

D5 Inc.

**Financial Statements
For the Three and Nine Months Ended
September 30, 2018.
(Unaudited)**

The financial information set forth below with respect to our statements of operations for the Three and Nine Months Ended September 30, 2018 and 2017 is unaudited. This financial information, in the opinion of management, includes all adjustments consisting of normal recurring entries necessary for the fair presentation of such data

D5 Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 40,819	\$ 737
Prepaid expenses	1,063	-
Total Current Assets	<u>41,882</u>	<u>737</u>
Property and equipment	7,938	-
TOTAL ASSETS	<u>\$ 49,820</u>	<u>\$ 737</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	\$ 60,991	\$ 16,058
Convertible notes payable	161,818	181,688
Due to related parties	74,778	77,618
Total Current Liabilities	<u>297,587</u>	<u>275,364</u>
TOTAL LIABILITIES	<u>297,587</u>	<u>275,364</u>
Stockholders' Deficit		
Preferred stock \$0.0001 50,000,000 authorized, none issued or outstanding		
Series A Non-Convertible Preferred Stock, Stated Value \$0.0001, 100,000 shares designated, 100,000 issued and outstanding	10	-
Series B Convertible Preferred Stock, Stated Value \$0.0001, 1,000,000 shares designated, 400,000 issued and outstanding	40	-
Common stock \$0.0001, par value 500,000,000 shares authorized;		
58,173,237 and 108,877 issued and outstanding, respectively	5,817	11
Additional paid in capital	3,045,166	2,005,027
Accumulated deficit	<u>(3,298,621)</u>	<u>(2,279,665)</u>
Total Stockholders' Deficit	<u>(247,588)</u>	<u>(274,627)</u>
Non-controlling interest	<u>(179)</u>	<u>-</u>
Total equity	<u>(247,767)</u>	<u>(274,627)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 49,820</u>	<u>\$ 737</u>

The accompanying notes are an integral part of the unaudited financial statements

D5 Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
General and administrative	885,882	9,040	900,893	25,927
Total Operating Expenses	<u>885,882</u>	<u>9,040</u>	<u>900,893</u>	<u>25,927</u>
Net loss from operations	(885,882)	(9,040)	(900,893)	(25,927)
Other Income (Expense)				
Interest expense	(118,242)	-	(118,242)	-
Total other expense	<u>(118,242)</u>	<u>-</u>	<u>(118,242)</u>	<u>-</u>
Loss before income taxes	(1,004,124)	(9,040)	(1,019,135)	(25,927)
Provision for income taxes	-	-	-	-
Net loss	(885,882)	(9,040)	(1,019,135)	(25,927)
Net loss attributable to the non-controlling interest	(179)	-	(179)	-
Net Loss attributable To the Shareholders of D5 Inc.	\$ <u>(885,703)</u>	\$ <u>(9,040)</u>	\$ <u>(1,018,956)</u>	\$ <u>(25,927)</u>
Basic and Diluted Loss per Common Share	\$ <u>(0.01)</u>	\$ <u>(0.08)</u>	\$ <u>(0.01)</u>	\$ <u>(0.24)</u>
Basic and Diluted weighted average number of common shares outstanding	<u>86,253,757</u>	<u>108,876</u>	<u>68,797,807</u>	<u>108,876</u>

The accompanying notes are an integral part of the unaudited financial statements

D5 Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,019,135)	\$ (25,927)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock based compensation	875,000	-
Amortization on debt discount	82,780	-
Changes in operating assets and liabilities:		
Prepaid expenses	(1,063)	-
Accounts payable	37,528	9,142
Accrued interest - related party	-	9,000
Net Cash used in Operating Activities	<u>(24,890)</u>	<u>(7,785)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(7,938)</u>	-
Net Cash used in Investing Activities	<u>(7,938)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	60,000	-
Proceeds from convertible notes payable	10,750	9,600
Advances from related parties	5,160	-
Repayment of due to related parties	<u>(3,000)</u>	<u>(1,081)</u>
Net Cash provided by Financing Activities	<u>72,910</u>	<u>8,519</u>
Net change in cash and cash equivalents	40,082	734
Cash and cash equivalents, beginning of period	<u>737</u>	<u>2</u>
Cash and cash equivalents, end of period	<u><u>\$ 40,819</u></u>	<u><u>\$ 736</u></u>
Supplemental cash flow information		
Cash paid for interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Cash paid for taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Non-cash transactions:		
Beneficial conversion feature	<u><u>\$ 86,925</u></u>	<u><u>\$ -</u></u>
Common stock issued for conversion of debt	<u><u>\$ 19,070</u></u>	<u><u>\$ -</u></u>
Common stock issued for conversion of debt - related party	<u><u>\$ 5,000</u></u>	<u><u>\$ -</u></u>
Series A and B Preferred stock issued in exchange for common stock	<u><u>\$ 5,500</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the unaudited financial statements

