

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

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

- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 000-52828

Digital Development Partners, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or Other Jurisdiction of Incorporation or Organization)

98-0521119

(IRS Employer Identification No.)

3505 Yucca Drive, Suite 104, Flower Mound, Texas 75022

(Address of Principal Executive Offices, Including Zip Code)

(833) 223-4202

(Registrant's telephone number, including area code)

Securities Registered under Section 12(b) of the Exchange Act: **None**

Securities Registered under Section 12(g) of the Exchange Act: **Common Stock**

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 of the 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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.

Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Large accelerated filer	<input type="checkbox"/>	Emerging growth company	<input checked="" type="checkbox"/>
Non-accelerated filer	<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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity (the only such common equity being Common Stock, \$.001 par value per share) held by non-affiliates of the registrant (computed by reference to the closing sale price of the Common Stock on June 26, 2020 (the last trading day prior to June 30, 2020), of \$0.0606) is \$1,672,560.

The number of shares outstanding of the registrant’s Common Stock, \$.001 par value (being the only class of its common stock), is 171,775,000 as of April 14, 2021.

Documents Incorporated by Reference

None

DIGITAL DEVELOPMENT PARTNERS, INC. INDEX TO ANNUAL REPORT ON FORM 10-K For the Fiscal Year ended December 31, 2020

Items in Form 10-K

Item 1. Business	4
Item 1A. Risk Factors	12
Item 1B. Unresolved Staff Comments	12
Item 2. Properties	12
Item 3. Legal Proceedings	12
Item 4. Mine Safety Disclosures	12

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	13
Item 6. Selected Financial Data	15
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	15
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	21
Item 8. Consolidated Financial Statements and Supplementary Data	21
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	21
Item 9A. Controls and Procedures	21
Item 9B. Other Information	22

PART III

Item 10. Directors, Executive Officers and Corporate Governance	23
Item 11. Executive Compensation	25
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	26

Item 13. Certain Relationships and Related Transactions, and Director Independence	27
Item 14. Principal Accountant Fees and Services	30

PART IV

Item 15. Exhibits and Financial Statement Schedules	31
Item 16. Form 10-K Summary	32
Signatures	33
Certifications	

[Table of Contents](#)

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. For example, statements included in this Annual Report regarding our financial position, business strategy and other plans and objectives for future operations, and assumptions and predictions about future product demand, supply, manufacturing, costs, marketing and pricing factors are all forward-looking statements. When we use words like “intend,” “anticipate,” “believe,” “estimate,” “plan” or “expect,” or other words of a similar import, we are making forward-looking statements. We believe that the assumptions and expectations reflected in such forward-looking statements are reasonable, based upon information available to us on the date hereof (but excluding the impact of COVID-19, as described above in “Explanatory Note”), but we cannot assure you that these assumptions and expectations will prove to have been correct or that we will take any action that we may presently be planning. We have disclosed certain important factors (e.g., see “Explanatory Note” and “Item 1A. Risk Factors”) that could cause our actual results to differ materially from our current expectations elsewhere in this Annual Report. You should understand that forward-looking statements made in this Annual Report are necessarily qualified by these factors. We are not undertaking to publicly update or revise any forward-looking statement if we obtain new information or upon the occurrence of future events or otherwise.

[Table of Contents](#)

PART I

Item 1. Business

In this Annual Report, “we,” “us” and “our” refer to Digital Development Partners, Inc., including its wholly-owned subsidiaries, Black Bird Potentials Inc., a Wyoming corporation (“Black Bird”), Big Sky American Dist., LLC, a Montana limited liability company (“Big Sky American”), and Black Bird Hemp Manager, LLC, a Montana limited liability company.

Preliminary Statements Regarding the COVID-19 Pandemic

As of the date of this Annual Report, there exist significant uncertainties regarding the current novel Coronavirus (COVID-19) pandemic, including the scope of health issues, the possible duration of the pandemic and the extent of local and worldwide social, political and economic disruption it may cause.

To date, the COVID-19 pandemic has had a discernable short-term negative impact on the ability of our company to obtain capital needed to accelerate the development of our business.

With respect to our business operations, while our product sales have increased since the initial impact of the COVID-19 pandemic due primarily to our recently introducing hand sanitizer gel and spray products, we believe the COVID-19 pandemic has had a discernable short-term negative impact on our product sales.

Overall, our company is not of a size that has required us to implement “company-wide” policies in response to the COVID-19 pandemic. Further, our product manufacturing operations have experienced no negative consequences attributable to the COVID-19 pandemic, inasmuch as these operations involve a limited number of persons. However, as the states continue to re-open their economies, the scope and nature of the impacts of COVID-19 on our company will evolve day-by-day, week-by-week.

The COVID-19 pandemic can be expected to continue to result in regional and local quarantines, labor stoppages and shortages, changes in consumer purchasing patterns, mandatory or elective shut-downs of retail locations, disruptions to supply chains, including the inability of our suppliers to deliver materials on a timely basis, or at all, severe market volatility, liquidity disruptions and overall economic instability. It can be further expected that the COVID-19 pandemic will continue to have unpredictably adverse impacts on our business, financial condition and results of operations. This situation is changing rapidly and additional impacts may arise of which we are not currently aware.

We intend to continue to assess the evolving impact of the COVID-19 pandemic, not only on our company, but on the operations of our customers, consumers and supply chains, and intend to make adjustments accordingly. However, the extent to which the COVID-19 pandemic may impact our business, financial condition and results of operations will depend on how the COVID-19 pandemic and its impact continues to impact the United States and, to a lesser extent, the rest of the world, all of which remains highly uncertain and cannot be predicted at this time.

In light of these uncertainties, for purposes of the discussion below, except where otherwise indicated, the descriptions of our business and our strategies, including regarding us, our business and the market generally, do not reflect the potential impact of the COVID-19 pandemic or our responses thereto.

Our Company After Acquiring Black Bird Potentials Inc.

With the January 2020 acquisition of Black Bird Potentials Inc., our company emerged from its long-standing status as a “shell company.” Our Board of Directors has adopted the business plan of Black Bird and our company’s ongoing operations now include those of Black Bird. The following sets forth information regarding our company that reflects these changes.

Corporate Name Change

In January 2020, holders of approximately 68% of our common stock, acting by written consent in lieu of a meeting, approved a change of our corporate name from Digital Development Partners, Inc. to “Black Bird Potentials Inc.” In January 2020, we filed the Certificate of Amendment to our Articles of Incorporation that is to effect this corporate action and submitted such filing to FINRA for approval thereof. FINRA did not approve such filing, due to an extended passage of time from our initial filing and our being late in filing certain of our periodic reports. In April 2021, our Board of Directors determined not to pursue this name change, in favor of a corporate name change to “Black Bird Biotech Corp.” Thereafter, holders of approximately 58.32% of our common stock, acting by written consent in lieu of a meeting, approved such corporate name change. Prior to the end of April 2021, we intend to file a Certificate of Amendment to our Articles of Incorporation that is to effect this corporate action and submit such filing to FINRA for approval thereof.

[Table of Contents](#)

History of Our Company

We were incorporated in the State of Nevada in 2006 under the name “Cyprium Resources Inc.,” which was changed in August 2009 to “Digital Development Partners, Inc.” Through 2014, our company was involved, first, in the mining industry and, then, in the communications industry. From 2015 until the January 2020 acquisition of Black Bird, our company was a “shell company,” as defined in Rule 12b-2 of the Securities Exchange Act of 1934. In January 2020, we filed a Certificate of Amendment to our Articles of Incorporation to effect a corporate name change to “Black Bird Potentials Inc.” and submitted such filing to FINRA for approval thereof. FINRA did not approve such filing, due to an extended passage of time from our initial filing and our being late in filing certain of our periodic reports. In April 2021, our Board of Directors determined not to pursue this name change, in favor of a corporate name change to “Black Bird Biotech Corp.” Thereafter, holders of approximately 58.32% of our common stock, acting by written consent in lieu of a meeting, approved such corporate name change. Prior to the end of April 2021, we intend

to file a Certificate of Amendment to our Articles of Incorporation that is to effect this corporate action and submit such filing to FINRA for approval thereof.

Business Overview

Black Bird is the exclusive worldwide manufacturer and distributor of MiteXstream, an EPA-registered plant-based biopesticide effective in the eradication of spider mites, a pest that destroys crops, especially cannabis, hops, coffee, and house plants, as well as molds and mildew. Also through Black Bird, we manufacture and sell CBD products, including CBD Oils, gummies and pet treats, and CBD-infused personal care products, as well as hand sanitizer gel and spray products, under the Grizzly Creek Naturals brand name. In addition, Black Bird is a licensed grower of industrial hemp under the Montana Hemp Pilot Program and has established “Black Bird American Hemp” as the brand name under which these efforts will be conducted.

Our corporate website is located at: www.digitaldevelopmentpartners.com. No information found on our company’s website is part of this Annual Report.

MiteXstream

Worldwide Exclusivity. Pursuant to a February 2021 Manufacturing, Sales and Distribution License Agreement (the “New MiteXstream Agreement”) with Touchstone Enviro Solutions, Inc. (“Touchstone”), a company owned by three of our directors, Fabian G. Deneault, L. A. Newlan, Jr. and Eric Newlan, Black Bird possesses the exclusive rights, even as to Touchstone, to manufacture, sell and distribute MiteXstream, an EPA-registered biopesticide (EPA Reg. No. 95366-1). The exclusivity granted would be reduced to a status of non-exclusivity, should we fail to manufacture at least 2,500 gallons of concentrate in any year during the term of the New MiteXstream Agreement; provided, however, that such minimum required is deemed to have been satisfied through December 31, 2022. We are required to pay Touchstone a royalty of \$10 per gallon of MiteXstream manufactured by us or by any sublicensee of ours. For no further consideration, we were granted the rights to use the “MiteXstream” trademark and the “Harnessing the Power of Water” trademark.

The New MiteXstream Agreement replaced a prior similar agreement with Touchstone (the “Original MiteXstream Agreement”) and served to expand Black Bird’s rights with respect to MiteXstream. The New MiteXstream Agreement contains the following important provisions as compared to the Original MiteXstream Agreement:

	<u>New MiteXstream Agreement</u>	<u>Original MiteXstream Agreement</u>
Term	December 31, 2080	Initial terms of 10 years, with one 10-year renewal term
Territory	Worldwide Exclusive (1)	United States and Canada
Royalty	\$10.00 per gallon manufactured	Effective royalty of an estimated \$50 per gallon
Minimums	2,500 gallons of concentrate manufactured per year (2)	\$20,000 of product per year
Sublicensing	Right to sublicense granted	No right to sublicense
Trademarks	For no extra consideration, rights granted to use “MiteXstream” and “Harnessing the Power of Water”	For no extra consideration, rights granted to use “MiteXstream”

(1) Exclusivity ends and becomes non-exclusive, if the minimum of 2,500 gallons per year is not met.

(2) The minimum (2,500 gallons per year) is deemed to have been satisfied through December 31, 2022.

The disinterested Directors of our Company approved the New MiteXstream Agreement.

[Table of Contents](#)

Approval as Biopesticide. Effective December 16, 2020, MiteXstream was approved as a biopesticide by the U.S. Environmental Protection Agency (EPA Reg. No. 95366-1). We have begun to seek approval for use of MiteXstream in the various states; the state approval process takes between one and eight months, variously. To date, MiteXstream is approved for sale in Nevada. Until we obtain the required pesticide certification in a state, we will not

sell any MiteXstream in that state. In addition, we intend to seek approval of MiteXstream in countries around the world, although no specific time for such actions has been set.

Sales and Distribution. We have begun to market MiteXstream through channels known to our management. However, it is our intention to secure a small number of established distributors through which to sell MiteXstream in the United States. There is no assurance we will be successful in these efforts.

In March 2021, we entered into a distribution agreement with IFC Fulfillment Company (“IFC”), a Los Angeles-based export firm, whereby IFC was appointed the exclusive distributor for MiteXstream in China, Hong Kong and Taiwan. Our Director, Jack Jie Qin, a Company director, facilitated the signing of the IFC Agreement. As of the date of this Annual Report, IFC has not made a sale of MiteXstream.

Background—The Spider Mite Problem. Our President, Fabian G. Deneault, was, from 2017 through 2019, a licensed dispenser of medical marijuana (MMJ) in the State of Montana and, as such, was permitted to grow marijuana plants for use in his MMJ dispensary business. As a licensed medical marijuana grower, Mr. Deneault encountered infestations of spider mites on his plants. To combat the spider mites, Mr. Deneault developed the MiteXstream formulation (see “Product Effectiveness” below).

Mr. Deneault soon came to understand that the spider mite issue is an industry-wide issue. In fact, in addition to marijuana, spider mites are a significant pest in the production of industrial hemp, coffee and hops, among other agricultural products.

Product Effectiveness. In testing done by our company, we have determined that, when mixed with water at the prescribed dilution rate, MiteXstream is effective in eliminating spider mites and their eggs, with no risk of plant damage.

Further, based on independent lab testing (see results under “Independent Lab Testing” below), users of MiteXstream are able to treat their cannabis (marijuana) plants through the day of harvest and still satisfy state-level pesticide testing standards.

Independent Lab Testing. In January 2019, Stillwater Labs, an Olney, Montana-based medical marijuana testing facility, concluded its testing of a cannabis sample treated only with MiteXstream. In addition to testing for pesticides prohibited by the State of Montana, Stillwater Labs also tested for pesticides prohibited by the State of Oregon, the most stringent state-level marijuana testing standard. The results of this testing, presented as being measured in parts per billion (PPB), are set forth below.

Montana Pesticide Testing Standard

Analyte	Montana Allowable Limit (PPB)	MiteXstream Treated Sample (PPB)	Analyte	Montana Allowable Limit (PPB)	MiteXstream Treated Sample (PPB)
Abamectin	500	0	Imidacloprid	400	0
Acequinocyl	2000	0	Myclobutanil	200	0
Bifenazate	200	0	Paclobutrazol	400	0
Bifenthrin	200	0	Pyrethrin I	1000	0
Chloromequat Chloride	1000	0	Spinosyn A	200	0
Cyfluthrin	1000	0	Spinosyn D	200	0
Daminozide	1000	0	Spiromefesin	200	0
Etoxazole	200	0	Spirotetramat	200	0
Fenoxycarb	200	0	Trifloxystrobin	200	0
Imazalil	200	0			

Oregon Pesticide Testing Standard

Analyte	Oregon Allowable Limit (PPB)	MiteXstream Treated Sample (PPB)	Analyte	Oregon Allowable Limit (PPB)	MiteXstream Treated Sample (PPB)
Abamectin	0	0	Clofentezine	200	0
Acequinocy	0	0	Cypermethrin	1000	0
Bifenazate	0	0	Diazinon	200	0
Bifenthrin	0	0	Dichlorvos	100	0
Chlormequat Chloride	0	0	Dimethoate	200	0
Cyfluthrin	0	0	Etofenprox	400	0
Daminozide	0	0	Fenpyroximate	400	0
Etiozazole	0	0	Fipronil	400	0
Fenoxycarb	0	0	Flonicamid	1000	0
Imazalil	0	0	Fludioxonil	400	0
Imidacloprid	0	0	Hexythiazox	1000	0
Myclobutanil	0	0	Kresoxym-methyl	400	0
Paclbutrazol	0	0	Malathion	200	0
Pyrethrin I	0	0	Metaxyl	200	0
Spinosyn A	0	0	Methiocarb	200	0
Spinosyn D	0	0	Methomyl	400	0
Spiromefesin	0	0	Oxamyl	1000	0
Spirotetramat	0	0	Permethrins	200	1*
Trifloxystrobin	0	0	Phosmet	200	0
Acephate	0	0	Piperonyl Butoxide	2000	0
Acetamiprid	0	0	Prallethrin	200	0
Aldicarb	0	0	Propiconazole	400	0
Azoxystrobin	0	0	Pyridaben	200	0
Boscalid	0	0	Spiroxamine	400	0
Carbaryl	0	0	Tebuconazole	400	0
Carbofuran	0	0	Thiacloprid	200	0
Chloantraniliprole	0	0	Thiamethoxam	200	0
Chlorpyrifos	0	0			

* Noted in the report of Stillwater Labs as possible ambient environmental contamination.

Competition. The pesticide industry is characterized by severe competition, evolving industry standards, evolving business and distribution models, price cutting, with resulting downward pressure on gross margins, and price sensitivity on the part of customers. Many of our competitors possess substantially greater resources, financial and otherwise, than does our company. In addition, MiteXstream lacks name recognition. Our future success will depend on our ability to gain product name recognition and customer loyalty, as well as our being able to anticipate and respond to emerging standards and other unforeseen changes. If we fail to satisfy such standards of operation, our operating results could suffer. Further, intra-industry consolidations may result in stronger competitors and may, therefore, also harm our future results of operations. There is no assurance that we will ever overcome these challenges.

Regulation. Field testing, production and marketing of pesticide products are regulated by federal, state, local and foreign governments. The EPA regulates pesticides in the U.S. under the Federal Insecticide, Fungicide and Rodenticide Act, as amended (“FIFRA”). Pesticides also are regulated by the states. MiteXstream is registered under FIFRA and, prior to sale in any state, will be approved by such state.

CBD Products – Grizzly Creek Naturals

CBD Products. We have created “Grizzly Creek Naturals” as the brand name for our CBD-related products, which are manufactured by our company using CBD purchased from third parties. Once we begin producing commercial quantities of industrial hemp and extracting the CBD therefrom, we will begin to use all of our own CBD and supplement it with CBD from third parties, as necessary.

We have expanded our line of Grizzly Creek Naturals CBD products and currently manufacture and sell the following items:

- CBD Oil: Original, Huckleberry and Cherry Flavors in 100mg, 250mg, 500mg, 1000mg and 2500mg dosages
- CBD-Infused Body Butter (500mg): Unscented and Huckleberry Scent
- CBD-Infused Lip Balm (30mg): Huckleberry Scent
- Bath Bomb with 50mg of CBD: Eucalyptus, Lavender and Citrus Scents

In July 2020, we began sales of CBD gummies on a private-label basis.

Table of Contents

Other Products. In April 2020, we began sales of our Grizzly Creek Naturals hand sanitizer to distributors, directly to retail customers and directly to consumers through our website, having completed our initial FDA product listing in March 2020.

Hand Sanitizer. In April 2020, we began to manufacture and sell our Grizzly Creek Naturals hand sanitizer gel and spray products (without CBD) to distributors, directly to retail customers and directly to consumers through our website, having completed our initial FDA product listing in March 2020. As further discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations section hereof, since their introduction, demand for our hand sanitizer products has exceeded our ability to produce these products. The primary hindrance to our ability to produce enough hand sanitizer products has been a scarcity of plastic bottles, pumps and caps available to us, which is attributable to the COVID-19 pandemic. We expect this scarcity of plastic bottles, pumps and caps to abate during the third and fourth quarters of 2020, but no assurance can be made in this regard.

