders of OWP Colombia transferred their shares in OWP Colombia to OWP Ventures in exchange for 10,200,000 shares of common stock of OWP Ventures.

OWP Colombia planted its first crop of cannabis in 2018, which it began harvesting in the first quarter of 2019 for the purpose of further research and development activities and quality control testing of the cannabis we have produced. To date, we have not yet generated any revenues from our activities.

### **Products**

We are focused on cultivating, processing and supplying crude cannabis oil, distillate and isolate to customers' specification. We plan to sell as a wholesaler to industrial companies making cannabis related products. We also plan on supplying the hemp plant bio-mass remaining after our extraction process to industry participants that utilize hemp in the manufacture of their products. Hemp is used to make a variety of commercial and industrial products, including rope, textiles, clothing, shoes, food, paper, bioplastics, insulation and biofuel.

We are currently in the process of cultivating medicinal cannabis at our facility in Popayán, Colombia for a variety of medical conditions. We have registered 25 varieties or strains of cannabis with the Colombian Ministry of Health. See "Strains of Cannabis" below. The development of these strains enables us to select mother plants and identify the concentrations of cannabinoids required for the products which we intend to distribute. The cannabis will be produced in accordance with GMP Standards. We are committed to developing final products consistent with medicinal cannabis industry standards and pharmaceutical procedures. Our products will include a variety of cannabinoids and terpenes designed to address specific medical conditions. The composition of the strains will include a wide range of THC and CBD ratios.

### **Industry**

Medicinal cannabis refers to the use of cannabis and its constituent cannabinoids and terpenes to treat disease or ameliorate symptoms such as pain, muscle spasticity, nausea and other indications. Cannabinoid is a blanket term covering a family of complex chemicals, both natural and man-made, that bind with cannabinoid receptors (protein molecules on the surface of cells) and effect a wide number of responses. Cannabinoid receptors in the human body are part of a system called the endocannabinoid system. This system produces chemicals called endocannabinoids, which also bind with cannabinoid receptors. Cannabinoid receptors are found in the brain and throughout the body. Scientists have found that cannabinoid receptors in the endocannabinoid system are involved in a vast array of functions in our bodies, including helping to modulate brain and nerve activity (including memory and pain), energy metabolism, heart function, the immune system and even reproduction. While there are a large number of active cannabinoids found in cannabis, the two most common currently used for medical purposes are tetrahydrocannabinol and cannabidiol. Although no clinical trials have been completed in the United States to validate the effectiveness of tetrahydrocannabinol or cannabidiol in managing disease and improving symptoms, scientific studies have identified that they, alone and/or in combination, may potentially provide treatment benefits for a large number of medical conditions. For example, tetrahydrocannabinol, a psychotropic cannabinoid, has been shown to activate pathways in the central nervous system which work to block pain signals and has shown potential to assist patients with Post Traumatic Stress Disorder (PTSD) and stimulate appetite in patients following chemotherapy. Cannabidiol, on the other hand, is non-psychotropic and has shown potential to relieve convulsion and inflammation, and is the active ingredient in Epidolex, which in June 2018 was approved by the FDA for the treatment of two rare and severe forms of epilepsy.

### **Regulation**

Our active business operations are currently conducted solely within Colombia, and as such, the discussion below is limited to Colombian laws and regulations applicable to our business, which require us to hold the relevant licenses, quotas and other permits, as described below. Our activities in the United States consist solely of corporate administrative activities at our Las Vegas headquarters, including accounting, finance and SEC compliance functions. We believe that our current activities in the United States will not subject us to regulation under the U.S. Controlled Substances Act or other applicable U.S. federal or state laws with respect to our proposed business plans. All export activities will be conducted from Colombia, and we do not intend to export any of our products to jurisdictions where such sales are not legal under local law. Accordingly, we do not currently intend to export our products to the United States to the extent such products may be subject to regulation under the U.S. Controlled Substances Act or other applicable U.S. federal or state regulations.

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### Regulatory Authorities

Several authorities interact in the Colombian cannabis industry. The Ministry of Health is in charge of granting the Cannabis Manufacturing and Distribution License and exercises administrative control over the production of cannabis derivatives. The Ministry of Justice, through the subsection for the Control and Supervision of Chemical Substances and Narcotic Drugs, is the competent authority for issuing the Cannabis Seeds Possession License, the Cannabis Psychoactive Cultivation License and the Cannabis Non-Psychoactive Cultivation License and for exercising administrative control over cannabis operations and cultivation. The National Narcotics Fund ("FNE") exercises administrative and operational control over activities related to the management of psychoactive and non-psychoactive cannabis and its derivatives. The National Food and Drug Surveillance Institute ("INVIMA") is in charge of issuing and monitoring compliance under the health and phytosanitary registrations that may be applicable to products containing cannabis derivatives. The Colombian Agricultural Institute ("ICA") is responsible for maintaining the registry of the Genetic Pool or "Fuente Semillera" and the registration of cannabis seeds and strains under the "Registro Nacional de Cultivares Comerciales".

In exercising the administrative and operational control activities discussed above the Ministry of Justice, Ministry of Health, ICA and FNE are required to coordinate their activities to the extent necessary, according to their competencies, with the Ministry of Agriculture and Rural Development through ICA, as well as with the National Police.

### Licenses

Under Colombian law, there are four types of cannabis licenses that authorize different activities concerning the various stages of the production line of the medical cannabis industry: (i) the Cannabis Seeds Possession License; which is required for the domestic sale and delivery of seeds (but not export) and for scientific research purposes; (ii) the Cannabis Psychoactive Cultivation License, which is required for the production of seeds for sowing; for grain production; production of cannabis derivatives; for scientific research purposes, for storage, and for final disposal; (iii) the Cannabis Non-Psychoactive Cultivation License, which is required for the production of grain and seeds for sowing; production of cannabis derivatives; for industrial purposes; for scientific research purposes; for storage; and for final disposal; and (iv) the Cannabis Manufacturing and Distribution License, which is required for the production of cannabis derivatives for domestic use; production of cannabis derivatives for scientific research purposes; and production of cannabis derivatives for exportation. OWP Colombia holds all of these licenses.

The legal framework currently in force in Colombia regarding medical cannabis is established in Law 1787 of 2016 (the "Law") and the Decree 613 of 2017 (the "Decree"). Cannabis licenses must be issued by the Ministry of Health or the Ministry of Justice in an estimated time of 60 days, however, in practice, this process can take between four and six months. In accordance with Colombia's international obligations, there is a limit in the amount of Cannabis allowed for fabrication or cultivation assigned by the Colombian Government (specific crop or manufacturing quotas) that must be requested by each licensee when applying for a Cannabis Psychoactive Cultivation License or a Cannabis Manufacturing License. The activities of cultivation and manufacturing can only be started once the specific quotas have been granted to the licensee.

#### Duration of Licenses

The Cannabis Seeds Possession License, the Cannabis Psychoactive Cultivation License, the Cannabis Non-Psychoactive License, and the Cannabis Manufacturing and Distribution License are granted by the Ministry of Justice and/or the Ministry of Health (as applicable), when the applicant fulfills the general criteria described in Article 2.8.11.2.1.5 of the Decree, and the specific requirements for each type of license. Each of these licenses is valid for up to five years. The Ministry of Justice and the Ministry of Health (as applicable) maintain the right to monitor the activities performed by the corresponding licensee, and in the event of a breach by the licensee of the obligations and duties set forth in the Decree, the licenses may be revoked. The relevant Ministry may renew these licenses for additional and successive five-year periods. In each renewal application, the Ministry will assess compliance with all the relevant requirements in determining whether or not to renew the license.

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#### Quotas

As described above, regulations of cannabis in Colombia provides an additional requirement applicable to the Cannabis Psychoactive Cultivation License and Cannabis Manufacturing License, which require the grant of crop and manufacturing quotas (the "Quotas"). According to Article 2.8.11.2.6.2 of the Decree, the assignment of Quotas is collectively made by the Ministry of Health, the Ministry of Justice, the ICA, the INVIMA, and the FNE.

According to Article 2.8.11.2.6.5 of the Decree, there are two types of Quotas: (i) crop quotas for psychoactive cannabis (for holders of the Cannabis Psychoactive Cultivation License) which are granted by the Ministry of Justice; and (ii) the manufacturing quotas for psychoactive cannabis (for holders of the Cannabis Manufacturing License) which are granted by the Ministry of Health.

These Quotas are requested by the licensees no later than the last calendar day of April of each year, and, if they are granted by the corresponding authority, they can only be used by the licensees during the next calendar year (for instance, if a licensee requests a specific crop Quota in March, 2018, and this Quota is granted by the Ministry of Justice, the licensee will be allowed to use the Quota from January 1, 2019 to December 31, 2019). In extraordinary events, the licensees can request a supplementary Quota that will apply to the calendar year requested (the issuance of these Quotas depends on the special circumstances defined by the Colombian governmental authorities).

On December 3, 2018, by means of resolution 1256 of 2018, Colombia's Ministry of Justice granted OWP Colombia a supplementary Quota for growing psychoactive mother plants; six for each of 13 varieties, for a total of 78 "mother" plants. However, before we commence the commercial sale of our psychoactive products (greater than 1% THC content), we will need to obtain Quotas from the Ministry of Health. This will require us to conduct successful agricultural characterization tests approved by and registered with the ICA/Ministry of Agriculture and Rural Development, and stabilized extracts characterization tests approved by INVIMA/Ministry of Health, of product samples grown by us under Quotas obtained from the Ministry of Justice. We have already requested from the Ministry of Health and Justice our annual Quotas for the export sale of psychoactive ingredients in 2021, and are awaiting the issuance of such Quotas in order to start our production process.

#### Strains of Cannabis

Strains of cannabis are registered in Colombia in two manners:

- Registration of the Genetic Pool or "Fuente Semillera": Under Article 2.8.11.11.1 of the Decree, licensed producers of cannabis had until December 31, 2018 to register the genetics of strains of cannabis with the ICA. Under this transitory article, the government allowed a limited period for licensed producers of cannabis to source genetics currently available in Colombia and register these as their "fuente semillera". We registered 25 varieties under this article. This registration enables us to grow our own strains of cannabis as opposed to having to purchase registered strains from other licensed producers.
- Registration Under the "Registro Nacional de Cultivares Comerciales": Licensed producers of cannabis have to be granted a breeding/research license to be able to develop, select and trial stabilized cannabis cultivars. This registration allows licensed producers to register unique and stable varieties of cannabis for commercial production within Colombia. We were granted such license in the first quarter of 2018. Licensed producers can then request from ICA a registration trial, which is a field flowering trial with the supervision of ICA officials. The data collected in these trials can lead to registration of the cultivar in the National Registrar. Only registered varieties will be allowed to be produced commercially. We have received full registration for 3 non-psychoactive high CBD strains which have been approved for sale. We have also received permission to take 13 psychoactive THC strains through this process and anticipate the completion of such by year end 2021.

#### Sanitary Registration

The commercialization of cannabis-based finished products intended for human consumption requires the issuance of sanitary registrations by the INVIMA, and in the case of products intended for animal consumption, by the ICA.

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## **Environmental**

Under Colombian law, general principles of environmental law are set out in Law 99 of 1993 and Article 9 of the National Code of Natural Resources and Protection of the Environment. These laws establish principles governing the use of natural resources, including that use must occur without causing harm to the interests of the community or of third parties. Parties that cause environmental damage while acting under the authority of a permit are responsible for incurring the costs to rectify the damage. The imposition of environmental sanctions is in addition to civil and criminal penalties that may be imposed. Environmental damage caused while a party is acting without a license constitutes a breach of Law 99 of 1993 and may lead to the imposition of sanctions, in addition to civil or criminal proceedings that may result. Parties that cause environmental damage, in addition to sanctions or penalties that apply, will also be required to carry out studies to assess the characteristics of the damage. Under Colombian law, liability for environmental damage creates a presumption of liability in case of a: (i) breach of environmental laws; (ii) environmental damage; and (iii) breach of environmental license or any other administrative act from the environmental authorities. The Environmental Authorities may investigate potential claims, authorize preventative measures, or impose sanctions on parties breaching environmental law.

## **Competition**

The market for medicinal cannabis is characterized by unsatisfied patient demand, with few authorized producers. Although competition in the market is growing and Colombia offers an open process to apply for the licenses, we believe we are competitively positioned to satisfy the demand for medicinal cannabis given our early entry into the market, the management team's expertise in medical product branding, marketing, quality control and domestic market relationships. In addition, the Colombian government has published for comment a draft decree that requires any applicant for any of the four Licenses to furnish evidence that it has completed the seed registration process before the ICA and obtained the corresponding technical sheet for the cannabis plants and varieties. If enacted, this new regulation will result in stricter requirements on potential competitors seeking a Colombian License.

Cultivation in Colombia has natural cost advantages. However, management believes the more sustainable competitive advantage is to create patient loyalty and brand preference, as opposed to the distribution of more homogeneous products. Domestically our competition consists of PharmaCielo, CannaVida, Empresa Colombiana de Cannabis, Khiron Life Sciences Corp., MedCan, Canopy Growth Corporation, and Clever Leaves.

## **Intellectual Property**

Our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on trade secrets, including know-how, employee and third-party nondisclosure agreements and other contractual rights to establish and protect our proprietary rights in our technology.

## **Seasonality**

Colombia and its vertical offering of microclimates is the ideal country for year-round growing and processing of all possible varieties of cannabis in a natural, environmentally friendly manner.

## **Principal Executive Offices**

Our principal executive offices are located at 3471 West Oquendo Road, Suite 301, Las Vegas Nevada 89118. Our telephone number is (800) 605-3210. We believe our facilities are adequate to meet our current and near-term needs.

## **Employees**

As of April 5, 2021, we had 27 full-time employees. Since inception, we have never had a work stoppage, other than due to the Covid-19 quarantine from March 2020 through May 25, 2020, and our employees are not represented by labor unions. We consider our relationship with our employees to be positive.

## **ITEM 1A. RISK FACTORS**

*The following important factors, and the important factors described elsewhere in this report or in our other filings with the SEC, could affect (and in some cases have affected) our results and could cause our results to be materially different from estimates or expectations. Other risks and uncertainties may also affect our results or operations adversely. The following and these other risks could materially and adversely affect our business, operations, results or financial condition.*

## **Risks Relating to our Business**

### ***Limited Operating History***

We are an early stage company that has generated minimal revenues and, we have a limited operating history upon which our business and future prospects may be evaluated. To date, we have suffered recurring losses from operations and have an accumulated deficit of approximately \$16,132,326 as of December 31, 2020. We are subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that we will not achieve our operating goals. In order for us to meet future operating requirements, we will need to successfully grow, harvest and sell our cannabis products. Until such time as we are able to fund our business from operations, we will be required to raise funds through various sources, including the sale of equity and debt securities, Failure to generate cash from operations and to reach profitability may adversely affect our success.

### ***Change of Cannabis Laws, Regulations and Guidelines***

Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require us to incur substantial costs associated with compliance or alter certain aspects of our business plan. Regulations may be enacted in the future that will be directly applicable to certain aspects of our businesses. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business. Management expects that the legislative and regulatory environment in the cannabis industry in Colombia and internationally will continue to be dynamic and will require innovative solutions to try to comply with this changing legal landscape in this

nascent industry for the foreseeable future. Compliance with any such legislation may have a material adverse effect on our business, financial condition and results of operations.

Public opinion can also exert a significant influence over the regulation of the cannabis industry. A negative shift in the public's perception of the cannabis industry could affect future legislation or regulation in different jurisdictions.

#### ***Reliance on Colombian Licenses, Authorizations and Quotas***

Our ability to import seeds, grow, store and sell cannabis and hemp in Colombia or internationally is dependent on our ability to sustain and/or obtain the necessary licenses and authorizations by certain authorities in Colombia and/or the importing jurisdiction. The licenses and authorizations are subject to ongoing compliance and reporting requirements and our ability to obtain, sustain or renew any such licenses and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. Failure to comply with the requirements of the licenses or authorizations or any failure to maintain the licenses or authorizations would have a material adverse impact on our business, financial condition and operating results. In addition, Colombian regulators limit the cultivation and sale of psychoactive cannabis by Quotas issued on an annual basis to licensed producers.

Although we believe that we will meet the requirements to obtain, sustain or renew the necessary licenses and authorizations, there can be no guarantee that the applicable authorities will issue these licenses or authorizations. In addition, to date we have not been issued Quotas that would allow us to commence the commercial sale of psychoactive cannabis products. Should the authorities fail to issue the necessary licenses or authorizations, including required Quotas, we may be curtailed or prohibited from the production and/or distribution of cannabis and hemp or from proceeding with the development of our operations as currently proposed and our business, financial condition and results of the operation may be materially adversely affected.

#### ***Regulatory Compliance Risks***

Achievement of our business objectives is contingent, in part, upon compliance with regulatory requirements enacted by applicable governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of our products in Colombia and other jurisdictions where we intend to distribute and sell our products. We will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Civil or criminal fines or penalties may be imposed on us for violations of applicable laws or regulations. Vigorous enforcement of these laws could require extensive changes to our operations, increase our compliance costs or give rise to material liabilities, which could have a material adverse effect on our business, results of operations and financial condition.

#### ***Competition***

There are many companies engaged in the cannabis business who we will compete with, including larger and more established companies with substantially greater marketing, financial, human and other resources than we have. These companies include PharmaCielo, CannaVida, Empresa Colombiana de Cannabis, Khiron Life Sciences Corp., MedCan, Canopy Growth Corporation, and Clever Leaves. Although we believe we are competitively positioned to be a leader in the medicinal cannabis industry given our early entry into the market, the management team's expertise in medical product branding, marketing, quality control, and market relationships, competition in the medical cannabis industry is growing quickly. As more competitors enter the market, prices may be reduced. We believe our approach in creating brand loyalty will allow us to effectively compete in the market but there is no assurance that will be the case, and our competitors may adopt a similar or identical approach. To date, we have obtained four licenses in Colombia that authorize us to engage in cannabis activities, and there are currently few authorized producers there. However, Colombia offers an open process to apply for licenses and there are no significant barriers to entry. As a result, our ability to generate revenues and earnings may be reduced as competition intensifies, thereby causing a material adverse effect on our business and financial condition.

