CBD LIFE SCIENCES INC.

(FORMERLY OPTIUM CYBER SYSTEMS, INC.)

Annual Report

For the Years Ended December 31, 2019 and

December 31, 2018(Expressed in US Dollars)

CBD LIFE SCIENCES INC.
(FORMERLY OPTIUM CYBER SYSTEMS, INC.)
Notice to Reader

NOTICE TO READER

I, Lisa Nelson, President of CBD Life Sciences Inc., hereby certify that the consolidated financial statements filed here within and the attached notes thereto fairly represent, in all material respects, the financial position, results of operations and cash flow as at and for the years period ended Dec 31, 2019 and Dec 31, 2018, in conformity with accounting principles accepted in the United States, consistently applied.

Scottsdale, Arizona
March 28, 2020

By: Lisa Nelson
/s/: Lisa Nelson
President & CEO

CBD LIFE SCIENCES, INC.
Balance Sheet
December 31, 2019 and December 31, 2018
(Expressed in US Dollars)

	2019	2018
ASSETS		
Current Assets		
Cash	28,982	245
Inventory	126,594	0
Accounts Receivable (net)	0	189,000
Total Current Assets	155,576	189,245
Fixed Assets		
Goodwill	1,336,015	0
Total Fixed Assets	1,336,015	0
TOTAL ASSETS	1,491,591	189,245
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities		
Accounts Payable	33,354	62,895
Total Current Liabilities	33,354	62,895
Long Term Liabilities		
Due to Stockholders	0	2,500
Due to Related Parties	266,932	1,477
Convertible Promissory Notes	11,013	6,359
Convertible Debentures	149,047	91,315
Total Long-Term Liabilities	426,992	101,651
TOTAL LIABILITIES	460,346	164,546
STOCKHOLDERS EQUITY		
Common Stock Par Value ($0.001) 500,000,000 Authorized, Issued and Outstanding 415,341	415,341	108,355
Preferred Stock Par Value ($0.001) 16,081,530 Authorized, Issued and Outstanding 16,081,530	16,082	16,082
Paid in Capital	6,387,994	4,827,415
Accumulated Deficit	(5,788,172)	(4,927,153)
Total Stockholders' Equity	1,031,245	24,699
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,491,591	189,245

(The accompanying notes are an integral part of these financial statements)

CBD LIFE SCIENCES, INC.
Statement of Operations
For the Years Ended December 31, 2019 and 2018
(Expressed in US Dollars)

	2019	2018
Revenue	79,635	528,000
Cost of sales	(43,002)	0
Gross Profit	36,633	528,000
Expenses of Operation		
Sales and marketing	111,539	54,000
Investor relations	268,287	121,875
Management fees	215,053	123,125
General and administrative	122,372	375,683
Total expenses of operation	717,251	674,683
Net loss from operations	(680,619)	(146,683)
Other (Income) Expense		
Write down of accounts receivable	189,000	2,776,457
Other Income	(8,610)	0
Total Other (income) Expense	180,390	2,776,457
Net loss before Income Tax	(861,019)	(2,923,140)
Income tax	0	0
Net loss after Income Tax	(861,019)	(2,923,140)

(The accompanying notes are an integral part of these financial statements)

CBD LIFE SCIENCES, INC.
Statement of Stockholders Equity
As December 31, 2019 and 2018

	Number of Shares Preferred Stock	Par Value	Balance	Number " of Shares Common Stock	Par Value	Balance	Paid In Capital	Accumulated Deficit	Stockholders' Equity
Balances December 31, 2017	16,081,530	$0.001	16,082	121.875	$0.001	122	4,363,003	(2,004,014)	2,375,163
Common Stock Issued				111,233,093		108,233	464,412		572,645
Loss from operations								(2,923,109)	(2,923,109)
Balances December 31, 2018	16,081,530		16,082	111,354,968		108,355	4,827,415	(4,927,153)	24,699
Common st stock issued				303,986,312		303,986	1,453,853		1,867,595
Loss from operations								(861,010)	(861,010)
Balances at December 31, 2019	16,081,530		16,082	415,341,280		415,341	6,387,994	(5,788,133)	1,031,284

(The accompanying notes are an integral part of these financiial statements)

* Totals adjusted for stock reverse splits in 2017, 2018, 2019

CBD LIFE SCIENCES, INC.
Statements of Cash Flow
Years Ended December 31, 2019 and 2018
(Expressed in US Dollars)