Products for Animals. In August 2020, we introduced CBD products for dogs under our Grizzly Creek Naturals brand name.

Distribution.

In-House Distribution. Since it began to manufacture and sell its CBD products in mid-2019, Black Bird has self-distributed its products. In December 2020, these distribution efforts we formalized with the formation of a new distribution subsidiary, Big Sky American Dist., LLC, a Montana limited liability company ("Big Sky American"). Big Sky American currently distributes the Grizzly Creek Naturals products to approximately 50 retail locations in Western Montana. In December 2020, Big Sky American entered into an asset purchase agreement (the "Big Sky APA"), whereby it purchased certain distribution-related assets associated with approximately 200 retail locations in Western Montana for \$200,000 in cash. These assets became available for purchase, due their owner's determination to terminate its distribution business in such locations. The closing of under the Big Sky APA occurred in February 2021.

Website. We sell our products to consumers through our website: www.grizzlycreeknaturals.com.

Third-Party Distributors. Since the third quarter of 2019, Black Bird has entered into separate distribution agreements with four distributors. During the third quarter of 2019, Black Bird entered into a distribution agreement with CBD INC Limited Liability Partnership (the "Initial Nevada Distributor"). The Initial Nevada Distributor's initial purchase of our products was approximately \$8,900 which remains unpaid; no further purchases were made. Effective July 1, 2020, we terminated the agreement with the Initial Nevada Distributor, due to non-payment of sums due and to its failure to pursue the distribution of our products with reasonable commercial effort. In conjunction with our terminating the Initial Nevada Distributor, we entered into a letter agreement with Las Vegas-based Hope Botanicals LLC (the "Hope Distributor"), with respect to its selling our products primarily in the Las Vegas area. Hope Distributor has taken over the retail premises of the Initial Nevada Distributor and is actively pursuing sales of our products.

In March 2020, Black Bird entered into a Regional Development and Distribution Agreement with Northland Partners, LLC (the "Tri-State Distributor"), who will focus on distribution of our products in North Dakota, South Dakota and Minnesota. Tri-State Distributor has the right to distribute Black Bird's products anywhere in the United States. Due to existing COVID-19-related restrictions during 2020, the Tri-State Distributor did not purchase any products from us. We are unable to estimate our total 2021 sales to Tri-State Distributor.

In May 2020, we began to distribute our hand sanitizer products through Raghorn Wholesale, LLC ("Raghorn"), a Montana-based distributor of consumer products to approximately 1,000 retail locations in Montana, North Dakota, Idaho and Washington. In July 2020, Black Bird and Raghorn entered into a written distribution

agreement. Raghorn has become our largest customer. Through the date of this Annual Report, Raghorn has purchased approximately \$30,000 of our hand sanitizer products. Raghorn does not distribute our Grizzly Creek Naturals CBD products. Raghorn is the party from which Big Sky American purchased the distribution assets under the Big Sky APA.

Each of our distributors has the right to distribute our products anywhere in the United States.

We continue to seek additional distributors who are able to demonstrate, to our management's satisfaction, an ability to develop robust sales for our Grizzly Creek Naturals CBD products.

Table of Contents

Perceived Benefits of CBD. The current growth in sales of CBD products is primarily due to perceived benefits expressed by those who have used CBD products. While our company does not make any claims as to the effectiveness or potential benefits of CBD, the following perceived benefits expressed by those who have used CBD products include, among others:

- Relief for Chronic Pain
- Reduces Seizures
- Reduces Anxiety and Depression
- Reduces Inflammation
- Promotes Healthy Weight
- Improves Heart Health
- Improves Skin Conditions

(Source: CBD Oil Benefits and Uses for Pain, Anxiety, Cancer and More, Dr. Josh Axe, DC, DMN, CNS; <https://draxe.com/cbd-oil-benefits>)

Competitive Strengths and Weaknesses. With respect to our Grizzly Creek Naturals products, we believe our company possesses the following competitive strengths and weaknesses:

- Competitive Strengths:
 - our products are produced using high-quality ingredients
 - we enjoy low overhead costs
- Competitive Weaknesses:
 - none of our products enjoys brand name recognition
 - we possess limited capital
 - we have limited personnel

Competition.

CBD Products. The market for CBD products is growing rapidly and the competition for customers is highly competitive and highly fragmented, with no significant barriers to entry. We expect competitive conditions to increase over time. There is no assurance that our Grizzly Creek Naturals CBD products will achieve profitability in the face of such competition.

Hand Sanitizer. With the onset of the COVID-19 pandemic, sales of hand sanitizer products skyrocketed and numerous companies became first-time participants in this market segment. Currently, there is intense competition for raw materials with which to manufacture and package hand sanitizer products, in response to COVID-19-related end-user, both consumer and business, demand.

To date, while we have been able to sell substantially all of the hand sanitizer products produced by us, our operations have been impeded by our inability to obtain larger supplies of needed plastic bottles, pumps and caps. There is no assurance that we will successfully overcome the intense competition for needed raw materials, in the near term. Further, there no assurance that we will continue to compete successfully for customers for our hand sanitizer products.

Regulation.

CBD Products. Under the 2018 Farm Bill, CBD products may be sold legally, if and only if the hemp from which the CBD is derived is produced in a manner consistent with the 2018 Farm Bill, associated federal regulations,

associated state regulations and by a licensed grower. Our CBD products are in compliance with the provisions of the 2018 Farm Bill.

Hand Sanitizer. Because we manufacture hand sanitizer products, we are subject to regulation by the U.S. Food and Drug Administration. In compliance with such regulatory requirements, Black Bird obtained a labeler code and we submit our products and associated labels for FDA approval for listing on the National Drug Code Directory. In addition, Black Bird follows current good manufacturing practices (CGMP) in the production of the Grizzly Creek Naturals hand sanitizer products.

Hemp-Related Activities

We have formed a division of our company that focuses on hemp-related business opportunities under the “Black Bird American Hemp” brand name. Black Bird American Hemp currently seeks to develop industrial hemp processing operations in the State of Montana. In this regard, while Black Bird is a licensed hemp grower in Montana under the Montana Hemp Pilot Program, it is not contemplated that Black Bird will, itself, become a significant grower of hemp.

Hemp Industry Background. Hemp, or “industrial hemp”, is a variety of the *Cannabis sativa* plant species that is grown specifically for the industrial uses of its derived products. In fact, hemp has been found to be useful as a crop, providing many associated products for over 10,000 years, including biodegradable plastics, “hemp-crete,” insulation, paper, textiles, paint, biofuel, food and animal feed.

[Table of Contents](#)

The road to development of industrial hemp in the United States has not been smooth. Famous early Americans, such as George Washington and Thomas Jefferson, among others, were known to grow hemp and its use in making paper was widespread during colonial times. Throughout the 19th Century, industrial hemp served as a significant cash crop. In the 20th Century, industrial hemp became associated with the use of marijuana, due to the fact that both belong to the *Cannabis Sativa* species, and was effectively outlawed.

It was not until the passage of the Farm Bill of 2014, followed by the Farm Bill of 2018, that Congress finally disassociated industrial hemp and marijuana and removed both CBD and hemp from the Class I controlled substance category of the Controlled Substance Act. Industrial hemp contains, by definition, a maximum of 0.3% of the psychoactive substance, tetrahydrocannabinol (THC).

Like many states, Montana has adopted a Hemp Pilot Program (the “Montana Program”) for farmers in Montana, pursuant to the requirements set forth in the Farm Bill of 2018. The Montana Program requires hemp growers to obtain a yearly permit for growing industrial hemp, subject to compliance with the Rules and Regulations of the Department of Agriculture of Montana.

For 2020, approximately 40,000 acres of licensed hemp were cultivated in Montana and a total of approximately 465,000 acres of licensed hemp was cultivated in the United States, which acreage totals are expected to increase in each of the next several years. According to New Frontier Data, hemp-related revenues in the U.S. for 2020 will be approximately \$5.9 billion.

The passage of the Farm Bill of 2018 removed hemp and all of its derivatives from the Controlled Substances Act, thereby reviving hemp production and processing as viable businesses in the United States for companies seeking to meet the now-growing demand for hemp products, hemp-derived CBD and hemp consumer packaged goods.

The Hemp Business Journal estimated that the U.S. hemp industry will grow to at least \$1.9 billion by 2022, with an estimated 14.4% annual rate of growth. According to a 2019 report by Research and Markets, the global industrial hemp market size is anticipated to reach \$10.6 billion by 2025.

Currently, the majority of hemp products sold in the U.S., such as hemp foods, healthcare products, textiles and building materials, are imported from other countries, especially China and many European countries. However, as domestic restrictions continue to ease, U.S. companies are acquiring, and are expected to continue to acquire, a greater percentage of the hemp product market, both in the U.S. and internationally. The Company believes that American grown and processed hemp products will continue to gain market share in future years.

We believe that there is a shortage of hemp processing capacity in the United States, in general, and in the State of Montana, in particular.

Hemp Processing. The processing of industrial hemp involves the mechanical stripping of the hemp stalk, which range in length from four to twelve or more feet, separating the tough woody interior, the “hurd,” from the softer fibrous exterior of the stalk, the “bast” material, which is the cellulosic fibers found in the phloem of the stalk. We are attempting to establish a hemp processing facility in Montana that will utilize only mechanical processing techniques without the application of chemicals.

Proposed Hemp Processing Facility. Should we obtain adequate funds, we intend to establish a small hemp processing facility in Montana capable of processing approximately 1,000 acres of hemp on an annual basis. There is no assurance that we will ever possess sufficient funds with which to establish the proposed hemp processing facility.

Design and Construction. We have retained the professional services of Ag Processing Solutions, Inc. (“AgPro”), a Great Falls, Montana, engineering firm. AgPro is to assist us in the selection of the location of the proposed hemp processing facility, the specifications for the equipment to be utilized therein and the purchase of the equipment. In addition, AgPro would monitor the construction of the infrastructure and installation of the equipment associated with the proposed hemp processing facility.

Location. We have not yet selected a location for the proposed hemp processing facility.

Source of Processing Material. Black Bird American Hemp would acquire hemp to process from farmers, directly. This will be accomplished by purchase of harvested crops, contracting for purchase of crops prior to the planting season or any time up to harvest. Black Bird American Hemp may contract with farmers for the farmers to plant and deliver harvested crops at an established price or at market. Black Bird American Hemp may contract with farmers to provide the farmer with seed for planting, participate in crop costs during the growing period and agree to pay a predetermined price for a crop at the time of harvest. Black Bird American Hemp may, in addition, offer hemp processing services for a fee based on a weight-of-product-processed basis and may include with such services short or intermediate-term hemp storage.

[Table of Contents](#)

Montana Licensing Requirements. To commence operations at the proposed hemp processing facility, Black Bird American Hemp will be required to obtain a hemp processor license, a hemp grower license and a commodity dealer license from the State of Montana, in addition to certain licenses from the local jurisdiction in which the proposed hemp processing facility will be located.

Products. Should the proposed hemp processing facility commence operations, Black Bird American Hemp intends to sell, for its own account or for processing customers’ accounts, the products derived from the proposed hemp processing facility’s operations, including, without limitation, bast, hurd, hemp oil, hemp seeds and hemp hearts. The potential applications and, thus, target markets for Black Bird American Hemp’s products include the following, among many others:

- Bast is the fiber collected from the phloem (the “inner bark” or “skin”) or bast surrounding the stem of the hemp plant. The bast fiber is used in many forms of textiles and in the manufacture of many industrial products, including bioplastics and insulation, both as batt insulation and blown-in insulation. Black Bird American Hemp intends to focus its sales efforts on potential industrial applications.
- Hurd is the woody chips within the inner core of the hemp stock. Hurd is used to manufacture paper products and certain building materials, such as “hemp-crete” and fiber board, as an oil absorbent and for animal bedding. Black Bird American Hemp intends to focus its sales efforts on building materials and animal bedding.
- Hemp Flower is the source for hemp seeds and hemp oil, from which CBD is able to be extracted. Black Bird American Hemp intends to focus on sales of the hemp heart, the protein-dense “nut” within the hemp seed.

Competition. Black Bird American Hemp will face competition from other hemp processors, some of which can be expected to have longer operating histories and stronger financial resources and experience than Black Bird American Hemp. If Black Bird American Hemp is not successful in competing effectively, our company could experience an adverse affect on our financial condition and results of operations.

In order to be competitive, Black Bird American Hemp will be required to implement effective marketing, sales and support strategies. Black Bird American Hemp may not be able to retain the services of sufficient expertise in marketing, sales and support efforts, to the detriment of our company’s overall business, financial condition, results of operations and market share. There is no assurance Black Bird American Hemp will successfully compete in its markets.

Sales and Distribution. Black Bird American Hemp will market hemp products directly to end-users of such products and will seek distributors who are able to demonstrate an ability to develop robust sales of Black Bird American Hemp’s products.

Governmental Regulations.

In General. The Farm Bill of 2018 removed hemp and all of its derivatives from the Controlled Substances Act. However, state or local governments can, and do, impose limitations.

In Montana. To commence operations at the proposed hemp processing facility, Black Bird American Hemp will be required to obtain a hemp processor license, a hemp grower license and a commodity dealer license from the State of Montana, in addition to certain licenses from the local jurisdiction in which the proposed hemp processing facility will be located.

Recent Development. Recently, the Drug Enforcement Agency (DEA) published an Interim Final Rule (“IFR”) that could be disruptive to United States hemp processors. The IFR can be interpreted to declare that, for a short period of time in the processing cycle, there occurs a concentration of THC in excess of the 0.3% limitation, resulting in the whole product becoming a controlled substance, even though the process would result in no product with THC in excess of the 0.3 % limitation. A lawsuit has been instigated by the Hemp Industries Association, to block the effect of such IFR, as it appears to be an illegal extension of the authority of the DEA and contrary to the Farm Bill of 2018, the bill legalizing industrial hemp. If the IFR is upheld by the courts, it could have a damaging effect on Black Bird American Hemp’s ability to process hemp and carry on the intended business.

Environmental Laws. Black Bird American Hemp intends to operate the proposed hemp processing facility in compliance with all applicable federal, state and local environmental regulations. If Black Bird American Hemp should fail to comply with applicable environmental laws and regulations, it is possible that a governmental enforcement action could result in the restricting or ceasing of its then-existing operations, if any. Any such situation could result in our company’s being required to take measures that would require capital expenditures, installation of new equipment or other corrective actions. In addition, our company could be required to pay for any losses or damage due to Black Bird American Hemp’s operations and/or be required to pay civil or criminal fines or penalties imposed for violations of any such laws or regulations.

[Table of Contents](#)

Insurance

We have not yet purchased product liability or other insurance. However, our management intends to secure a commercially reasonable product liability insurance policy in April 2021.

Intellectual Property

In General. We regard our rights to intellectual property pertaining to “Grizzly Creek Naturals” and “MiteXstream” and our business know-how as having significant value and as being an important factor in the marketing of our products. Our policy is to establish, enforce and protect our intellectual property rights using the intellectual property laws.

Patents. Currently, we own no interest in any patent or patent application. None of the products that we sell in our business is the subject of any patent or patent application. Due to such lack of patent protection, neither our company nor our licensor may be able to defend our or its rights to such intellectual property. (See “Risk Factors”).

Trademarks. We are the owner of the “Grizzly Creek Naturals” and “Black Bird American Hemp” trademarks and have the right to the use of the “MiteXstream” trademark. In addition, we have the right to use the “Harnessing the Power of Water” trademark, in associated with MiteXstream. It is intended that, in the near future, filings for the registration of these trademarks with the U.S. Patent and Trademark Office will be made.

Employees

We currently have two employees, in addition to our current executive officers. Upon our obtaining adequate funding, we expect that we would hire a small number of additional employees. We have used, and, in the future, expect to use, the services of certain outside consultants and advisors as needed on a consulting basis.

Item 1A. Risk Factors

Not applicable to a smaller reporting company.

Item 1B. Unresolved Staff Comments

Not applicable to a smaller reporting company.

Item 2. Properties

From 2014 through May 2020, our current Director and former CEO, Jack Jie Qin, provided office space to our company at no cost.

The following sets forth the leased facilities maintained by us as of the date of this Annual Report:

<u>Address</u>	<u>Description</u>	<u>Use</u>	<u>Yearly Rent</u>	<u>Expiration Date</u>
3505 Yucca Drive Suite 115 Flower Mound, TX 75028	Corporate Office (160 sq. ft.)	Administrative	\$ 7,200	March 2022
60600 US Highway 93 Ronan, Montana 59864	Warehouse (1,000 sq. ft.)	Manufacturing	\$ 18,000	December 2025

We own no real property.

Item 3. Legal Proceedings

We have no pending legal or administrative proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

[Table of Contents](#)

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities Market Information

Market Information

Our common stock is quoted in the over-the-counter market under the symbol “DGDM” in the OTC Pink marketplace of OTC Link. Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions. On April 13, 2021, the closing sale price on the OCT Pink marketplace for our common stock was \$0.032.

Penny Stock

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market 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, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing 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 acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, shareholders may have difficulty selling our securities.

Holders of Our Common Stock

As of April 14, 2021, we had 171,775,000 outstanding shares of common stock and 61 shareholders of record.

As of April 14, 2021, 24,780,665 shares of our common stock were freely tradable. The remaining outstanding shares, 146,994,335 shares, are not free-trading shares and will not be eligible for sale pursuant to Rule 144 of the SEC, until the third quarter of 2021, at the earliest.

Dividends

There are no restrictions in our Articles of Incorporation, as amended, or Bylaws that prevent us from declaring dividends. The payment of dividends on common stock is at the discretion of our Board of Directors. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend: (1) we would not be able to pay our debts as they become due in the usual course of business; or (2) our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

We currently do not anticipate paying any dividends in the foreseeable future.

We have issued the following unregistered securities that have not been previously reported:

1. (a) Securities Sold. 4,450,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to GPL Ventures, LLC. (c) Consideration. Such shares of common stock were issued for cash at \$0.04 per shares, or \$178,000, in the aggregate. (d) Exemption from Registration Claimed. These securities were issued pursuant to Regulation A under the Securities Act of 1933, as amended.

2. (a) Securities Sold. A total of 1,500,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to Matthew Goldman (1,000,000 shares) and Olivier Darceaux (500,000 shares). (c) Consideration. Such shares of common stock were issued in payment of consulting services pursuant to separate consulting agreements and were valued at \$.01 per share, or \$15,000, in the aggregate. (d) Exemption from Registration Claimed. These securities are exempt from registration under the Securities Act of 1933, as amended, pursuant to the provisions of Section 4(a)(2) thereof.

3. (a) Securities Sold. 1,250,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to GPL Ventures, LLC. (c) Consideration. Such shares of common stock were issued for cash at \$0.04 per shares, or \$50,000, in the aggregate. (d) Exemption from Registration Claimed. These securities were issued pursuant to Regulation A under the Securities Act of 1933, as amended.