#### ***Ability to Establish and Maintain Bank Accounts***

Many banking institutions in countries where we or our prospective customers operate will not accept payments related to the cannabis industry, whether owing to domestic laws and regulations or pressure exerted by the United States on banks with laws subject to the laws of the United States (including, the Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act)). Failure to conduct our business through normal banking channels may impede our ability to make payments for goods and services and transact business in the ordinary course. Failure to operate in normal banking channels may also increase our cost of doing business and negatively affect our business. In the event financial service providers do not accept accounts or transactions related to the cannabis industry, it is possible that we may be required to seek alternative payment solutions. If the industry was to move towards alternative payment solutions, we would have to adopt policies and protocols to manage our volatility and exchange rate risk exposures. Our inability to manage such risks may adversely affect our operations and financial performance.

#### ***Anti-money Laundering Laws and Regulations***

We are subject to a variety of laws and regulations within Colombia and internationally that involve money laundering, financial recordkeeping and proceeds of crime. In the event that any of our investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments are found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under applicable legislation. Money laundering laws could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently cause the repatriation of such funds back to the United States or to any shareholders' jurisdiction of residence. Furthermore, while we have no current intention to declare or pay dividends on our common stock in the foreseeable future, in the event that a determination was made that the revenues from our cannabis operations could reasonably be shown to constitute proceeds of crime, we may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

#### ***Foreign Trade Policies***

Our prospective international operations are subject to inherent risks, including changes in the regulations governing the flow of cannabis products between countries, fluctuations in currency values, discriminatory fiscal policies, unexpected changes in local regulations and laws and the uncertainty of enforcement of remedies in foreign jurisdictions. In addition, foreign jurisdictions could impose tariffs, quotas, trade barriers and other similar restrictions on our international sales and subsidize competing cannabis products. All of these risks could result in increased costs or decreased revenues.

## ***United States Regulation***

Although we do not believe that our limited U.S. activity will subject us to regulation under U.S. federal or state laws applicable to the sale of cannabis and marijuana, we cannot assure you that current or future U.S. laws and regulations will not detrimentally affect our business. Local, state and federal cannabis laws and regulations in the United States are constantly changing and they are subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or to alter one or more of our product or service offerings. In addition, violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our revenues, profitability, and financial condition. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

## ***Liability, Enforcement, Complaints, etc.***

Our participation in the cannabis and hemp industries may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by third parties, other companies and/or various governmental authorities against us. Litigation, complaints, and enforcement actions involving us could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on our future cash flows, earnings, results of operations and financial condition.

## ***Legal Proceedings***

From time to time, we may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom we do business and other proceedings arising in the ordinary course of business. We will evaluate our exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on our financial results.

## ***Environmental Regulations***

We are subject to Colombian environmental laws governing the use of natural resources, which prohibit such use that causes harm to the interests of the community or of third parties. Parties that cause environmental damage while acting under the authority of a permit are responsible for incurring the costs to rectify the damage. The imposition of environmental sanctions is in addition to civil and criminal penalties that may be imposed. Environmental damage caused while a party is acting without a license may lead to the imposition of sanctions, in addition to civil or criminal proceedings. Parties that cause environmental damage, in addition to sanctions or penalties that apply, are also required to carry out studies to assess the characteristics of the damage. Colombian environmental authorities may investigate potential claims, authorize preventative measures, or impose sanctions on parties breaching environmental law. Any such measures imposed on us could have a material adverse effect on our business.

## ***Demand for Cannabis and Derivate Products***

The global sale of cannabis and hemp products is a new industry as a result of recent legal and regulatory changes. Although we expect the demand for licensed cannabis to be in excess of the supply being produced by the licensed producers, there is a risk that such demand does not develop as anticipated. Further, there is a risk that the adoption rate by pharmacies to sell medical cannabis is lower than expected or that such adoption rate may take longer than anticipated. There is also a risk that the international export market for medicinal cannabis and extracts, such as CBD, CBG and CBC, will not materialize as projected or not be commercially viable. Should any of such events materialize, they may have a material adverse effect on our business, results of operations and financial condition.

## ***Weather, Climate Change and Risks Inherent in an Agricultural Business***

Our business involves growing cannabis, which is an agricultural product. Although our medical cannabis is intended to be grown in greenhouses, hemp used as feedstock for medicinal extracts and derivatives will be grown both outdoors and in greenhouses. Further, our prospective Colombian medicinal cannabis operations will initially focus on outdoor production. The occurrence of severe adverse weather conditions, especially droughts, hail, floods or frost, is unpredictable and may have a potentially devastating impact on agricultural production and may otherwise adversely affect the supply of cannabis and hemp. Adverse weather conditions may be exacerbated by the effects of climate change and may result in the introduction and increased frequency of pests and diseases. The effects of severe adverse weather conditions may reduce our yields or require us to increase our level of investment to maintain yields. Additionally, higher than average temperatures and rainfall can contribute to an increased presence of insects and pests, which could negatively affect cannabis crops. Future droughts could reduce the yield and quality of our cannabis production, which could materially and adversely affect our business, financial condition and results of operations.

The occurrence and effects of plant disease, insects and pests can be unpredictable and devastating to agriculture, potentially rendering all or a substantial portion of the affected harvests unsuitable for sale. Even when only a portion of the production is damaged, our results of operations could be adversely affected because all or a substantial portion of the production costs may have been incurred. Although some plant diseases are treatable, the cost of treatment can be high and such events could adversely affect our operating results and financial condition. Furthermore, if we fail to control a given plant disease and the production is threatened, we may be unable to supply our customers, which could adversely affect our business, financial condition and results of operations. There can be no assurance that natural elements will not have a material adverse effect on any such production.

## ***Product Liability***

As a manufacturer and distributor of products designed to be ingested or inhaled by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products are alleged to have caused damages, loss or injury. In addition, the sale of our products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Adverse reactions resulting from human consumption of our products alone or in combination with other medications or substances could occur. We may be subject to various product liability claims, including, among others, that our products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning health risks, possible side effects or interactions with other substances. A product liability claim or regulatory action against us could result in increased costs, could adversely affect our reputation with our clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition. There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is

expensive and may not be available in the future on acceptable terms, or at all.

### ***Energy Prices and Supply***

We require substantial amounts of diesel and electric energy and other resources for our harvest activities and to transport cannabis and hemp. We rely upon third parties for our supply of energy resources used in our operations. The prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, interruptions in production by suppliers, imposition of restrictions on energy supply by government, worldwide price levels and market conditions. If our energy supply is cut for an extended period of time and we are unable to find replacement sources at comparable prices, or at all, our business, financial condition and results of operations would be materially and adversely affected.

### ***Retention and Acquisition of Skilled Personnel***

We will be required to attract and retain top quality talent to compete in the marketplace. We believe our future growth and success will depend in part on our abilities to attract and retain highly skilled managerial, product development, sales and marketing, and finance personnel. There can be no assurance of success in attracting and retaining such personnel. Shortages in qualified personnel could limit our ability to be successful. At present and for the near future, we will depend upon a relatively small number of employees primarily in Colombia to develop, manufacture, market, sell and distribute our products. As the size of our business increases, we will seek to hire additional employees in other jurisdictions. Expansion of marketing and distribution of our products will require us to find, hire and retain additional capable employees who can understand, explain, market and sell our products and/or our ability to enter into satisfactory logistic arrangements to sell our products. There is intense competition for capable personnel in all of these areas and we may not be successful in attracting, training, integrating, motivating, or retaining new personnel or subcontractors for these required functions.

### ***Emerging Market Risks***

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

Colombia's legal and regulatory requirements in connection with companies conducting agricultural activities, banking system and controls as well as local business culture and practices are different from those in the United States. Our officers and directors must rely, to a great extent, on our local legal counsel and local consultants retained by us in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect our business operations, and to assist us with our governmental relations. We must rely, to some extent, on the members of management who have previous experience working and conducting business in Colombia to enhance our understanding of and appreciation for the local business culture and practices in such countries. We also rely on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond our control and may adversely affect our business.

We also bear the risk that changes can occur to the Government in Colombia and a new government may void or change the laws and regulations that we are relying upon. Currently, there are no restrictions on the repatriation from Colombia of earnings to foreign entities and Colombia has never imposed such restrictions. However, there can be no assurance that restrictions on repatriation of earnings will not be imposed in the future. Exchange control regulations for Colombia require that any proceeds in foreign currency originated on exports of goods from Colombia be repatriated to Colombia. However, purchase of foreign currency is allowed through Colombian authorized financial entities for purposes of payments to foreign suppliers, repayment of foreign debt, payment of dividends to foreign stockholders and other foreign expenses.

Due to our location in Colombia, our business, financial position and results of operations may be affected by the general conditions of the Colombian economy, price instabilities, currency fluctuations, inflation, interest rates, regulatory changes, taxation changes, social instabilities, political unrest and other developments in or affecting Colombia, over which we do not have control.

### ***Risks Related to Conducting Operations in Colombia***

We recently were granted medicinal cannabis licenses in Colombia. Over the past 10 to 15 years, the Government of Colombia has made strides in improving the social, political, economic, legal and fiscal regimes. However, operations in Colombia will still be subject to risk due to the potential for social, political, economic, legal and fiscal instability. The Government of Colombia faces ongoing problems including, but not limited to, unemployment and inequitable income distribution and unstable neighboring countries. The instability in neighboring countries could result in an influx of immigrants resulting in a humanitarian crisis and/or increased illegal activities. Colombia is also home to a number of insurgency groups and large swaths of the countryside are under guerrilla influence. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping, extortion and thefts and civil unrest in certain areas of the country. Such instability may require us to suspend operations on our properties.

Other risks exist relating to the conduct of business in Colombia. These risks include the future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls. Other risks of doing business in Colombia include our ability to enforce our contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in our operations, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, or other matters.

The Government of Colombia recently reached a peace accord with the country's largest guerrilla group. The Government of Colombia also entered into and dissolved formal discussions with the country's second largest guerrilla group due to their unwillingness to cease criminal and violent crimes. There is no certainty that the agreements will be adhered to by all of the members of the guerrilla groups or that a peace agreement will be ultimately reached with the country's second largest guerrilla group. There is a risk that any peace agreement might contain new laws or change existing laws that could have a material adverse effect on us. Furthermore, the achievement of peace with the country's guerrilla groups could create additional social or political instability in the immediate aftermath, which could have a material adverse effect on our operations.

### ***Global Economy***

Financial and commodity markets in Colombia are influenced by the economic and market conditions in other countries, including other

South American and emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Colombia, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into, and the market value of securities of issuers with operations in Colombia.

### ***Insurance Coverage***

Our production is, in general, subject to different risks and hazards, including adverse weather conditions, fires, plant diseases and pest infestations, other natural phenomena, industrial accidents, labor disputes, changes in the legal and regulatory framework applicable to us, and environmental contingencies. We will endeavor to obtain appropriate insurance covering these risks in amounts sufficient to support a downturn in the sale of our products due to these potential production risks. The cost of such insurance may be high and we may not be able to obtain sufficient amount of insurance to cover these risks.

### ***Operations in Spanish***

As a result of our conducting most of our operations in Colombia, our regulatory licenses and books and records, including key documents such as material contracts and financial documentation, are principally negotiated and entered into in the Spanish language and English translations may not exist or be readily available.

### **General Business Risks**

***The outbreak of the COVID-19 coronavirus has negatively impacted and could continue to negatively impact our business and the global economy. In addition, the COVID-19 pandemic could negatively impact our ability to obtain financing when required.***

The recent outbreak of the COVID-19 coronavirus has spread across the globe and is impacting worldwide economic activity. A pandemic, including COVID-19 or other public health epidemic, poses the risk that we or our employees, customers, and other commercial partners may be prevented from conducting business activities for an indefinite period of time, including due to the spread of the disease or shutdowns requested or mandated by governmental authorities. While it is not possible at this time to estimate the full impact that COVID-19 will have on our business, during our fiscal year ended December 31, 2020, the Company's cultivation operations in Colombia significantly declined due to the Colombian quarantine restrictions resulting from COVID-19. COVID-19 has also had an adverse impact on global economic conditions, which could impair our ability to raise capital when needed.

### ***Inability to Manage Growth***

We may not be able to effectively manage our growth. Our strategy envisions growing our business. We plan to expand our production and manufacturing capability and create a distribution network on a global basis. Any growth in or expansion of our business is likely to continue to place a strain on our management and administrative resources, infrastructure and systems. As with other growing businesses, we expect that we will need to further refine and expand our business development capabilities, our systems and processes and our access to financing sources. We also will need to hire, train, supervise and manage new employees. These processes are time consuming and expensive, will increase management responsibilities and will divert management attention. We cannot assure you that we will be able to:

- expand our systems effectively or efficiently or in a timely manner;
- create a distribution network
- allocate our human resources optimally;
- meet our capital needs;
- identify and hire qualified employees or retain valued employees; or
- obtain and maintain necessary licenses in relevant jurisdictions

Our inability or failure to manage our growth and expansion effectively could harm our business and materially and adversely affect our operating results and financial condition.

### ***Speculative Forecasts***

Any forecasts we provide will be highly speculative in nature and we cannot predict results in a development stage company with a high degree of accuracy. Any financial projections, especially those based on ventures with minimal operating history, are inherently subject to a high degree of uncertainty, and their ultimate achievement depends on the timing and occurrence of a complex series of future events, both internal and external to the enterprise. There can be no assurance that potential revenues or expenses we project will be accurate.

### ***Limited Management Team***

Our limited senior management team size may hamper our ability to effectively manage a publicly traded company while operating our business. Our management team has experience in the management of publicly traded companies and complying with federal securities laws, including compliance with recently adopted disclosure requirements on a timely basis. They realize it will take significant resources to meet these requirements while simultaneously working on cultivating, developing and distributing our products. Our management will be required to design and implement appropriate programs and policies in responding to increased legal, regulatory compliance and reporting requirements, and any failure to do so could lead to the imposition of fines and penalties and harm our business.

### **Risks Related to our Common Stock**

#### ***Limited Trading***

Although prices for shares of our common stock are quoted on the OTC Markets, there is little current trading and no assurance can be given that an active public trading market will develop or, if developed, that it will be sustained. The OTC Markets is generally regarded as a less efficient and less prestigious trading market than other national markets. There is no assurance if or when our common stock will be quoted on another more prestigious exchange or market. The market price of our common stock is likely to be highly volatile because for some

time there will likely be a thin trading market for the stock, which causes trades of small blocks of stock to have a significant impact on the stock price.

### ***Penny Stock Risk***

Because our common stock is a "penny stock," trading therein will be subject to regulatory restrictions. Our common stock is currently, and in the near future will likely continue to be, considered a "penny stock." The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document prepared by the SEC, which specifies information about penny stocks and the nature and significance of risks of the penny stock market. The broker-dealer also must provide the customer with bid and offer quotations for the penny stock, the compensation of the broker-dealer and any salesperson in the transaction, and monthly account statements indicating the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure and other requirements may adversely affect the trading activity in the secondary market for our common stock.

### ***No Dividend Payments***

We have not paid dividends in the past and we do not expect to pay dividends to holders of our common stock for the foreseeable future, and any return on investment may be limited to potential future appreciation on the value of our common stock. Our payment of any future dividends will be at the discretion of our board of directors after taking into account various factors, including without limitation, our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. To the extent we do not pay dividends, our stock may be less valuable because a return on investment will only occur if and to the extent the stock price appreciates, which may never occur. In addition, shareholders must generally rely on sales of the shares they own after price appreciation as the only way to realize their investment, and if the price of our common stock does not appreciate, then there will be no return on investment.

### ***Control of Common Stock will Influence Decision Making***

Our officers, directors and principal stockholders are able to exert significant influence over us and may make decisions that are not in the best interests of all stockholders. Our officers, directors and principal stockholders (greater than 5% stockholders) collectively own approximately 55.1% of our fully-diluted common stock. As a result of such ownership, these stockholders are able to affect the outcome of, or exert significant influence over, all matters requiring stockholder approval, including the election and removal of directors and any change in control. In particular, this concentration of ownership of our common stock could have the effect of delaying or preventing a change of control of our company or otherwise discouraging or preventing a potential acquirer from attempting to obtain control of our company. This, in turn, could have a negative effect on the market price of our common stock. It could also prevent our stockholders from realizing a premium over the market prices for their shares of our common stock.

### ***We are an Emerging Growth Company Within the Meaning of the Securities Act.***

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds \$700 million as of the end of any second quarter of a fiscal year, in which case we would no longer be an emerging growth company as of the end of such fiscal year. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

### ***Antitakeover Protections***

Anti-takeover provisions may limit the ability of another party to acquire us, which could cause our stock price to decline. Our articles of incorporation, as amended, bylaws and Nevada law contain provisions that could discourage, delay or prevent a third party from acquiring us, even if doing so may be beneficial to our stockholders. In addition, these provisions could limit the price investors would be willing to pay in the future for shares of our common stock.

### ***Increased Compliance Costs***

The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of

1934, as amended, and the requirements of the Sarbanes-Oxley Act of 2002, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner. As a public company, we need to comply with laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002, related regulations of the SEC, and requirements of the principal trading market upon which our common stock may trade, with which we are not required to comply as a private company. As a result, the combined business will incur significant legal, accounting and other expenses that a private company would not incur. Complying with these statutes, regulations and requirements will occupy a significant amount of the time of our board of directors and management, will require us to have additional finance and accounting staff, may make it more difficult to attract and retain qualified officers and members of our board of directors, particularly to serve on the audit committee, and may make some activities more difficult, time consuming and costly. We will need to:

- institute a more comprehensive compliance function;
- establish new internal policies, such as those relating to disclosure controls and procedures and insider trading;
- design, establish, evaluate and maintain a system of internal control over financial reporting in compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC and the Public Company Accounting Oversight Board;
- prepare and distribute periodic reports in compliance with its obligations under the federal securities laws including the Securities Exchange Act of 1934, as amended, or Exchange Act;
- involve and retain to a greater degree outside counsel and accountants in the above activities; and
- establish an investor relations function.

If we are unable to accomplish these objectives in a timely and effective fashion for our business, our ability to comply with financial reporting requirements and other rules that apply to reporting companies could be impaired. If our finance and accounting personnel insufficiently support our business in fulfilling these public-company compliance obligations, or if we are unable to hire adequate finance and accounting personnel, we could face significant legal liability, which could have a material adverse effect on our financial condition and results of operations. Furthermore, if we identify any issues in complying with those requirements (for example, if our company or the independent registered public accountants identified a material weakness or significant deficiency in our company's internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect, our reputation or investor perceptions of our company.

#### ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable.

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#### ITEM 2. PROPERTIES

Our principal executive offices are located at 3471 West Oquendo Rd., Suite 301, Las Vegas, Nevada 89118, Telephone No.: (800) 605-3210. Our leased premises are 3,210 square feet and are utilized for corporate business offices. Our Nevada premises are subject to a lease agreement expiring October 31, 2021. In addition, OWP Colombia leases an office and a home in Bogota under leases expiring in less than a year. Our anticipated future lease commitments on a calendar year basis in US dollars, excluding common area maintenance fees, under non-cancelable operating leases are as follows:

Year Ending December 31,	Minimum Lease Commitments
2021	\$ 57,498
2022	59,223
2023	61,000
2024	52,098
Total minimum lease payments	229,819
Less interest	28,294
Present value of lease liabilities	201,525
Less current portion	45,271
Long-term lease liabilities	\$ 156,254

We believe that our current facilities are adequate for our current needs. We intend to secure new facilities or expand existing facilities as necessary to support future growth. We believe that suitable additional space will be available on commercially reasonable terms as needed to accommodate our operations.

#### ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which we are a party or to which any of our property is subject, nor are there any such proceedings known to be contemplated by governmental authorities. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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## ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

### Market Information

There is a limited public market for our common stock. Shares of our common stock trade on the over-the-counter market and are quoted on the OTCQB tier of the OTC Markets under the symbol "OWPC". Prior to February 7, 2019, the symbol for our common stock was "PNTT." As of April 14, 2021, the closing price of our common stock was \$0.30.

The following table sets forth, for the fiscal quarters indicated, the high and low bid information for our common stock, as reported on the OTC Markets. The following quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

	High	Low
<b>Fiscal Year Ended December 31, 2020</b>		
First Quarter	\$ 4.65	\$ 0.13
Second Quarter	\$ 0.87	\$ 0.18
Third Quarter	\$ 0.54	\$ 0.11
Fourth Quarter	\$ 0.16	\$ 0.06
<b>Fiscal Year Ended December 31, 2019</b>		
First Quarter	\$ 5.00	\$ 5.00
Second Quarter	\$ 4.00	\$ 4.00
Third Quarter	\$ 4.00	\$ 4.00
Fourth Quarter	\$ 3.80	\$ 3.80

As of April 14, 2021, there were approximately 114 shareholders of record of our common stock. Such number does not include any shareholders holding shares in nominee or "street name". As of April 14, 2021, there were 61,335,305 shares of common stock outstanding on record.

### Dividends

We have not declared or paid any dividends on our common stock since our inception and do not anticipate paying dividends for the foreseeable future. The payment of dividends is subject to the discretion of our board of directors and depends, among other things, upon our earnings, our capital requirements, our financial condition, and other relevant factors. We intend to reinvest any earnings in the development and expansion of our business. Any cash dividends in the future to common shareholders will be payable when, as and if declared by our board of directors, based upon the board's assessment of our financial condition and performance, earnings, need for funds, capital requirements, prior claims of preferred stock to the extent issued and outstanding, and other factors, including income tax consequences, restrictions and applicable laws. There can be no assurance, therefore, that any dividends on our common stock will ever be paid.

### Equity Compensation Plan Information

This following table provides information about shares our common stock that may be issued under our options outstanding at December 31, 2020. Other than individual options outstanding reflected in the table below, we did not have any shares authorized for issuance under equity plans at December 31, 2020.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	775,000	\$ 0.36	8,725,000
Equity compensation plans not approved by security holders <sup>(1)</sup>	8,011,650	0.27	N/A
<b>Total</b>	<b>8,786,650</b>	<b>\$ 0.27</b>	<b>8,725,000</b>

<sup>(1)</sup> Represents 500,000 options to purchase shares of common stock of OWP Ventures issued prior to the Merger that automatically converted into options to purchase shares of our common stock at \$0.50 per share, and a total of 7,511,650 warrants to purchase common stock at \$0.25 per share.

On February 12, 2020, the Company's stockholders approved our 2019 Stock Incentive Plan (the "2019 Plan"), which had been adopted by the Company's Board of Directors (the "Board") as of December 10, 2019. The 2019 Plan provides for the issuance of up to 10,000,000 shares of common stock to the Company and its subsidiaries' employees, officers, directors, consultants and advisors, stock options (non-statutory and incentive), restricted stock awards, stock appreciation rights ("SARs"), restricted stock units ("RSUs") and other performance stock awards. Options granted under the 2019 Plan may either be intended to qualify as incentive stock options under the Internal Revenue Code of 1986, or may be non-qualified options, and are exercisable over periods not exceeding ten years from date of grant. Unless sooner terminated in accordance with its terms, the Stock Plan will terminate on December 10, 2029.

### Recent Sales of Unregistered Securities

#### Common Stock Issued for Services

On December 31, 2020, the Company issued 100,000 shares of common stock, restricted in accordance with Rule 144, to a consultant for services provided.

On December 31, 2020, the Company issued 750,000 shares of common stock, restricted in accordance with Rule 144, to the Company's Chairman of the Board, Dr. Ken Perego, for services provided.

On December 31, 2020, the Company awarded 750,000 shares of common stock, restricted in accordance with Rule 144, to the Company's Interim Chief Financial Officer/Director, Bruce Raben, for services provided.

In connection with the above security issuances, we did not pay any underwriting discounts or commissions. None of the sales of securities described or referred to above was registered under the Securities Act. In making the sales without registration under the Securities Act, we relied upon one or more of the exemptions from registration contained in Section 4(2) of the Securities Act, and in Regulation D promulgated under the Securities Act. No general solicitation or advertising was used in connection with the sales.

## ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

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## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This discussion summarizes the significant factors affecting the operating results, financial condition, liquidity and cash flows of the Company for the fiscal years ended December 31, 2020 and 2019. The discussion and analysis that follows should be read together with the section entitled "Forward Looking Statements" and our financial statements and the notes to the financial statements included elsewhere in this annual report on Form 10-K.*

*Except for historical information, the matters discussed in this section are forward looking statements that involve risks and uncertainties and are based upon judgments concerning various factors that are beyond the Company's control. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report.*

### Overview

On February 21, 2019, we entered into the Merger Agreement with OWP Merger Sub, our wholly-owned subsidiary, and OWP Ventures. Under the Merger Agreement, the acquisition of OWP Ventures by us was effected by the merger of OWP Merger Sub with and into OWP Ventures, with OWP Ventures being the surviving entity as our wholly-owned subsidiary. The Closing of the Merger occurred on February 21, 2019. As a result of the Merger (a) holders of the outstanding capital stock of OWP Ventures received an aggregate of 39,475,398 shares of our common stock; (b) options to purchase 825,000 shares of common stock of OWP Ventures at an exercise price of \$0.50 automatically converted into options to purchase 825,000 shares of our common stock at an exercise price of \$0.50; (c) the outstanding principal and interest under a \$300,000 convertible note issued by OWP Ventures became convertible, at the option of the holder, into shares of our common stock at a conversion price equal to the lesser of \$0.424 per share or 80% of the price we sell our common stock in a future "Qualified Offering"; (d) 875,000 shares of our common stock owned by OWP Ventures prior to the Merger were cancelled; and (e) OWP Ventures' chief operating officer became our chief operating officer and two of OWP Ventures' directors became members of our board of directors.

OWP Ventures, Inc. is a holding company formed in Delaware on March 27, 2018 to enter and support the cannabis industry, and on May 30, 2018, it acquired One World Pharma S.A.S. One World Pharma S.A.S. is a licensed cannabis cultivation, production and distribution (export) company located in Popayán, Colombia (nearest major city is Cali). We plan to be a producer of raw cannabis and hemp plant ingredients for both medical and industrial uses across the globe. We have received licenses to cultivate, produce and distribute the raw ingredients of the cannabis and hemp plant for medicinal, scientific and industrial purposes. Specifically, we are one of the only companies in Colombia to receive seed, cultivation, extraction and export licenses from the Colombian government. Currently, we own approximately 30 acres and have a covered greenhouse built specifically to cultivate high-grade cannabis and hemp. In addition, we have entered into agreements with local farming co-operatives that include small farmers and indigenous tribe members, under which they will cultivate cannabis on up to approximately 140 acres of land using our seeds and propagation techniques, and sell their harvested products to us on an exclusive basis. We planted our first crop of cannabis in 2018, which we began harvesting in the first quarter of 2019 for the purpose of further research and development activities and quality control testing of the cannabis we have produced. We consummated our first sales and revenue beginning in the second quarter of 2020 with initial sales of fully registered non-psychoactive seeds.

The Merger was accounted for as a reverse merger (recapitalization) with OWP Ventures deemed to be the accounting acquirer. Accordingly, the financial statements included in this 10-K and the following discussion reflect the historical operations of OWP Ventures and its wholly-owned subsidiary One World Pharma S.A.S prior to the Merger, and that of the combined company following the Merger. The historical financial information for One World Pharma, Inc. (formerly Punto Group Corp.) prior to the Merger has been omitted.

### Critical Accounting Policies

The establishment and consistent application of accounting policies is a vital component of accurately and fairly presenting our financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"), as well as ensuring compliance with applicable laws and regulations governing financial reporting. While there are rarely alternative methods or rules from which to select in establishing accounting and financial reporting policies, proper application often involves significant judgment regarding a given set of facts and circumstances and a complex series of decisions.

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### Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"). All references to Generally Accepted Accounting Principles ("GAAP") are in accordance with The FASB Accounting Standards Codification ("ASC") and the Hierarchy of Generally Accepted Accounting Principles.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

## Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the following entities, all of which were under common control and ownership at December 31, 2020:

Name of Entity	State of Incorporation	Relationship
One World Pharma, Inc. <sup>(1)</sup>	Nevada	Parent
OWP Ventures, Inc. <sup>(2)</sup>	Delaware	Subsidiary
One World Pharma S.A.S. <sup>(3)</sup>	Colombia	Subsidiary
Colombian Hope, S.A.S. <sup>(4)</sup>	Colombia	Subsidiary

(1) Holding company in the form of a corporation.

(2) Holding company in the form of a corporation and wholly-owned subsidiary of One World Pharma, Inc.

(3) Wholly-owned subsidiary of OWP Ventures, Inc. since May 30, 2018, located in Colombia and legally constituted as a simplified stock company registered in the Chamber of Commerce of Bogotá on July 18, 2017. Its headquarters are located in Bogotá.

(4) Wholly-owned subsidiary of OWP Ventures, Inc., acquired on November 19, 2019, located in Colombia and legally constituted as a simplified stock company. This company has yet to incur any income or expenses.

The consolidated financial statements herein contain the operations of the wholly-owned subsidiaries listed above. The Company's headquarters are located in Las Vegas, Nevada and substantially all of its production efforts are within Popayán, Colombia.

## Foreign Currency Translation

The functional currency of the Company is Columbian Peso ("COP"). The Company has maintained its financial statements using the functional currency, and translated those financial statements to the US Dollar throughout this report. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Exchange gains or losses arising from foreign currency transactions are included in the determination of net income (loss) for the respective periods.

## Comprehensive Income

The Company has adopted ASC 220, Reporting Comprehensive Income, which establishes standards for reporting and displaying comprehensive income, its components, and accumulated balances in a full-set of general-purpose financial statements. Accumulated other comprehensive income represents the accumulated balance of foreign currency translation adjustments.

## Use of Estimates

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

## Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

## Segment Reporting

ASC Topic 280, "Segment Reporting," requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

## Fair Value of Financial Instruments

The Company adopted ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The carrying value of cash, accounts receivable, accounts payables and accrued expenses are estimated by management to approximate fair value primarily due to the short-term nature of the instruments.

## Cash in Excess of FDIC Insured Limits

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, under current regulations. The Company did not have any cash in excess of FDIC insured limits at December 31, 2020, and has not experienced any losses in such accounts.

## Revenue Recognition

Effective January 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company

recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

There was no impact on the Company's financial statements from ASC 606 for the years ended December 31, 2020 or 2019.

#### Inventory

Inventories are stated at the lower of cost or market. Cost is determined on a standard cost basis that approximates the first-in, first-out (FIFO) method. Market is determined based on net realizable value. Appropriate consideration is given to obsolescence, excessive levels, deterioration, and other factors in evaluating net realizable value. Our cannabis products consist of cannabis flower grown in-house, along with produced extracts.

#### Advertising Costs

The Company expenses the cost of advertising and promotions as incurred. Advertising and promotions expense was \$143,341 and \$114,244 for the years ended December 31, 2020 and 2019, respectively.

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#### Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the years ended December 31, 2020 and 2019, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

#### Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and Equity-Based Payments to Non-employees pursuant to ASC 2018-07 (ASC 2018-07). All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for non-performance.

#### Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

#### Uncertain Tax Positions

In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

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### **Results of Operations for the Years ended December 31, 2020 and 2019**

The following table summarizes selected items from the statement of operations for the years ended December 31, 2020 and 2019.

	For the Years Ended		Increase / (Decrease)
	December 31,		
	2020	2019	
Revenues	\$ 59,568	\$ -	\$ 59,568
Cost of goods sold	104,729	-	104,729
Gross profit (loss)	(45,161)	-	(45,161)

<b>Operating expenses:</b>			
General and administrative	3,960,791	2,225,551	1,735,240
Goodwill impairment	-	102,000	(102,000)
Professional fees	3,878,006	3,473,300	404,706
Depreciation expense	33,610	19,668	13,942
Total operating expenses:	7,872,407	5,820,519	2,051,888
<b>Operating loss</b>			
	(7,917,568)	(5,820,519)	2,097,049
<b>Total other expense</b>			
	(47,592)	(386,665)	(339,073)
<b>Net loss</b>			
	\$ (7,965,160)	\$ (6,207,184)	\$ 1,757,976

## Revenues

Revenues for the year ended December 31, 2020 were \$59,568, compared to no revenues during the year ended December 31, 2019, as sales commenced in 2020.

## Cost of Goods Sold

Cost of goods sold for the year ended December 31, 2020 were \$104,729, compared to \$-0- during the year ended December 31, 2019. Cost of goods sold consists primarily of labor, depreciation and maintenance on cultivation and production equipment, and supplies consumed in our operations.

## General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2020 were \$3,960,791, compared to \$2,225,551 for the year ended December 31, 2019, an increase of \$1,735,240, or 78%. The expenses for the current period consisted primarily of compensation expenses, office rent, and travel costs, including \$2,581,933 of stock-based compensation, of which \$1,100,000, consisting of 2,000,000 shares, were issued as severance pay to our former CEO, and \$275,000, consisting of 500,000 shares of common stock, along with \$1,206,933 of expense related to stock options that were voluntarily surrendered and cancelled at year-end was incurred in connection with the employment of Isiah Thomas as our new Chief Executive Officer in June 2020.

## Goodwill Impairment

Goodwill impairment, for the year ended December 31, 2020 was \$-0-, compared to \$102,000 during the year ended December 31, 2019, a decreased expense of \$102,000.

## Professional Fees

Professional fees for the year ended December 31, 2020 were \$3,878,006, compared to \$3,473,300 during the year ended 2019, an increase of \$404,706, or 12%. Professional fees included non-cash stock-based compensation of \$3,167,252 during the year ended December 31, 2020, compared to \$1,727,492 during the year ended December 31, 2019, an increase of \$1,439,760, or 83%. Professional fees increased primarily due to increased stock-based compensation during the current period.

## Depreciation Expense

We had \$33,610 of depreciation expense for the year ended December 31, 2020, compared to \$19,668 of depreciation expense for the year ended December 31, 2019, an increase of \$13,942, or 71%. Depreciation expense increased during the current period as additional assets have been placed in service.

## Other Income (Expense)

Other expenses, on a net basis, for the year ended December 31, 2020 were \$47,592, compared to other expenses, on a net basis, of \$386,665 for the year ended December 31, 2019. Other expense during the year ended December 31, 2020 consisted of \$47,592 of interest expense. Other expenses consisted of a \$4,087 loss on disposal of assets and \$382,582 of interest expense, as offset by \$4 of interest income for the year ended December 31, 2019.

## Net Loss

Net loss for the year ended December 31, 2020 was \$7,965,160, or \$0.16 per share, compared to \$6,207,184, or \$0.15 per share, during the year ended December 31, 2019, an increase of \$1,757,976, or 28%. The net loss for the year ended December 31, 2020 included non-cash expenses consisting of \$33,610 of depreciation, \$5,749,185 of stock-based compensation, and \$47,592 of interest for the year ended December 31, 2020. The net loss for the year ended December 31, 2019 included non-cash expenses consisting of \$19,668 of depreciation, \$1,727,492 of stock-based compensation, and \$382,582 of interest, including \$132,332 of amortization on debt discounts for the year ended December 31, 2019.

## Liquidity and Capital Resources

As of December 31, 2020, the Company had current assets of \$420,619, consisting of cash of \$28,920, accounts receivable of \$5,636, inventory of \$267,152 and other current assets of \$118,911. The Company's current liabilities as of December 31, 2020 were \$1,702,437, consisting of \$734,554 of accounts payable, \$550,535 of accrued expenses, \$37,236 of dividends payable, \$45,271 of current lease liabilities, and \$334,841 of debts.

The following table summarizes our total current assets, liabilities and working capital at December 31, 2020 and 2019.

	2020	2019
Current Assets	\$ 420,619	\$ 574,168
Current Liabilities	\$ 1,702,437	\$ 1,132,619
Working Capital	\$ (1,281,818)	\$ (558,451)

The following table summarizes our cash flows during the years ended December 31, 2020 and 2019, respectively.

	For the Year Ended December 31,	
	2020	2019
Net cash used in operating activities	\$ (1,429,112)	\$ (4,060,940)
Net cash used in investing activities	(62,567)	(467,179)
Net cash provided by financing activities	1,274,841	4,696,811
Effect of exchange rate changes on cash	(36,622)	(12,158)
Net change in cash	\$ (253,460)	\$ 156,534

The decrease in funds used in operating activities for the year ended December 31, 2020, compared to the year ended December 31, 2019, was primarily due to diminished operations in the current year due to the global effects of the Covid-19 pandemic.

The decrease in funds used in investing activities for the year ended December 31, 2020, compared to the year ended December 31, 2019, was due primarily to decreased purchases of fixed assets in the year ended December 31, 2020.

The decrease in funds provided by financing activities for the year ended December 31, 2020, compared to the year ended December 31, 2019, was due primarily to decreased proceeds from the sale of our securities during the year ended December 31, 2020.