D5 Inc.
Notes to the Consolidated Financial Statements
September 30, 2018
(Unaudited)

NOTE 1: NATURE OF OPERATIONS

D5 Inc. (“D5”, “we”, “our”, or “the Company”) was incorporated on February 5, 1998 in the State of Nevada. On August 28, 2018, the Company changed its name from County Line Energy Corp to D5 inc. The Company was originally incorporated as Bio-Safe Technologies, Inc. and was in the business of acquiring and developing certain mineral rights in Canada. Subsequently, the name was changed to Nubio Ventures in August 2001, to County Line Resources, Inc. in March 2005 and to County Line Energy Corp. in May 2006.

In 2006 the Company formed a wholly-owned subsidiary, County Line (Canada) Inc., in the Province of Alberta, Canada. This company was permitted to act as operator in its oil and gas exploration activities.

The Company operations are in the exploration stage and it has not yet generated any revenue. Future issuances of the Company’s equity or debt securities will be required for the Company to continue to finance its operations and remain a going concern.

The Company has been in the exploration stage since its formation and has not yet realized any revenues from its planned operations. It was primarily engaged in the acquisition, exploration, and development of oil and gas properties. Upon the location of commercially drillable reserves, the Company plans were to prepare for extraction and enter a development stage.

Effective January 4, 2018, the Company effected a 1,000-for-one reverse stock split. All share of common stock and per share in these financial statements retroactively reflect this reverse stock split.

On July 16, 2018 the Company completed a definitive agreement to acquire all the assets through its subsidiary D5 Partners, of Grow Box 5000, a self-contained hydronic system for growing plants, vegetables and cannabis. The Company has also agreed to provide financing to the new D5 Partners subsidiary in the amount of a minimum of \$1,000,000 and up to \$2,000,000 within one year of the closing of the Definitive Agreement. Initial equity of the Subsidiary has been allocated as 51% to the Company and 49% to Eric Dena (“ED Equity”). The Company has retained an irrevocable option to purchase the entire 49% ED Equity interest based on a negotiated valuation determined by an independent third party.

In conjunction with the execution of the Definitive Agreement Eric Dena purchased 70,000,000 restricted shares of CYLC common stock from Daniel Serruya, and Vince Andreula purchased 28,500,000 shares of CYLC common stock from Serruya. The Definitive Agreement also specifies that the Company will exchange all or part of the 28,500,000 shares of CYLC common stock owned by Andreula for Preferred Shares which will contain super voting rights that provide him voting control of the Company.

Following execution of the Definitive Agreement, Eric Dena was appointed as CEO and the director of the Company. Vince Andreula was also appointed to be Board of Directors of the Company. Daniel Serruya has resigned from all positions held with the Company.

NOTE 2: SUMMARY OF SIGNIFICAT ACCOUNTING POLICIES

These financial statements have been prepared assuming that the Company will continue as a going concern which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. Additional financing is needed for the successful completion of County Line’s contemplated plan of

operations and its transition, ultimately, to the attainment of profitable operations. The Company's ability to raise additional equity or debt financing is unknown. The inability to resolve these factors raise substantial doubts about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that may result from the outcome of the uncertainties.

Basis of Presentation

These unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and are presented in U.S. dollars. The Company reports revenues and expenses using the accrual method of accounting for financial and income tax purposes.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Cash and Cash Equivalents

County line considers all investments with an original maturity of three months or less to be a cash equivalent.

Income Taxes

Deferred income taxes are provided for temporary differences between the GAAP and tax-reporting amounts of assets and liabilities. However, if it is more likely than not that the Company will not realize the tax asset through future operations, no benefit is recorded.

Fair value of Financial Instruments

Financial Accounting Standards Statement No. 107, "Disclosure About Fair Value of Financial Instruments", requires the Company to disclose, when reasonably attainable, the fair market value of its assets and liabilities which are deemed to be financial instruments. The Company's financial instruments consist primarily of cash and certain investments.

Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Corporation records a Beneficial Conversion Feature (the "BCF") and related debt discount.

When the Company records a BCF, the intrinsic value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid-in capital) and amortized to interest expense over the life of the debt.