4. (a) Securities Sold. A total of 1,750,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to GS Capital Partners, LLC. (c) Consideration. Such shares of common stock were issued for cash at \$0.04 per shares, or \$70,000, in the aggregate. (d) Exemption from Registration Claimed. These securities were issued pursuant to Regulation A under the Securities Act of 1933, as amended.

5. (a) Securities Sold. Effective February 17, 2021, we issued a \$43,500 face amount convertible promissory note to Power UP Lending Group Ltd., which convertible promissory note bears interest at 12% per annum, with principal and interest due February 17, 2022. We have the right to repay such convertible promissory note at a premium ranging from 125% to 145% of the face amount. (b) Underwriter or Other Purchasers. Such convertible promissory note was issued to Power Up Lending Group Ltd. (c) Consideration. Such convertible promissory note was issued in consideration of a cash loan of \$43,500. (d) Exemption from Registration Claimed. These securities are exempt from registration under the Securities Act of 1933, as amended, pursuant to the provisions of Section 4(a)(2) thereof. (e) Terms of Conversion or Exercise. Such convertible promissory note may be converted into shares of our common stock at a conversion price equal to the lower of 61% of the market price of our common stock on the date of issuance of such convertible promissory note and the date of conversion, any time after August 17, 2021.

6. (a) Securities Sold. 1,250,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to GW Holdings, LLC. (c) Consideration. Such shares of common stock were issued for cash at \$0.04 per shares, or \$50,000, in the aggregate. (d) Exemption from Registration Claimed. These securities were issued pursuant to Regulation A under the Securities Act of 1933, as amended.

7. (a) Securities Sold. 625,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to AES Capital Management, LLC. (c) Consideration. Such shares of common stock were issued for cash at \$0.04 per shares, or \$25,000, in the aggregate. (d) Exemption from Registration Claimed. These securities were issued pursuant to Regulation A under the Securities Act of 1933, as amended.

8. (a) Securities Sold. A total of 150,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to Leonard Tucker, LLC. (c) Consideration. Such shares of common stock were issued in payment of consulting services pursuant to a consulting agreement and were valued at \$6,880, in the aggregate. (d) Exemption from Registration Claimed. These securities are exempt from registration under the Securities Act of 1933, as amended, pursuant to the provisions of Section 4(a)(2) thereof.

9. (a) Securities Sold. 450,000 shares of common stock were issued. (b) Underwriter or Other Purchasers. Such shares of common stock were issued to Milestone Management Services, LLC. (c) Consideration. Such shares of common stock were issued in payment of consulting services pursuant to a consulting agreement and were valued at \$13,500, in the aggregate. (d) Exemption from Registration Claimed. These securities are exempt from registration under the Securities Act of 1933, as amended, pursuant to the provisions of Section 4(a)(2) thereof.

[Table of Contents](#)

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. Selected Financial Data

Not applicable to a smaller reporting company.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Effects of COVID-19

As of the date of this Annual Report, there remain significant uncertainties regarding the current novel Coronavirus (COVID-19) pandemic, including the scope of health issues, the possible duration of the pandemic and the extent of local and worldwide social, political and economic disruption it may cause in the future.

To date, the COVID-19 pandemic has had a discernable short-term negative impact on the ability of our company to obtain capital needed to accelerate the development of our business.

With respect to our business operations, while our product sales have increased moderately since the initial impact of the COVID-19 pandemic due primarily to our recently introducing hand sanitizer gel and spray products, we believe the COVID-19 pandemic has had a discernable short-term negative impact on our product sales, inasmuch as we and our distributors have been limited in face-to-face sales meetings with respect to our products. We are unable to predict when such limitations will ease.

Overall, our company is not of a size that has required us to implement “company-wide” policies in response to the COVID-19 pandemic. Further, our product manufacturing operations have experienced no negative consequences attributable to the COVID-19 pandemic, inasmuch as these operations involve a limited number of persons. However, as the states continue to re-open, re-close, then re-open their economies, the scope and nature of the impacts of COVID-19 on our company will evolve day-by-day, week-by-week.

The COVID-19 pandemic can be expect to continue to result in regional and local quarantines, labor stoppages and shortages, changes in consumer purchasing patterns, mandatory or elective shut-downs of retail locations, disruptions to supply chains, including the inability of our suppliers to deliver materials on a timely basis, or at all, severe market volatility, liquidity disruptions and overall economic instability. It can be further expected that the COVID-19 pandemic will continue to have unpredictably adverse impacts on our business, financial condition and results of operations. This situation is changing rapidly and additional impacts may arise of which we are not currently aware.

We intend to continue to assess the evolving impact of the COVID-19 pandemic, not only on our company, but on the operations of our customers, consumers and supply chains, and intend to make adjustments accordingly. However, the extent to which the COVID-19 pandemic may impact our business, financial condition and results of operations will depend on how the COVID-19 pandemic and its impact continues to impact the United States and, to a lesser extent, the rest of the world, all of which remains highly uncertain and cannot be predicted at this time.

In light of these uncertainties, for purposes of the discussion below, except where otherwise indicated, the descriptions of our business, our strategies, our risk factors and any other forward-looking statements, including regarding us, our business and the market generally, do not reflect the potential impact of the COVID-19 pandemic or our responses thereto.

Basis of Presentation

Our company was a “shell company” from 2014 through all of 2019. Effective January 1, 2020, we acquired Black Bird Potentials Inc. (“Black Bird”), in a transaction accounted for as a “reverse merger”.

This Management’s Discussion and Analysis of Financial Condition and Results of Operations section includes financial results of (1) our company, Digital Development Partners, Inc., for the year ended December 31, 2020, including those of Black Bird, and December 31, 2019, and (2) the historical financial results of Black Bird for the year ended December 31, 2019.

In addition, this section presents information concerning Black Bird for the periods and as of the dates indicated. This information includes Black Bird's financial results, as well as narrative descriptions thereof. In addition, where appropriate, this section presents pro forma financial information, which assumes our company's acquisition of Black Bird had occurred on certain prior dates, as indicated.

[Table of Contents](#)

Cautionary Statement

The following discussion and analysis should be read in conjunction with our financial statements and related notes, beginning on page F-1 of this Annual Report.

Our actual results may differ materially from those anticipated in the following discussion, as a result of a variety of risks and uncertainties. We assume no obligation to update any of the forward-looking statements included herein.

Implications of Being an Emerging Growth Company

As a company with less than \$1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- Only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure.
- Reduced disclosure about our executive compensation arrangements.
- Not having to obtain non-binding advisory votes on executive compensation or golden parachute arrangements.
- Exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than \$1.07 billion in annual revenue, we have more than \$700 million in market value of our stock held by non-affiliates, or we issue more than \$1 billion of non-convertible debt over a three-year period. We may choose to take advantage of some but not all of these reduced burdens. We have taken advantage of these reduced reporting burdens herein, and the information that we provide may be different than what you might get from other public companies in which you hold stock.

Critical Accounting Policies

Our accounting policies are discussed in detail in the footnotes to our financial statements beginning on page F-1. We consider our critical accounting policies related to revenue recognition, inventory and fair value of financial instruments.

Our management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on our financial statements.

Overview and Outlook

With the acquisition of Black Bird effective January 1, 2020, Black Bird's operations became the operations of our company.

Black Bird is the exclusive worldwide manufacturer and distributor of MiteXstream, an EPA-registered plant-based biopesticide effective in the eradication of spider mites, a pest that destroys crops, especially cannabis, hops, coffee, and house plants, as well as molds and mildew. Through Black Bird, we manufacture and sell CBD products, including CBD Oils, gummies and pet treats, and CBD-infused personal care products, as well as hand sanitizer gel

and spray products, under the Grizzly Creek Naturals brand name. In addition, Black Bird is a licensed grower of industrial hemp under the Montana Hemp Pilot Program and has established “Black Bird American Hemp” as the brand name under which these efforts will be conducted.

Principal Factors Affecting Our Financial Performance

Following our acquisition of Black Bird, our future operating results can be expected to be primarily affected by the following factors:

- our ability to attract and retain customers for our Grizzly Creek Naturals, and other, products;
- our ability to produce and sell hemp products;
- our ability to maintain the value proposition of MiteXstream, once certified as a biopesticide, *vis-a-vis* other
- available pest control products; and
- our ability to contain our operating costs.

[Table of Contents](#)

Results of Operations

Years Ended December 31, 2020 (“Fiscal 2020”) and 2019 (“Fiscal 2019”). During Fiscal 2020, our business operations generated \$57,604 in revenues from sales of our Grizzly Creek Naturals products with a cost of goods sold of \$28,245, resulting in a gross profit of \$29,359. During Fiscal 2019, our company did not generate any revenues. During Fiscal 2019, Black Bird generated \$17,771 in revenues from sales of Grizzly Creek Naturals products with a cost of goods sold of \$17,802, resulting in a gross loss of \$31.

During Fiscal 2020, we incurred operating expenses of \$714,162, which were comprised of \$266,640 in consulting services (\$23,000 of which was paid by the issuance of common stock), \$17,899 in website expenses, \$143,310 in legal and professional services, \$23,280 for product license, \$17,200 in rent, \$1,918 in advertising and marketing expense, \$4,461 in bad debt expense, \$29,788 in beneficial conversion expense and \$209,666 in general and administrative expense, resulting in a net loss of \$690,158.

During Fiscal 2019, Black Bird incurred operating expenses of \$149,642, which were comprised of \$48,108 in consulting services (\$45,000 of which was paid by the issuance of common stock), \$8,471 in website expenses, \$32,860 in legal and professional services, \$44,762 for product license, \$4,461 in bad debt expense and \$10,980 in general and administrative expense, resulting in a net loss of \$149,373.

We expect that our revenues will increase from quarter to quarter for the foreseeable future. We expect to incur operating losses through at least June 30, 2021, until sales of MiteXstream begin and volumes of our Grizzly Creek Naturals CBD products increase significantly. Further, because of our current lack of capital and the current lack of brand name awareness of MiteXstream, Grizzly Creek Naturals and Black Bird American Hemp, we cannot predict the levels of our future revenues.

Based on informal testing done by, and discussions with, cannabis (marijuana and industrial hemp) cultivation industry participants, our management believes that MiteXstream will become the most dynamic, fastest growing part of our business. The impact of these operations is expected to arrive beginning in the second quarter of 2021, at the earliest.

Plan of Operation

MiteXstream. Pursuant to the New MiteXstream Agreement with Touchstone, Black Bird possesses the exclusive rights, even as to Touchstone, to manufacture, sell and distribute MiteXstream, an EPA-registered biopesticide (EPA Reg. No. 95366-1). The exclusivity granted would be reduced to a status of non-exclusivity, should we fail to manufacture at least 2,500 gallons of concentrate in any year during the term of the MiteXstream Agreement; provided, however, that such minimum required is deemed to have been satisfied through December 31, 2022. We are required to pay Touchstone a royalty of \$10 per gallon of MiteXstream manufactured by us or by any sublicensee of ours. For no further consideration, we were granted the rights to use the “MiteXstream” trademark and the “Harnessing the Power of Water” trademark.

Based on informal testing done by, and discussions with, cannabis cultivation industry participants, our management believes that MiteXstream will become the most dynamic, fastest growing part of our business. However, no prediction can be made in this regard.

Effective December 16, 2020, MiteXstream was approved as a biopesticide by the U.S. Environmental Protection Agency (EPA Reg. No. 95366-1). We have begun to seek approval for use of MiteXstream in the various states; the state approval process takes between one and eight months, variously. To date, MiteXstream is approved for sale in Nevada. Until we obtain the required pesticide certification in a state, we will not sell any MiteXstream. In addition, we intend to seek approval of MiteXstream in countries around the world, although no specific time for such actions has been set.

We have begun to market MiteXstream through channels known to our management. However, it is our intention to secure a small number of established distributors through which to sell MiteXstream in the United States. There is no assurance we will be successful in these efforts.

In March 2021, we entered into a distribution agreement with IFC Fulfillment Company (“IFC”), a Los Angeles-based export firm, whereby IFC was appointed the exclusive distributor for MiteXstream in China, Hong Kong and Taiwan. Our Director, Jack Jie Qin, a Company director, facilitated the signing of the IFC Agreement. As of the date of this Annual Report, IFC has not made a sales of MiteXstream.

[Table of Contents](#)

CBD Products. We have created “Grizzly Creek Naturals” as the brand name for our CBD-related products, which are manufactured by our company using CBD purchased from third parties. Once we begin producing commercial quantities of industrial hemp and extracting the CBD therefrom, we will begin to use all of our own CBD and supplement it with CBD from third parties, as necessary.

We have expanded our line of Grizzly Creek Naturals CBD products and currently manufacture and sell the following items:

- CBD Oil: Original, Huckleberry and Cherry Flavors in 100mg, 250mg, 500mg, 1000mg and 2500mg dosages
- CBD-Infused Body Butter (500mg): Unscented and Huckleberry Scent
- CBD-Infused Lip Balm (30mg): Huckleberry Scent
- Bath Bomb with 50mg of CBD: Eucalyptus, Lavender and Citrus Scents

In July 2020, we began sales of CBD gummies on a private-label basis.

Other Products. In April 2020, we began sales of our Grizzly Creek Naturals hand sanitizer to distributors, directly to retail customers and directly to consumers through our website, having completed our initial FDA product listing in March 2020.

Hand Sanitizer. In April 2020, we began to manufacture and sell our Grizzly Creek Naturals hand sanitizer gel and spray products (without CBD) to distributors, directly to retail customers and directly to consumers through our website, having completed our initial FDA product listing in March 2020. As further discussed in the Management’s Discussion and Analysis of Financial Condition and Results of Operations section hereof, since their introduction, demand for our hand sanitizer products has exceeded our ability to produce these products. The primary hindrance to our ability to produce enough hand sanitizer products has been a scarcity of plastic bottles, pumps and caps available to us, which is attributable to the COVID-19 pandemic. We expect this scarcity of plastic bottles, pumps and caps to abate during the third and fourth quarters of 2020, but no assurance can be made in this regard.

Products for Animals. In August 2020, we introduced CBD products for dogs under our Grizzly Creek Naturals brand name.

Distribution.

In-House Distribution. Since it began to manufacture and sell its CBD products in mid-2019, Black Bird as self-distributed its products. In December 2020, these distribution efforts we formalized with the formation of Big Sky American. Big Sky American currently distributes the Grizzly Creek Naturals products to approximately 50 retail

locations in Western Montana. In December 2020, Big Sky American entered into an asset purchase agreement (the Big Sky APA), whereby it purchased certain distribution-related assets associated with approximately 200 retail locations in Western Montana for \$200,000 in cash. The closing under the Big Sky APA occurred in February 2021.

Website. We sell our products to consumers through our website: www.grizzlycreeknaturals.com.

Third-Party Distributors. Since the third quarter of 2019, Black Bird has entered into separate distribution agreements with four distributors. The only one of these distributors who has significantly impacted our sales is Raghorn Distributing (Raghorn). Raghorn has become our largest customer. Raghorn does not distribute our Grizzly Creek Naturals CBD products. Raghorn is the party from which Big Sky American purchased the distribution assets under the Big Sky APA.

Hemp-Related Activities. We have formed a division of our company that focuses on hemp-related business opportunities under the “Black Bird American Hemp” brand name. Black Bird American Hemp currently seeks to develop industrial hemp processing operations in the State of Montana. In this regard, while Black Bird is a licensed hemp grower in Montana under the Montana Hemp Pilot Program, it is not contemplated that Black Bird will, itself, become a significant grower of hemp.

Proposed Hemp Processing Facility. Should we obtain a maximum offering hereunder, we intend to establish a small hemp processing facility in Montana capable of processing approximately 1,000 acres of hemp on an annual basis. There is no assurance that we will ever possess sufficient funds with which to establish the proposed hemp processing facility.

Products. Should the proposed hemp processing facility commence operations, Black Bird American Hemp intends to sell, for its own account or for processing customers’ accounts, the products derived from the proposed hemp processing facility’s operations, including, without limitation, bast, hurd, hemp oil, hemp seeds and hemp hearts. The potential applications and, thus, target markets for Black Bird American Hemp’s products include bast, hurd and hemp flower.

Sales and Distribution. Black Bird American Hemp will market hemp products directly to end-users of such products and will seek distributors who are able to demonstrate an ability to develop robust sales of Black Bird American Hemp’s products.

[Table of Contents](#)

Financial Condition, Liquidity and Capital Resources

Capital Sources.

Third-Party Loans. In April 2020, our company obtained a total of \$50,000 in loans from two third parties (\$25,000 from each). In consideration of each loan, we issued a \$25,000 face amount convertible promissory note that bears interest at 10% per annum, with principal and interest due in January 2021. Each such convertible promissory note may be converted into shares of our common stock at the rate of one share for each \$.001 of debt converted anytime after August 30, 2020. In November 2020, one of such \$25,000 face amount convertible promissory notes, including \$3,000 in accrued interest, was paid in full. The remaining \$25,000 loan is past due, as of the date of this Annual Report.

In December 2020, our company obtained a loan from a third party which netted us \$50,000 in proceeds. In consideration of such loan, we issued a \$58,600 face amount convertible promissory note, with OID of \$4,100, that bears interest at 10% per annum, with principal and interest due in September 2021. We have the right to repay such convertible promissory note at a premium ranging from 120% to 145% of the face amount. Such convertible promissory note may be converted into shares of our common stock at a conversion price equal to the lower of 60% of the market price of our common stock on the date of issuance of such convertible promissory note and the date of conversion, any time after June 15, 2021.

In January 2021, our company obtained a loan from a third party which netted us \$52,000 in proceeds. In consideration of such loan, we issued a \$55,500 face amount convertible promissory note that bears interest at 12% per annum, with principal and interest due in January 2022. We have the right to repay such convertible promissory note at

a premium ranging from 125% to 145% of the face amount. Such convertible promissory note may be converted into shares of our common stock at a conversion price equal to the lower of 61% of the market price of our common stock on the date of issuance of such convertible promissory note and the date of conversion, any time after July 14, 2021.

In February 2021, our company obtained a loan from a third party which netted us \$106,000 in proceeds. In consideration of such loan, we issued a \$121,000.00 face amount promissory note, with OID of \$15,000, that bears interest at 9% per annum, with principal and interest payable in eight equal monthly payments of \$15,125 beginning in August 2021. We have the right to repay such promissory note at any time. Should we default on such promissory note, it becomes convertible into shares of our common stock at a conversion price equal to the lesser of the lowest closing bid price of our common stock for the trading day immediately preceding either (a) the delivery of a notice of default, (b) the delivery of a notice of conversion resulting from such default or (c) the issue date of such promissory note.

In February 2021, our company obtained a loan from a third party which netted us \$43,500 in proceeds. In consideration of such loan, we issued a \$43,500 face amount convertible promissory note that bears interest at 12% per annum, with principal and interest due in February 2022. We have the right to repay such convertible promissory note at a premium ranging from 125% to 145% of the face amount. Such convertible promissory note may be converted into shares of our common stock at a conversion price equal to the lower of 61% of the market price of our common stock on the date of issuance of such convertible promissory note and the date of conversion, any time after August 17, 2021.

