

SND Auto Group Inc.
(previously known as PotNetwork Holdings Inc.)
Unaudited Consolidated Financial Statements
As of September 30, 2016

SND Auto Group Inc.
Unaudited Consolidated Balance Sheets
As of September 30, 2016 and December 31, 2015

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ASSETS	Sept 30	December 31
Current Assets	2016	2015
Cash	\$500	\$1,083
Other Current Assets	710	\$710
Inventory Automobiles (Note 2)	<u>\$48,575</u>	<u>\$70,000</u>
Total Current assets	\$49,785	\$71,793
Fixed Assets, net	\$3,977	\$4,800
Rent & Utility Deposits	\$33,673	\$28,922
Auto Loans Receivable (Includes Principal, Interest , & Banks)	<u>\$1,020,300</u>	<u>\$1,919,419</u>
TOTAL ASSETS	<u>\$1,107,735</u>	<u>\$2,024,934</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued liabilities	\$25,800	\$10,378
Car Financial Payable	450,000	520,000
Total Current Liabilities	<u>\$475,800</u>	<u>\$530,378</u>
Loans From Third Parties (Note 3)	125,000	125,000
Note Payable (Note 4)	2,006,180	1,984,000
Total Liabilities	<u>\$2,606,980</u>	<u>\$2,639,378</u>
STOCKHOLDERS EQUITY		
Common ; Authorized 500,000,000 shares, \$.0001 par value; and 113,330,955 Issued and outstanding at June 30, 2016 and 7,621,650,326 Issued and outstanding and December 31, 2015 respectively.	\$87,573	\$87,573
Preferred Stock Class D Authorized - 6,000 shares, .00001 par value; and 460 Issued and outstanding at June 30, 2016 and 460 Issued and outstanding at Dec. 31, 2015, respectively.	\$200	\$200
Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value, and 1,241,847 Issued and outstanding at June 30, 2016 and 6,209,236 issued and outstanding at Dec. 31, 2015, respectively.	\$200	\$200
Additional paid in capital	456,995	1,461,532
Retained Earnings (Deficit) Sunrise	\$837,277	738,424
Retained Earnings (Deficit) POTN	<u>(2,902,373)</u>	<u>(2,902,373)</u>
Retained Earnings (Deficit) Consolidated	<u>(2,044,213)</u>	<u>(2,163,949)</u>
	(1,499,245)	(614,444)
Total Liabilities & Stockholders Equity	<u>\$1,107,735</u>	<u>\$2,024,934</u>

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

SND Auto Group Inc.
Unaudited Consolidated Statements of Income
For the year Nine Months ended September 30, 2016 and 2015

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	Nine Months Ended	
	Sept 30	Sept 30
	2016	2015
Sales	\$1,029,450	\$3,361,116
Cost of Sales	(\$581,300)	\$2,063,602
Gross Margin	\$448,150	\$1,297,514
Expenses:		
Salary & Benefits	\$84,777	\$375,202
General and Administrative	\$10,011	\$39,444
Legal & Professional	\$21,590	34,105
Advertising	\$34,470	185,293
Insurance	\$17,102	17,712
Supplies	\$9,898	21,666
Rent	\$52,061	65,540
Interest	\$112,600	71,798
Depreciation	\$823	823
Other	\$5,865	40,749
Total Expenses	\$349,297	\$850,332
Profit (Loss) before income taxes	\$98,853	\$447,182
Provision for income taxes	0	0
Net Profit (Loss)	\$98,853	\$447,182

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

SND Auto Group Inc.
Unaudited Consolidated Statement of Cash Flows
For the year Nine Months ended September 30, 2016 and 2015

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	Nine Months Ended	
	Sept 30 2016	Sept 30 2015
OPERATING ACTIVITIES		
Net Income (Loss)	\$98,853	\$447,182
Add:		
Depreciation	823	823
Adjustments to reconcile net income (loss)		
Decreases (Increases)		
Notes receivable	0	0
Inventory	\$21,475	\$162,980
Fixed Assets	-	-
Other Assets	(\$4,751)	0
Accts payable	(25,407)	42,128
Financial Loan Payable	0	\$221,812
Notes Payable	<u>(6,520)</u>	<u>(1,444,352)</u>
Net cash (used in) operating activities	\$84,473	\$2,319,277
Loans Receivable	(\$85,056)	\$2,307,519
CASH FLOWS FROM INVESTING ACTIVITIES	(\$583)	\$11,758
(decrease) in deferred development costs		
Increase in assets	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Proceeds from issuance of common stock	0	0
Proceeds from additional paid in capital	-	-
Net cash (used in) financing activities	<u>\$0</u>	<u>0</u>
NET INCREASE (DECREASE) IN	(\$583)	\$11,758
Cash, Beginning	<u>\$1,083</u>	<u>\$100</u>
Cash, Ending	<u>\$500</u>	<u>\$11,858</u>

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SND Auto Group Inc.
Unaudited Consolidated Statement of Stockholders Equity
Sept 30, 2016