		2019	2018
Net loss		(861,019)	(2,923,140)
Changes in operating assets and Liabilities :			
Accounts receivable		189,000	(189,000)
Prepaid expenses		0	6,873
Inventory		(126,594)	0
Accounts payable		29,541	51,415
Management fees payable		0	(67,500)
Net cash used in operations		(769,072)	(3,046,114)
Investing Activities			
Goodwill		(1,336,015)	
Purchase of technology		0	125,899
Investment in associate		0	2,500,000
Net cash used in investing activities		(1,336,015)	2,625,899
Financing Activities			
Due to shareholder		(2,500)	(4,895)
Due to replanted parties		265,455	(14,900)
Convertible debentures		83,504	(57,155)
Net proceeds from stock issuance		1,787,365	497,410
Net cash provided by Investing Activities 2133474	Act.	2,133,834	420,460
Increase in cash		28,737	245
Beginning cash		245	0
Ending cash		28,982	245

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

CBD Life Sciences, Inc. "the Company" was incorporated in the State of Nevada on December 31 , 2003 under the name of Platinum Consulting Services and was in the business of providing business consulting services until 2006 when on May 15, 2006 it signed a Share Purchase agreement to acquire an undivided 100% right, title and interest in and to all the outstanding shares of AutoBidLive Auctions Inc. AutoBidLive Auctions Inc. was a private company incorporated in the Province of Alberta, Canada whose main asset was a proprietary software to enable real time, online auctions of virtually any product or commodity for use by the wholesale market. This included cars, boats, planes, coins, stamps, industrial products, diamonds, artwork, and livestock. As a result of the closing of the Share Purchase Agreement the Company changed its name from Platinum Consulting Services to Autobidlive Auctions International Inc. The Company subsequently changed its name again on December 26, 2006 from Autobidlive Auctions International Inc. to Auctions International Inc. although there was no change in business.

Between 2006 and 2012 the Company continued to develop and market its online auctions software and on November 20, 2012 it entered into an agreement with Rangemore Productions to produce a live interactive auction television series utilizing the AutoBidLive software. This lead to a merger with Rangemore Productions, a company that leased film studio space to independent film productions presented itself. Although this was a deviation from the original business plan, the management felt that it was an exciting opportunity and decided to pursue it. On December 31, 2012, the Company entered into a Merger Agreement and on March 31, 2013, the merger closed whereby the Company issued 42,942,000 preferred shares for all the assets and liabilities of Rangemore Productions Corp.

Prior to the closing of the Merger Agreement on March 26, 2013, the Company changed its corporate name from Auctions International Inc. to Rangemore Film Productions Corp. to reflect the closing of the Merger Agreement between the Company and Rangemore Productions Corp. and the resulting change in business. On December 19, 2013 the Company again changed its corporate name to Cre8tive Works, Inc. as there was confusion with another company using the name Rangemore but did not change it business plan or operations.

From March 2013 to August 2017 Cre8tive Works was in the business of financing media productions. The term "media productions" includes but is not limited to: feature films, documentaries, animation, television series, movies-of-the-week, television specials, webisodes and soundtracks. The business was not successful and in August of 2017 the management was presented with the opportunity to acquire a technology platform developed to analyse and monitor IT networks for cyber security vulnerabilities and breaches. As a result of the new business the Company changed its name to Optium Cyber Systems, Inc. (OCSI). OCSI developed a proprietary process to analyze, identify/ and address cyber security vulnerabilities in an organization's critical IT infrastructure which is scalable to any size organization in any industry.

In January 1, 2019, the name was changed to CBD Life Sciences, Inc. through a share exchange to capitalize on the growing cannabidiol sector. LBC Bioscience, Inc. is developing and marketing a line of cannabidiol based organic products such as hemp drops, massage oils, recovery pain relief creams, anxiety and sleep solutions, supplements, edibles and a full line of pet products. In addition, LBC is in the process of developing an anti-aging skin product line. All he manufactured products can be viewed and purchased on the Company website. As a result of the acquisition, the Company changed its name to CBD Life Sciences, Inc. CBD Life Sciences, Inc is a publicly traded company having its common shares quoted on the OTC Markets under the trading symbol “CBDL”.

Going Concern

These financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated significant revenues since inception and is unlikely to generate significant revenue or earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations.