Regulation A Offering. In May 2020, our company filed an Offering Statement on Form 1-A (File No. 254-11215) (the "Regulation A Offering") with SEC with respect to 70,000,000 shares of common stock, as amended, which was qualified by the SEC on August 4, 2020. For the year ended December 31, 2020, we sold a total of 13,200,000 shares of common stock for a total of \$528,000 in cash, under the Regulation A Offering. Since December 31, 2020, we have sold a total of 4,875,000 shares of its common stock for a total of \$195,000, or \$.04 per share, in cash, under the Regulation A Offering. There is no assurance that we will further derive any funds pursuant to the Regulation A Offering.

December 31, 2020. At December 31, 2020, our company had \$52,974 in cash and working capital of \$7,610, compared to \$973 in cash and a working capital deficit of \$1,140,795 at December 31, 2019. The significant change in our working capital position from December 31, 2019, to December 31, 2020, is attributable primarily to (1) the cancellation of \$1,133,097 of debt in exchange for shares of our common stock, pursuant to three separate agreements with related parties and (2) \$530,500 in proceeds from sales of our common stock, including \$528,000 derived from the Regulation A Offering.

During the Current Period, we obtained net advances \$4,470 from a related party with which to pay certain operating expenses, including \$3,000 in fees of our former auditor.

[Table of Contents](#)

Transactions Relating to the Black Bird Acquisition. In connection with our acquisition of Black Bird, we consummated a stock cancellation agreement with a related party and three separate debt forgiveness agreements with related parties, as follows:

Stock Cancellation Agreement. We entered into this agreement with our former majority shareholder, EFT Holdings, Inc., whereby we cancelled all 79,265,000 shares of common stock then owned by EFT Holdings, Inc. The total stated capital and additional paid-in capital associated with such shares is \$79,265 (unaudited), and is a reduction of our shareholders' equity.

Debt Forgiveness Agreements. We entered into three separate debt forgiveness agreements with related parties:

EFT Holdings, Inc.: we issued 18,221,906 shares of common stock to our former majority shareholder, EFT Holdings, Inc., in payment of \$886,108 of indebtedness, principal and accrued interest.

EF2T, Inc.: we issued 2,240,768 shares of common stock to a related party, EF2T, Inc., in payment of \$109,992 of indebtedness, principal and accrued interest.

Astonia LLC: we issued 2,831,661 shares of common stock to a related party, Astonia LLC, in payment of \$136,997 of indebtedness, principal and accrued interest.

Our company's current cash position of approximately \$50,000 is adequate for our company to maintain its present level of operations through the remainder 2021. However, we must obtain additional capital from third parties to implement our full business plans. There is no assurance that we will be successful in obtaining such additional capital.

December 31, 2019. At December 31, 2019, Black Bird had \$85,969 in cash and working capital of \$114,945, compared to \$37,662 in cash and working capital of \$37,662 at December 31, 2018. From its inception in October 2018 through December 31, 2019, Black Bird derived a total of \$217,250 in cash from sales of its common stock.

Inflation

We do not expect that inflation will significantly affect our results of operations.

Seasonality

As sales of MiteXstream begin during the second quarter of 2021, we expect that our operating results will be impacted by the seasonality of farming operations. However, we are currently unable to predict the level to which such seasonality will impact our business.

Off Balance Sheet Arrangements

As of December 31, 2020 and 2019, there were no off-balance sheet arrangements. During the year ended December 31, 2020, we entered into operating leases for two facilities, as follows:

<u>Address</u>	<u>Description</u>	<u>Use</u>	<u>Yearly Rent</u>	<u>Expiration Date</u>
3505 Yucca Drive Suite 115 Flower Mound, TX 75028	Corporate Office (160 sq. ft.)	Administrative	\$ 7,200	March 2022
60600 US Highway 93 Ronan, Montana 59864	Warehouse (1,000 sq. ft.)	Manufacturing	\$ 18,000	December 2025

Contractual Obligations

To date, we have entered into a single long-term lease obligation that require us to make monthly payments of \$1,500 through 2025.

[Table of Contents](#)

Capital Expenditures

We made no capital expenditures during Fiscal 2020 and Fiscal 2019. Without obtaining additional capital, we will not be able to make any capital expenditures.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Not applicable to a smaller reporting company.

Item 8. Financial Statements and Supplementary Data

Please see our Financial Statements beginning on page F-1 of this Annual Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On February 25, 2020, we dismissed MaloneBailey, LLP as our independent auditor. At the time of the dismissal, there was no disagreement with respect to any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure. On February 25, 2020, we engaged Farmer, Fuqua & Huff, P.C. as our new independent auditor, to audit our financial statements for the year ended December 31, 2019, and succeeding years. The decision to change auditors was unanimously approved by our Board of Directors.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms and that such information is accumulated and communicated to our management, including our President and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Exchange Act Rule 13a-15(e), we carried out an evaluation, under the supervision and with the participation of our management, including our President and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our President and our Chief Financial Officer concluded that our disclosure controls were not effective at December 31, 2020.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

As an emerging growth company experiencing rapid growth, we have worked diligently to improve processes within our company, specifically including within our manufacturing environment, that increase risk related to transaction processing which can impact our financial reporting. We intend to implement a significant number of manual compensating controls to address this risk.

[Table of Contents](#)

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Our management, including our President and our Chief Financial Officer, 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 2013 Treadway Commission (“COSO”) in Internal Control-Integrated Framework. Based on that evaluation, they concluded that, during the period covered by this Annual Report, such internal controls and procedures were not effective.

This Annual Report on Form 10-K does not include an attestation report by our company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our company’s registered public accounting firm pursuant to the rules of the SEC that require our company to provide only our company’s management’s report in this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during our last fiscal year that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

[Table of Contents](#)

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

The following table sets forth the names and ages of our company’s current directors and executive officers.

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Fabian G. Deneault	54	Director, Chairman of the Board, President
Eric Newlan	59	Director, Vice President, Secretary
William E. Sluss	65	Director, Vice President–Finance, Chief Financial Officer
Jack Jie Qin	61	Director
L. A. Newlan, Jr.	86	Director

Our Directors serve until the earlier occurrence of the election of his successor at the next meeting of shareholders, death, resignation or removal by the Board of Directors. Officers serve at the discretion of our Board of Directors. Eric Newlan is the son of L. A. Newlan, Jr. There exist no other family relationships among our officers and directors.

Certain information regarding the backgrounds of each of our officers and directors is set forth below.

Fabian G. Deneault became our company’s President and a Director upon our acquisition of Black Bird, January 2020. Mr. Deneault is a founder of Black Bird and has served as President and as a Director since its inception in October 2018. Since 2017, Mr. Deneault has been an insurance representative for Montana Unified School Trust. From January 2017 through December 2019, Mr. Deneault owned and operated Grizzly Creek Medical Cannabis, a proprietorship licensed as a medical marijuana dispensary in the State of Montana. Since June 2016, Mr. Deneault has been President of Touchstone Enviro Solutions, Inc., a purveyor of environmentally-friendly products and an affiliate of our company. From 2014 through April 2016, Mr. Deneault owned and operated PetroXg3 LLC, a purveyor of environmentally-friendly products. For more than 10 years prior to that, Mr. Deneault was engaged in petrochemical sales.

Eric Newlan became our company’s Vice President and a Director upon our acquisition of Black Bird, January 2020. Mr. Newlan is a founder of Black Bird and has served as Vice President, Secretary and as a Director since its inception in October 2018. Since 1987, Mr. Newlan has been a shareholder in the Flower Mound, Texas, law firm of Newlan & Newlan, Ltd., a firm engaged principally in the area of securities regulation, as well as general

business counsel. Since June 2016, Mr. Newlan has been Vice President of Touchstone Enviro Solutions, Inc., a purveyor of environmentally-friendly products and an affiliate of our company. From October 2012 to October 2015, Mr. Newlan served as a director, and from April to October 2015, Mr. Newlan served as CEO, of Green Life Development, Inc., a Las Vegas, Nevada-based a purveyor of environmentally-friendly products. Mr. Newlan earned a B.A. degree in Business from Baylor University, Waco, Texas, and a J.D. degree from the Washburn University School of Law, Topeka, Kansas. Mr. Newlan is a member of the Texas Bar.

[Table of Contents](#)

L. A. Newlan, Jr. became a Director of our company upon our acquisition of Black Bird, January 2020 and is a founder of Black Bird. Mr. Newlan was born in Morristown, New Jersey. After a public school education in Daytona Beach, Florida, he served a three-year tour of duty in the United States Marine Corps, from 1953-1956. Mr. Newlan earned a B.A. in Political Science from the University of California at Los Angeles, in 1961, and a J.D. degree from Loyola University of Los Angeles School of Law, Los Angeles, California, in 1964. He has engaged in the private practice of law in California (1965-1977), Kansas (1977-1984) and Texas (1984-Present). Since 1987, Mr. Newlan has been a shareholder in the Flower Mound, Texas, law firm of Newlan & Newlan, Ltd., a firm engaged principally in the area of securities regulation, as well as general business counsel. In addition to the practice of law during his career, Mr. Newlan has engaged in business in the oil and gas industry, international construction and engineering and alcoholic beverage distribution. Mr. Newlan is a member of the Texas Bar.

Jack Jie Qin has been a Director of our company since February 2010. From February 2010 until our acquisition of Black Bird in January 2020, Mr. Qin served as our President, Chief Executive Officer and Secretary. Mr. Qin has been President, Chief Executive Officer and Chairman of the Board of EFT Holdings, Inc., a Los Angeles, California-based product sales company, since November 2007. Since July 2016, Mr. Qin has served as a Director and President/CEO of HeavenStone Corp., a Temecula, California-based real estate development company. Since 2002, Mr. Qin has been the President of EFT Inc., the predecessor of EFT Holdings, Inc. From July 1998 to December 2002, Mr. Qin was the President of eFastTeam International, Inc. located in Los Angeles, California. Between June 1992 and December 1997 Mr. Qin was the President of LA Import & Export Company, also located in Los Angeles, California. In May 1991, Mr. Qin earned an MBA degree from Emporia State University, Emporia, Kansas. In May 1982, Mr. Qin graduated from Jiangxi Engineering Institute in Nanchang, China, with a major in Mechanical Engineering.

William E. Sluss has been our Principal Financial and Accounting Officer since January 2011. In January 2020, Mr. Sluss became a Director, Vice President–Finance and Chief Financial Officer of our company. Between August 2010 and January 2011, Mr. Sluss coordinated our accounting and financial reporting. Between 2008 and 2010, Mr. Sluss was the Chief Financial Officer for AccuForce Staffing Services in Kingsport, Tennessee. Between 2002 and 2008 Mr. Sluss was the Chief Financial Officer and Treasurer for Studsvik, Inc., a nuclear services company based in Erwin, Tennessee. Mr. Sluss is a Certified Public Accountant in the State of Virginia and received his Bachelor of Science degree in accounting from the University of Virginia’s College at Wise, Wise, Virginia.

Conflicts of Interest

Our company has obtained an exclusive worldwide license with respect to MiteXstream from Touchstone Enviro Solutions, Inc. (Touchstone), a company controlled by three of our directors, Fabian G. Deneault, Eric Newlan and L. A. Newlan, Jr. Due to this circumstance, it is possible that these persons could be in a conflict of interest position at a time in the future. Should any such conflict of interest arise, Messrs. Deneault, Newlan and Newlan will, in accordance with the fiduciary duty to our company and our shareholders, resolve any such conflict of interest by exercising utmost good faith and fair dealing.

Corporate Governance

In General. We do not have a separate Compensation Committee, Audit Committee or Nominating Committee. These functions are conducted by our Board of Directors acting as a whole. During 2020, our Board of Directors did not hold a meeting, but took action by written consent in lieu of a meeting on three occasions.

Executive Committee. Our Board of Directors created an Executive Committee to facilitate management between meetings of the full Board of Directors. The Executive Committee is composed of Fabian G. Deneault (chairman), William E. Sluss and Eric Newlan. To date, the Executive Committee has not held a meeting, but has taken an action by written consent in lieu of a meeting on nine occasions. Pursuant to our Bylaws and the charter of the

<i>Chief Financial Officer</i>	2018	37,000	---	---	---	---	---	---	37,000
Fabian G. Deneault * <i>President</i>	2020	---	---	---	---	---	---	70,692	70,692
	2019	---	---	---	---	---	---	---	---
	2018	---	---	---	---	---	---	---	---
Eric Newlan * <i>Vice President</i>	2020	---	---	---	---	---	---	85,010	85,010
	2019	---	---	---	---	---	---	---	---
	2018	---	---	---	---	---	---	---	---

* This person did not become an officer and director of our company until January 2020.

[Table of Contents](#)

Outstanding Option Awards

The following table provides certain information regarding unexercised options to purchase common stock, stock options that have not vested and equity-incentive plan awards outstanding as of the date of this Annual Report, for each named executive officer.

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Jack Jie Qin (1)	---	---	---	---	n/a	---	n/a	---	---
William E. Sluss	---	---	---	---	n/a	---	n/a	---	---
Fabian G. Deneault	---	---	---	---	n/a	---	n/a	---	---
Eric Newlan	---	---	---	---	n/a	---	n/a	---	---

(1) Mr. Qin ceased being an officer of our company effective January 1, 2020, though he remains a Director.

Employment Agreements

We have not entered into employment agreements with our executive officers, although it is our intention to do so in the future. None of the terms of such employment agreements has been determined.

Outstanding Equity Awards

Our Board of Directors has made no equity awards and no such award is pending.

Long-Term Incentive Plans

We currently have no employee incentive plans.

Director Compensation

Our directors receive no compensation for their serving as directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

As of the date of this Annual Report, we had 171,775,000 shares of common stock issued and outstanding. The following table sets forth information known to us relating to the beneficial ownership of shares of our voting securities by: each person who is known by us to be the beneficial owner of more than 5% of our outstanding voting stock; each director; each named executive officer; and all named executive officers and directors as a group. Unless otherwise indicated, the business address of each person listed is in care of Digital Development Partners, Inc., 3505 Yucca Drive, Suite 104, Flower Mound, Texas 75022. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent that power may be shared with a spouse.

[Table of Contents](#)

<u>Name and Address of Beneficial Owner</u>	<u>Beneficially Owned Shares</u>	<u>Percent (1)</u>
<u><i>Executive officers and directors</i></u>		
Fabian G. Deneault 47123 Michel Road Ronan, Montana 59864	49,746,253	28.96%
Eric Newlan 2201 Long Prairie Road, Suite 107-762 Flower Mound, Texas 75022	24,658,703(2)	14.35%
Jack Jie Qin William E. Sluss	2,831,661(3)	1.65%
L. A. Newlan, Jr. 2201 Long Prairie Road, Suite 107-762 Flower Mound, Texas 75022	1,115,002	*
Officers and directors, as a group (5 persons)	24,658,703(2)(4) 103,010,322(5)	14.35% 59.97%
<u><i>5% Owners</i></u>		
EF2T, Inc. (6)	19,215,740	11.18%

* Less than 1%.

(1) Based on 171,775,000 shares issued and outstanding.

(2) These shares are owned of record by Newlan & Newlan, Ltd., a law firm owned by Eric Newlan and L. A. Newlan, Jr.

(3) These shares are owned of record by Astonia LLC. Jack Jie Qin, a Director of our company, is the sole manager of this entity.

(4) These shares are owned of record by Newlan & Newlan, Ltd., a law firm owned by Eric Newlan and L. A. Newlan,

Jr. However, 21,442,356 of these shares are beneficially owned by Cruciate Irrevocable Trust, of which trust L. A. Newlan, Jr. is a trustee.

- (5) Included in these shares are (a) 24,658,703 shares owned of record by Newlan & Newlan, Ltd. (See Note 2), (b) 2,831,661 shares owned of record by Astonia LLC (see Note 3) and (c) 24,658,703 shares owned of record by Newlan & Newlan, Ltd. (See Note 4).
- (6) This entity is owned by Wen Qin, the sister of Jack Jie Qin, a Director of our company.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Black Bird Acquisition

Four of our company's Directors, Fabian G. Deneault, Eric Newlan, L. A. Newlan, Jr. and William E. Sluss, collectively owned, directly and indirectly, 75.33% of the issued and outstanding shares of common stock of Black Bird and 100% of the issued and outstanding voting preferred stock of Black Bird. Pursuant to the Merger Agreement with Black Bird, Mr. Deneault, Eric Newlan, L. A. Newlan, Jr. and Mr. Sluss were issued a total of 100,178,661 shares of our common stock. The table below sets forth information relating to such persons' acquiring their respective shares of capital stock of Black Bird and the number of shares of our common stock issued to each of them.

[Table of Contents](#)

<u>Name</u>	<u>Black Bird Capital Stock Beneficial Ownership</u>	<u>Total Consideration Paid for Black Bird Capital Stock</u>	<u>Common Stock Issued Pursuant to Merger Agreement</u>
Fabian G. Deneault	<u>Common Stock:</u> 22,700,000 shares <u>Preferred Stock:</u> 500,000 shares	\$4,250 in cash	49,746,253 shares
Eric Newlan	<u>Common Stock:</u> 11,250,000 shares (1) <u>Preferred Stock:</u> 250,000 shares (1)	\$125 in cash	24,658,703 shares (2)
L. A. Newlan, Jr.	<u>Common Stock:</u> 11,250,000 shares (1) <u>Preferred Stock:</u> 250,000 shares (1)	\$125 in cash	24,658,703 shares (3)
William E. Sluss	<u>Common Stock:</u> 520,000 shares	Consulting services valued at \$7,000	1,115,002 shares

(1) These shares were purchased of record by Newlan & Newlan, Ltd., a law firm owned by Eric Newlan and L. A. Newlan, Jr.

(2) These shares are owned of record by Newlan & Newlan, Ltd., a law firm owned by Eric Newlan and L. A. Newlan, Jr.

(3) These shares are owned of record by Newlan & Newlan, Ltd., a law firm owned by Eric Newlan and L. A. Newlan, Jr. However, 21,442,356 of these shares are beneficially owned by Cruciate Irrevocable Trust, of which trust L. A. Newlan, Jr. is a trustee.

Loans from Related Parties

Year Ended December 31, 2020. During the year ended December 31, 2020, net advances of \$4,670 were received from Astonia LLC. Astonia LLC is considered a "related party," due to the fact that a Director of our company, Jack Jie Qin, is the manager of Astonia LLC. The amounts due Astonia LLC bear interest at 5% per year and have a maturity of one year. As of December 31, 2020, we owed Astonia LLC \$161 in accrued and unpaid interest.