#### Satisfaction of our Cash Obligations for the Next 12 Months

As of December 31, 2020, we had \$28,920 of cash on hand and negative working capital of \$1,281,818. We do not currently have sufficient funds to fund our operations at their current levels for the next twelve months, however, we have received a commitment from ISIAH International, LLC, a company under the control of our CEO, Isiah L. Thomas, III, to fund us with \$3,000,000 by July 12, 2021. As of April 14, 2021, we have received approximately, \$1,250,000. As we implement our cannabis cultivation business and attempt to expand operational activities, we expect to continue to experience net negative cash flows from operations in amounts not now determinable, and will be required to obtain additional financing to fund operations. Our ability to continue as a going concern is dependent upon our ability to raise additional capital and to achieve sustainable revenues and profitable operations. Since inception, we have raised funds primarily through the sale of equity securities. We will need, and are currently seeking, additional funds to operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations or cause substantial dilution for our stockholders. If we are unable to obtain additional funds, our ability to carry out and implement our planned business objectives and strategies will be significantly delayed, limited or may not occur. We cannot guarantee that we will become profitable. Even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability and our failure to do so would adversely affect our business, including our ability to raise additional funds.

The accompanying consolidated financial statements appearing in this 10-K have been prepared assuming that we will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

#### Off-Balance Sheet Arrangements

We have no outstanding off-balance sheet guarantees, interest rate swap transactions or foreign currency contracts. We do not engage in trading activities involving non-exchange traded contracts.

#### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**ONE WORLD PHARMA, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and  
Stockholders of One World Pharma, Inc.,

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of One World Pharma, Inc. and subsidiaries (the Company) as of December 31, 2020 and 2019, and the related consolidated statements of operations and comprehensive loss, consolidated stockholders' equity (deficit) and consolidated cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

**Going Concern**

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company suffered a net loss from operations and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

**Revenue Recognition**

As discussed in Note 1, the Company recognizes revenue upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company offers customers the ability to acquire multiple services. Significant judgment is exercised by the Company in determining revenue recognition for these customer agreements. Given these factors and due to the volume of transactions, the related audit effort in evaluating management's judgments in determining revenue recognition for these customer agreements was extensive and required a high degree of auditor judgment.

We tested the Company's calculation of purchase price allocation and other variables that impact revenue recognition.

*/s/ M&K CPAS, PLLC*

We have served as the Company's auditor since 2018.

**ONE WORLD PHARMA, INC.  
CONSOLIDATED BALANCE SHEETS**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 28,920	\$ 282,380
Accounts receivable	5,636	-
Inventory	267,152	24,682
Other current assets	<u>118,911</u>	<u>267,106</u>
Total current assets	420,619	574,168
Right-of-use assets	195,029	502,706
Security deposits	65,114	72,527
Fixed assets, net	<u>726,820</u>	<u>697,863</u>
Total Assets	<u>\$ 1,407,582</u>	<u>\$ 1,847,264</u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 734,554	\$ 330,521
Accrued expenses	550,535	109,665
Dividends payable	37,236	-
Current portion of lease liabilities	45,271	55,101
Convertible notes payable	-	507,332
Notes payable, including \$201,000 and \$130,000 due to related parties for the years ended December 31, 2020 and 2019, respectively	<u>334,841</u>	<u>130,000</u>
Total current liabilities	1,702,437	1,132,619
Long-term lease liability	<u>156,254</u>	<u>453,251</u>
Total Liabilities	<u>1,858,691</u>	<u>1,585,870</u>
Series A convertible preferred stock, \$0.001 par value, 500,000 shares authorized; 150,233 and -0- issued and outstanding at December 31, 2020 and 2019, respectively	1,502,330	-
<b>Stockholders' Equity (Deficit):</b>		
Preferred stock, \$0.001 par value, 9,500,000 shares authorized; no shares issued and outstanding at December 31, 2020 and 2019, respectively	-	-
Common stock, \$0.001 par value, 300,000,000 shares authorized; 53,085,305 and 44,804,305 shares issued and outstanding at December 31, 2020 and 2019, respectively	53,085	44,804
Additional paid-in capital	14,103,672	8,150,004
Subscriptions payable, consisting of 750,000 and 500,000 shares at December 31, 2020 and 2019, respectively	75,000	250,000
Accumulated other comprehensive loss	(52,870)	(16,248)
Accumulated (deficit)	<u>(16,132,326)</u>	<u>(8,167,166)</u>
Total Stockholders' Equity (Deficit)	<u>(1,953,439)</u>	<u>261,394</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 1,407,582</u>	<u>\$ 1,847,264</u>

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

**ONE WORLD PHARMA, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	<b>For the Year Ended December 31,</b>	
	<u>2020</u>	<u>2019</u>
Revenues	\$ 59,568	\$ -
Cost of goods sold	104,729	-
Gross profit (loss)	<u>(45,161)</u>	<u>-</u>
<b>Operating expenses:</b>		
General and administrative	3,960,791	2,225,551
Goodwill impairment	-	102,000
Professional fees	3,878,006	3,473,300

Depreciation expense	33,610	19,668
Total operating expenses	<u>7,872,407</u>	<u>5,820,519</u>
Operating loss	<u>(7,917,568)</u>	<u>(5,820,519)</u>
Other income (expense):		
Loss on disposal of fixed assets	-	(4,087)
Interest income	-	4
Interest expense	(47,592)	(382,582)
Total other expense	<u>(47,592)</u>	<u>(386,665)</u>
Net loss	\$ (7,965,160)	\$ (6,207,184)
Other comprehensive loss:		
Loss on foreign currency translation	\$ (36,622)	\$ (12,158)
Net other comprehensive loss	<u>\$ (8,001,782)</u>	<u>\$ (6,219,342)</u>
Series A convertible preferred stock declared (\$0.60 per share)	(37,236)	-
Deemed dividend on common stock warrants, series A preferred stock	(1,502,330)	-
Net loss attributable to common shareholders	<u>\$ (9,541,348)</u>	<u>\$ (6,219,342)</u>
Weighted average number of common shares outstanding - basic and fully diluted	<u>48,829,160</u>	<u>41,089,784</u>
Net loss per common share - basic and fully diluted	<u>\$ (0.20)</u>	<u>\$ (0.15)</u>
Dividends declared per share of common stock	<u>\$ 0.00</u>	<u>\$ 0.00</u>

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

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**ONE WORLD PHARMA, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Subscriptions Receivable	Subscriptions Payable	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Noncontrolling Interest	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount							
Balance, December 31, 2018	-	\$ -	34,291,905	\$34,292	\$ 1,278,352	\$ (602)	\$ -	(4,090)	\$ (1,959,982)	\$ (101)	\$ (652,131)
Cash received on subscriptions receivable	-	-	-	-	-	602	-	-	-	-	602
Common stock sold for cash	-	-	8,260,700	8,260	4,122,090	-	250,000	-	-	-	4,380,350
Common stock sold to CEO, debt cancelled in lieu of cash payment	-	-	400,000	400	199,600	-	-	-	-	-	200,000
Cashless exercise of common stock options	-	-	51,040	51	(51)	-	-	-	-	-	-
Common stock issued on debt conversions	-	-	1,253,493	1,253	500,144	-	-	-	-	-	501,397
Common stock issued for services	-	-	99,666	100	236,460	-	-	-	-	-	236,560
Amortization of common stock options issued for services	-	-	-	-	1,402,635	-	-	-	-	-	1,402,635

Amortization of common stock options issued for services, OWP Ventures, Inc.	-	-	-	88,297	-	-	-	-	-	88,297				
Exchange of OWP Ventures, Inc. shares for One World Pharma, Inc. shares (1:1)	-	-	1,322,501	1,323	(10,730)	-	-	-	-	101	(9,306)			
Common stock cancelled pursuant to merger with OWP Ventures, Inc.	-	-	(875,000)	(875)	875	-	-	-	-	-	-			
Beneficial conversion feature on convertible note	-	-	-	-	332,332	-	-	-	-	-	332,332			
Loss on foreign currency translation	-	-	-	-	-	-	-	(12,158)	-	-	(12,158)			
Net loss	-	-	-	-	-	-	-	-	(6,207,184)	-	(6,207,184)			
Balance, December 31, 2019	- \$	-	44,804,305	\$44,804	\$ 8,150,004	\$	- \$	250,000	\$	(16,248)	\$ (8,167,166)	- \$	261,394	
Preferred stock units sold for cash	150,233	1,502,330	-	-	-	-	-	-	-	-	-	-	-	
Common stock sold for cash	-	-	500,000	500	249,500	-	(175,000)	-	-	-	-	-	75,000	
Common stock issued for services	-	-	7,781,000	7,781	3,570,719	-	-	-	-	-	-	-	3,578,500	
Amortization of common stock options issued for services	-	-	-	-	2,170,685	-	-	-	-	-	-	-	2,170,685	
Series A convertible preferred stock declared (\$0.60 per share)	-	-	-	-	(37,236)	-	-	-	-	-	-	-	(37,236)	
Loss on foreign currency translation	-	-	-	-	-	-	-	-	(36,622)	-	-	-	(36,622)	
Net loss	-	-	-	-	-	-	-	-	-	(7,965,160)	-	-	(7,965,160)	
Balance, December 31, 2020	150,233	\$1,502,330	53,085,305	\$53,085	\$14,103,672	\$	- \$	75,000	\$	(52,870)	\$ (16,132,326)	\$	- \$	(1,953,439)

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

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ONE WORLD PHARMA, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended  
December 31,

2020                      2019

<b>Cash flows from operating activities</b>		
Net loss	\$ (7,965,160)	\$ (6,207,184)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	33,610	19,668
Loss on disposal of fixed assets	-	4,087
Impairment of goodwill	-	102,000
Amortization of debt discounts	-	332,332
Stock-based compensation	3,578,500	236,560
Amortization of options issued for services	2,170,685	1,490,932
Decrease (increase) in assets:		
Accounts receivable	(5,636)	-
Inventory	(242,470)	(24,682)
Other current assets	148,195	(245,562)
Right-of-use assets	307,677	45,510
Security deposits	7,413	(68,033)
Increase (decrease) in liabilities:		
Accounts payable	404,031	209,327
Accrued expenses	440,870	83,969
Lease liability	(306,827)	(39,864)
Net cash used in operating activities	<u>(1,429,112)</u>	<u>(4,060,940)</u>
<b>Cash flows from investing activities</b>		
Investment in Colombian Hope, S.A.S.	-	(102,000)
Purchase of fixed assets	(62,567)	(365,179)
Net cash used in investing activities	<u>(62,567)</u>	<u>(467,179)</u>
<b>Cash flows from financing activities</b>		
Proceeds from convertible note payable	-	500,000
Repayment of convertible note payable	(507,332)	-
Repayment of advances from shareholders	-	(314,141)
Proceeds from notes payable	476,841	130,000
Repayment of notes payable	(272,000)	-
Proceeds from subscriptions receivable	-	602
Proceeds from sale of preferred and common stock	1,577,332	4,380,350
Net cash provided by financing activities	<u>1,274,841</u>	<u>4,696,811</u>
Effect of exchange rate changes on cash	<u>(36,622)</u>	<u>(12,158)</u>
Net increase (decrease) in cash	(253,460)	156,534
Cash - beginning	282,380	125,846
Cash - ending	<u>\$ 28,920</u>	<u>\$ 282,380</u>
Supplemental disclosures:		
Interest paid	\$ 22,002	\$ 28,558
Income taxes paid	\$ -	\$ -
Non-cash investing and financing transactions:		
Fair value of net assets acquired in merger	\$ -	\$ 9,306
Notes payable exchanged for convertible note payable	\$ -	\$ 207,332
Value of shares issued for conversion of debt	\$ -	\$ 701,397
Initial recognition of right-of-use assets and lease liabilities	\$ -	\$ 548,216
Par value of cashless exercise of options	\$ -	\$ 51
Beneficial conversion feature	\$ -	\$ 332,332
Dividends payable	\$ 37,236	\$ -

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

**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – Nature of Business and Significant Accounting Policies**

Nature of Business

One World Pharma, Inc. (the "Company," "we," "our" or "us") was incorporated in Nevada on September 2, 2014. On February 21, 2019, One World Pharma, Inc. ("One World Pharma") entered into an Agreement and Plan of Merger with OWP Merger Subsidiary, Inc., our wholly-owned subsidiary, and OWP Ventures, Inc. ("OWP Ventures"), which is the parent company of One World Pharma SAS, a Colombian company ("OWP Colombia"). Pursuant to the Merger Agreement, we acquired OWP Ventures (and indirectly, OWP Colombia) by the merger of OWP Merger Subsidiary with and into OWP Ventures, with OWP Ventures being the surviving entity as our wholly-owned subsidiary (the "Merger"). As a result of the Merger (a) holders of the outstanding capital stock of OWP Ventures received an aggregate of 39,475,398 shares of our common stock; (b) options to purchase 825,000 shares of common stock of OWP Ventures at an exercise price of \$0.50 automatically converted into options to purchase 825,000 shares of our common stock at an exercise price of \$0.50; (c) the outstanding principal and interest under a \$300,000 convertible note issued by OWP Ventures became convertible, at the option of the holder, into shares of our common stock at a conversion price equal to the lesser of \$0.424 per share or 80% of the price we sell our common stock in a future "Qualified Offering"; (d) 875,000 shares of our common stock owned by OWP Ventures prior to the Merger were cancelled; and (e) OWP Ventures' chief operating

officer became our chief operating officer and two of OWP Ventures' directors became members of our board of directors. The Company's headquarters are located in Las Vegas, Nevada, and all of its customers are expected to be outside of the United States. On January 10, 2019, the Company changed its name from Punto Group, Corp. to One World Pharma, Inc.

OWP Ventures is a holding company formed in Delaware on March 27, 2018 to enter and support the cannabis industry, and on May 30, 2018, it acquired OWP Colombia. OWP Colombia is a licensed cannabis cultivation, production and distribution (export) company located in Popayán, Colombia (nearest major city is Cali). We plan to be a producer of raw cannabis and hemp plant ingredients for both medical and industrial uses across the globe. We have received licenses to cultivate, produce and distribute the raw ingredients of the cannabis and hemp plant for medicinal, scientific and industrial purposes. Specifically, we are one of the only companies in Colombia to receive seed, cultivation, extraction and export licenses from the Colombian government. Currently, we own approximately 30 acres and have a covered greenhouse built specifically to cultivate high-grade cannabis and hemp. In addition, we have entered into agreements with local farming co-operatives that include small farmers and indigenous tribe members, under which they will cultivate cannabis on up to approximately 140 acres of land using our seeds and propagation techniques, and sell their harvested products to us on an exclusive basis. We planted our first crop of cannabis in 2018, which we began harvesting in the first quarter of 2019 for the purpose of further research and development activities and quality control testing of the cannabis we have produced. We began generating revenue from the sale of our seeds in the second quarter of 2020.

The Merger was accounted for as a reverse merger (recapitalization) with OWP Ventures deemed to be the accounting acquirer. Accordingly, the financial statements included in this Annual Report on Form 10-K reflect the historical operations of OWP Ventures and its wholly-owned subsidiary OWP SAS prior to the Merger, and that of the combined company following the Merger. The historical financial information for One World Pharma, Inc. (formerly Punto Group Corp.) prior to the Merger has been omitted.

#### Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"). All references to Generally Accepted Accounting Principles ("GAAP") are in accordance with The FASB Accounting Standards Codification ("ASC") and the Hierarchy of Generally Accepted Accounting Principles.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

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## ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the following entities, all of which were under common control and ownership at December 31, 2020:

Name of Entity	State of Incorporation	Relationship
One World Pharma, Inc. <sup>(1)</sup>	Nevada	Parent
OWP Ventures, Inc. <sup>(2)</sup>	Delaware	Subsidiary
One World Pharma S.A.S. <sup>(3)</sup>	Colombia	Subsidiary
Colombian Hope, S.A.S. <sup>(4)</sup>	Colombia	Subsidiary

<sup>(1)</sup>Holding company in the form of a corporation.

<sup>(2)</sup>Holding company in the form of a corporation and wholly-owned subsidiary of One World Pharma, Inc.

<sup>(3)</sup>Wholly-owned subsidiary of OWP Ventures, Inc. since May 30, 2018, located in Colombia and legally constituted as a simplified stock company registered in the Chamber of Commerce of Bogotá on July 18, 2017. Its headquarters are located in Bogotá.

<sup>(4)</sup>Wholly-owned subsidiary of OWP Ventures, Inc., acquired on November 19, 2019, located in Colombia and legally constituted as a simplified stock company. This company has yet to incur any income or expenses.

The consolidated financial statements herein contain the operations of the wholly-owned subsidiaries listed above. The Company's headquarters are located in Las Vegas, Nevada and substantially all of its production efforts are within Popayán, Colombia.

#### Foreign Currency Translation

The functional currency of the Company is Columbian Peso (COP). The Company has maintained its financial statements using the functional currency, and translated those financial statements to the US Dollar throughout this report. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Exchange gains or losses arising from foreign currency transactions are included in the determination of net income (loss) for the respective periods.

#### Comprehensive Income

The Company has adopted ASC 220, Reporting Comprehensive Income, which establishes standards for reporting and displaying comprehensive income, its components, and accumulated balances in a full-set of general-purpose financial statements. Accumulated other comprehensive income represents the accumulated balance of foreign currency translation adjustments.

#### Use of Estimates

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

### Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

### Segment Reporting

ASC Topic 280, "Segment Reporting," requires use of the "management approach" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

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## **ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### Fair Value of Financial Instruments

The Company adopted ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The carrying value of cash, accounts receivable, accounts payables and accrued expenses are estimated by management to approximate fair value primarily due to the short-term nature of the instruments.

### Cash in Excess of FDIC Insured Limits

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, under current regulations. The Company did not have any cash in excess of FDIC insured limits at December 31, 2020, and has not experienced any losses in such accounts.

### Goodwill

Goodwill is the excess of the consideration transferred over the fair value of the acquired assets and assumed liabilities in a business combination. Goodwill is not amortized but rather tested for impairment at least annually. We test goodwill for impairment on the first day of the fourth quarter each fiscal year. Goodwill is also tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. When testing goodwill for impairment, we may assess qualitative factors for some or all of our reporting units to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. Alternatively, we may bypass this qualitative assessment for some or all of our reporting units and perform step 1 of the two-step goodwill impairment test. If we perform step 1 and the carrying amount of the reporting unit exceeds its fair value, we would perform step 2 to measure such impairment. Impairment testing for goodwill is done at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment (also known as a component). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available, and segment management regularly reviews the operating results of that component. During the year ended December 31, 2019, we recognized \$102,000 of goodwill impairment on the acquisition of Colombian Hope, S.A.S., as disclosed in Note 3, below.