As at December 31, 2019, the Company has accumulated losses totaling $5,788,172 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company will need additional working capital to continue or to be successful in any future business activities. Therefore, continuation of the Company as a going concern is dependent upon obtaining the additional working capital necessary to accomplish its objective. Management plans to seek debt or equity financing, or a combination of both, to raise the necessary working capital.

2. Summary of Significant Accounting Principles

Basis of Presentation and Principles of Consolidation
These financial statements are prepared in conformity with accounting principles generally accepted in the United States and are presented in US dollars, unless otherwise noted. The Company's fiscal year end is December 31.
Use of Estimates
The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the useful life and recoverability of long-lived assets, recoverability of goodwill and intangible assets, fair value of convertible debt, stock- based compensation, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Cash and Cash Equivalents
The Company considers all highly liquid instruments with maturity dates ofthree months or less at the time of issuance to be cash equivalents.

Computer Equipment
Computer equipment is recorded at cost and amortized on a declining balance basis at a rate of 30% per annum.

Software
Software is recorded at cost and amortized over the useful life of the software as a revenue generating asset.

Intangible Assets
Intangible assets acquired are initially recognized and measured at cost and are not being amortized. Impairment tests are conducted annually or more frequently if events or changes in circumstances indicate that the asset may be impaired. The impairment test compares the carrying amount of the intangible asset with its fair value, and an impairment loss is recognized in income for the excess, if any. The amortization methods and estimated useful lives of intangible assets are reviewed annually.

Impairment of Long-Lived Assets
In accordance with ASC 360, Property, Plant, and Equipment, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Earnings Per Share
The Company computes net loss per share in accordance with ASC 260, Earnings per Share, which requires presentation of both basic and diluted earnings per share (EPS) on the face of the statements of operations. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the

period is used in determining the number of shares assurned to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, Compensation — Stock Based Compensation and ASC 505-50 - Equity-Based Payments to Non-Employees. 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.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, Accounting for Income Taxes. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

The Company files federal income tax returns in the United States. The Company may be subject to a reassessment of federal taxes by tax authorities for a period of three years from the date of the original notice of assessment in respect of any particular taxation year. In certain circumstances, the federal statute of limitations can reach beyond the standard three year period. The statute of limitations in the United States for income tax assessment varies from state to state. Tax authorities have not audited any of the Company's income tax returns. The Company recognizes interest and penalties related to uncertain tax positions in tax expense. During the year ended December 3 1, 2019, there were no charges for interest or penalties.

Financial Instruments and Fair Value Measures

ASC 820, Fair Value Measurements, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist primarily of cash, accounts payable, accrued interest payable, amounts due to related parties, and notes payable. Pursuant to ASC 820, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Recent Accounting Pronouncements

In January 2009, the FASB issued an amendment to ASC 820, Fair Value Measurements and Disclosure, to require reporting entities to separately disclose the amounts and business rationale for significant transfers in and out of Level 1 and Level 2 fair value measurements and separately present information regarding purchase, sale, issuance, and settlement of Level 3 fair value measures on a gross basis. This standard is effective for interim and annual reporting periods beginning after December 15, 2009 with the exception of disclosures regarding the purchase, sale, issuance, and settlement of Level 3 fair value measures which are effective for fiscal years beginning after December 15, 2009. The adoption of this standard did not have a significant impact on the Company's financial statements.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial statements.

Reclassification

Certain items have been reclassified to conform to the current year presentation standards.

Due to Related Parties

As at December 31, 2019, the Company owed $1,477 (December 31, 2018 - $16,377) to related parties for expenses paid on behalf of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand.

3. Convertible Promissory Note

On September 30, 2013, the Company issued a convertible note payable to a non-related party for expenses paid during the period July 1, 2013 to September 30, 2013, in the amount of $6,358.62. Under the terms of the note, the amount owing is unsecured, bears interest at 0% per annum, and is due on September 30, 2014. Interest on overdue principal after default accrues at an annual rate of 18%. The note is convertible into commons shares of the Company at any time while the note is in effect at a conversion price equal to 50% of the lowest trading price of the Company's common shares for the past 15 trading days prior to notice of conversion. The balance outstanding as at December 31, 2018 is $6,358.62.