Year Ended December 31, 2019. During the year ended December 31, 2019, advances of \$22,676 were received from EFT Holdings, Inc. Also during the year ended December 31, 2019, the Company repaid \$139,611 in loans due to EFT Holdings, Inc. The amounts due EFT Holdings, Inc. carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed EFT Holdings, Inc. \$251,785 in accrued and unpaid interest. \$-0- of these EFT Holdings, Inc. advances at December 31, 2019, were past due and payable upon demand. In conjunction with the Merger Agreement, all amounts owed to EFT Holdings, Inc. as of December 31, 2019, were extinguished. (See “Debt Forgiveness Agreements with Related Parties” below).

During the year ended December 31, 2019, advances of \$64,500 were received from EF2T, Inc. The amounts due EF2T, Inc. carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed EF2T, Inc. \$4,742 in accrued and unpaid interest. In conjunction with the Merger Agreement, all amounts owed to EF2T, Inc. as of December 31, 2019, were extinguished. (See “Debt Forgiveness Agreements with Related Parties” below).

During the year ended December 31, 2019, advances of \$135,000 were received from Astonia, LLC. Astonia, LLC is considered a “related party”, due to the fact that a Director of the Company, Jack Jie Qin, is the manager of Astonia. The amounts due Astonia, LLC carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed Astonia \$1,997 in accrued and unpaid interest. In conjunction with the Merger Agreement, all amounts owed to Astonia, LLC as of December 31, 2019, were extinguished. (See “Debt Forgiveness Agreements with Related Parties” below).

[Table of Contents](#)

Debt Forgiveness Transactions with Related Parties

In conjunction with the Merger Agreement with Black Bird, we entered into debt forgiveness agreements with related parties, as follows:

- EFT Holdings, Inc.: we issued 18,221,906 shares of common stock to our former majority shareholder, EFT Holdings, Inc., in payment of \$886,108 of indebtedness, principal and accrued interest, pursuant to a debt forgiveness agreement.
- EF2T, Inc.: we issued 2,240,768 shares of common stock to a related party, EF2T, Inc., in payment of \$109,992 of indebtedness, principal and accrued interest, pursuant to a debt forgiveness agreement.
- Astonia LLC: we issued 2,831,661 shares of common stock to a related party, Astonia LLC, in payment of \$136,997 of indebtedness, principal and accrued interest, pursuant to a debt forgiveness agreement.

Cancellation of Stock Transaction with Related Party

In conjunction with the Merger Agreement with Black Bird, we entered into a cancellation of stock agreement with our former majority shareholder, EFT Holdings, Inc., whereby we cancelled all 79,265,000 shares of common stock then owned by EFT Holdings, Inc.

MiteXstream Agreements

Effective January 1, 2019, Black Bird entered into a Distribution and Private Label Agreement (the “Original MiteXstream Agreement”) with Thoreauvian Product Services, LLC (“TPS”), a company controlled by two of our company’s officers and directors, Fabian G. Deneault and Eric Newlan, relating to the licensed biopesticide product, MiteXstream (the “Private Label Product”). The Original MiteXstream Agreement had an initial term of 10 years and a single 10-year renewal term. Under the Original MiteXstream Agreement, Black Bird had the exclusive right to distribute and sell the Private Label Product in the United States and Canada. In addition, Black Bird was required to pay a \$20,000 exclusivity fee and to purchase \$20,000 of the Private Label Product in conjunction with the signing of the Original MiteXstream Agreement and to purchase not less than \$20,000 of the Private Label Product each year. In addition, Black Bird was required to pay all costs in excess of \$20,000 associated with MiteXstream’s becoming approved by the U.S. EPA (and relevant states) as a pesticide.

In February 2021, the Original MiteXstream Agreement was replaced with a similar agreement, a Manufacturing, Sales and Distribution License Agreement (the “New MiteXstream Agreement”), between Black Bird and Touchstone Enviro Solutions Inc. (Touchstone), the parent company of TPS, which served to expand Black Bird’s rights with respect to MiteXstream, an EPA-registered biopesticide. The New MiteXstream Agreement contains the following important provisions as compared to the Original MiteXstream Agreement:

	<u>New MiteXstream Agreement</u>	<u>Original MiteXstream Agreement</u>
Term	December 31, 2080	Initial terms of 10 years, with one 10-year renewal term
Territory	Worldwide Exclusive (1)	United States and Canada
Royalty	\$10.00 per gallon manufactured	Effective royalty of an estimated \$50 per gallon
Minimums	2,500 gallons of concentrate manufactured per year (2)	\$20,000 of product per year
Sublicensing	Right to sublicense granted	No right to sublicense
Trademarks	For no extra consideration, rights granted to use “MiteXstream” and “Harnessing the Power of Water”	For no extra consideration, rights granted to use “MiteXstream”

- (1) Exclusivity ends and becomes non-exclusive, if the minimum of 2,500 gallons per year is not met.
(2) The minimum (2,500 gallons per year) is deemed to have been satisfied through December 31, 2022.

[Table of Contents](#)

The disinterested Directors of our company approved the New MiteXstream Agreement.

Item 14. Principal Accountant Fees and Services

The following table sets forth fees billed to us by our independent auditors during the fiscal years ended December 31, 2020 and 2019, for: (a) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (b) 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, (c) services rendered in connection with tax compliance, tax advice and tax planning and (d) all other fees for services rendered.

	<u>Year Ended December 31, 2020</u>	<u>Year Ended December 31, 2019</u>	
		<u>Current Auditor (1)</u>	<u>Former Auditor (2)</u>
Audit Fees	\$ 20,700	\$ 0	\$ 16,500
Audit Related Fees	\$ 0	\$ 0	\$ 0
Tax	\$ 0	\$ 0	\$ 0
All Other Fees	\$ 0	\$ 0	\$ 0

- (1) Farmer, Fuqua & Huff, P.C.
(2) MaloneBailey, LLP

[Table of Contents](#)

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements (included in Item 8):

Digital Development Partners, Inc. – Audited Financial Statements for the Years Ended December 31, 2020 and 2019

Report of Independent Registered Public Accounting Firm

Balance Sheets at December 31, 2020 and 2019

Statements of Operations for the Years Ended December 31, 2020 and 2019

Statement of Changes in Stockholders' Equity (Deficit) for the Years Ended December 31, 2020 and 2019

Statements of Cash Flows for the Years Ended December 31, 2020 and 2019

Notes to Financial Statements

Black Bird Potentials Inc. – Audited Financial Statements for the Years Ended December 31, 2019 and 2018

Report of Independent Registered Public Accounting Firm

Balance Sheets at December 31, 2019 and 2018

Statements of Operations for the Years Ended December 31, 2019 and 2018

Statement of Changes in Stockholders' Equity (Deficit) for the Years Ended December 31, 2019 and 2018

Statements of Cash Flows for the Years Ended December 31, 2019 and 2018

Notes to Financial Statements

Digital Development Partners, Inc. – Unaudited Pro Forma Financial Statements

Unaudited Pro Forma Balance Sheet at December 31, 2019

Unaudited Pro Forma Statement of Operations for the Year Ended December 31, 2019

Notes to Unaudited Pro Forma Financial Statements

(2) Financial Statement Schedules: None

(3) Exhibits:

[Table of Contents](#)

Exhibit No.	Description
2.1+	Plan and Agreement of Merger between and among Digital Development Partners, Inc., Bird Acquisition Corp. (a Wyoming corporation) and Black Bird Potentials Inc. (a Wyoming corporation).
3.1+	Articles of Incorporation, incorporated by reference from Registration Statement on Form SB-2 (File No. 333-145951).
3.2+	Bylaws of Registrant, incorporated by reference from Registration Statement on Form SB-2 (File No. 333-145951).
3.3+	Certificate of Change Pursuant to NRS 78.209 filed May 20, 2009.
3.4+	Articles of Merger filed May 20, 2009.
3.5+	Certificate of Amendment to Articles of Incorporation filed January 31, 2020.
4.1+	10% Convertible Promissory Note in favor of EMA Financial, LLC.
4.2+	12% Convertible Promissory Note in favor of Power Up Lending Group Ltd.
4.3+	9% Promissory Note in favor of SE Holdings, LLC.
4.4*	12% Convertible Promissory Note in favor of Power Up Lending Group Ltd.
10.1+	Debt Forgiveness Agreement between Digital Development Partners, Inc. and EFT Holdings, Inc.
10.2+	Debt Forgiveness Agreement between Digital Development Partners, Inc. and EF2T, Inc.
10.3+	Debt Forgiveness Agreement between Digital Development Partners, Inc. and Astonia LLC.
10.4+	Cancellation of Stock Agreement between Digital Development Partners, Inc. and EFT Digitech, Inc.
10.5+	Distribution Agreement between Black Bird Potentials Inc. (a Wyoming corporation) and CBD INC Limited Liability Partnership.
10.6+	Distribution Agreement between Black Bird Potentials Inc. (a Wyoming corporation) and Gorilla Mitts, LLC.
10.7+	Regional Development and Distribution Agreement between Black Bird Potentials Inc. (a Wyoming corporation) and Northland Partners, LLC.
10.8+	Consulting Agreement among Digital Development Partners, Inc, Black Bird Potentials Inc. (a Wyoming

- corporation) and Dylan Hunt and Kaitlin Appell.
- [10.9+](#) [Consulting Agreement between Registrant and Matthew Goldman.](#)
- [10.10+](#) [Consulting Agreement between Registrant and Olivier Darceaux.](#)
- [10.11+](#) [Consulting Agreement between Registrant and Leonard Tucker, LLC.](#)
- [10.12+](#) [Manufacturing, Sales and Distribution License Agreement between Black Bird Potentials Inc., a Wyoming corporation, a Subsidiary of Registrant, and Touchstone Enviro Resources, Inc.](#)
- [10.13+](#) [Securities Purchase Agreement between Registrant and EMA Financial, LLC.](#)
- [10.14+](#) [Securities Purchase Agreement between Registrant and Power Up Lending Group Ltd.](#)
- [10.15+](#) [Securities Purchase Agreement between Registrant and SE Holdings, LLC.](#)
- [10.16+](#) [Asset Purchase Agreement between Big Sky American Dist., LLC, a Subsidiary of Registrant, and Raghorn Wholesale, LLC.](#)
- [10.17*](#) [Securities Purchase Agreement between Registrant and Power Up Lending Group Ltd.](#)

- [21.1 *](#) [Subsidiaries of Digital Development Partners, Inc.](#)
- [31.1 *](#) [CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- [31.2 *](#) [CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- [32.1 *](#) [Certification pursuant to 18 U.S.C. Section 1350](#)

101.INS XBRL Instance Document

*

101.SCH XBRL Taxonomy Extension Schema Document

*

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

*

101.DEF XBRL Taxonomy Extension Definitions Linkbase Document

*

101.LAB XBRL Taxonomy Extension Label Linkbase Document

*

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

*

* Filed herewith.

+ Incorporated by reference as indicated.

Item 16. Form 10-K Summary

None.

[Table of Contents](#)

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.

DIGITAL DEVELOPMENT PARTNERS, INC.

By: /s/ Fabian G. Deneault

Fabian G. Deneault
President

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>Name</u>	<u>Title(s)</u>	<u>Date</u>
<u>/s/ Fabian G. Deneault</u>	President [Principal Executive Officer] and Director	April 15, 2021

Fabian G. Deneault		
<u>/s/ William E. Sluss</u>	Vice President-Finance, Chief Financial Officer [Principal Accounting Officer] and Director	April 15, 2021
William E. Sluss		
<u>/s/ Eric Newlan</u>	Vice President, Secretary and Director	April 15, 2021
Eric Newlan		
<u>/s/ L. A. Newlan, Jr.</u>	Director	April 15, 2021
L. A. Newlan, Jr.		
<u>/s/ Jack Jie Qin</u>	Director	April 15, 2021
Jack Jie Qin		

33

INDEX TO FINANCIAL STATEMENTS

Digital Development Partners, Inc.

Audited Financial Statements for the Years Ended December 31, 2020 and 2019

Report of Independent Registered Public Accounting Firm	F-1
Balance Sheets at December 31, 2020 and 2019	F-2
Statements of Operations for the Years Ended December 31, 2020 and 2019	F-3
Statement of Changes in Stockholders' Equity (Deficit) for the Years Ended December 31, 2020 and 2019	F-4
Statements of Cash Flows for the Years Ended December 31, 2020 and 2019	F-5
Notes to Financial Statements	F-6

Black Bird Potentials Inc.

Audited Financial Statements for the Years Ended December 31, 2019 and 2018

Report of Independent Registered Public Accounting Firm	F-14
Balance Sheets at December 31, 2019 and 2018	F-15
Statements of Operations for the Years Ended December 31, 2019 and 2018	F-16
Statement of Changes in Stockholders' Equity (Deficit) for the Years Ended December 31, 2019 and 2018	F-17
Statements of Cash Flows for the Years Ended December 31, 2019 and 2018	F-18
Notes to Financial Statements	F-19

Digital Development Partners, Inc. **Unaudited Pro Forma Financial Statements**

Unaudited Pro Forma Balance Sheet at December 31, 2019	F-24
Unaudited Pro Forma Statement of Operations for the Year Ended December 31, 2019	F-25
Notes to Unaudited Pro Forma Financial Statements	F-26

34

[Table of Contents](#)

To the Board of Directors and
Stockholders of Digital Development Partners, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Digital Development Partners, Inc. and Subsidiaries (the Company) as of December 31, 2020 and 2019, and the related consolidated statements of operations, stockholders' equity, and 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

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 has not yet established an ongoing source of revenues sufficient to cover its operating costs and also has only a small capital surplus that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these 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 consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated 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.

Reverse Merger

Description of the Matter

In 2020, the Company was the accounting acquiree in a transaction accounted for as a "reverse merger" where a non-public company was the accounting acquirer as further described in Note 3. The Company consolidated the two entities effective January 1, 2020 in accordance with ASC 805 *Business Combinations*. The Company performed an

assessment of the carrying value of the private company and calculated the appropriate amounts to record relating to the recapitalization on the balance sheet and more specifically, the equity section of the balance sheet.

Auditing the Company's accounting of the reverse merger and ultimate consolidation of the two entities is complex due to the judgment involved related to the recapitalization of the accounting acquiree's equity and the application of the consolidation in accordance with ASC 805 *Business Combinations*.

How We Addressed the Matter in Our Audit

We obtained an understanding of the Company's controls over their accounting for business combinations. Our testing included among other things, recalculating the significant components of the recapitalization, agreeing the terms of the merger agreement to the application of the recapitalization and tested the balances of the accounting acquirer. We also tested the equity components of the consolidated group from the recapitalization forward and the consolidation of the two entities for the year to determine it is presented in accordance with ASC 805 *Business Combinations*.

/s/ Farmer, Fuqua, & Huff, P.C.
 Farmer, Fuqua, & Huff, P.C.
 We have served as the Company's auditor since 2020
 Richardson, TX
 April 15, 2021

F-1

[Table of Contents](#)

DIGITAL DEVELOPMENT PARTNERS, INC. Consolidated Balance Sheets

	<u>12/31/20</u>	<u>12/31/19</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 52,974	\$ 973
Other current assets		
Inventory	39,676	---
Pre-paid consulting	13,500	---
Total current assets	<u>106,150</u>	<u>973</u>
OTHER ASSETS		
Deposit - asset purchase	20,000	---
TOTAL ASSETS	<u>\$ 126,150</u>	<u>\$ 973</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Other current liabilities		
Accounts payable and accrued liabilities	\$ 46,253	\$ 267,195
Accrued interest payable	2,201	---
Due to related party	4,470	---
Related-party note payable	---	874,573
Third-party notes payable, net of discount related to conversion feature of \$26,556 loan fees of \$7,556 and debt discount of \$3,871	45,617	---
Total current liabilities	<u>98,541</u>	<u>1,141,768</u>
TOTAL LIABILITIES	<u>\$ 98,541</u>	<u>\$ 1,141,768</u>
STOCKHOLDERS' EQUITY		
Common stock, \$0.00001 par value, 325,000,000 shares authorized, 164,925,000 and 85,970,665 shares issued and outstanding at December 31, 2020 and 2019, respectively	\$ 164,925	\$ 85,971
Stockholder receivable	(1,000)	---
Additional paid-in capital	703,353	7,488,946
Retained earnings (accumulated deficit)	(839,669)	(8,715,712)
Total stockholders' equity	<u>27,609</u>	<u>(1,140,795)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 126,150</u>	<u>\$ 973</u>

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

F-2

[Table of Contents](#)

**DIGITAL DEVELOPMENT PARTNERS, INC.
Consolidated Statements of Operations**

	Year Ended 12/31/20	Year Ended 12/31/19
Sales	\$ 57,604	\$ 17,771
Cost of goods sold	28,245	17,802
Gross profit (loss)	29,359	(31)
Expense		
Consulting services	266,640	48,108
Website expense	17,899	8,471
Legal and professional services	143,310	32,860
Advertising and marketing	1,918	---
Bad debt expense	4,461	4,461
License fee	23,280	44,762
Rent	17,200	---
Beneficial conversion expense	29,788	---
General and administrative	209,666	10,980
Total expenses	714,162	149,642
Net operating loss	(684,803)	(149,673)
Other expense		
Net other income (expense)	518	300
Interest expense	(5,873)	---
Total other income (expense)	(5,355)	300
Profit (loss) before taxes	(690,158)	(149,373)
Income tax expense	---	---
Net profit (loss)	<u>\$ (690,158)</u>	<u>\$ (149,373)</u>
Net profit (loss) per common share		
Basic	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding:		
Basic	<u>120,358,931</u>	<u>120,358,939</u>
Diluted	<u>132,545,440</u>	<u>120,358,939</u>

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

F-3

[Table of Contents](#)

**DIGITAL DEVELOPMENT PARTNERS, INC.
Consolidated Statement of Changes in Stockholders' Equity (Deficit)
For the Years Ended December 31, 2020 and 2019**

	<u>Common Stock</u>		<u>Stockholder Receivable</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>				
Balance, December 31, 2018	85,970,665	85,971	---	7,488,946	(8,593,745)	(1,018,828)

Net loss	---	---	---	---	(121,967)	(121,967)
Balance, December 31, 2019	<u>85,970,665</u>	<u>85,971</u>	<u>---</u>	<u>7,488,946</u>	<u>(8,715,712)</u>	<u>(1,140,795)</u>
Cancellation of stock	(79,265,000)	(79,265)	---	79,265	---	---
Stock issued for debt cancellation	23,294,335	23,294	---	1,109,803	---	1,133,097
Effect of issuance related to acquisition of Black Bird Potentials Inc.	120,000,000	120,000	(1,000)	(8,570,256)	8,566,201	114,945
Stock issued for services	100,000	100	---	7,900	---	8,000
Stock issued for cash	125,000	125	---	2,375	---	2,500
Stock issued for cash	5,000,000	5,000	---	195,000	---	200,000
Stock issued for cash	2,500,000	2,500	---	97,500	---	100,000
Stock issued for cash	1,250,000	1,250	---	48,750	---	50,000
Stock issued for cash	4,450,000	4,450	---	173,550	---	178,000
Stock issued for services	1,500,000	1,500	---	13,500	---	15,000
Beneficial conversion related to convertible debt	---	---	---	56,343	---	56,343
Inventory contributed to additional paid-in capital by related party	---	---	---	677	---	677
Net loss	---	---	---	---	(690,158)	(690,158)
Balance, December 31, 2020	<u>164,925,000</u>	<u>\$164,925</u>	<u>\$ (1,000)</u>	<u>\$ 703,353</u>	<u>\$ (839,669)</u>	<u>\$ 27,609</u>

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

F-4

[Table of Contents](#)

DIGITAL DEVELOPMENT PARTNERS, INC.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	Year Ended 12/31/20	Year Ended 12/31/19
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (690,158)	\$ (149,373)
Adjustments to reconcile net loss to net cash used for operating activities:		
Stock issued for services	23,000	45,000
Account receivable	---	(8,922)
Debt amortization	672	---
Bad debt expense	4,461	4,461
Non-cash beneficial conversion expense	29,788	---
Prepaid consulting fees	(13,500)	---
Accrued interest	2,201	---
Inventory	(30,212)	(6,581)
Deposits	20,000	(20,000)
Accrued expenses	34,283	4,272
Net cash used for operating activities	<u>(619,465)</u>	<u>(131,143)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit - asset purchase	<u>(20,000)</u>	---
Net cash used for investing activities	<u>(20,000)</u>	---
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing fees paid	(8,000)	---
Repayment of loan payable - third party	(25,000)	---
Repayments on related-party notes	---	179,450
Loans payable - third parties	104,500	---
Proceeds from issuance of common stock	530,500	---

Net advances from related party	4,470	
Net cash provided by financing	606,470	179,450
Net increase (decrease) in cash and cash equivalents	(32,995)	48,307
Cash and cash equivalents at beginning of period	85,969	37,662
Cash and cash equivalents at end of period	<u>\$ 52,974</u>	<u>\$ 85,969</u>

NON-CASH INVESTING AND FINANCING ACTIVITIES:

Common stock issued to repay related party debt	\$ 1,133,067	\$ ---
Common stock issued for stockholder receivable	<u>\$ ---</u>	<u>\$ 1,000</u>
Non-cash additional paid-in capital by related parties	<u>\$ 677</u>	<u>\$ 2,206</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Income taxes paid	\$ ---	\$ ---
Interest paid	<u>\$ 3,000</u>	<u>\$ ---</u>

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

F-5

[Table of Contents](#)

DIGITAL DEVELOPMENT PARTNERS, INC.
Notes to Consolidated Financial Statements
December 31, 2020

1. BASIS OF PRESENTATION AND NATURE OF OPERATIONS

Digital Development Partners, Inc. (the “Company”) was incorporated in the State of Nevada in 2006 under the name “Cyprium Resources Inc.,” which was changed to its current name in August 2009. Through 2014, the Company was involved, first, in the mining industry and, then, in the communications industry.