### Revenue Recognition

Effective January 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts to perform pilot studies by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

There was no impact on the Company's financial statements from ASC 606 for the years ended December 31, 2020 or 2019.

### Inventory

Inventories are stated at the lower of cost or market. Cost is determined on a standard cost basis that approximates the first-in, first-out (FIFO) method. Market is determined based on net realizable value. Appropriate consideration is given to obsolescence, excessive levels, deterioration, and other factors in evaluating net realizable value. Our cannabis products consist of cannabis flower grown in-house, along with produced extracts.

### Advertising Costs

The Company expenses the cost of advertising and promotions as incurred. Advertising and promotions expense was \$143,341 and \$114,244 for the years ended December 31, 2020 and 2019, respectively.

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## **ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the years ended December 31, 2020 and 2019, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

#### Stock-Based Compensation

The Company accounts for equity instruments issued to employees in accordance with the provisions of ASC 718 Stock Compensation (ASC 718) and Equity-Based Payments to Non-employees pursuant to ASC 2018-07 (ASC 2018-07). All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the earlier of the date on which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached because of sufficiently large disincentives for nonperformance.

#### Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

#### Uncertain Tax Positions

In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

#### Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") that are adopted by the Company as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's financial statements upon adoption.

In August 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-13, Fair Value Measurement (Topic 820). The new guidance removes, modifies and adds to certain disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. The update is effective for annual reporting periods, including interim periods, beginning after December 15, 2019. The adoption of the new standard did not have an effect on our financial position, results of operations or cash flows.

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### **ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

In January 2017, the FASB issued ASU No. 2017-04, Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment. The update simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. An entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount, and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, if applicable. The loss recognized should not exceed the total amount of goodwill allocated to the reporting unit. The same impairment test also applies to any reporting unit with a zero or negative carrying amount. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The update is effective for annual reporting periods, including interim periods, beginning after December 15, 2019, on a prospective basis. The adoption of the new standard did not have an effect on our financial position, results of operations or cash flows.

There are no other recently issued accounting pronouncements that the Company has yet to adopt that are expected to have a material effect on its financial position, results of operations, or cash flows.

#### **Note 2 – Going Concern**

As shown in the accompanying financial statements, the Company had \$1,281,818 of negative working capital as of December 31, 2020, has incurred recurring losses from operations resulting in an accumulated deficit of (\$16,132,326) as of December 31, 2020, and its cash on hand may not be sufficient to sustain operations, however, we have received a commitment from ISIAH International, LLC, a company under the control of our CEO, Isiah L. Thomas, III, to fund us with \$3,000,000 by July 12, 2021. As of April 14, 2021, we have received approximately, \$1,250,000. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is actively pursuing new customers to increase revenues. In addition, the Company is currently seeking additional sources of capital to fund short term operations. Management believes these factors will contribute toward achieving profitability. The accompanying financial statements do not

include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. These financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

### **Note 3 –Mergers and Acquisitions**

#### Reverse Merger

On February 21, 2019, One World Pharma, Inc. entered into an Agreement and Plan of Merger with OWP Merger Subsidiary, Inc., our wholly-owned subsidiary, and OWP Ventures, which is the parent company of OWP Colombia. Pursuant to the Merger Agreement, we acquired OWP Ventures (and indirectly, OWP Colombia) by the merger of OWP Merger Subsidiary with and into OWP Ventures, with OWP Ventures being the surviving entity as our wholly-owned subsidiary. As a result of the Merger (a) holders of the outstanding capital stock of OWP Ventures received an aggregate of 39,475,398 shares of our common stock; (b) options to purchase 825,000 shares of common stock of OWP Ventures at an exercise price of \$0.50 automatically converted into options to purchase 825,000 shares of our common stock at an exercise price of \$0.50; (c) the outstanding principal and interest under a \$300,000 convertible note issued by OWP Ventures became convertible, at the option of the holder, into shares of our common stock at a conversion price equal to the lesser of \$0.424 per share or 80% of the price we sell our common stock in a future "Qualified Offering"; (d) 875,000 shares of our common stock owned by OWP Ventures prior to the Merger were cancelled; and (e) OWP Ventures' chief operating officer became our chief operating officer and two of OWP Ventures' directors became members of our board of directors.

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## **ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

#### Acquisition

On December 6, 2019, the Company, through its wholly-owned subsidiary OWP Ventures, Inc., acquired 51% of the outstanding shares of capital stock (the "Shares") of Colombian Hope, S.A.S., then known as Colcannapy S.A.S., a Colombian company ("Colombian Hope"), for a purchase price of US\$102,000, pursuant to a Share Purchase Agreement (the "Purchase Agreement") among OWP Ventures, Inc. and Colombian Hope's shareholders. Colombian Hope is the holder of a Colombian seed license and 23 registered Colombian cultivars.

Concurrently, with the Company's acquisition of the Shares, Federación Colombiana de Consejos Regionales ("Fedecoré") was supposed to have purchased the remaining 49% of Colombian Hope's outstanding shares of capital stock from Colombian Hope's shareholders, so that the Company and Fedecoré would be the only shareholders of Colombian Hope. However, Fedecoré, a non-profit Colombian entity, was unable to acquire such shares, which were then acquired by OWP Ventures, Inc., resulting in 100% ownership. No assets or liabilities were acquired pursuant to the acquisition, resulting in \$102,000 of goodwill that was impaired and expensed on December 31, 2019 due to the lack of current operations. To date, Colombian Hope has not incurred any income or expenses.

### **Note 4 – Related Party Transactions**

#### Advances and Repayment to former CEO

As described further in Note 13 below, on various dates between May 3, 2018 and November 23, 2018, our then CEO advanced us short-term unsecured demand loans, bearing interest at 6% per annum, in an aggregate amount of \$514,141, which was repaid on various dates from March of 2019 through May of 2019, including \$200,000 of such principal paid by the issuance of 400,000 shares of common stock.

On February 13, 2019, the remaining outstanding obligations under these advances were exchanged for an amended and restated promissory note in the principal amount of \$307,141 that bore interest at 6% and was payable upon the earlier of (i) a public or private offering of our equity securities, resulting in gross proceeds of at least \$5,000,000, or (ii) February 13, 2022. All indebtedness outstanding under this note, consisting of \$307,141 of principal and \$13,791 of interest, was repaid in full during the year ended December 31, 2019, with \$200,000 of such principal paid by the issuance of 400,000 shares of common stock to the CEO, as described below.

#### Notes Payable, CEO

On December 16, 2020, the Company received an advance of \$125,000 from our CEO, Isiah Thomas, III pursuant to an unsecured promissory note due on demand that carried a 6% interest rate.

On October 28, 2020, the Company received an advance of \$50,000 from our CEO, Isiah Thomas, III pursuant to an unsecured promissory note due on demand that carried a 6% interest rate.

#### Notes Payable, Chairman

On September 14, 2020, the Company received an advance of \$26,000 from our Chairman, Dr. Kenneth Perego, II, M.D. pursuant to an unsecured promissory note due on demand that carried a 6% interest rate. The advance was repaid by the Company on March 31, 2021.

On April 2, 2020, the Company received an advance of \$6,000 from MCKP Investments LLC, a Company principally owned by the Company's Chairman of the Board, Dr. Kenneth Perego, II, on an unsecured promissory note due on demand that carries a 6% interest rate. On July 2, 2020, the debt was repaid in full, including \$90 of interest.

On November 14, 2019, the Company received an advance of \$50,000 from MCKP Investments LLC, pursuant to an unsecured promissory note due on demand that carries a 6% interest rate. On July 2, 2020, the debt was repaid in full, including \$1,882 of interest.

On November 14, 2019, the Company received an additional advance of \$80,000 from MCKP Investments LLC, pursuant to an unsecured promissory note due on demand that carries a 6% interest rate. On July 2, 2020, the debt was repaid in full, including \$3,011 of interest.

#### Common Stock Issued for Services

On December 31, 2020, the Company awarded 750,000 shares of common stock to the Company's Chairman of the Board, Dr. Ken Perego,

for services provided. The aggregate fair value of the common stock was \$90,000 based on the closing price of the Company's common stock on the date of grant.

On December 31, 2020, the Company awarded 750,000 shares of common stock to the Company's Interim Chief Financial Officer/Director, Bruce Raben, for services provided. The aggregate fair value of the common stock was \$90,000 based on the closing price of the Company's common stock on the date of grant.

On June 3, 2020, the Company awarded 500,000 shares of common stock to the Company's Chief Executive Officer, Isiah L. Thomas III, as a signing bonus. The aggregate fair value of the common stock was \$275,000 based on the closing price of the Company's common stock on the date of grant.

On June 3, 2020, the Company awarded 2,000,000 shares of common stock to the Company's former Chief Executive Officer, Craig Ellins, pursuant to a Separation Agreement. The aggregate fair value of the common stock was \$1,100,000 based on the closing price of the Company's common stock on the date of grant.

On May 31, 2020, the Company awarded 350,000 shares of common stock to the Company's Chairman of the Board, Dr. Ken Perego, for services provided. The aggregate fair value of the common stock was \$196,000 based on the closing price of the Company's common stock on the date of grant.

#### Common Stock Sale

On September 4, 2019, the Company sold 400,000 shares of common stock at a price of \$0.50 per share for \$200,000 to the Company's CEO in which the consideration for such shares was paid by the cancellation of \$200,000 of outstanding indebtedness owed to the CEO under the Amended Note, in lieu of cash payment.

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## **ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

#### Common Stock Options Issued for Services

On June 3, 2020, the Company awarded options to purchase 5,500,000 shares of the Company's Common Stock at an exercise price equal to \$0.55 per share to Isiah L. Thomas III, the Company's Chief Executive Officer and Vice Chairman. The options were issued outside of the Company's 2019 Plan and are exercisable over a ten year period. The options vest as to 1,500,000 shares immediately, as to 1,000,000 shares 120 days following the issuance of the option (the "Second Vesting Date"), and as to the remaining 3,000,000 shares vesting quarterly over the three years following the Second Vesting Date. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 301% and a call option value of \$0.5499, was \$3,024,689. The options were being expensed over the vesting period, resulting in \$1,206,933 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On May 31, 2020, the Company awarded options to purchase 350,000 shares of the Company's Common Stock at an exercise price equal to \$0.56 per share to the Company's Chairman of the Board, Dr. Ken Perego. The options vest as to 116,667 shares immediately, with the remaining 233,333 shares vesting quarterly over the following two years, beginning October 1, 2020. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 302% and a call option value of \$0.5599, was \$195,959. The options were being expensed over the vesting period, resulting in \$102,056 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On May 31, 2020, the Company awarded options to purchase 350,000 shares of the Company's Common Stock at an exercise price equal to \$0.56 per share to Bruce Raben, the Company's Interim Chief Financial Officer and a Director of the Company. The options vest as to 116,667 shares immediately, with the remaining 233,333 shares vesting quarterly over the following two years, beginning October 1, 2020. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 302% and a call option value of \$0.5599, was \$195,959. The options were being expensed over the vesting period, resulting in \$102,056 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

#### **Note 5 – Fair Value of Financial Instruments**

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

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

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

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The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balances sheet as of December 31, 2020 and 2019:

	Fair Value Measurements at December 31, 2020		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash	\$ 28,920	\$ -	\$ -
Right-of-use-asset	-	-	195,029
Total assets	28,920	-	195,029
<b>Liabilities</b>			
Lease liabilities	-	-	201,525
Notes payable	-	334,841	-
Total liabilities	-	(334,841)	(201,525)
	\$ 28,920	\$ (334,841)	\$ (6,496)

	Fair Value Measurements at December 31, 2019		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash	\$ 282,380	\$ -	\$ -
Right-of-use-asset	-	-	502,706
Total assets	282,380	-	502,706
<b>Liabilities</b>			
Lease liabilities	-	-	508,352
Convertible notes payable	-	-	507,332
Notes payable	-	130,000	-
Total liabilities	-	(130,000)	(1,015,684)
	\$ 282,380	\$ (130,000)	\$ (512,978)

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the years ended December 31, 2020 or 2019.

#### Note 6 – Inventory

Inventories are stated at the lower of cost or market. Cost is determined on a standard cost basis that approximates the first-in, first-out (FIFO) method. Market is determined based on net realizable value. Work in progress includes an allocation of overhead. Appropriate consideration is given to obsolescence, excessive levels, deterioration, and other factors in evaluating net realizable value. Our cannabis products consist of cannabis flower grown in-house, along with produced extracts. Inventory consisted of the following at December 31, 2020 and 2019, respectively.

	December 31, 2020	December 31, 2019
Raw materials	\$ 27,514	\$ 24,682
Work in progress	181,272	-
Finished goods	104,673	-
	313,459	24,682
Less obsolescence	(46,307)	-
Total inventory	\$ 267,152	\$ 24,682

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### ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 7 – Other Current Assets

Other current assets included the following as of December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
VAT tax receivable	\$ 99,199	\$ 54,814
Prepaid expenses	19,226	132,338
Other receivables	486	79,954
Total	\$ 118,911	\$ 267,106

#### Note 8 – Security Deposits

Security deposits included the following as of December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
Utility deposits	\$ 660	\$ -
Refundable deposit on equipment purchase	50,000	50,000
Security deposits on leases held in Colombia	9,960	18,033
Security deposit on office lease	4,494	4,494
	\$ 65,114	\$ 72,527

#### Note 9 – Fixed Assets

Fixed assets consist of the following at December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
Land	\$ 138,248	\$ 138,248
Buildings	41,665	-
Office equipment	44,027	44,027
Furniture and fixtures	27,914	27,914
Equipment and machinery	185,169	174,072
Construction in progress	345,036	335,231
	<u>782,059</u>	<u>719,492</u>
Less: accumulated depreciation	(55,239)	(21,629)
Total	<u>\$ 726,820</u>	<u>\$ 697,863</u>

Construction in progress consists of equipment and capital improvements on the Popayán farm that have not yet been placed in service.

Depreciation and amortization expense totaled \$33,610 and \$19,668 for the years ended December 31, 2020 and 2019, respectively.

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**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 10 – Accrued Expenses**

Accrued expenses consisted of the following at December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
Accrued payroll	\$ 266,230	\$ 67,479
Accrued withholding taxes and employee benefits	18,889	14,386
Accrued ICA fees and contributions	200,335	1,912
Accrued interest	65,081	25,888
	<u>\$ 550,535</u>	<u>\$ 109,665</u>

**Note 11 – Leases**

The Company's corporate offices and operational facility in Colombia under short-term non-cancelable real property lease agreements that expire within a year. The Company doesn't have any other office or equipment leases subject to the recently adopted ASU 2016-02. In the locations in which it is economically feasible to continue to operate, management expects that lease options will be exercised. The Company's corporate office is under a real property lease that contains a one-time renewal option for an additional 36 months that we determined would be reasonably certain to be extended. The office lease contains provisions requiring payment of property taxes, utilities, insurance, maintenance and other occupancy costs applicable to the leased premise. As the Company's leases do not provide an implicit discount rate, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The components of lease expense were as follows:

	For the Year Ended December 31, 2020
Operating lease cost:	
Amortization of assets	\$ 43,144
Interest on lease liabilities	15,114
Total lease cost	<u>\$ 58,258</u>

Supplemental balance sheet information related to leases was as follows:

	December 31, 2020
<b>Operating leases:</b>	
Operating lease assets	\$ 195,029
Current portion of operating lease liabilities	\$ 45,271
Noncurrent operating lease liabilities	156,254
Total operating lease liabilities	<u>\$ 201,525</u>
Weighted average remaining lease term:	
Operating leases	3.83 years
Weighted average discount rate:	
Operating leases	6.75%

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Supplemental cash flow and other information related to leases was as follows:

	For the Year Ended December 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows used for operating leases	\$ 306,827

Future minimum annual lease commitments under non-cancelable operating leases are as follows at December 31, 2020:

	Operating Leases
2021	\$ 57,498
2022	59,223
2023	61,000
2024	52,098
Total minimum lease payments	229,819
Less interest	28,294
Present value of lease liabilities	201,525
Less current portion	45,271
Long-term lease liabilities	\$ 156,254

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**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 12 – Convertible Note Payable**

Convertible note payable consists of the following at December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
On November 30, 2018, the Company received proceeds of \$300,000 on a secured convertible note that carries a 6% interest rate from CSW Ventures, LP ("CSW"). The proceeds were used to fund the Company's purchase of 875,000 shares of common stock, on a 1:4 split adjusted basis, of One World Pharma, Inc. The Note was due on demand. In the event that the Company consummated the closing of a public or private offering of its equity securities, resulting in gross proceeds of at least \$500,000 ("Qualified Financing") at any time prior to the repayment of this note, then the outstanding principal and unpaid interest could have been, at the option of the holder, converted into such equity securities at a conversion price equal to eighty percent (80%) of the purchase price paid by the investors purchasing the equity securities in the Qualified Financing. A Qualified Financing subsequently occurred on February 4, 2019, at which time the convertible note became convertible at a fixed conversion price of \$0.40 per share. The Company's obligations under this Note were secured by a lien on the assets of the Company. On September 14, 2020, the principal was repaid by the issuance of 30,000 shares of Series A Convertible Preferred Stock to CSW in satisfaction of obligation to repay such principal.	\$ -	\$ 300,000
On January 14, 2019, the Company received proceeds of \$500,000 on an unsecured convertible promissory note that carries a 6% interest rate from The Sanguine Group LLC. The Note was due January 14, 2022. In the event that the Company consummated the closing of a public or private offering of its equity securities, resulting in gross proceeds of at least \$500,000 ("Qualified Financing") at any time prior to the repayment of this note, then the outstanding principal and unpaid interest would automatically be converted into such equity securities at a conversion price equal to the lesser of (i) eighty percent (80%) of the purchase price paid by the investors purchasing the equity securities in the Qualified Financing, or (ii) \$0.424 per share. The Company's obligations under this Note were secured by a lien on the assets of the Company. A Qualified Financing subsequently occurred on February 4, 2019, at which time the principal and interest were converted into 1,253,493 shares of the Company's common stock.	-	-
On July 22, 2019, a total of \$207,332, consisting of \$200,000 of principal and \$7,332 of unpaid interest, on two outstanding demand notes owed to CSW that originated on November 26, 2018 and December 26, 2018, were exchanged for a convertible promissory note in the principal amount of \$207,332, due on demand (the "Second Convertible CSW Note"). The Second Convertible CSW Note carried interest at 6% per annum and was convertible at the option of the holder into shares of common stock at a price of \$0.50 per share. On September 14, 2020, the principal was repaid with \$207,332 of such principal paid by the issuance of 20,733 shares of Series A Convertible Preferred Stock to CSW.	-	207,332
Less: unamortized debt discounts	-	-
Convertible note payable	\$ -	\$ 507,332

In addition, the Company recognized and measured the embedded beneficial conversion feature present in the convertible notes by allocating a portion of the proceeds equal to the intrinsic value of the feature to additional paid-in-capital. The intrinsic value of the feature was calculated on the commitment date using the effective conversion price of the convertible notes. This intrinsic value is limited to the portion of the proceeds allocated to the convertible debt.

