DIGITAL 7, INC.

NOTES TO UNAUDITED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Digital 7, Inc. (the Company" or "Digital 7") was incorporated in the State of Delaware on June 1, 2016. On June 26, 2016, Digital 7, Inc., a Delaware corporation, acquired an ownership interest in Digital 7, Inc., a Colorado Corporation which in turn had acquired total interest in S7 Enterprises, Inc. and Data Sources, Inc., both Colorado corporations that were closely held. Digital 7, Inc., of Colorado will be the surviving entity.

The Company is a Colorado corporation organized for the purpose of engaging in any lawful business. The Company's acquisition of S7 Enterprises and Data Source gives it a basis of operations in the data management and storage fields and any other related business activities as of the date of these financial statements. It currently trades on the Pink Sheet under the symbol "DISC".

The Company's fiscal year end is December 31st. The Company's financial statements are presented on the accrual basis of accounting.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

The Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties and all highly liquid investments with an original maturity of three months or less as cash equivalents.

Revenue recognition

The Company has realized minimal revenues from operations. The Company recognizes revenues when the sale and/or distribution of products is complete, risk of loss and title to the products have transferred to the customer, there is persuasive evidence of an agreement, acceptance has been approved by the customer, the fee is fixed or determinable based on the completion of stated terms and conditions, and collection of any related receivable is probable. Net sales will be comprised of gross revenues less expected returns, trade discounts, and customer allowances that will include costs associated with off-invoice markdowns and other price reductions, as well as trade promotions and coupons. The incentive costs will be recognized at the later of the date on which the Company recognized the related revenue or the date on which the Company offers the incentive.

Basic and Diluted Loss per Share

The Company computes loss per share in accordance with "ASC-260," "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common share during the period. Diluted loss per share gives

effect to all dilutive potential common shares outstanding during the period. Diluted loss per share excludes all potential common shares if their effect is anti-dilutive.

Income Taxes

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

The Company maintains a valuation allowance with respect to deferred tax asset. Greenhouse Solutions establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company's financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carry-forward period under Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change estimate.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted paragraph 360-10-35-17 of FASB Accounting Standards Codification for its long-lived assets. The Company's long –lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

The company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the assets expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review; (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner of use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company's stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, are included in operating expenses in the accompanying statements of operations.

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 affect 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. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

The Company's significant estimates include income taxes provision and valuation allowance of deferred tax assets; the fair value of financial instruments; the carrying value and recoverability of long-lived assets, and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Fair value of Financial Instruments

The estimated fair values of financial instruments were determined by management using available market information and appropriate valuation methodologies. The carrying amounts of financial instruments including cash approximate their fair value because of their short maturities.

Long Lived Assets

In accordance with ASC 350 the Company regularly reviews the carrying value of intangible and other long lived assets for the existence of facts or circumstances both internally and externally that suggest impairment. If impairment testing indicates a lack of recoverability, an impairment loss is recognized by the Company if the carrying amount of a long lived asset exceeds its fair value.

Stock-based Compensation

The Company accounts for stock-based compensation issued to employees based on FASB accounting standard for Share Based Payment. It requires an entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award – the requisite service period (usually the vesting period). It requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The scope of the FASB accounting standard includes a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

Recent pronouncements

Management has evaluated accounting standards and interpretations issued but not yet effective as of March 31, 2016, and does not expect such pronouncements to have a material impact on the Company's financial position, operations, or cash flows.

NOTE 3 – STOCKHOLDER'S DEFICIT

The total number of common shares authorized that may be issued by the Company is 300,000,000 shares with a par value of $0.001 per share. The Company is authorized to issue 25,000,000 shares of preferred stock with a par value of $0.001 per share. As at June 30, 2016 there are no preferred shares issued or outstanding.

As at June 30, 2016 the total number of common shares outstanding was 48,983,508. The Company has an ongoing program of private placements to raise funds to support the operations. During the period ended June 30, 2016 the Company entered into an acquisition agreement with S7 Enterprises, Inc. and Data Source, Inc. whereby certain existing stockholders would surrender their stock and Digital 7, Inc. would acquire a 100% working interest in each of the Companies.

NOTE 4 – INCOME TAXES

A reconciliation of the provision for income taxes at the United States federal statutory rate of 34% and a Colorado state rate of 5% compared to the Company's income tax expense as reported is as follows:

		June 30, 2016		December 31, 2015
Net loss before income taxes	$	(271,559)	$	0
Income tax rate		39%		39%
Income tax recovery		105,900		0
Valuation allowance change		(105,900)		0
Provision for income taxes	$	-	$	-

The significant components of deferred income tax assets at March 31, 2016 and 2014 are as follows:

			June 30**, 2016**		**December 31, 2015**
Net operating loss carry-forward		$	271,559	$	0
Valuation allowance			(271,559)		(0)

Net deferred income tax asset		$	-	$	-

As of December 31, 2015, the Company has no unrecognized income tax benefits. Based on management's understanding of IRC Sec 383 the substantial change in ownership and change in business activities precludes any carryforward of the accumulated net operating losses. The owners of the companies acquired have given assurances that all required tax returns have been timely filed and are not under any ongoing audit procedures. The Company's policy for classifying interest and penalties associated with unrecognized income tax benefits is to include such items as tax expense. No interest or penalties have been recorded during the years ended December 31, 2015 and 2014, and no interest or penalties have been accrued as of June 30, 2016. As of December 31, 2015 and 2014 the Company did not have any amounts recorded pertaining to uncertain tax positions.

NOTE 5 – NOTES PAYABLE

As an integral part of the acquisition of Data Source, Inc. the Company issued a promissory note in the amount of $300,000 maturing in 180 days from the date of issuance and bearing no interest to the owners/stockholders of the stock in Data Source, Inc.

There exists a note payable in the amount of $69,709 on the books of S7 Enterprises, Inc. The Company is in the process of verifying and validating the note and any security attached to it.

NOTE 6 - SUBSEQUENT EVENTS

The Company has investigated and determined that there are no substantive events that have occurred since the end of this reporting period and the date of the filing of theses financial statements.