From 2015 until the January 1, 2020 acquisition of Black Bird Potentials Inc., a Wyoming corporation (“Black Bird”), the Company was a “shell company,” as defined in Rule 12b-2 of the Securities Exchange Act of 1934. The Company’s Board of Directors has adopted the business plan of Black Bird and the Company’s ongoing operations now include those of Black Bird. References to “the Company” include Black Bird, as well as its other wholly-owned subsidiaries: Big Sky American Dist., LLC, a Montana limited liability company, and Black Bird Hemp Manager, LLC, a Montana limited liability company.

The Company is the exclusive worldwide manufacturer and distributor for MiteXstream™, an EPA-certified plant-based biopesticide effective in the eradication of spider mites, a pest that destroys crops, especially cannabis, hops, coffee and house plants, as well as molds and mildew.

The Company also manufactures and sells, under its Grizzly Creek Naturals™ brand name, CBD products, including CBD Oils, gummies and pet treats, and CBD-infused personal care products, as well as hand sanitizer gel and spray products. In addition, Black Bird is a licensed grower of industrial hemp under the Montana Hemp Pilot Program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Going Concern

The Company’s financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The Company also has only a small capital surplus as of December 31, 2020. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The Company’s activities will necessitate significant uses of working capital beyond 2020. Additionally, the Company’s capital requirements will depend on many factors, including the success of the Company’s researching for

new markets. The Company plans to continue financing its operations with cash received from financing activities, more specifically from related party loans.

While the Company strongly believes that its capital resources will be sufficient in the near term, there is no assurance that the Company's activities will generate sufficient revenues to sustain its operations without additional capital or if additional capital is needed, that such funds, if available, will be obtainable on terms satisfactory to the Company. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue as a going concern.

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 certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

Cash and Cash Equivalents and Restricted Cash

Cash and equivalents include investments with initial maturities of three months or less. The Company had no cash equivalents or restricted cash as of December 31, 2020 and 2019.

Income Taxes

The Company accounts for income taxes utilizing ASC 740, "Income Taxes." ASC 740 requires the measurement of deferred tax assets for deductible temporary differences and operating loss carry forwards, and of deferred tax liabilities for taxable temporary differences. Measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax law. The effects of future changes in tax laws or rates are not included in the measurement. The Company recognizes the amount of taxes payable or refundable for the current year and recognizes deferred tax liabilities and assets for the expected future tax consequences of events and transactions that have been recognized in the Company's financial statements or tax returns. The Company currently has substantial net operating loss carry forwards. The Company has recorded a 100% valuation allowance against net deferred tax assets due to uncertainty of their ultimate realization. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Basic and Diluted Net Loss Per Share

Net loss per share is calculated in accordance with ASC 260, Earnings per Share, for the period presented. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. At December 31, 2020, there were potentially dilutive securities of the Company outstanding; at December 31, 2019, there were no potentially dilutive securities of the Company outstanding.

[Table of Contents](#)

Related Parties

A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting

parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

3. ACQUISITION OF BLACK BIRD POTENTIALS INC.

Effective January 1, 2020, the Company consummated a plan and agreement of merger (the "Merger Agreement") with Black Bird Potentials Inc., a Wyoming corporation (Black Bird), pursuant to which Black Bird became a wholly-owned subsidiary of the Company. Pursuant to the Merger Agreement, the Company issued 120,000,000 shares of its common stock to the shareholders of Black Bird and four persons were added to the Company's Board of Directors. Pursuant to the Merger Agreement, the Company's four new directors were issued a total of 100,178,661 shares of Company common stock. Thus, a change in control of the Company occurred in connection with the Merger Agreement.

Due to the effects of the "reverse merger" acquisition of Black Bird occurring effective January 1, 2020, in accordance with ASC 805 *Business Combinations*, the presentation of the financial statements represents the continuation of Black Bird, the accounting acquirer, except for the legal capital structure. Historical shareholders' equity of the Company, the accounting acquiree, has been adjusted to reflect the recapitalization. Retained earnings (deficit) of the Black Bird, the accounting acquirer have been carried forward after the acquisition and operations prior to the merger are those of Black Bird, the accounting acquirer. Earnings per share for periods prior to the merger have been adjusted to reflect the recapitalization.

Accordingly, (1) the Company's Consolidated Balance Sheet as of December 31, 2020, reports the Company and Black Bird on a consolidated basis, (2) the Company's Consolidated Balance Sheet as of December 31, 2019, reports the Company as it existed prior to its acquisition of Black Bird, (3) the Company's Consolidated Statement of Changes in Stockholders' Equity (Deficit) for December 31, 2019 reflects the Company as it existed prior to its acquisition of Black Bird, and for December 31, 2020 reflects an adjustment for the reverse merger (recapitalization) between the Company and Black Bird, (4) the Company's Consolidated Statement of Operations and Consolidated Statement of Cash Flows for the year ended December 31, 2020, reports the Company and Black Bird on a consolidated basis, and (5), the Company's Consolidated Statement of Operations and Consolidated Statement of Cash Flows for the year ended December 31, 2019, report historical information of Black Bird.

4. COMMON STOCK

Acquisition of Black Bird

Effective January 1, 2020, the Company consummated the Merger Agreement with Black Bird. Pursuant to the Merger Agreement, the Company issued 120,000,000 shares of its common stock to the shareholders of Black Bird and four persons were added to the Company's Board of Directors. Pursuant to the Merger Agreement, the Company's four new directors were issued a total of 100,178,661 shares of Company common stock. Thus, a change in control of the Company occurred in connection with the Merger Agreement.

Stock Cancellation Agreement

In conjunction with the Merger Agreement and effective January 1, 2020, the Company entered into a cancellation of stock agreement with its former majority shareholder, EFT Holdings, Inc., whereby it cancelled all 79,265,000 shares of common stock then owned by EFT Holdings, Inc.

Debt Forgiveness Agreements

In conjunction with the Merger Agreement and effective January 1, 2020, the Company entered into debt forgiveness agreements with related parties, as follows:

- EFT Holdings, Inc.: the Company issued 18,221,906 shares of common stock to its former majority shareholder, EFT Holdings, Inc., in payment of \$886,108 of indebtedness, principal and accrued interest.

- EF2T, Inc.:** the Company issued 2,240,768 shares of common stock to a related party, EF2T, Inc., in payment of \$109,992 of indebtedness, principal and accrued interest.

- Astonia LLC:** the Company issued 2,831,661 shares of common stock to a related party, Astonia LLC, in payment of \$136,997 of indebtedness, principal and accrued interest

[Table of Contents](#)

Common Stock Issued for Services

In March 2020, the Company issued 100,000 shares of common stock to two third-party consultants pursuant to a consulting agreement, which shares were valued at \$.08 per share, or \$8,000, in the aggregate. In addition to the issuance of such shares, the third-party consultants were paid \$500 per month and a sales commission equal to 5% of sales made through Black Bird's GrizzlyCreekNaturals.com website. The term of the consulting agreement expired September 30, 2020.

In November 2020, the Company issued a total of 1,500,000 shares of common stock to two third-party consultants, pursuant to separate consulting agreements, which shares were valued at \$.01 per share, or \$15,000, in the aggregate. In addition to the issuance of such shares, the third-party consultants were paid a total of \$6,200 in cash for website development and related services. The terms of these consulting agreements expire September 30, 2021.

Common Stock Issued for Cash

During the year ended December 31, 2020, the Company sold 125,000 shares of its common stock to a third party for \$2,500 in cash, or \$.02 per share. Also during the year ended December 31, 2020, the Company sold a total of 13,200,000 shares of its common stock for a total of \$528,000, or \$.04 per share, in cash, under its Offering Statement on Form 1-A (File No. 254-11215) (the "Regulation A Offering").

5. STOCKHOLDER RECEIVABLE

At December 31, 2020, cash relating to a stockholder receivable of Black Bird for \$1,000, which stockholder receivable became a part of the Company's outstanding common stock history, upon its acquisition of Black Bird. The stockholder receivable relates to 42,885 shares of Company common stock. The Company expects to collect the stockholder receivable amount during the second quarter of 2021.

6. AMENDMENT OF ARTICLES OF INCORPORATION

In January 2020, the Company filed a Certificate of Amendment to our Articles of Incorporation to change its corporate name to "Black Bird Potentials Inc." In January 2020, application was made to FINRA for approval and implementation of the corporate name change. FINRA did not approve such filing, due to an extended passage of time from the Company's initial filing and its being late in filing certain of its periodic reports. The Company intends to re-file for approval of the corporate name change action, during the second quarter of 2021. (See *Note 15. Subsequent Events—Amendments of Articles of Incorporation*).

7. RELATED PARTY TRANSACTIONS

Acquisition of Black Bird

Effective January 1, 2020, the Company consummated the Merger Agreement with Black Bird. Pursuant to the Merger Agreement, the Company issued 120,000,000 shares of its common stock to the shareholders of Black Bird and four persons were added to the Company's Board of Directors. Pursuant to the Merger Agreement, the Company's four new directors were issued a total of 100,178,661 shares of Company common stock. Thus, a change in control of the Company occurred in connection with the Merger Agreement.

Stock Cancellation Agreement

In conjunction with the Merger Agreement, the Company entered into a cancellation of stock agreement with its former majority shareholder, EFT Holdings, Inc., whereby it cancelled all 79,265,000 shares of common stock then

owned by EFT Holdings, Inc.

Debt Forgiveness Agreements

In conjunction with the Merger Agreement, the Company entered into debt forgiveness agreements with related parties, as follows:

EFT Holdings, Inc.: the Company issued 18,221,906 shares of common stock to its former majority shareholder, EFT Holdings, Inc., in payment of \$886,108 of indebtedness, principal and accrued interest.

EF2T, Inc.: the Company issued 2,240,768 shares of common stock to a related party, EF2T, Inc., in payment of \$109,992 of indebtedness, principal and accrued interest.

Astonia LLC: the Company issued 2,831,661 shares of common stock to a related party, Astonia LLC, in payment of \$136,997 of indebtedness, principal and accrued interest.

[Table of Contents](#)

Advances from Related Parties

Year Ended December 31, 2020

During the year ended December 31, 2020, net advances of \$4,470 were received from Astonia LLC. The amounts due Astonia LLC bear interest at 5% per year and have a maturity of one year. As of December 31, 2020, the Company owed Astonia LLC \$161 in accrued and unpaid interest.

Year Ended December 31, 2019

During the year ended December 31, 2019, advances of \$22,676 were received from EFT Holdings, Inc. Also during the year ended December 31, 2019, the Company repaid \$139,611 in loans due to EFT Holdings, Inc. The amounts due EFT Holdings, Inc. carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed EFT Holdings, Inc. \$251,785 in accrued and unpaid interest. \$0- of these EFT Holdings, Inc. advances at December 31, 2019, were past due and payable upon demand. In conjunction with the Merger Agreement, all amounts owed to EFT Holdings, Inc. as of December 31, 2019, were extinguished. (See *Debt Forgiveness Agreements* above).

During the year ended December 31, 2019, advances of \$64,500 were received from EF2T, Inc. The amounts due EF2T, Inc. carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed EF2T, Inc. \$4,742 in accrued and unpaid interest. In conjunction with the Merger Agreement, all amounts owed to EF2T, Inc. as of December 31, 2019, were extinguished. (See *Debt Forgiveness Agreements* above).

During the year ended December 31, 2019, advances of \$135,000 were received from Astonia, LLC. Astonia, LLC is considered a “related party”, due to the fact that a Director of the Company, Jack Jie Qin, is the manager of Astonia. The amounts due Astonia, LLC carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed Astonia \$1,997 in accrued and unpaid interest. In conjunction with the Merger Agreement, all amounts owed to Astonia, LLC as of December 31, 2019, were extinguished. (See *Debt Forgiveness Agreements* above).

Facility Lease

In May 2020, Black Bird entered into a facility lease with Grizzly Creek Farms, LLC, an entity owned by one of the Company’s directors, Fabian G. Deneault, with respect to approximately 2,000 square feet of manufacturing space located in Ronan, Montana. Monthly rent under such lease is \$1,500 and the initial term of such lease expires in December 2025. The Company utilizes the leased facility for the manufacture of products, including its FDA-listed hand sanitizer products, as well as for storage.

Original MiteXstream Agreement

Effective January 1, 2019, Black Bird entered into a Distribution and Private Label Agreement (the “Original MiteXstream Agreement”) with Thoreauvian Product Services, LLC (“TPS”), a company controlled by two of the Company’s officers and directors, Fabian G. Deneault and Eric Newlan, relating to the Company’s licensed biopesticide product, MiteXstream (the “Private Label Product”). The Original MiteXstream Agreement has an initial term of 10 years and a single 10-year renewal term.

Under the Original MiteXstream Agreement, the Company has the exclusive right to distribute and sell the Private Label Product in the United States and Canada. In addition, the Company is required to pay a \$20,000 exclusivity fee and to purchase \$20,000 of the Private Label Product in conjunction with the signing of the Original MiteXstream Agreement and to purchase not less than \$20,000 of the Private Label Product each year. In addition, the Company is required to pay all costs in excess of \$20,000 associated with MiteXstream’s becoming approved by the U.S. EPA (and relevant states) as a pesticide.

In February 2021, the Original MiteXstream Agreement was replaced with a similar agreement between the Company and Touchstone Enviro Solutions Inc., the parent company of TPS. (See *Note 15. Subsequent Events—New MiteXstream Agreement*).

8. LOANS PAYABLE - THIRD PARTIES

Convertible Promissory Notes

In April 2020, the Company obtained a \$25,000 loan from a third party. In consideration of such loan, the Company issued a \$25,000 face amount convertible promissory note that bears interest at 10% per annum, with principal and interest due in January 2021. Such convertible promissory note may be converted into shares of Company common stock at the rate of one share for each \$.001 of debt converted anytime after August 30, 2020, until the due date of such note. As of December 31, 2020, the Company owed \$1,800 in accrued interest under such note and had an unamortized debt discount of \$1,666 related to the beneficial conversion feature that will be amortized over the remaining life of such loan.

F-9

[Table of Contents](#)

In April 2020, the Company obtained a \$25,000 loan from a third party. In consideration of such loan, the Company issued a \$25,000 face amount convertible promissory note that bears interest at 10% per annum, with principal and interest due in January 2021. Such convertible promissory note was convertible into shares of Company common stock at the rate of one share for each \$.001 of debt converted anytime after August 30, 2020, until the due date of such note. In November 2020, the Company repaid the \$25,000 principal amount and \$3,000 of accrued interest.

In December 2020, the Company obtained a loan from a third party which netted the Company \$50,000 in proceeds. In consideration of such loan, the Company issued a \$58,600.00 face amount convertible promissory note, with OID of \$4,100, that bears interest at 10% per annum, with principal and interest due in September 2021. The Company has the right to repay such convertible promissory note at a premium ranging from 120% to 145% of the face amount. Such convertible promissory note may be converted into shares of the Company’s common stock at a conversion price equal to the lower of 60% of the market price of the Company’s common stock on the date of issuance of such convertible promissory note and the date of conversion, any time after June 15, 2021. As of December 31, 2020, the Company owed \$240 in accrued interest under such note and had an unamortized debt discount of \$24,889 related to the beneficial conversion feature that will be amortized over the remaining life of such loan, and \$3,872 related to the discount on the loan.

9. LOANS PAYABLE - RELATED PARTIES

The following table sets forth outstanding loans payable to related parties as of December 31, 2020, and December 31, 2019, respectively.

Name of Lender	Principal Amount Due		Accrued Interest Amount Due		Total Amount Due	
	12/31/20	12/31/19	12/31/20	12/31/19	12/31/20	12/31/19
EFT Holdings, Inc.*	\$ ---	\$634,323	\$ ---	\$251,785	\$ ---	\$886,108

EF2T, Inc.	\$	---	\$105,250	\$	---	\$ 4,742	\$	---	\$109,992
Astonia LLC	\$	4,470	\$135,000	\$	161	\$ 1,997	\$	4,631	\$136,997

* Until the Company's acquisition of Black Bird, EFT Holdings, Inc. was its majority shareholder.