The aforementioned accounting treatment resulted in a total debt discounts equal to \$332,332, for the year ended December 31, 2019. The Company recorded finance expense in the amount of \$332,332 for the year ended December 31, 2019.

The convertible note limits the maximum number of shares that can be owned by the note holder as a result of the conversions to common stock to 4.99% of the Company's issued and outstanding shares.

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**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The Company recorded interest expense pursuant to the stated interest rates on the convertible notes in the amount of \$21,516 and \$24,751 for the years ended December 31, 2020 and 2019, respectively. In addition, the Company recognized \$332,332 of interest expense related to the debt discount for the year ended December 31, 2019.

**Note 13 – Advances from Shareholders**

Advances from shareholders consist of the following at December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
On various dates between May 3, 2018 and November 23, 2018, our former CEO advanced short-term unsecured demand loans, bearing interest at 6% per annum, of an aggregate \$514,141 to the Company, as follows:		
\$ 10,000 – May 3, 2018		
\$100,000 – May 3, 2018		
\$ 82,000 – May 14, 2018		
\$ 15,000 – May 29, 2018		
\$ 57,141 – October 25, 2018		
\$100,000 – October 30, 2018		
\$ 50,000 – November 9, 2018		
\$ 50,000 – November 21, 2018		
\$ 50,000 – November 23, 2018		
A total of \$207,000, of the \$514,141 of advances, was repaid over various dates from March of 2019 through May of 2019. On February 13, 2019, the remaining \$307,141 of the advances from our former CEO received from October 25, 2018 to November 23, 2018, as shown above, were exchanged for an amended and restated promissory note in the principal amount of \$307,141 (the "Amended Note"). The Amended Note bore interest at 6% and was payable upon the earlier of (i) a public or private offering of our equity securities, resulting in gross proceeds of at least \$5,000,000, or (ii) February 13, 2022. All indebtedness outstanding under the Amended Note, consisting of \$307,141 of principal and \$13,791 of interest, was repaid in full during September 2019, with \$200,000 of such principal paid by the issuance of 400,000 shares of common stock as described in Note 4 above.	\$ -	\$ -

The Company recorded interest expense in the amount of \$-0- and \$16,053 for the years ended December 31, 2020 and 2019, respectively.

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**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 14 – Notes Payable**

Notes payable consists of the following at December 31, 2020 and 2019, respectively:

	December 31, 2020	December 31, 2019
On February 3, 2020, the Company, through its wholly-owned subsidiary, One World Pharma SAS, received an advance of 100,000,000 COP, or \$29,134 USD, from an individual pursuant to an unsecured promissory note due on demand that carried a 6% interest rate. The Company repaid 50,000,000 COP, or \$14,567 USD, during the year ended December 31, 2020.	\$ 14,567	\$ -
On December 16, 2020, the Company received an advance of \$125,000 from our CEO, Isiah Thomas, III pursuant to an unsecured promissory note due on demand that carried a 6% interest rate.	125,000	-
On October 28, 2020, the Company received an advance of \$50,000 from our CEO, Isiah Thomas, III pursuant to an unsecured promissory note due on demand that carried a 6% interest rate.	50,000	-
On September 14, 2020, the Company received an advance of \$26,000 from our Chairman, Dr. Kenneth Perego, II, M.D. pursuant to an unsecured promissory note due on demand that carried a 6% interest rate. The advance was repaid by the Company on March 31, 2021.	26,000	-

On May 4, 2020, the Company received an advance of \$20,000 from Woodman Management pursuant to an unsecured promissory note due on demand that carried a 6% interest rate. The advance was repaid by the Company on May 14, 2020.	-	-
On various dates between January 29, 2020 and March 31, 2020, the Company received advances from CSW Ventures, LP aggregating of \$116,000, pursuant to unsecured promissory notes due on demand that carry a 6% interest rate, as follows:		
\$25,000 – January 29, 2020		
\$25,000 – February 13, 2020		
\$15,000 – February 26, 2020		
\$15,000 – March 11, 2020		
\$ 6,000 – March 31, 2020		
\$10,000 – August 17, 2020		
\$20,000 – August 20, 2020		
On September 14, 2020, the principal was repaid with \$116,000 of such principal paid by the issuance of 11,600 shares of Series A Convertible Preferred Stock to CSW.	-	-
On May 4, 2020, the Company, through its wholly-owned subsidiary OWP Ventures, Inc., borrowed \$119,274 from Customers Bank (“Lender”), pursuant to a Promissory Note issued by OWP Ventures to Lender (the “PPP Note”). The loan was made pursuant to the Payroll Protection Program established as part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The PPP Note bears interest at 1.00% per annum, payable monthly beginning December 4, 2020, and is due on May 4, 2022. The PPP Note may be repaid at any time without penalty.		
Under the Payroll Protection Program, the Company will be eligible for loan forgiveness up to the full amount of the PPP Note and any accrued interest. The forgiveness amount will be equal to the amount that the Company spends during the 24-week period beginning May 4, 2020 on payroll costs, payment of rent on any leases in force prior to February 15, 2020 and payment on any utility for which service began before February 15, 2020. The maximum amount of loan forgiveness for non-payroll expenses is 40% of the amount of the PPP Note. No assurance is provided that the Company will obtain forgiveness of the PPP Note in whole or in part.		
The PPP Note contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in a claim for the immediate repayment of all amounts outstanding under the PPP Note.	119,274	-
On April 2, 2020, the Company received an advance of \$6,000 from MCKP Investments LLC, a Company principally owned by the Company’s Chairman of the Board, Dr. Kenneth Perego, II, on an unsecured promissory note due on demand that carries a 6% interest rate. On July 2, 2020, the debt was repaid in full, including \$90 of interest.	-	-
On November 14, 2019, the Company received an advance of \$50,000 from MCKP Investments LLC, pursuant to an unsecured promissory note due on demand that carries a 6% interest rate. On July 2, 2020, the debt was repaid in full, including \$1,882 of interest.	-	50,000
On November 14, 2019, the Company received an additional advance of \$80,000 from MCKP Investments LLC, pursuant to an unsecured promissory note due on demand that carries a 6% interest rate. On July 2, 2020, the debt was repaid in full, including \$3,011 of interest.	-	80,000
<b>Total notes payable</b>	<b>\$ 334,841</b>	<b>\$ 130,000</b>

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**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The Company recorded interest expense in the amount of \$9,734 and \$7,679 for the years ended December 31, 2020 and 2019, respectively, including \$1,296 of interest payable to officers and directors.

The Company recognized interest expense for the year ended December 31, 2020 and 2019, respectively, as follows:

	December 31, 2020	December 31, 2019
Interest on convertible notes	\$ 21,516	\$ 24,751
Interest on advances from shareholders	-	16,053
Interest on notes payable	9,734	7,679
Amortization of beneficial conversion features	-	332,332
Interest on accounts payable	16,342	1,767
<b>Total interest expense</b>	<b>\$ 47,592</b>	<b>\$ 382,582</b>

**Note 15 – Stockholders’ Equity**

Reverse Stock Split

On January 10, 2019, the Company effected a 1-for-4 reverse stock split (the “Reverse Stock Split”). No fractional shares were issued, and no cash or other consideration was paid in connection with the Reverse Stock Split. Instead, the Company issued one whole share of the post-

Reverse Stock Split common stock to any stockholder who otherwise would have received a fractional share as a result of the Reverse Stock Split. The Company's authorized shares of common stock prior to the Reverse Stock Split were unaffected. The Reverse Stock Split also did not have any effect on the stated par value of the common stock. Unless otherwise stated, all share and per share information in this Annual Report on Form 10-K has been retroactively adjusted to reflect the Reverse Stock Split.

**ONE WORLD PHARMA, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Preferred Stock

The Company has 10,000,000 authorized shares of \$0.001 par value "blank check" preferred stock, of which 500,000 shares have been designated Series A Preferred Stock and 300,000 shares have been designated Series B Preferred Stock, subject to anti-dilution provisions. Each share of Series A Preferred Stock is currently convertible into one hundred (100) shares of the Company's common stock. The Series A Preferred Stock accrues dividends at the rate of 6% per annum, payable annually in cash or additional shares of Series A Preferred Stock, at the Company's election. As of December 31, 2020, there were 150,233 shares of Series A Preferred Stock issued and outstanding. No Series B Preferred Stock were outstanding as of December 31, 2020. The Series A Preferred Stock is presented as mezzanine equity on the balance sheet due to it carrying a stated value of \$10 per share and a deemed liquidation clause, which entitles the holder to receive, before and in preference to any distribution or payment of assets of the Corporation or the proceeds thereof may be made or set apart for the holders of junior securities an amount in cash equal to the stated value per share, plus an amount equal to any accrued and unpaid dividends. Each share of Preferred Stock carries a number of votes equal to the number of shares of common stock into which such Preferred Stock may then be converted. The Preferred Stock generally will vote together with the common stock and not as a separate class.

The Series A Convertible Preferred Stock has been classified outside of permanent equity and liabilities since it embodies a conditional obligation that the Company may settle by issuing a variable number of equity shares and the monetary value of the obligation is based on a fixed monetary amount known at inception.

Series A Preferred Stock Sales

On various dates between April 14, 2020 and October 28, 2020, the Company received total proceeds of \$1,502,330 from the sale of 150,233 units, consisting in the aggregate of 150,233 shares of Series A Preferred Stock and five-year warrants to purchase 7,511,650 shares of common stock at an exercise price of \$0.25 per share to twenty-two accredited investors. The proceeds received were allocated between the Series A Preferred Stock and warrants on a relative fair value basis.

Series A Preferred Stock Dividends

The Series A Preferred Stock accrues dividends at the rate of 6% per annum, payable annually in cash or additional shares of Series A Preferred Stock, at the Company's election. A total of \$37,236 of dividends were payable as of December 31, 2020.

Common Stock

The Company is authorized to issue an aggregate of 300,000,000 shares of common stock with a par value of \$0.001. As of December 31, 2020, there were 53,085,305 shares of common stock issued and outstanding.

Common Stock Sales, 2020

On November 27, 2020, the Company sold an aggregate of 750,000 shares of common stock at a price of \$0.10 per share for total cash proceeds of \$75,000. The shares were subsequently issued on March 1, 2021. Prior to the issuance, the fair value of the shares was reflected on the Company's balance sheet as subscriptions payable.

Common Stock Issued on Subscriptions Payable, 2020

On January 6, 2020, the Company issued 500,000 shares of common stock that were purchased on December 31, 2019 at \$0.50 per share for proceeds of \$25,000. Prior to the issuance, the purchase price was reflected on the Company's balance sheet as subscriptions payable.

Common Stock Issued for Services, Employees and Consultants, 2020

On December 31, 2020, the Company awarded 100,000 shares of common stock to a consultant for services performed. The aggregate fair value of the common stock was \$12,000 based on the closing price of the Company's common stock on the date of grant.

On September 21, 2020, the Company awarded 250,000 shares of common stock to a consultant for services performed. The aggregate fair value of the common stock was \$45,000 based on the closing price of the Company's common stock on the date of grant.

On July 1, 2020, the Company awarded an aggregate of 875,000 shares of common stock to four employees and consultants for services provided. The aggregate fair value of the common stock was \$332,500 based on the closing price of the Company's common stock on the date of grant.

On June 3, 2020, the Company awarded 200,000 shares of common stock to a consultant for services performed. The aggregate fair value of the common stock was \$120,000 based on the closing price of the Company's common stock on the date of grant.

On various dates between January 4, 2020 and May 31, 2020, the Company awarded an aggregate of 2,006,000 shares of common stock to ten employees and consultants for services provided. The aggregate fair value of the common stock was \$1,318,000 based on the closing price of the Company's common stock on the date of grant.

**ONE WORLD PHARMA, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Common Stock Issued for Services, Officers and Directors, 2020

On December 31, 2020, the Company awarded 750,000 shares of common stock to the Company's Chairman of the Board, Dr. Ken Perego, for services provided. The aggregate fair value of the common stock was \$90,000 based on the closing price of the Company's common stock on the date of grant.

On December 31, 2020, the Company awarded 750,000 shares of common stock to the Company's Interim Chief Financial Officer/Director, Bruce Raben, for services provided. The aggregate fair value of the common stock was \$90,000 based on the closing price of the Company's common stock on the date of grant.

On June 3, 2020, the Company awarded 500,000 shares of common stock to the Company's Chief Executive Officer, Isiah L. Thomas III, as a signing bonus. The aggregate fair value of the common stock was \$275,000 based on the closing price of the Company's common stock on the date of grant.

On June 3, 2020, the Company awarded 2,000,000 shares of common stock to the Company's former Chief Executive Officer, Craig Ellins, pursuant to a Separation Agreement. The aggregate fair value of the common stock was \$1,100,000 based on the closing price of the Company's common stock on the date of grant.

On May 31, 2020, the Company awarded 350,000 shares of common stock to the Company's Chairman of the Board, Dr. Ken Perego, for services provided. The aggregate fair value of the common stock was \$196,000 based on the closing price of the Company's common stock on the date of grant.

#### Common Stock Issued for Share Exchange, 2019

On February 21, 2019, One World Pharma acquired OWP Ventures in the Merger. As a result of the Merger (a) holders of the outstanding capital stock of OWP Ventures received an aggregate of 39,475,398 shares of our common stock; (b) the options described above to purchase 825,000 shares of common stock of OWP Ventures at an exercise price of \$0.50 automatically converted into options to purchase 825,000 shares of our common stock at an exercise price of \$0.50; (c) the outstanding principal and interest under a \$300,000 convertible note issued by OWP Ventures became convertible, at the option of the holder, into shares of our common stock at a conversion price equal to the lesser of \$0.424 per share or 80% of the price we sell our common stock in a future "Qualified Offering"; and (d) 875,000 shares of our common stock owned by OWP Ventures prior to the Merger were cancelled.

#### Common Stock Sales, 2019

On various dates between July 18, 2019 and December 18, 2019, the Company sold an aggregate of 4,360,700 shares of common stock at a price of \$0.50 per share for total cash proceeds of \$2,430,350, and 400,000 shares purchased by the Company's CEO in which the consideration for such shares was paid by the cancellation of \$200,000 of outstanding indebtedness owed to the CEO under a promissory note, in lieu of cash payment.

On various dates between January 3, 2019 and February 19, 2019, the Company sold an aggregate 3,900,000 shares of common stock of OWP Ventures at \$0.50 per share for total proceeds of \$1,950,000.

#### Common Stock Issued on Subscriptions Payable, 2019

On December 31, 2019 we sold 500,000 shares of common stock at a price of \$0.50 per share for total cash proceeds of \$250,000. The shares were subsequently issued on January 6, 2020, and the Company recognized a subscriptions payable of \$250,000 at December 31, 2019.

#### Common Stock Issued for Debt Conversion, 2019

On February 4, 2019, a total of 1,253,493 shares of common stock of OWP Ventures were issued pursuant to the conversion of \$501,397 of convertible debt owed to The Sanguine Group LLC, consisting of \$500,000 of principal and \$1,397 of interest.

#### Common Stock Options Exercised, 2019

On August 28, 2019, a total of 51,040 shares of common stock were issued upon exercise on a cashless basis of options to purchase 58,331 shares of common stock at a price \$0.50 per share.

#### Common Stock Issued for Services, Consultants, 2019

On February 18, 2019, the Company issued 30,000 shares of common stock of OWP Ventures to a consultant for services. The total fair value of the common stock was \$15,000 based recent independent third-party sales at \$0.50 per share.

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### **ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

On various dates between September 4, 2019 and December 4, 2019, the Company awarded an investor relations firm an aggregate 69,666 shares of common stock for services provided. The aggregate fair value of the common stock was \$221,560 based on the closing price of the Company's common stock on the date of grant, and was expensed during the current period.

#### Adjustments to Additional Paid-In Capital, 2019

Pursuant to the purchase of 66.2% of the outstanding common stock of One World Pharma, Inc for \$350,000 on November 30, 2018, the Company realized goodwill of \$349,420 on the consideration paid in excess of the net fair value of assets and liabilities assumed, which has been recognized as contributed capital due to the subsequent reverse merger between the two entities on February 21, 2019.

#### **Note 16 – Common Stock Options**

##### Stock Incentive Plan

On February 12, 2020, the Company's stockholders approved our 2019 Stock Incentive Plan (the "2019 Plan"), which had been adopted by the Company's Board of Directors (the "Board") as of December 10, 2019. The 2019 Plan provides for the issuance of up to 10,000,000 shares of

common stock to the Company and its subsidiaries' employees, officers, directors, consultants and advisors, stock options (non-statutory and incentive), restricted stock awards, stock appreciation rights ("SARs"), restricted stock units ("RSUs") and other performance stock awards. Options granted under the 2019 Plan may either be intended to qualify as incentive stock options under the Internal Revenue Code of 1986, or may be non-qualified options, and are exercisable over periods not exceeding ten years from date of grant. Unless sooner terminated in accordance with its terms, the Stock Plan will terminate on December 10, 2029.

#### Common Stock Options Issued for Services, 2020

On December 31, 2020, the Company awarded options to purchase 250,000 shares of the Company's Common Stock at an exercise price equal to \$0.13 per share to a consultant. The options vest in equal quarterly installments over the following year. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 192% and a call option value of \$0.1170, was \$29,245. The options are being expensed over the vesting period. As of December 31, 2020, a total of \$29,245 of unamortized expenses are expected to be expensed over the vesting period.

On December 31, 2020, the Company awarded options to purchase 125,000 shares of the Company's Common Stock at an exercise price equal to \$0.13 per share to a consultant. The options vest in equal quarterly installments over the following year. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 192% and a call option value of \$0.1170, was \$14,622. The options are being expensed over the vesting period. As of December 31, 2020, a total of \$14,622 of unamortized expenses are expected to be expensed over the vesting period.