6, Convertible Debentures

On June 30, 2017, the Company issued a convertible debenture to a non-related party in settlement of services provided to the Company in the amount of $27,500.00. Under the terms of the debenture, the amount owing is unsecured, bears interest at 12% per annum, and is due on December 31, 2017. Interest on overdue principal after default accrues at an annual rate of 18%. The debenture is convertible into commons shares of the Company at any time while the note is in effect at a conversion price equal to 50% of the lowest trading price of the Company's common shares for the past 15 trading days prior to notice of conversion. The balance outstanding as at December 31, 2018 is $27,500.00.

On September 30, 2017, the Company issued a convertible debenture to a non-related party in settlement of services provided to the Company in the amount of $12,000.00. Under the terms of the debenture, the amount owing is unsecured, bears interest at 12% per annum, and is due on March 31, 2018. Interest on overdue principal after default accrues at an annual rate of 18%. The debenture is convertible into commons shares of the Company at any time while the note is in effect at a conversion price equal to 50% of the lowest trading price of the Company's common shares for the past 15 trading days prior to notice of conversion. The balance outstanding as at December 31, 2018 is $12,000.00.

On September 30, 2017, the Company issued a convertible debenture to a non-related party in settlement of expenses paid on behalf of the Company in the amount of $10,175.00. Under the terms of the debenture, the amount owing is unsecured, bears interest at 12% per annum, and is due on March 31, 2018. Interest on overdue principal after default accrues at an annual rate of 18%. The debenture is convertible into commons shares of the Company at any time while the note is in effect at a conversion price equal to 50% of the lowest trading price of the Company's common shares for the past 15 trading days prior to notice of conversion. The balance outstanding as at December 31, 2018 is $6,347.00.

On June 18, 2017, the Company issued a convertible debenture to a non-related party in settlement of expenses paid on behalf of the Company in the amount of $29,947.50. Under the terms of the debenture, the amount owing is unsecured, bears interest at 12% per annum, and is due on June 30, 2019. Interest on overdue principal after default accrues at an annual rate of 12%. The debenture is convertible into commons shares of the Company at any time while the note is in effect at a conversion price equal to 50% of the lowest rading price of the Company's common shares for the past 15 trading days prior to notice of conversion. The balance outstanding as at December 31, 2018 is $29,947.50.

On October 1, 2018, the Company issued a convertible debenture to a non-related party in settlement of expenses paid on behalf of the Company in the amount of $5,520.90. Under the terms of the debenture, the amount owing is unsecured, bears interest at 12% per annum, and is due on October 1, 2019. Interest on overdue principal after default accrues at an annual rate of 12%. The debenture is convertible into commons shares of the Company at any time while the note is in effect at a conversion price equal to 50% of the lowest frading price of the Company's common shares for the past 15 trading days prior to notice of conversion. The balance outstanding as at December 31, 2018 is $5,520.90.

On December 10, 2018, the Company issued a convertible debenture to a non-related party for cash received in the amount of $10,000.00. Under the terms of the debenture, the amount owing is unsecured, bears interest at 10% per annum, and is due on December 10, 2019. The debenture is convertible into commons shares of the Company at any time while the note is in effect at a conversion price equal to 50% of the lowest trading price of the Company's common shares for the past 15 trading days prior to notice of conversion. The balance outstanding as at December 3 1, 2018 is $10,000.00.

7. Common Stock

As at December 31, 2019, the Company had an authorized common share capital set at 500,000,000 carrying a par value of $0.001 with 415,341,280 common shares issued and outstanding.

8. Preferred Stock

As at December 31, 2019, the Company had an authorized preferred share capital set at 16,081,530 carrying a par value of $0.001 with 16,081,530 issued and outstanding.

9. Share Purchase Warrants

As at December 3 1, 2019, there were no outstanding share purchase warrants.

10. Stock Options

As at December 3 1, 2019 there were no outstanding options to purchase shares of common stock.

11. Income Taxes

The Company has incurred losses amounting to $5,788,172 that can be carried forward to offset taxable income in future years and, if unutilized, will expire through to 2039. Deferred tax benefits, which may arise as a result of these losses, have not been

12. Subsequent Events

In March 2019, the company increased its authorized common stock to 5,000,000 to accommodate the Regulation A+ which if fully subscribed will require the issuance of 2,500,000,000 shares of common stock.

In March 2019 the company received clearance from the Securities and Exchange Commission for the Regulation A+ common stock sale. The placement of this common stock is being handled by a New York firm.

In March 2019, the company increased its authorized preferred stock to 100,000,000 shares as was shown in the documentation for the Regulation A+ filing.