Year Ended December 31, 2020

During the year ended December 31, 2020, net advances of \$4,470 were received from Astonia LLC. The amounts due Astonia LLC bear interest at 5% per year and have a maturity of one year. As of December 31, 2020, the Company owed Astonia LLC \$161 in accrued and unpaid interest.

Year Ended December 31, 2019

During the year ended December 31, 2019, advances of \$22,676 were received from EFT Holdings, Inc. Also during the year ended December 31, 2019, the Company repaid \$139,611 in loans due to EFT Holdings, Inc. The amounts due EFT Holdings, Inc. carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed EFT Holdings, Inc. \$251,785 in accrued and unpaid interest. \$0- of these EFT Holdings, Inc. advances at December 31, 2019, were past due and payable upon demand. In conjunction with the Merger Agreement, all amounts owed to EFT Holdings, Inc. as of December 31, 2019, were extinguished. (See *Debt Forgiveness Agreements* below).

During the year ended December 31, 2019, advances of \$64,500 were received from EF2T, Inc. The amounts due EF2T, Inc. carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed EF2T, Inc. \$4,742 in accrued and unpaid interest. In conjunction with the Merger Agreement, all amounts owed to EF2T, Inc. as of December 31, 2019, were extinguished. (See *Debt Forgiveness Agreements* below).

During the year ended December 31, 2019, advances of \$135,000 were received from Astonia, LLC. Astonia, LLC is considered a "related party", due to the fact that a Director of the Company, Jack Jie Qin, is the manager of Astonia. The amounts due Astonia, LLC carried an interest rate of 5% per year, were secured by all future sales of the Company and had a maturity of one year. As of December 31, 2019, the Company owed Astonia \$1,997 in accrued and unpaid interest. In conjunction with the Merger Agreement, all amounts owed to Astonia, LLC as of December 31, 2019, were extinguished. (See *Debt Forgiveness Agreements* below).

[Table of Contents](#)

Debt Cancellation Agreements

During the year ended December 31, 2020, the Company entered into three separate debt forgiveness agreements with related parties:

EFT Holdings, Inc.: the Company issued 18,221,906 shares of common stock to its former majority shareholder, EFT Holdings, Inc., in payment of \$886,108 of indebtedness, principal and accrued interest.

EF2T, Inc.: the Company issued 2,240,768 shares of common stock to a related party, EF2T, Inc., in payment of \$109,992 of indebtedness, principal and accrued interest.

Astonia LLC: the Company issued 2,831,661 shares of common stock to a related party, Astonia LLC, in payment of \$136,997 of indebtedness, principal and accrued interest.

10. PRODUCT DISTRIBUTION AGREEMENTS

Tri-State Distributor

In March 2020, Black Bird entered into a Regional Development and Distribution Agreement with Northland Partners, LLC (the "Tri-State Distributor"), who will focus on distribution of Black Bird's products in North Dakota, South Dakota and Minnesota. Tri-State Distributor has the right to distribute Black Bird's products anywhere in the United

States. Due to existing COVID-19-related restrictions during 2020, the Tri-State Distributor did not purchase any products from us.

Las Vegas Distributor

In June 2020, Black Bird terminated its distribution agreement with its Las Vegas-based distributor, due to non-performance. In July 2020, Black Bird entered into a distribution agreement with Hope Botanicals, LLC with respect to its becoming a replacement for the terminated Las Vegas-based distributor. Hope Botanicals has the right to distribute Black Bird's products anywhere in the United States.

Montana Distributor

In September 2020, Black Bird entered into a distribution agreement with Raghorn Wholesale LLC, who will focus on distribution of Black Bird's products in Montana, Idaho and North Dakota. Raghorn has the right to distribute Black Bird's products anywhere in the United States.

11. REGULATION A OFFERING

In May 2020, the Company filed the Regulation A Offering with SEC with respect to 70,000,000 shares of common stock, as amended, which was qualified by the SEC on August 4, 2020. Through December 31, 2020, the Company sold a total of 13,200,000 shares of its common stock for a total of \$528,000, or \$.04 per share, in cash, under the Regulation A Offering.

12. ASSET PURCHASE AGREEMENT

In December 2020, a newly-formed subsidiary of the Company, Big Sky American Dist., LLC, a Montana limited liability company ("Big Sky American"), which distributes the Company's Grizzly Creek Naturals products, entered into an asset purchase agreement (the "Big Sky APA"), whereby it was to purchase certain distribution-related assets associated with approximately 200 retail locations in Western Montana for \$200,000 in cash, including a \$20,000 non-refundable deposit paid at signing. The closing of this transaction occurred in February 2021. (See *Note 15. Subsequent Events—Asset Purchase Agreement*).

13. INCOME TAXES

The Company's federal income tax returns for the years ended December 31, 2017, through December 31, 2019, remain subject to examination by the Internal Revenue Service, as of December 31, 2020.

No provision was made for federal income tax for the year ended December 31, 2020, since the Company had net operating losses.

[Table of Contents](#)

The Company has available net operating loss carry-forward of approximately \$1,988,000, which begins to expire in 2029 unless utilized beforehand. The availability of the Company's net operating loss carry forwards are subject to limitation if there is a 50% or more positive change in the ownership of the Company's stock. As presented below, the Company generated a deferred tax asset through the net operating loss carry-forward. However, a 100% valuation allowance has been established because the ultimate realization of the deferred tax asset is dependent upon the generation of future taxable income during the periods in which the net operating loss carryforwards are available. Management considers projected future taxable income, the scheduled reversal of deferred tax liabilities and available tax planning strategies that can be implemented by the Company in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the period in which the net operating loss carryforwards are available to reduce income taxes payable, management has established a full valuation allowance such that the net deferred tax asset is \$0, as of December 31, 2020 and 2019.

The Tax Cuts and Jobs Act of 2017 (the "2017 Act") reduced the corporate tax rate from 35% to 21% for tax years beginning after December 31, 2018. For net operating losses (NOLs) arising after December 31, 2018, the 2017 Act limits a taxpayer's ability to utilize NOL carryforwards to 80% of taxable income. In addition, NOLs arising after 2017 can be carried forward indefinitely, but carryback is generally prohibited. NOLs generated in tax years beginning

before January 1, 2018, will not be subject to the taxable income limitation. The 2017 Act would eliminate the carryback of all NOLs arising in a tax year ending after 2017 and, instead, permits all such NOLs to be carried forward indefinitely.

	<u>As of December 31,</u>	
	<u>2020</u>	<u>2019</u>
Deferred tax assets:		
Net operating loss carryforwards	\$ 417,673	\$ 272,740
Less: valuation allowance	(417,673)	(272,740)
Net deferred tax assets	<u>\$ ---</u>	<u>\$ ---</u>

14. LEASING COMMITMENTS

The Company has two operating leases that expire in 2022 and 2025. Rent expense for the years ended December 31, 2020 and 2019, totaled \$17,200 and \$-0-, respectively.

Future minimum payments under leases are as follows:

2021	\$	25,200
2022		19,800
2023		18,000
2024		18,000
2025		18,000
	<u>\$</u>	<u>99,000</u>

15. SUBSEQUENT EVENTS

Regulation A Offering

Since December 31, 2020, the Company has sold a total of 4,875,000 shares of its common stock for a total of \$195,000, or \$.04 per share, in cash, under the Regulation A Offering.

Convertible Promissory Notes

In January 2021, the Company obtained a loan from a third party which netted the Company \$52,000 in proceeds. In consideration of such loan, the Company issued a \$55,500.00 face amount convertible promissory note that bears interest at 12% per annum, with principal and interest due in January 2022. The Company has the right to repay such convertible promissory note at a premium ranging from 125% to 145% of the face amount. Such convertible promissory note may be converted into shares of the Company's common stock at a conversion price equal to the lower of 61% of the market price of the Company's common stock on the date of issuance of such convertible promissory note and the date of conversion, any time after July 14, 2021.

In February 2021, the Company obtained a loan from a third party which netted us \$106,000 in proceeds. In consideration of such loan, the Company issued a \$121,000.00 face amount promissory note, with OID of \$15,000, that bears interest at 9% per annum, with principal and interest payable in eight equal monthly payments of \$15,125 beginning in August 2021. The Company has the right to repay such promissory note at any time. Should the Company default on such promissory note, it becomes convertible into shares of the Company's common stock at a conversion price equal to the lesser of the lowest closing bid price of the Company's common stock for the trading day immediately preceding either (a) the delivery of a notice of default, (b) the delivery of a notice of conversion resulting from such default or (c) the issue date of such promissory note. In addition, we issued 2,000,000 shares of our common stock to this lender as a commitment fee, which shares were valued at \$0.0462 per share, or \$92,400, in the aggregate.

In February 2021, the Company obtained a loan from a third party which netted the Company \$43,500 in proceeds. In consideration of such loan, the Company issued a \$43,500.00 face amount convertible promissory note that bears interest at 12% per annum, with principal and interest due in January 2022. The Company has the right to repay such convertible promissory note at a premium ranging from 125% to 145% of the face amount. Such convertible promissory note may be converted into shares of the Company's common stock at a conversion price equal to the lower of 61% of the market price of the Company's common stock on the date of issuance of such convertible promissory note and the date of conversion, any time after August 17, 2021.

[Table of Contents](#)

New MiteXstream Agreement

In February 2021, Black Bird entered into a Manufacturing, Sales and Distribution License Agreement (the “New MiteXstream Agreement”) with a related party, Touchstone Enviro Solutions, Inc., which replaced a prior similar agreement (the “Original MiteXstream Agreement”) and served to expand Black Bird’s rights with respect to MiteXstream, an EPA-registered biopesticide. The New MiteXstream Agreement contains the following important provisions as compared to the Original MiteXstream Agreement:

	<u>New MiteXstream Agreement</u>	<u>Original MiteXstream Agreement</u>
Term	December 31, 2080	Initial terms of 10 years, with one 10-year renewal term
Territory	Worldwide Exclusive (1)	United States and Canada
Royalty	\$10.00 per gallon manufactured	Effective royalty of an estimated \$50 per gallon
Minimums	2,500 gallons of concentrate manufactured per year (2)	\$20,000 of product per year
Sublicensing	Right to sublicense granted	No right to sublicense
Trademarks	For no extra consideration, rights granted to use “MiteXstream” and “Harnessing the Power of Water”	For no extra consideration, rights granted to use “MiteXstream”

(1) Exclusivity ends and becomes non-exclusive, if the minimum of 2,500 gallons per year is not met.

(2) The minimum (2,500 gallons per year) is deemed to have been satisfied through December 31, 2022.

The disinterested Directors of the Company approved the New MiteXstream Agreement.

Asset Purchase Agreement

In February 2021, Big Sky American consummated the Big Sky APA, whereby purchased certain distribution-related assets associated with approximately 200 retail locations in Western Montana. At the closing of the Big Sky APA, Big Sky American delivered the remaining \$180,000 in cash owed.

Common Stock Issued for Services

In January, February and March 2021, the Company issued a total of 150,000 shares (50,000 shares each month) of its common stock to a third-party consultant, which shares were valued at \$0.0406 per share (\$2,030, in the aggregate), \$0.0534 per share (\$2,670, in the aggregate) and \$0.0436 per share (\$2,180), respectively.

In February 2021, we issued 2,000,000 shares of our common stock as a commitment fee, which shares were valued at \$0.0462 per share, or \$92,400, in the aggregate.

Amendments of Articles of Incorporation

In February 2021, the Company amended its Articles of Incorporation to increase the number of authorized shares of its common stock to 325,000,000.

In April 2021, holders of approximately 58.32% of the Company’s common stock approved a change in the Company’s corporate name to “Black Bird Biotech, Inc.”

Other

Management has evaluated subsequent events through April 15, 2021, the date on which the financial statements were available to be issued.

[Table of Contents](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Black Bird Potentials Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Black Bird Potentials Inc. (the Company) as of December 31, 2019 and 2018, and the related statements of operations, stockholders' equity, and cash flows for the year ended December 31, 2019, and for the period from October 16, 2018 (inception), through December 31, 2018, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the year ended December 31, 2019, and for the period from October 16, 2018 (inception), through December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

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.

/s/ FARMER, FUQUA & HUFF, P.C.
Farmer, Fuqua, & Huff, P.C.
We have served as the Company's auditor since 2020
Richardson, TX
July 10, 2020

F-14

[Table of Contents](#)

BLACK BIRD POTENTIALS INC.
Balance Sheets

	<u>12/31/19</u>	<u>12/31/18</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 85,969	\$ 37,662
Accounts receivable, less allowance of \$4,461 at December 31, 2019	4,461	---

Inventory	8,787	---
Deposit	20,000	---
Total current assets	<u>119,217</u>	<u>37,662</u>
TOTAL ASSETS	<u><u>\$ 119,217</u></u>	<u><u>\$ 37,662</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Current liabilities		
Other current liabilities		
Accrued liabilities	\$ 4,272	\$ ---
Total other current liabilities	<u>4,272</u>	<u>---</u>
Total current liabilities	<u>4,272</u>	<u>---</u>
TOTAL LIABILITIES	<u><u>\$ 4,272</u></u>	<u><u>\$ ---</u></u>

STOCKHOLDERS' EQUITY

Preferred stock, \$0.00001 par value, 1,000,000 shares authorized, 1,000,000 issued and outstanding at December 31, 2019 and 2018, respectively	\$ 10	\$ 10
Common stock, \$0.00001 par value, 300,000,000 shares authorized, 54,964,000 and 47,115,000 shares issued and outstanding at December 31, 2019 and 2018, respectively	549	471
Stockholder receivable	(1,000)	(5,000)
Additional paid-in capital	264,897	42,319
Retained earnings (accumulated deficit)	<u>(149,511)</u>	<u>(138)</u>
Total stockholders' equity	<u>114,945</u>	<u>37,662</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 119,217</u></u>	<u><u>\$ 37,662</u></u>

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

F-15

[Table of Contents](#)

BLACK BIRD POTENTIALS INC. Statements of Operations

	For the Years Ended December 31,	
	2019	2018
Sales	\$ 17,771	\$ ---
Cost of goods sold	<u>17,802</u>	<u>---</u>
Gross profit (loss)	<u>(31)</u>	<u>---</u>
Expenses		
Consulting services	48,108	---
Website expense	8,471	---
Legal and professional services	32,860	---
Product license	44,762	---
Bad debt expense	4,461	---
General and administrative	<u>10,980</u>	<u>138</u>
Total expenses	<u>149,642</u>	<u>138</u>
Net operating loss	<u>(149,673)</u>	<u>(138)</u>
Other income		
Other miscellaneous income	<u>300</u>	<u>---</u>
Total other income	<u>300</u>	<u>---</u>
Loss before taxes	<u>(149,373)</u>	<u>(138)</u>
Income tax expense	<u>---</u>	<u>---</u>
Net loss	<u><u>\$ (149,373)</u></u>	<u><u>\$ (138)</u></u>
Net loss per common share		
Basic and diluted	<u><u>\$ (---)</u></u>	<u><u>\$ (---)</u></u>

Weighted average number of common shares outstanding:
Basic and diluted

50,630,730 45,376,579

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

F-16

[Table of Contents](#)

BLACK BIRD POTENTIALS INC.
Statement of Changes in Stockholders' Equity (Deficit)
For the Years Ended December 31, 2019 and 2018

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Stockholder Receivable</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
Balances at October 16, 2018	---	\$ ---	---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Stock issued for cash	1,000,000	10	46,865,000	468	---	37,322	---	37,800
Stock issued for stockholder receivable	---	---	250,000	3	(5,000)	4,997	---	---
Net loss	---	---	---	---	---	---	(138)	(138)
Balance, December 31, 2018	1,000,000	10	47,115,000	471	(5,000)	42,319	(138)	37,662
Cash received on stockholder receivable	---	---	---	---	5,000	---	---	5,000
Stock issued for cash	---	---	4,919,000	49	---	174,401	---	174,450
Stock issued for stockholder receivable	---	---	110,000	1	(1,000)	999	---	---
Stock issued for services	---	---	2,820,000	28	---	44,972	---	45,000
Non-cash additional paid-in capital by related parties	---	---	---	---	---	2,206	---	2,206
Net loss	---	---	---	---	---	---	(149,373)	(149,373)
Balance, December 31, 2019	<u>1,000,000</u>	<u>\$ 10</u>	<u>54,964,000</u>	<u>\$ 549</u>	<u>\$ (1,000)</u>	<u>\$ 264,897</u>	<u>\$ (149,511)</u>	<u>\$ 114,945</u>

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

[Table of Contents](#)

BLACK BIRD POTENTIALS INC.
Statements of Cash Flows

	For the Years Ended	
	December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (149,373)	\$ (138)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Bad debt expense	4,461	---
Stock issued for services	45,000	---
Accounts receivable	(8,992)	---
Inventory	(6,581)	---
Deposits	(20,000)	---
Accrued expenses	4,272	---
Net cash used for operating activities	<u>(131,143)</u>	<u>(138)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of preferred stock	\$ ---	\$ 10
Proceeds from issuance of common stock	179,450	37,790
Net cash provided by financing activities	<u>179,450</u>	<u>37,800</u>
Net increase in cash and cash equivalents	48,307	37,662
Cash and cash equivalents at beginning of period	37,662	---
Cash and cash equivalents at end of period	<u>\$ 85,969</u>	<u>\$ 37,662</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for stockholder receivable	<u>\$ 1,000</u>	<u>\$ 5,000</u>
Non-cash additional paid-in capital by related parties	<u>\$ 2,206</u>	<u>\$ ---</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Income taxes paid	<u>\$ ---</u>	<u>\$ ---</u>
Interest expense	<u>\$ ---</u>	<u>\$ ---</u>

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

[Table of Contents](#)

BLACK BIRD POTENTIALS INC.
Notes to Financial Statements December 31, 2019

1. Basis of Presentation and Nature of Operations

Organization

Black Bird Potentials Inc. (the “Company”) is a corporation that was formed in Wyoming on October 16, 2018. The Company has adopted a December 31st calendar year end for reporting requirements.

The Company is engaged in the production and sale of consumer products, including products containing Cannabidiol, or CBD, derived from industrial hemp that contains no more than 0.3% THC. The Company’s products are marketed under the “Grizzly Creek Naturals” trademark. Also, the Company is a licensed participant in the Montana Hemp Pilot Program, under which the Company is a grower of industrial hemp.

The Company has developed an environmentally-friendly biopesticide, MiteXstream, that eliminates mold, mildew and many pests, including spider mites, which are significant problems in the cultivation of cannabis (marijuana and industrial hemp) and hops. In January 2019, the Company applied to the U.S. Environmental Protection Agency for the

certification of MiteXstream as a biopesticide. Sales of MiteXstream will not commence until EPA certification is achieved.

2. Summary of Significant Accounting Policies

Revenue Recognition

Revenues are recognized upon shipment of goods from the Company's facilities or upon notification of direct shipment from the Company's suppliers to the Company's customers.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, these include cash on hand, cash in checking and savings accounts with banks. All short-term debt securities with a maturity of three months or less are considered cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with 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. Actual results could differ from the estimates.