On December 31, 2020, the Company awarded options to purchase 50,000 shares of the Company's Common Stock at an exercise price equal to \$0.13 per share to a consultant. The options vest in equal quarterly installments over the following year. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 192% and a call option value of \$0.1170, was \$5,849. The options are being expensed over the vesting period. As of December 31, 2020, a total of \$5,849 of unamortized expenses are expected to be expensed over the vesting period.

On July 1, 2020, the Company awarded options to purchase 125,000 shares of the Company's Common Stock at an exercise price equal to \$0.38 per share to a consultant. The options are exercisable over a ten year period. The options vested quarterly over six months. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 303% and a call option value of \$0.3798, was \$47,476. The options were expensed over the vesting period, resulting in \$47,476 of stock-based compensation expense during the year ended December 31, 2020.

On July 1, 2020, the Company awarded options to purchase 1,000,000 shares of the Company's Common Stock at an exercise price equal to \$0.38 per share to a consultant. The options were exercisable over a ten year period. The options will vest quarterly over three years. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 303% and a call option value of \$0.38, was \$379,958. The options were being expensed over the vesting period, resulting in \$63,326 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On July 1, 2020, the Company awarded options to purchase 125,000 shares of the Company's Common Stock at an exercise price equal to \$0.38 per share to a consultant for Advisory Board services. The options are exercisable over a ten year period. The options will vest quarterly over one year. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 303% and a call option value of \$0.3799, was \$47,482. The options are being expensed over the vesting period, resulting in \$23,742 of stock-based compensation expense during the year ended December 31, 2020. As of December 31, 2020, a total of \$23,740 of unamortized expenses are expected to be expensed over the vesting period.

### **ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

On June 3, 2020, the Company awarded options to purchase 5,500,000 shares of the Company's Common Stock at an exercise price equal to \$0.55 per share to Isiah L. Thomas III, the Company's Chief Executive Officer and Vice Chairman. The options were issued outside of the Company's 2019 Plan and are exercisable over a ten year period. The options vest as to 1,500,000 shares immediately, as to 1,000,000 shares 120 days following the issuance of the option (the "Second Vesting Date"), and as to the remaining 3,000,000 shares vesting quarterly over the three years following the Second Vesting Date. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 301% and a call option value of \$0.5499, was \$3,024,689. The options were being expensed over the vesting period, resulting in \$1,206,933 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On May 31, 2020, the Company awarded options to purchase 350,000 shares of the Company's Common Stock at an exercise price equal to \$0.56 per share to the Company's Chairman of the Board, Dr. Ken Perego. The options vest as to 116,667 shares immediately, with the remaining 233,333 shares vesting quarterly over the following two years, beginning October 1, 2020. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 302% and a call option value of \$0.5599, was \$195,959. The options were being expensed over the vesting period, resulting in \$102,056 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On May 31, 2020, the Company awarded options to purchase 350,000 shares of the Company's Common Stock at an exercise price equal to \$0.56 per share to Bruce Raben, the Company's Interim Chief Financial Officer and a Director of the Company. The options vest as to 116,667 shares immediately, with the remaining 233,333 shares vesting quarterly over the following two years, beginning October 1, 2020. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 302% and a call option value of \$0.5599, was \$195,959. The options were being expensed over the vesting period, resulting in \$102,056 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On May 31, 2020, the Company awarded options to purchase an aggregate 1,900,000 shares of the Company's Common Stock at an exercise price equal to \$0.56 per share to six consultants and employees. The options vest as to 633,333 shares immediately, with the remaining 1,266,667 shares vesting quarterly over the following three years, beginning October 1, 2020. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 302% and a call option value of \$0.5599, was \$1,063,879. The options were being expensed over the vesting period, resulting in \$458,058 of stock-based compensation expense during the year ended December 31, 2020. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On May 31, 2020, the Company awarded options to purchase an aggregate 100,000 shares of the Company's Common Stock at an exercise price equal to \$0.56 per share to two consultants. The options vest as to 33,333 shares immediately, with the remaining 66,667 shares vesting

quarterly over the following three years, beginning October 1, 2020. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 302% and a call option value of \$0.5599, was \$55,994. The options are being expensed over the vesting period, resulting in \$25,760 of stock-based compensation expense during the year ended December 31, 2020. As of December 31, 2020, a total of \$30,234 of unamortized expenses are expected to be expensed over the vesting period. On December 31, 2020, the options were voluntarily surrendered and cancelled.

Common Stock Options Issued for Services, 2019

On February 8, 2019, the Company awarded cashless options to a service provider to acquire up to 100,000 shares of common stock, exercisable at \$0.50 per share over a thirty-six (36) month period from the origination date. The options vest as to (i) 8,333 shares on the 8<sup>th</sup> day of each subsequent month for the following eleven months, and (ii) 8,337 shares on the one-year anniversary of the effective date. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 105% and a call option value of \$2.3658, was \$236,582. The options were expensed over the vesting period, resulting in \$25,279 and \$211,303 of stock-based compensation expense during the years ended December 31, 2020 and 2019, respectively. On December 31, 2020, the options were voluntarily surrendered and cancelled.

On February 8, 2019, the Company awarded cashless options to one of our directors to acquire up to 125,000 shares of common stock, exercisable at \$0.50 per share over a thirty-six (36) month period from the origination date. The options vest as to (i) 10,416 shares on the 8<sup>th</sup> day of each subsequent month for the following eleven months, and (ii) 10,424 shares on the one-year anniversary of the effective date. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 105% and a call option value of \$2.3727, was \$296,593. The options were expensed over the vesting period, resulting in \$31,690 and \$264,903 of stock-based compensation expense during the year ended December 31, 2020 and 2019, respectively. On December 31, 2020, the options were voluntarily surrendered and cancelled.

**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

On January 28, 2019, the Company awarded cashless options to a service provider to acquire up to 500,000 shares of common stock, exercisable at \$0.50 per share over a thirty-six (36) month period from the origination date. The options vest as to (i) 41,666 shares on the 8<sup>th</sup> day of each subsequent month for the following eleven months, and (ii) 41,674 shares on the one-year anniversary of the effective date. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 105% and a call option value of \$1.8305, was \$915,230. The options were expensed over the vesting period, resulting in \$70,209 and \$845,021 of stock-based compensation expense during the years ended December 31, 2020 and 2019, respectively.

On January 28, 2019, the Company awarded cashless options to a service provider to acquire up to 100,000 shares of common stock, exercisable at \$0.50 per share over a thirty-six (36) month period from the origination date. The options vest as to (i) 8,333 shares on the 8<sup>th</sup> day of each subsequent month for the following eleven months, and (ii) 8,337 shares on the one-year anniversary of the effective date. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 105% and a call option value of \$1.8381, was \$183,805. The options were expensed over the vesting period, resulting in \$14,100 and \$169,705 of stock-based compensation expense during the years ended December 31, 2020 and 2019, respectively. On December 31, 2020, the options were voluntarily surrendered and cancelled.

Options Exercised, 2019

No options were exercised during the year ended December 31, 2020. On August 28, 2019, a total of 51,040 shares of common stock were issued upon exercise on a cashless basis of options to purchase 58,331 shares of common stock at a price \$0.50 per share. No options were exercised during the year ended December 31, 2020.

The following is a summary of information about the Stock Options outstanding at December 31, 2020.

Range of Exercise Prices	Shares Underlying Options Outstanding			Shares Underlying Options Exercisable	
	Shares Underlying Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares Underlying Options Exercisable	Weighted Average Exercise Price
\$0.13 - \$0.56	1,275,000	6.36 years	\$ 0.36	632,640	\$ 0.49

The following is a summary of activity of outstanding stock options:

	Number of Shares	Weighted Average Exercise Prices
Balance, December 31, 2018	-	\$ -
Options granted	825,000	0.50
Options exercised	(58,331)	(0.50)
Balance, December 31, 2019	766,669	0.50
Options granted	9,875,000	0.51
Options exercised	(9,366,669)	(0.53)
Balance, December 31, 2020	1,275,000	\$ 0.36
Exercisable, December 31, 2020	632,640	\$ 0.49

**ONE WORLD PHARMA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## Note 17 – Common Stock Warrants

Warrants to purchase a total of 7,511,650 shares of common stock were outstanding as of December 31, 2020.

On various dates between April 14, 2020 and October 28, 2020, the Company received total proceeds of \$1,502,330 from the sale of 150,233 units, consisting in the aggregate of 150,233 shares of Series A Preferred Stock and five-year warrants to purchase 7,511,650 shares of common stock at an exercise price of \$0.25 per share to twenty-two accredited investors. The proceeds received were allocated between the Series A Preferred Stock and warrants on a relative fair value basis. The aggregate estimated value of the warrants using the Black-Scholes Pricing Model, based on a weighted average volatility rate of 305% and a weighted average call option value of \$0.2882, was \$2,164,995.

The following is a summary of information about our warrants to purchase common stock outstanding at December 31, 2020.

Shares Underlying Warrants Outstanding				Shares Underlying Warrants Exercisable	
Range of Exercise Prices	Shares Underlying Warrants Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares Underlying Warrants Exercisable	Weighted Average Exercise Price
\$ 0.25	7,511,650	4.59 years	\$ 0.25	7,511,650	\$ 0.25

The fair value of each warrant grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants under the fixed option plan:

	December 31, 2020	December 31, 2019
Average risk-free interest rates	0.30%	N/A
Average expected life (in years)	5.00	N/A
Volatility	305%	N/A

No warrants were issued during the year ended December 31, 2019. The weighted average fair value of warrants granted with exercise prices at the current fair value of the underlying stock during the year ended December 31, 2020 was approximately \$0.25 per warrant.

The following is a summary of activity of outstanding common stock warrants:

	Number of Shares	Weighted Average Exercise Price
Balance, December 31, 2019	-	\$ -
Warrants granted	7,511,650	0.25
Warrants exercised	-	-
Balance, December 31, 2020	7,511,650	\$ 0.25
Exercisable, December 31, 2020	7,511,650	\$ 0.25

### Deemed Dividend Adjustment, Series A Preferred Stock

Per guidance of ASC 260, the Company recorded a deemed dividend of \$1,502,330 related to the 7,511,650 warrants included with the Unit Offerings, consisting of the sale of the Series A Preferred Stock and common stock warrants. The value of the deemed dividend was capped at the fair value of the consideration received for the sale of the Unit Offerings.

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## ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 18 – Commitments and Contingencies

#### Lease Commitment

The Company leases executive office space in Las Vegas, Nevada. In addition, OWP Colombia leases an office and a home in Bogota under leases expiring in less than a year. Our anticipated future lease commitments on a calendar year basis in US dollars, excluding common area maintenance fees, under non-cancelable operating leases are as follows. Amounts of minimum future annual commitments on a calendar year basis in US dollars, excluding common area maintenance fees, under non-cancelable operating leases are as follows:

Year Ending December 31,	Minimum Lease Commitments
2021	\$ 57,498
2022	59,223
2023	61,000
2024	52,098
Total minimum lease payments	229,819
Less interest	28,294
Present value of lease liabilities	201,525

Less current portion	45,271
Long-term lease liabilities	<u>\$ 156,254</u>

Rent expense was \$156,362 and \$136,750 for the years ended December 31, 2020 and 2019, respectively.

#### Legal Contingencies

There are no material pending legal proceedings to which we are a party or to which any of our property is subject, nor are there any such proceedings known to be contemplated by governmental authorities. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

#### **Note 19 - Income Tax**

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the years ended December 31, 2020 and 2019, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2020, the Company had approximately \$5,900,000 of federal net operating losses. The net operating loss carry forwards, if not utilized, will begin to expire in 2025.

The provision (benefit) for income taxes for the years ended December 31, 2020 and 2019 were assuming a 21% effective tax rate. The effective income tax rate for the years ended December 31, 2020 and 2019 consisted of the following:

	December 31,	
	2020	2019
Federal statutory income tax rate	21%	21%
State income taxes	-%	-%
Change in valuation allowance	(21)%	(21)%
Net effective income tax rate	<u>-</u>	<u>-</u>

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### ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The components of the Company's deferred tax asset are as follows:

	December 31,	
	2020	2019
Deferred tax assets:		
Net operating loss carry forwards	\$ 1,239,000	\$ 908,350
Net deferred tax assets before valuation allowance	\$ 1,239,000	\$ 908,350
Less: Valuation allowance	(1,239,000)	(908,350)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

Based on the available objective evidence, including the Company's history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2020 and 2019, respectively.

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

#### **Note 20 – Subsequent Events**

##### Debt Financing

On January 20, 2021, the Company completed the sale of a Promissory Note in the principal amount of \$290,000 (the "Note") to AJB Capital Investments LLC (the "Investor") for a purchase price of \$281,300, pursuant to a Securities Purchase Agreement between the Company and the Investor (the "Purchase Agreement").

The Note matures on October 20, 2021 (the "Maturity Date"), bears interest at a rate of 10% per annum, and, following an event of default only, is convertible into shares of the Company's common stock at a conversion price equal to the lesser of 90% of the lowest trading price during (i) the 20 trading day period preceding the issuance date of the note, or (ii) the 20 trading day period preceding date of conversion of the Note. The Note is also subject to covenants, events of defaults, penalties, default interest and other terms and conditions customary in transactions of this nature.

Pursuant to the Purchase Agreement, the Company paid a commitment fee to the Investor in the amount of \$200,000 (the "Commitment Fee") in the form of 2,000,000 shares of the Company's common stock (the "Commitment Fee Shares"). During the six month period following the six month anniversary of the closing date (the "Adjustment Period"), the Investor shall be entitled to be issued additional shares of common stock of the Company to the extent the Investor's sale of the Commitment Fee Shares has resulted in net proceeds in an amount less than the Commitment Fee. If the Company repays the Note on or prior to the Maturity Date, the Company may redeem 1,000,000 of the Commitment Fee Shares for a nominal redemption price of \$1.00.

The obligations of the Company to the Investor under the Note and the Purchase Agreement are secured by a lien on the Company's assets pursuant to a Security Agreement between the Company and the Investor.

##### Series A Preferred Stock Conversions

On April 6, 2021, a shareholder converted 30,000 shares of Series A Preferred Stock into 3,000,000 shares of common stock.

On March 24, 2021, a shareholder converted 10,000 shares of Series A Preferred Stock into 1,000,000 shares of common stock.

On January 26, 2021, a shareholder converted 5,000 shares of Series A Preferred Stock into 500,000 shares of common stock.

On January 12, 2021, a shareholder converted 10,000 shares of Series A Preferred Stock into 1,000,000 shares of common stock.

#### Series B Preferred Stock Sales

On February 7, 2021, the Company and ISIAH International, LLC ("ISIAH International"), entered into a Securities Purchase Agreement (the "Purchase Agreement") under which ISIAH International agreed to purchase from the Company, on the dates provided for in the Purchase Agreement, an aggregate of 200,000 shares of the Company's newly designated Series B Preferred Stock ("Series B Preferred Stock"), convertible into an aggregate of 20,000,000 shares of the Company's common stock, par value \$0.001 per share ("Common Stock"), for a purchase price of \$15.00 per share of Preferred Stock, and an aggregate purchase price of \$3 million. Each share of Series B Preferred Stock has a Stated Value of \$15.00 and is convertible into Common Stock at a conversion price equal to \$0.15. Isiah Thomas, the Company's Chief Executive Officer, is the sole member and Chief Executive Officer of ISIAH International. Pursuant to the Purchase Agreement, ISIAH International has agreed to purchase shares of Series B Preferred Stock from the Company according to the following schedule:

<u>Date</u>	<u>Shares</u>	<u>Purchase Price</u>
Initial Closing Date	16,666	\$ 249,990
February 22, 2021	16,667	\$ 250,005
March 8, 2021	16,667	\$ 250,005
March 22, 2021	16,667	\$ 250,005
April 5, 2021	16,666	\$ 249,990
April 19, 2021	16,667	\$ 250,005
May 17, 2021	33,334	\$ 500,010
June 14, 2021	33,333	\$ 499,995
July 12, 2021	33,333	\$ 499,995
Total	200,000	\$3,000,000

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### ONE WORLD PHARMA, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of April 14, 2021, a total of 83,333 shares Series B Preferred Stock have been purchased in accordance with the above schedule, for total proceeds of \$1,249,995.

On various dates between March 9, 2021 and March 15, 2021, the Company received total proceeds of \$477,510 from the sale of an additional 31,834 shares of Series B Preferred Stock at a price of \$15.00 per share to five accredited investors.

#### Common Stock Issued on Subscriptions Payable

On March 1, 2021, the Company issued 750,000 shares of common stock on a Subscriptions Payable for the November 27, 2020 sale of common stock at \$0.10 per share for proceeds of \$75,000.

#### Option Grants

On January 1, 2021, the Company awarded options to purchase 5,500,000 shares of the Company's Common Stock at an exercise price equal to \$0.13 per share to Isiah L. Thomas III, the Company's Chief Executive Officer and Vice Chairman. The options were issued outside of the Company's 2019 Plan and are exercisable over a ten year period. The options vest as to 2,750,000 shares immediately, and as to the remaining 2,750,000 shares vesting quarterly in 250,000 increments over the following eleven quarters.

On January 1, 2021, the Company awarded options to purchase 350,000 shares of the Company's Common Stock under the Company's 2019 Plan at an exercise price equal to \$0.13 per share, exercisable over a ten year period to the Company's Chairman of the Board, Dr. Ken Perego. The options vest in equal quarterly installments over one year.

On January 1, 2021, the Company awarded options to purchase 475,000 shares of the Company's Common Stock under the Company's 2019 Plan at an exercise price equal to \$0.13 per share, exercisable over a ten year period to Bruce Raben, the Company's Interim Chief Financial Officer and a Director of the Company. The options vest in equal quarterly installments over one year.

On January 1, 2021, the Company awarded options to purchase an aggregate 1,842,000 shares of the Company's Common Stock under the Company's 2019 Plan at an exercise price equal to \$0.13 per share, exercisable over a ten year period to seven consultants and employees. in equal quarterly installments over one year.

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## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

## ITEM 9A. CONTROLS AND PROCEDURES

### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and our Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2020 (the "Evaluation Date"). The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that

are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2020, our Principal Executive Officer and Principal Financial Officer, concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level.

### **Management's Annual Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has conducted, with the participation of our Principal Executive Officer and our Principal Accounting Officer, an assessment, including testing of the effectiveness, of our internal control over financial reporting as of Evaluation Date. Management's assessment of internal control over financial reporting was conducted using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013 Framework).