Earnings (Loss) per Share

Basic earnings per share are calculated by dividing net income (loss) by the weighted average number of shares outstanding during the period. The calculation of diluted earnings per share is like the calculation of basic earnings per share, except for the inclusion of all potentially dilutive securities. In the case of a loss, however, they are excluded from the calculation because their effect is antidilutive.

The quantity of previously issued shares used to calculate earnings per share is adjusted to give effect to any stock splits and rollbacks.

NOTE 3: GOING CONCERN

As shown in the accompanying financial statements, the Company has an accumulated deficit of \$3,298,672 as of September 30, 2018 and incurred a loss from operations of \$1,019,186 for the nine months ended September 30,

2018. Unless profitability and increases in stockholders' equity continues, these conditions raise substantial doubt as to the Company's ability to continue as a going concern.

NOTE 4: RELATED PARTY TRANSACTIONS

As of September 30, 2018, the Company had balances due to two former officers and directors related parties of \$74,778 consisting of accrued liabilities of \$14,000 and short-term debt of \$60,618. During the nine months ended September 30, 2018, the Company borrowed \$5,000 and repaid \$3,000. These represent advance made to the Company by the related party. The advances are notes payable which are due on demand and do not bear interest.

On February 13, 2018 the Company issued 2,000,000 shares of common stock to a former officer and director for the conversion of \$5,000 of debt.

On March 20, 2018 the Company issued 100,000,000 shares of common stock to a former officer and director for \$10,000 in cash.

During the nine months ended September 30, 2018, the Company borrowed \$160 from a officer and director.

As of September 30, 2018 and December 31, 2017, the Company had due to related parties of \$74,778 and \$77,618, respectively.

NOTE 5: CONVERTIBLE NOTES PAYABLE

As of September 30, 2018, the Company has outstanding convertible notes payable of \$161,818. The notes are convertible at the option of the hold into common stock of the Company at \$0.005 to \$0.01 per share.

During the nine months ended September 30, 2018, the Company recorded a discount on the convertible note due to a beneficial conversion feature of \$86,925, recognized interest expenses of \$35,462 and amortization of discount, included in interest expense, of \$82,780.

During the nine months ended September 30, 2018, the convertible notes of \$14,750 and accrued interest of \$4,320 were converted into 3,814,062 shares of common stock.

NOTE 6: EQUITY

Effective January 4, 2018, the Company effected a 1,000-for-one reverse stock split. All share of common stock and per share in these financial statements retroactively reflect this reverse stock split.

On March 19, 2018 the Company amended the Articles of Incorporation increasing the number of authorized shares of common stock to 500,000,000 and number of preferred shares to 50,000,000 each with a par value of \$0.0001

On July 31, 2018, the Company amended the Articles of Incorporation designating 100,000 shares of Series A Non-Convertible Preferred Stock and 1,000,000 shares of Series B Convertible Preferred Stock.

Series A Preferred Stock

The Company is designated to issue 100,000 shares of Series A Non- Convertible Preferred Stock at a stated value of \$0.0001. The Series A Preferred Stock represents 80% of all votes entitled to be voted at any annual or special meeting of shareholders of the Company. The Series A Preferred Stock shall not be entitled to receive any dividends.

During the nine months ended September 30, 2018, the stockholder exchanged an aggregate of 25,000,000 shares of common stock for 100,000 shares of Series A Preferred stock.

Series B Preferred Stock

The Company is designated to issue 1,000,000 shares of Series B Preferred Stock at a stated value of \$0.0001. The Series B Preferred converts into Common Stock at a ratio of 1:100. The each share of Series B Preferred Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which the Share is convertible.

During the nine months ended September 30, 2018, the two stockholders exchanged an aggregate of 30,000,000 shares of common stock for 400,000 shares of Series B Preferred stock.

Common Stock

During the nine months ended September 30 ,2018, the Company issued common stock as follows;

- 2,000,000 shares of common stock to a related party for the conversion of \$5,000 of debt.
- 100,000,000 shares of common stock to a related party for \$10,000 in cash.
- 3,814,062 shares of common stock for the conversion of debt of \$19,070
- 250,000 shares of common stock to a third party for \$50,000 in cash.
- 7,000,000 shares of common stock to our officers valued at \$5,250,000 for corporate executive, of which \$875,000 was recorded as stock-based compensation

AS of September 30, 2018 and December 31, 2017, 58,173,237 and 108,877 shares of common stock were issued and outstanding, respectively.