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<u>Description</u>	<u>Common Stock</u> <u>Shares</u>	<u>Preferred(D/E)</u> <u>Shares</u>	<u>Common</u> <u>Amount</u>	<u>Additional</u> <u>Paid-In Capital</u>	<u>Accum Equity</u> <u>(Deficit)</u>	<u>Total</u> <u>Stockholders</u> <u>Equity(Deficit)</u>
Balance						
<u>December 31,2013</u>	<u>5,671,159,696</u>	<u>1,000,000</u>	<u>\$87,573</u>	<u>\$2,545,527</u>	<u>(2,851,546)</u>	<u>(2,445,476)</u>
Shares Retired	(3,000,000,000)					
Shares Retired		(1,000,000)				
Shares Issued	798,681,000			53,000		
Shares Issued	2,727,990,625			217,424		
Net Profit (Loss)					(50,827)	(50,827)
Balance						
<u>December 31,2014</u>	<u>5,399,150,326</u>	<u>0</u>	<u>\$87,573</u>	<u>\$ 2,275,003</u>	<u>(\$2,902,373)</u>	<u>(\$2,496,303)</u>
			1,500 (D)			
Shares Issued	2,222,499,679	6,209,236 (E)		(813,471)		
Net Profit (Loss)					738,424	738,424
Balance						
Dec 31,2015	7,621,650,326	1,500 (D)	\$87,573	\$1,461,532	(\$2,163,949)	(\$2,496,303)
<u>Dec 31, 2015</u>	<u>6,209,236 (E)</u>					
Shares Issued	51,678,750	(4,967,389)		(712,514)		
(Preferred E exchanged for common)				(57,623)		
Shares Issued	35,030,555			(134,400)		
Shares Issued	19,058,583			(100,000)	\$98,853	\$98,853
Net Profit (Loss)						
Balance					(\$2,065,096)	(\$2,397,450)
Sept 30,2016	113,389,538	1,500 (D)	\$87,573	\$514,618		
<u>Sept 30, 2016</u>	<u>1,241,847 (E)</u>					

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SND Auto Group Inc.
Unaudited-NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Company changed its name to SND AUTO GROUP Inc.

The Company changed its name to PotNetwork Holdings Incorporated (formerly United Treatment Centers, Inc.) on July 24, 2015.

PotNetwork Holdings Inc. (the “Company”) was incorporated in the State of Wyoming.

The company has two (2) subsidiaries: Sunrise Auto Mall Inc, and Potnetwork.com.

On February 11, 2015 the company acquired Sunrise Auto Mall Inc.'s business operations which is a company in the Sub Prime Auto Sales industry. Potnetwork.com is a digital media company focusing exclusively on the Marijuana industry.

These financial statements were prepared consolidating PotNetwork Holdings Inc, from Sunrise Auto Mall Inc & Potnetwork.com

Cash and Cash Equivalents - The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Inventory - The Company values inventory at the lower of costs or market.

Fixed Assets

Furniture, fixtures and computer equipment is recorded at cost.

Depreciation is computed by the straight line and accelerated methods over the estimated lives of the assets ranging from three to seven years. Expenditures for maintenance and repairs are charged to operations as incurred.

Income Taxes

The Company accounts for income taxes using the provisions of Statement of Financial Accounting Standards (“SFAS”) No.109, Accounting for Income Taxes. Under this standard, deferred tax assets and liabilities represent the estimated tax effects of future deductible or taxable amounts attributed to differences between the financial statements carrying amounts and the tax bases of existing assets and liabilities. The standard also allows recognition of income tax benefits for loss carryforwards, credit carryforwards and certain temporary differences for which tax benefits have not previously been recorded. Valuation allowances are provided for uncertainties associated with deferred tax assets.

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SND Auto Group Inc.
Unaudited-NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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Note 2 – INVENTORY:

The Company's Inventory consists of the following:

	Sept 30 2016	December 31 2015
Automobiles, valued at cost	\$48,575	\$71,793

Inventory is valued at the lower of cost or market.

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

SND Auto Group Inc.
Unaudited-NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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Note 3 – Loans from Third Parties

These loans bear 8% interest per annum and have terms of demand repayment.

	Sept 30 2016	December 31 2015
Loan from Third Parties – J.C.	\$13,000	\$13,000
Loan from Third Parties - K.N.	112,000	112,000
Total Loans from Third Parties	\$125,000	\$125,000

K.N. Is holder of a note dated September 11, 2012 in the original principal amount of \$ 100,000. Part of the original note was acquired in a private transaction in June 2014. The security derives from 3 convertible Promissory Notes dated March 25, 2010 amount \$ 150,000, November 4, 2010 amount \$ 50,000, and March 11, 2011 amount \$ 25,000.

Notes 4 – Note Payable

These loans bear 8% interest per annum and have terms of demand repayment.

	Sept 30 2016	December 31 2015
S.D.	\$1,969,000	\$1,984,000
GT	\$11,890	\$0
WT	\$11,890	\$0
KR	\$12,600	\$0
Total Note Payable	\$2,006,180	\$1,984,000

S.N.D. Is holder of a note dated June 2, 2014 in the original principal amount of \$ 1,850,000. at an interest rate of 8% annually. The Balance of the note at June 30, 2016 is \$ 1,969,100, Interest expense in 2016 was \$ 112,600.00

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