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2020. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 Framework). Based on this assessment, Management identified the following three material weaknesses that have caused management to conclude that, as of December 31, 2020, our disclosure controls and procedures, and our internal control over financial reporting, were not effective at the reasonable assurance level:

1. We do not have a formal policy or written procedures for the approval, identification and reporting of related-party transactions. Our controls are not adequate to ensure that all material transactions and developments with related parties will be properly identified, approved and reported. In our assessment of our disclosure controls and procedures, management evaluated the impact of our failure to have policies and procedures for the identification, approval and reporting of related-party transactions and has concluded that the control deficiency that resulted represented a material weakness.

2. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act. In our assessment of our disclosure controls and procedures, management evaluated the impact of our failure to have written documentation of our internal controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

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3. We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. In our assessment of our disclosure controls and procedures, management evaluated the impact of our failure to have segregation of duties and has concluded that the control deficiency that resulted represented a material weakness.

To address these material weaknesses, management performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

### **Remediation of Material Weaknesses**

To remediate the material weakness in our documentation, evaluation and testing of internal controls we plan to engage a third-party firm to assist us in remedying this material weakness once resources become available.

We also intend to remedy our material weakness with regard to insufficient segregation of duties by hiring additional employees in order to segregate duties in a manner that establishes effective internal controls once resources become available.

### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) or in other factors that occurred during the fourth fiscal quarter of 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **ITEM 9B. OTHER INFORMATION**

None.

## **PART III**

### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Set forth below are the present directors and executive officers of the Company. There are no arrangements or understandings between any of the directors, officers and other persons pursuant to which such person was selected as a director or an officer.

Name	Age	Position
Isiah Thomas, III	59	CEO, Vice Chairman of the Board
Bruce Raben	67	Director, Interim CFO
Dr. Kenneth Perego, II	51	Chairman of the Board

## Biographies

Set forth below are brief accounts of the business experience of each director and executive officer of the Company.

**Isiah Thomas, III** has been our Chief Executive Officer and Vice Chairman of the Board since June 2021. Mr. Thomas has also been the Chairman and Chief Executive Officer of Isiah International, LLC, a holding company with interests in a diversified portfolio of businesses, since 2011. Mr. Thomas also has been a Commentator and Analyst for NBA TV, since 2014, and Turner Sports, since 2012. He previously served as the President & Alternate Governor of the New York Liberty of the Women's National Basketball Association from 2015 to February 2019, the Head Basketball Coach at Florida International University, from 2009 to 2012, the General Manager, President of Basketball Operation and Head Coach of the New York Knicks of the National Basketball Association ("NBA"), from 2006 to 2008, the Head Coach of the Indiana Pacers of the NBA from 2000 to 2003, the Owner of the Continental Basketball Association from 1998 to 2000, Minority Owner & Executive Vice President of the Toronto Raptors of the NBA from 1994 to 1998 and point guard for the Detroit Pistons of the NBA from 1981 to 1994. Mr. Thomas has served as a director of Get in Chicago, an organization focused on stopping gun and related violence in Chicago, since 2013, and as a director of Madison Square Garden Entertainment Corp. since April 2020. He is also the Founder of Mary's Court Foundation, a charitable organization established in 2010. We believe that Mr. Thomas's business experience qualify him to serve as our director.

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**Bruce Raben** was a director of OWP Ventures prior to the Merger and was appointed to our Board of Directors pursuant to the Merger Agreement. Mr. Raben is the Managing Member of Hudson Capital Advisors BD, LLC, a registered broker dealer that he founded in 2004. Mr. Raben also serves on the board of directors of Digipath, Inc., a cannabis testing laboratory. Mr. Raben has been an investment banker, merchant banker and private investor for approximately 30 years. Starting in 1979 at Drexel Burnham Lambert, he worked on many leveraged buyouts and recapitalizations including Mattel Toys, SFN Co.'s, Magma Copper, Warnaco, Mellon Bank and John Fairfax. Mr. Raben then went on to co-found the Corporate Finance Department at Jeffries & Co. in 1990. Mr. Raben opened a west coast office for CIBC's high yield finance and merchant banking activities in 1996. Mr. Raben received his A.B. from Vassar College in 1975 and his MBA from Columbia University in 1979. We believe that Mr. Raben's investment banking and financial experience qualify him to serve as our director.

**Dr. Kenneth Perego, II**, was a director of OWP Ventures prior to the Merger and was appointed to our Board of Directors pursuant to the Merger Agreement. He has been a practicing urologic surgeon in private practice since 2001 with an emphasis in urologic oncology and reconstructive urology. He has a strong clinical background in research and is focused on new drug discovery. We believe that Dr. Perego's medical experience qualifies him to serve as our director.

## Family Relationships

None.

## Board Committees and Audit Committee Financial Expert

We do not currently have a standing audit, nominating or compensation committee of the board of directors, or any committee performing similar functions. Our board of directors performs the functions of audit, nominating and compensation committees. No member of our board of directors qualifies as an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K promulgated under the Securities Act.

## Director Nominations

As of December 31, 2020, we did not affect any material changes to the procedures by which our shareholders may recommend nominees to our board of directors. We have not established formal procedures by which security holders may recommend nominees to the Company's board of directors.

## Code of Ethics

We have adopted a code of ethics that applies to our principal executive officers, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of our code of ethics may be obtained free of charge by contacting us at the address or telephone number listed on the cover page hereof.

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## ITEM 11. EXECUTIVE COMPENSATION

### Summary Compensation Table

The following summary compensation table sets forth the aggregate compensation we paid or accrued during the fiscal years ended December 31, 2020 and 2019 to persons serving as our Chief Executive Officer and Interim Chief Financial Officer, during our year ended December 31, 2020 (our "Named Executive Officers"), who were our only executive officers during 2020.

Name and Financial Position	Fiscal Year	Salary	Stock Awards <sup>(2)</sup>	Option Awards <sup>(3)</sup>	Total
Isiah Thomas, III, Chief Executive Officer and Vice Chairman	2020	\$ 70,000(1)	\$ 275,000	\$ -	\$ 345,000
Bruce Raben,	2020	\$ -	\$ 90,000	\$ -	\$ 90,000

Interim Chief Financial Officer, Director	2019	\$	60,000	\$	-	\$	296,593 <sup>(5)</sup>	\$	356,593
Craig Ellins, Former President, Chief Executive Officer and Chief Financial Officer	2020	\$	106,000 <sup>(4)</sup>	\$	1,100,000	\$	-	\$	1,206,000
	2019	\$	126,000	\$	-	\$	-	\$	126,000

(1) Consists of \$70,000 of accrued salary not yet paid.

(2) The aggregate fair value of the common stock awarded based on the closing price of the Company's common stock on the date of grant.

(3) Excludes options granted in 2020 and voluntarily surrendered on December 31, 2020.

(4) Includes \$96,000 of accrued severance paid in 2021.

(5) On February 8, 2019, we granted Bruce Raben an option to purchase 125,000 shares of common stock at an exercise price of \$0.50 per share. The estimated value using the Black-Scholes Pricing Model, based on a volatility rate of 105% and a call option value of \$2.3727, was \$296,593.

#### Director Compensation

The following table summarizes the compensation paid or accrued by us to our directors that are not Named Executive Officers for the year ended December 31, 2020.

Name	Fees Earned or Paid in Cash	Stock Award	Option Awards <sup>(2)</sup>	Non-Equity Incentive Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All other Compensation	Total
Dr. Kenneth Perego	\$ -	\$ 286,000 <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -	\$ 286,000

(1) Consists of the aggregate fair value of 1,100,000 shares of common stock awarded over various dates based on the closing price of the Company's common stock on the grant dates.

(2) Excludes options granted in 2020 and voluntarily surrendered on December 31, 2020.

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors.

#### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of March 31, 2021, certain information with regard to the record and beneficial ownership of the Company's common stock by (i) each person known to the Company to be the record or beneficial owner of 5% or more of the Company's common stock, (ii) each director of the Company, (iii) each of the named executive officers, and (iv) all executive officers and directors of the Company as a group. The address of each of our directors and executive officers named in the table is c/o One World Pharma, Inc., 3471 W. Oquendo Rd., Suite 301, Las Vegas, Nevada 89118:

Name of Beneficial Owner <sup>(1)</sup>	Common Stock		Series A Preferred Stock		Series B Preferred Stock	
	Number of Shares	% of Class <sup>(2)</sup>	Number of Shares	% of Class	Number of Shares	% of Class
<b>Officers and Directors:</b>						
Isiah Thomas, III <sup>(3)</sup>	16,833,400	22.9%	-	-	133,334	80.7%
Dr. Kenneth Perego II, Chairman <sup>(4)</sup>	10,837,500	18.3%	11,000	7.3%	-	-
Bruce Raben, Director <sup>(5)</sup>	1,193,750	2.1%	-	-	-	-
Directors and Officers as a Group (3 persons)	28,864,650	38.2%	-	-	-	-
Solid Bridge Investments, LLC <sup>(6)</sup>	7,000,000	12.2%	-	-	-	-
Craig Ellins	5,745,000	10.0%	-	-	-	-

\* less than 1%

(1) Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock owned by such person.

(2) Percentage of beneficial ownership is based upon 57,335,305 shares of common stock outstanding as of March 31, 2021. For each named person, this percentage includes common stock that the person has the right to acquire either currently or within 60 days of March 31, 2021, including through the exercise of an option; however, such common stock is not deemed outstanding for the purpose of computing the percentage owned by any other person.

(3) Includes 3,000,000 shares of common stock that may be acquired under an option to purchase 5,500,000 shares of common stock at an exercise price of \$0.13 per share that vested (i) 2,750,000 Option Shares on January 1, 2021, and (ii) as to the remaining 2,750,000 Options Shares, in 11 quarterly installments of 250,000 Option Shares beginning on April 1, 2021, exercisable until January 1, 2031 Also includes 6,666,700 shares of common stock that may be acquired upon conversion of Series B Preferred Stock currently held by Isiah International, LLC and 6,666,700 shares of common stock that may be acquired upon conversion of Series B Preferred Stock to be purchased by Isiah International, LLC from the Company within 60 days of March 31, 2021. Mr. Thomas is the sole member and Chief Executive Officer of ISIAH International.

- (4) Includes 7,000,000 shares of common stock held by CB Medical, LLC, of which Dr. Kenneth Perego, II is the controlling member. Includes 87,500 shares of common stock that may be acquired under an option to purchase 350,000 shares of common stock at an exercise price of \$0.13 per share that vest 87,500 Option Shares on March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021, exercisable until January 1, 2031. Also, includes 550,000 shares of common stock that may be acquired under a warrant to purchase 550,000 shares of common stock at an exercise price of \$0.25 over a five year period beginning on July 10, 2020. In addition, includes 11,000 shares of Series A Preferred Stock, convertible into 1,100,000 shares of common stock with each share of preferred carrying 50 voting rights.
- (5) Includes 118,750 shares of common stock that may be acquired under an option to purchase 475,000 shares of common stock at an exercise price of \$0.13 per share that vest 118,750 Option Shares on March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021, exercisable until January 1, 2031. Also, includes 200,000 of shares of common stock held by The Raben Education Trust, of which Mr. Raben is the co-trustee.
- (6) The principals of Solid Bridge Investments, Inc. are Carlos Andres de Fex Gomez and Gloria Veronica Serna Diez, who founded OWP Colombia and were its principal shareholders prior to the sale of OWP Colombia to OWP Ventures.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### *Certain Relationships and Related Party Transactions*

Other than the transactions described below, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or will be a party:

- in which the amount involved exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years; *and*
- in which any director, executive officer, stockholders who beneficially owns more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

### *Advances by Craig Ellins*

On February 13, 2019, the remaining outstanding obligations under advances to us by Craig Ellins, our former CEO, were exchanged for an amended and restated promissory note in the principal amount of \$307,141 that bore interest at 6% and was payable upon the earlier of (i) a public or private offering of our equity securities, resulting in gross proceeds of at least \$5,000,000, or (ii) February 13, 2022. All indebtedness outstanding under this note, consisting of \$307,141 of principal and \$13,791 of interest, was repaid in full during the year ended December 31, 2020, with \$200,000 of such principal paid by the issuance of 400,000 shares of common stock to Mr. Ellins.

### *Director Independence*

Our board of directors currently consists of Isiah Thomas, III, our Chief Executive Officer and Vice Chairman, Dr. Kenneth Perego, II, our Chairman, and Bruce Raben, our Interim Chief Financial Officer. As executive officers, Mr. Thomas and Mr. Raben do not qualify as "independent" under standards of independence set forth by national securities exchanges. Our Board of Directors has determined that Dr. Kenneth Perego, II is "independent" in accordance with the NASDAQ Global Market's requirements. As our common stock is currently quoted on the OTCQB, we are not currently subject to corporate governance standards of listed companies.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table sets forth fees billed by our auditors during the last two fiscal years for services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, services by our auditors that are reasonably related to the performance of the audit or review of our financial statements and that are not reported as audit fees, services rendered in connection with tax compliance, tax advice and tax planning, and all other fees for services rendered.

	Years Ended December 31,	
	2020	2019
Audit fees: <sup>(1)</sup>		
M&K CPAS, PLLC	\$ 37,850	\$ 46,650
WWC, P.C.	-	14,000
Audit related fees	-	-
Tax fees	-	-
All other fees	-	-
<b>Total</b>	<b>\$ 37,850</b>	<b>\$ 60,650</b>

<sup>(1)</sup> Audit fees were principally for audit services and work performed in the review of the Company's quarterly reports on Form 10-Q

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit	Description
2.1	<a href="#">Agreement and Plan of Merger dated February 21, 2019, among the Registrant, OWP Merger Subsidiary Inc. and OWP Ventures, Inc. (incorporated by reference to Exhibit 2.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on February 25, 2019)</a>
3.1	<a href="#">Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on November 24, 2014)</a>

3.2	<a href="#">Certificate of Amendment to Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 8, 2019)</a>
3.3	<a href="#">Certificate of Amendment to Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 25, 2020)</a>
3.4	<a href="#">Certificate of Designation of Series A Preferred Stock of the Registrant dated June 1, 2020 (incorporated by reference to Exhibit 3.4 of the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on June 26, 2020)</a>
3.5	<a href="#">Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 of the Registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on November 24, 2014)</a>
3.6	<a href="#">Certificate of Designation of Series B Preferred Stock of the Registrant dated February 2, 2021 (incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 8, 2021)</a>
4.1*	<a href="#">Description of Securities</a>
4.2	<a href="#">Promissory Note of One World Pharma, Inc. in the Principal Amount of \$290,000 issued to AJB Capital Investments LLC, dated January 20, 2021 (incorporated by reference to Exhibit 4.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on January 25, 2021)</a>
10.1	<a href="#">Convertible Note in the Principal Amount of \$300,000 issued by OWP Ventures, Inc. to CSW Investors, LP (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on February 25, 2019)</a>
10.2	<a href="#">Consulting Agreement between OWP Ventures, Inc. and Bruce Raben dated February 8, 2019 (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on February 25, 2019)</a>
10.3	<a href="#">Commercial Lease dated December 2, 2018, between Larry R. Hauptert dba Rexco and One World Pharma S.A.S. (incorporated by reference to Exhibit 10.3 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on February 25, 2019)</a>
10.4	<a href="#">Commercial Lease dated October 16, 2018, between Ripper Series, LLC and OWP Ventures, Inc. (incorporated by reference to Exhibit 10.4 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on February 25, 2019)</a>
10.5	<a href="#">One World Pharma, Inc. 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 25, 2020)</a>
10.6	<a href="#">Form of Stock Option Grant Notice for grants under the 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 25, 2020)</a>
10.7	<a href="#">Form of Option Agreement for grants under the 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 25, 2020)</a>
10.8	<a href="#">Promissory Note dated May 4, 2020, made by OWP Ventures, Inc. in favor of Customers Bank (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on May 8, 2020)</a>
10.9	<a href="#">Separation and Release Agreement between One World Pharma, Inc. and Craig Ellins, dated June 3, 2020 (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on June 9, 2020)</a>
10.10	<a href="#">Letter Agreement between One World Pharma, Inc. and Isiah L. Thomas, III, dated June 3, 2020 (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on June 9, 2020)</a>
10.11	<a href="#">Securities Purchase Agreement, dated as of January 20, 2021, between One World Pharma, Inc. and AJB Capital Investments LLC (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on January 25, 2021)</a>
10.12	<a href="#">Security Agreement, dated as of January 20, 2021, between One World Pharma, Inc. and AJB Capital Investments LLC (incorporated by reference to Exhibit 10.2 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on January 25, 2021)</a>

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10.13	<a href="#">Securities Purchase Agreement, dated as of February 7, 2021, between One World Pharma, Inc. and ISIA International LLC (incorporated by reference to Exhibit 10.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on February 8, 2021)</a>
10.14*	<a href="#">Form of Demand Note between One World Pharma, Inc. and Isiah L. Thomas, III, dated December 16, 2020</a>
14.1	<a href="#">One World Pharma, Inc. Code of Business Conduct and Ethics (incorporated by reference to Exhibit 14.1 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 25, 2020)</a>
21.1	<a href="#">Subsidiaries (incorporated by reference to Exhibit 21.1 of the Form 8-K filed with the Securities and Exchange Commission by One World Pharma, Inc. on February 25, 2019)</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)</a>
31.2*	<a href="#">Certification of Interim Chief Financial Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(a) or 15d-14(a)</a>
32.1*	<a href="#">Certification of Chief Executive Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2*	<a href="#">Certification of Interim Chief Financial Officer pursuant to Securities Exchange Act of 1934 Rule 13a-14(b) or 15d-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document
101.LAB*	XBRL Labels Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document

\* Filed herewith.

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#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ONE WORLD PHARMA, INC.

(Registrant)

By: /s/ Isiah L. Thomas III  
Isiah L. Thomas, III  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Bruce Raben  
Bruce Raben  
Interim Chief Financial Officer  
(Principal Financial Officer)

Dated: April 15, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant, and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Isiah L. Thomas, III</u> Isiah L. Thomas, III	Chief Executive Officer and Director (Principal Executive Officer)	<u>April 15, 2021</u>
<u>/s/ Bruce Raben</u> Bruce Raben	Interim Chief Financial Officer and Director (Principal Financial Officer)	<u>April 15, 2021</u>
<u>/s/ Dr. Kenneth Perego, II</u> Dr. Kenneth Perego, II	Director	<u>April 15, 2021</u>