Reclassifications

Certain items from prior year financial statements have been reclassified to conform to current year presentation.

Leases

Leases that meet the criteria for capitalization are classified as capital leases. Leases that do not meet such criteria are classified as operating leases and related rentals are charged to expense as incurred. As of December 31, 2019 and 2018, there were no such leases.

Concentration of Cash and Credit Risk

The Company maintains corporate cash balances which, at times, may exceed federally insured limits. Management believes it is not exposed to any significant risk on its cash balances. At December 31, 2019 and 2018, the Company had no uninsured cash balances.

[Table of Contents](#)

Inventory

Inventory is stated at the lower of average cost or market. Cost is determined principally by the standard cost method, which approximates the first-in, first-out method. The Company writes off any inventory items when the item experiences no significant movement, or when management determines the item to be obsolete.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amounts management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for accounts receivable.

Advertising

Advertising costs are expensed in the year incurred. For the years ended December 31, 2019 and 2018, the Company incurred \$154 and \$-0- in advertising expense, respectively.

Fair Value of Financial Instruments

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, “Fair Value Measurements and Disclosures”, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The carrying amounts reported in the balance sheets for cash and cash equivalents and receivables are a reasonable estimate of fair value.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company’s financial statements.

3. Regulation A Offering

In April 2019, the Company’s Form 1-A Offering Statement filed with the SEC, relating to an offering pursuant to Regulation A under the Securities Act of 1933, as amended, was “qualified” by the SEC. Pursuant to this offering, the Company sold a total of 2,529,000 shares of its common stock at an offering price of \$.05 per share, for total proceeds of \$126,450. The proceeds of this offering were applied to inventory, operating expenses and working capital.

4. Common Stock

During the year ended December 31, 2019, the Company issued shares of its common stock, as follows:

- In a private sale, the Company sold 200,000 shares of common stock for \$3,000 in cash, a per share price of \$.015.
- Pursuant to a private offering, the Company sold a total of 2,300,000 shares of common stock for \$46,000 in cash, a per share price of \$.02.
- Pursuant to the Company’s Regulation A offering, the Company sold a total of 2,529,000 shares of common stock for a total of \$126,450, a per share price of \$.05, of which \$1,000 was stockholder receivable at December 31, 2019.
- The Company issued a total of 2,820,000 shares of common stock to third-party consultants, which shares were valued, in aggregate, at \$45,000, an average of \$.016 per share. See *Note 6. Related Party Transactions—Common Stock Issued for Services*.

During the year ended December 31, 2018, the Company issued shares of its common stock, as follows:

- Pursuant to a private offering, the Company sold a total of 2,115,000 shares of common stock were sold for a total of \$42,300, a per share price of \$.02, of which \$5,000 was a stockholder receivable at December 31, 2018.
- At its inception, the Company sold a total of 45,000,000 shares of common stock and 1,000,000 shares of Series A Super Voting Convertible Preferred Stock for an aggregate of \$500 in cash. These shares were issued to the founders of the Company. See *Note 6. Related Party Transactions*.

[Table of Contents](#)

5. Stockholder Receivable

At December 31, 2019, cash relating to a stockholder receivable for \$1,000 of common stock under the Company’s Regulation A offering had not been received.

At December 31, 2018, cash relating to a stockholder receivable for \$5,000 of common stock under a private offering had not been received by the Company. Such stockholder receivable amount was received by the Company in January 2019.

6. Related Party Transactions

Sales of Securities

During the year ended December 31, 2018, the Company sold securities to related parties, as follows:

- In October 2018, one of the Company’s officers and directors, Fabian G. Deneault, purchased 22,500,000 shares of common stock and 500,000 shares of Series A Super Voting Convertible Preferred Stock for a total of \$250 in cash.
- In October 2018, the law firm in which one of the Company’s officers and directors, Eric Newlan, is a partner purchased 22,500,000 shares of common stock and 500,000 shares of Series A Super Voting Convertible Preferred Stock for a total of \$250 in cash.
- In December 2018, Fabian G. Deneault purchased 200,000 shares of common stock in a private offering for \$4,000 in cash, a per share price of \$.02.

Effective January 1, 2019, the Company entered into a Distribution and Private Label Agreement (the “Distribution Agreement”) with Thoreauvian Product Services, LLC, a company controlled by the Company’s officers and directors, Fabian G. Deneault and Eric Newlan, relating to the Company’s licensed biopesticide product, MiteXstream (the “Private Label Product”). The Distribution Agreement has an initial term of 10 years and a single 10-year renewal term.

Under the Distribution Agreement, the Company has the exclusive right to distribute and sell the Private Label Product in the United States and Canada. In addition, the Company is required to pay a \$20,000 exclusivity fee and to purchase \$20,000 of the Private Label Product in conjunction with the signing of the Distribution Agreement and to purchase not less than \$20,000 of the Private Label Product each year. In addition, the Company is required to pay all costs in excess of \$20,000 associated with MiteXstream’s becoming approved by the U.S. EPA (and relevant states) as a pesticide. During the year ended December 31, 2019, the Company paid (1) the required exclusivity fee (\$20,000), (2) or the required Private Label Product amount (\$20,000) and (3) a total of \$24,762 in EPA-related costs.

Common Stock Issued for Services

During the year ended December 31, 2019, the Company issued a total of 520,000 shares of common stock, with an aggregate value of \$6,000, to a consultant who was, at the time of each issuance, a third party. Effective with the Company’s consummating a reverse-merger transaction (see *Note 10. Subsequent Events—Acquisition Transaction*) in January 2020, such third-party consultant became a related party of the Company.

Company Facilities

During the years ended December 31, 2019 and 2018, the Company’s President, Fabian G. Deneault, provided required office space and greenhouse space at no charge.

7. Distribution Agreements

In July 2019, the Company entered into a distribution agreement with a Montana-based company with respect to the Company’s Grizzly Creek Naturals products.

In September 2019, the Company entered into a distribution agreement with a Las Vegas, Nevada-based company with respect to the Company’s Grizzly Creek Naturals products. In June 2020, the Company terminated this agreement, due to a lack of performance. See *Note 10. Subsequent Events*.

8. Statement of Changes in Stockholders' Equity

Preferred Stock

During the year ended December 31, 2019, no shares of preferred stock were sold.

During the year ended December 31, 2018, the Company sold a total of 1,000,000 shares of its preferred stock to its founders for cash in the total amount of \$10. During the year ended December 31, 2019, the Company did not issue any shares of preferred stock. *See Note 6. Related Party Transactions.*

Common Stock

– Stock Issued for Cash

During the year ended December 31, 2019, the Company sold shares of its common stock for cash, as follows: 200,000 shares of common stock were sold for \$3,000 in cash, a per share price of \$.015; 2,300,000 shares of common stock were sold for a total of \$46,000 in cash, a per share price of \$.02; and the Company sold a total of 2,529,000 shares of common stock for a total of \$126,450, of which \$1,000 was stockholder receivable at December 31, 2019, a per share price of \$.05.

During the year ended December 31, 2018, the Company sold shares of its common stock for cash, as follows: 45,000,000 shares of common stock were sold for a total of \$490 in cash (*See Note 6. Related Party Transactions*); and 2,115,000 shares of common stock were sold for a total of \$42,300, a per share price of \$.02, of which \$5,000 was a stockholder receivable at December 31, 2018.

– Stock Issued for Services

During the year ended December 31, 2019, the Company issued a total of 2,820,000 shares of common stock to third-party consultants, which shares were valued, in aggregate, at \$45,000, an average of \$.016 per share.

During the year ended December 31, 2018, the Company did not issue shares of its common stock in payment of services.

– Common Stock Subscribed

At December 31, 2019, the Company had a stockholder receivable in the amount of \$1,000 from a single third party.

At December 31, 2018, the Company had a stockholder receivable in the amount of \$5,000 from a single third party. In January 2019, such stockholder receivable was received by the Company.

Additional Paid-in Capital

During the year ended December 31, 2019, total additional paid-in capital from issuances of common stock of the Company totaled \$264,897, \$174,401 of which is attributable to cash received in excess of stated capital, \$44,972 of which is attributable to the value of shares of common stock issued being in excess of stated capital and \$999 of which is attributable to a stockholder receivable. During the year ended December 31, 2018, total additional paid-in capital from issuances of common stock of the Company totaled \$42,319, \$37,322 of which is attributable to the value of shares of common stock issued being in excess of stated capital and \$4,997 of which is attributable to a stockholder receivable. No additional paid-in capital was derived from the sale of Company preferred stock.

Retained Earnings (Accumulated Deficit)

For the year ended December 31, 2019, the Company had a net loss of \$149,373 compared to a net loss of \$138 for the year ended December 31, 2018, for a total accumulated deficit at December 31, 2019, of \$149,511.

Total Stockholders' Equity

Total stockholders' equity increased from \$37,662 at December 31, 2018, to \$114,945 at December 31, 2019. The Company's stockholders' equity is primarily attributable to sales of its securities since its inception in October 2018 through December 31, 2019, in the total amount of \$217,250.

[Table of Contents](#)

9. Income Taxes

No provision was made for federal income tax for the year ended December 31, 2019, since the Company had net operating losses.

The Company has available net operating loss carry-forward of approximately \$149,511, which begins to expire in 2029 unless utilized beforehand. The availability of the Company's net operating loss carry forwards are subject to limitation if there is a 50% or more positive change in the ownership of the Company's stock. As presented below, the Company generated a deferred tax asset through the net operating loss carry-forward. However, a 100% valuation allowance has been established because the ultimate realization of the deferred tax asset is dependent upon the generation of future taxable income during the periods in which the net operating loss carryforwards are available. Management considers projected future taxable income, the scheduled reversal of deferred tax liabilities and available tax planning strategies that can be implemented by the Company in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the period in which the net operating loss carryforwards are available to reduce income taxes payable, management has established a full valuation allowance such that the net deferred tax asset is \$0 as of December 31, 2019 and 2018.

The Tax Cuts and Jobs Act of 2017 (the "2017 Act") reduced the corporate tax rate from 35% to 21% for tax years beginning after December 31, 2018. For net operating losses (NOLs) arising after December 31, 2018, the 2017 Act limits a taxpayer's ability to utilize NOL carryforwards to 80% of taxable income. In addition, NOLs arising after 2017 can be carried forward indefinitely, but carryback is generally prohibited. NOLs generated in tax years beginning before January 1, 2018, will not be subject to the taxable income limitation. The 2017 Act would eliminates the carryback of all NOLs arising in a tax year ending after 2017 and, instead, permits all such NOLs to be carried forward indefinitely.

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2018</u>
Deferred tax assets:		
Net operating loss carryforwards	\$ 31,397	\$ 29
Less: valuation allowance	(31,397)	(29)
Net deferred tax assets	<u>\$ ---</u>	<u>\$ ---</u>

10. Subsequent Events

Acquisition Transaction

Effective January 1, 2020, the Company consummated a plan and agreement of merger (the "Merger Agreement") with Digital Development Partners, Inc., a publicly-traded company ("DGDM"), pursuant to which the Company became a wholly-owned subsidiary of DGDM. Such acquisition transaction, accounted for by DGDM as a "reverse merger", resulted in the Company's control persons becoming the control persons of DGDM.

Facility Lease

In May 2020, the Company entered into a facility lease with Grizzly Creek Farms, LLC, an entity owned by one of its directors, Fabian G. Deneault, with respect to approximately 2,000 square feet of manufacturing space located in Ronan, Montana. Monthly rent under such lease is \$1,500 and the initial term of such lease expires in December 2025. The Company utilizes the leased facility for the manufacture of products, including its FDA-listed hand sanitizer products.

Distribution Agreements

In March 2020, the Company entered into a regional development and distribution agreement with Northland Partners, LLC (the "Tri-State Distributor"), who will focus on distribution of our products in North Dakota, South Dakota and Minnesota.

In June 2020, the Company terminated its distribution agreement with its Las Vegas-based distributor, due to non-performance.

Other

Management has evaluated subsequent events through July 10, 2020, the date on which the financial statements were available to be issued.

F-23

[Table of Contents](#)

DIGITAL DEVELOPMENT PARTNERS, INC. UNAUDITED PRO FORMA FINANCIAL STATEMENTS

The following unaudited pro forma financial statements are based on the historical financial statements of Digital Development Partners, Inc. (“DGDM”) and Black Bird Potentials Inc. (“BBP”) after giving effect to DGDM’s acquisition of BBP (the “Acquisition”) and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma financial statements. The effective date of the Acquisition was January 1, 2020.

Unaudited Pro Forma Balance Sheet

The following unaudited pro forma balance sheet has been derived from the balance sheet of DGDM at December 31, 2019 (unaudited), and adjusts such information to give effect to the acquisition of BBP, as if the acquisition had occurred at December 31, 2019. The unaudited pro forma balance sheet is presented for informational purposes only and does not purport to be indicative of the financial condition that would have resulted if the acquisition had been consummated at December 31, 2019. The unaudited pro forma balance sheet should be read in conjunction with the notes thereto and BBP’s financial statements and related notes thereto contained elsewhere herein.

	<u>DGDM</u>	<u>BBP</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Cash and cash equivalents	\$ 973	\$ 85,969	\$ ---	\$ 86,942
Accounts receivable	---	4,461	---	4,461
Inventory, net	---	8,787	---	8,787
Deposit	---	20,000	---	20,000
Total current assets	<u>973</u>	<u>119,217</u>	<u>---</u>	<u>120,190</u>
Total assets	<u>\$ 973</u>	<u>\$ 119,217</u>	<u>\$ ---</u>	<u>\$ 120,190</u>
Liabilities	1,141,768	4,272	(1,133,097)	12,943
Stockholders’ Equity (Deficit)				
Preferred stock	---	10	(10)	---
Common stock	85,971	549	63,480	150,000
Stockholder receivable	---	(1,000)	---	(1,000)
Additional paid-in capital	7,488,946	264,897	920,116	8,673,959
Retained earnings (deficit)	<u>(8,715,712)</u>	<u>(149,511)</u>	<u>149,511</u>	<u>(8,715,712)</u>
Total stockholders’ equity (deficit)	<u>(1,140,795)</u>	<u>114,945</u>	<u>1,133,097</u>	<u>107,247</u>
Total liabilities and stockholders’ equity (deficit)	<u>\$ 973</u>	<u>\$ 119,217</u>	<u>\$ ---</u>	<u>\$ 120,190</u>

See accompanying notes to unaudited pro forma financial statements.

F-24

[Table of Contents](#)

Unaudited Pro Forma Statements of Operations

Year Ended December 31, 2019

The following pro forma statement of operations has been derived from the statement of operation of DGDM at December 31, 2019, and adjusts such information to give effect to the acquisition of BBP, as if the acquisition had occurred at January 1, 2019. The pro forma statement of operations is presented for informational purposes only and does not purport to be indicative of the results of operations that would have resulted if the acquisition had been consummated at January 1, 2019. The pro forma statement of operations should be read in conjunction with BBP's financial statements and related notes thereto contained elsewhere in this filing.

	<u>DGDM</u>	<u>BBP</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Revenues	\$ ---	\$ 17,771	\$ ---	\$ 17,771
Cost of goods sold	---	17,802	---	17,802
Gross profit	---	(31)	---	(31)
Expenses				
Consulting services	---	48,108	---	48,108
Website and related services	---	8,471	---	8,471
Legal and professional services	---	32,860	---	32,860
Product license	---	44,762	---	44,762
Bad debt expense	---	4,461	---	4,461
General and administrative	80,306	10,980	---	91,286
Total expenses	<u>(80,306)</u>	<u>(149,642)</u>	---	<u>(229,948)</u>
Interest expense	<u>(41,661)</u>	---	---	<u>(41,661)</u>
Loss before taxes	<u>(121,967)</u>	<u>(149,673)</u>	---	<u>(271,640)</u>
Other income	---	300	---	300
Income tax expense	---	---	---	---
Net loss	<u>\$ (121,967)</u>	<u>\$ (149,373)</u>	<u>\$ ---</u>	<u>\$ (271,340)</u>
Net loss per share				
Basic and Diluted	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>
Weighted average shares outstanding				
Basic and Diluted	<u>85,970,665</u>	<u>50,630,730</u>	<u>64,029,335</u>	<u>150,000,000</u>

See accompanying notes to unaudited pro forma financial statements.

[Table of Contents](#)

Notes to Unaudited Pro Forma Financial Statements

Note 1. Basis of Unaudited Pro Forma Presentation

The unaudited pro forma balance sheet as of December 31, 2019, and the unaudited pro forma statement of operations for the year ended December 31, 2019, are based on the historical financial statements of DGDM and BBP after giving effect to DGDM's acquisition of BBP (the "Acquisition") and the assumptions and adjustments described in the notes herein. No pro forma adjustments were required to conform BBP's accounting policies to DGDM's accounting policies.

The unaudited pro forma balance sheet as of December 31, 2019, is presented as if the Acquisition had occurred on December 31, 2019. The unaudited pro forma statement of operations of DGDM and BBP for the year ended December 31, 2019, is presented as if the Acquisition had taken place on January 1, 2019.

The unaudited pro forma financial statements are not intended to represent or be indicative of the results of operations or financial position of DGDM that would have been reported had the Acquisition been completed as of the dates presented, and should not be taken as representative of the future results of operations or financial position of DGDM.

Note 2. BBP Acquisition

Effective January 1, 2020, DGDM entered into a Plan and Agreement of Merger with BBP (the "Merger Agreement"), pursuant to which DGDM acquired BBP, a company that is (a) engaged in the production and sale of products containing Cannabidiol, or CBD, derived from industrial hemp that contains no more than 0.3% THC, (b) a licensed

participant in the Montana Hemp Pilot Program (c) the exclusive distributor of an environmentally-friendly pesticide, MiteXstream, that targets spider mites, which are a significant problem in the cultivation of cannabis (marijuana and industrial hemp), coffee and hops. DGDM has adopted the business plan of BBP as its overall corporate business plan. Pursuant to the Merger Agreement, DGDM issued a total of 120,000,000 shares of common stock to the shareholders of BBP, all of which shares are considered “restricted securities.”

Acquisition-related expenses, including legal and accounting fees and other external costs directly related to the acquisition, were expensed as incurred.

Note 3. Pro Forma Adjustments

With respect to the unaudited pro form balance sheet, pro forma adjustments were made only to current liabilities, which adjustments were made to reflect the cancellation of \$1,133,097 of DGDM debt as of December 31, 2019, by the issuance of shares.

With respect to the unaudited pro form balance sheet, no pro forma adjustments are included. With respect to the unaudited pro forma statements of income, pro forma adjustments were made only to weighted average shares outstanding, which adjustments were made to reflect the issuances and a cancellation of shares in connection with the Merger Agreement, as follows: (a) the cancellation of 79,265,000 shares by a related party, (b) the issuance of a total of 23,294,335 shares in cancellation of indebtedness and (c) the issuance of 120,000,000 shares pursuant to the Merger Agreement.