

**INTERNATIONAL CONSOLIDATED COMPANIES, INC.**

**FINANCIAL STATEMENTS**

**September 30, 2017**

**BALANCE SHEETS**

**STATEMENTS OF OPERATIONS**

**STATEMENTS OF CASH FLOWS**

**NOTES TO FINANCIAL STATEMENTS**

**INTERNATIONAL CONSOLIDATED COMPANIES, INC.**

**BALANCE SHEETS**

	September 30, 2017	December 31, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 100	\$ 100
Accounts receivable	1,540,000	
<b>TOTAL CURRENT ASSETS</b>	1,540,100	100
<b>TOTAL ASSETS</b>	\$ 1,540,100	\$ 100
<b>LIABILITIES AND STOCKHOLDERS' (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accrued expenses and Accounts payable	\$ 641,322	\$ 636,341
Due to related party	1,435,908	1,417,209
Short term – notes payable	250,000	250,000
Accrued interest	1,543,106	1,381,675
<b>TOTAL CURRENT LIABILITIES</b>	3,870,336	3,685,225
<b>NOTES PAYABLE – LONG TERM</b>	1,088,500	1,341,000
<b>TOTAL LIABILITIES</b>	4,958,836	5,026,225
<b>STOCKHOLDERS' (DEFICIT)</b>		
Capital stock		
Authorized		
100,000,000 shares of preferred stock no par value		
4,900,000,000 shares of common stock no par value		
Issued and outstanding		
1,000,000 shares of Preferred A Stock (December 31, 2016 – 1,000,000)	50,000	50,000
Issued and outstanding		
3,082,110,158 shares of common stock (December 31, 2016 – 2,499,660,158)	27,339,872	27,006,741
Treasury Stock: 3,000,000,000 no par value at March 31, 2017	(9,944,392)	(9,944,392)
Accumulated deficit	(20,864,216)	(22,138,474)
<b>TOTAL STOCKHOLDERS' (DEFICIT)</b>	(3,418,736)	(5,026,125)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)</b>	\$ 1,540,100	\$ 100

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

**INTERNATIONAL CONSOLIDATED COMPANIES, INC.**  
**STATEMENT OF OPERATIONS**  
**For the Three and Nine months period ended September 30, 2017 and 2016**

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
<b>REVENUES</b>	\$ 1,540,000	\$ -	\$ 1,540,000	\$ -
<b>OPERATING EXPENSES</b>				
Consulting expenses	\$ 25,000	\$ 62,500	\$ 56,112	\$ 187,500
General and Administrative expenses	-	7,500	29,500	23,886
<b>TOTAL OPERATING EXPENSES</b>	(25,000)	(70,000 )	(85,612)	(211,386)
<b>NET OPERATING INCOME (LOSS)</b>	1,515,000	(70,000)	1,483,888	(211,386)
<b>OTHER INCOME (EXPENSES)</b>				
Interest expense	(60,778)	(62,977)	(180,130)	(188,573)
<b>LOSS OTHER INCOME (EXPENSES)</b>	\$ (60,778)	\$ (62,977)	\$ (180,130)	\$ (188,573)
<b>NET INCOME (LOSS)</b>	\$ 1,454,222	\$ (132,977)	\$ 1,274,258	\$ (399,959)
<b>BASIC LOSS PER COMMON SHARE</b>	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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

**INTERNATIONAL CONSOLIDATED COMPANIES, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Six month period ended September 30, 2017 and 2016**

	Nine months ended September 30, 2017	Nine Months ended September 30, 2016
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ 1,274,258	\$ (399,959)
Adjustments to reconcile net loss to net cash used in operating activities:		
Security Deposit	-	5,500
Notes payable	-	12,000
Shares issued for services	30,000	-
Changes in operating assets and liabilities:		
Accounts payable	4,981	-
Accounts receivable	(1,540,000)	-
Due to related parties	18,699	187,500
Accrued interest payable	161,430	188,573
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(50,632)	(6,386)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds on sale of common stock	50,632	6,367
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	-	6,367
<b>NET INCREASE (DECREASE) IN CASH</b>	-	(19)
<b>CASH, BEGINNING OF PERIOD</b>	100	119
<b>CASH, ENDIN OF PERIOD</b>	\$ 100	\$ 100

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

**NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN**

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International Consolidated Companies, Inc. (the “Company”) was previously known Sign Media Systems Inc. The Company was incorporated on January 28, 2002 as a Florida corporation.

International Consolidated Companies, Inc. (INCC) is focused on acquiring and expanding businesses that offer services and technologies to assist medical marijuana growers and patients. The company will provide or arrange for venture capital funding for qualified projects in the expanding legal cannabis industry. Through targeted acquisitions, brand recognition and real-estate and technology joint ventures the company believes it can capture significant market share in Colorado, Washington State, and California. Working with a team of experienced growers and financial experts, the company will evaluate small and large business opportunities. International Consolidation Companies, Inc. will provide both technology and consulting services to medical cannabis growers, activists and industry professionals. Through perpetual rental agreements, the company offers growers’ state of the art turnkey solutions to improve efficiency, efficacy and increase yield. The company believes it will generate revenue by renting its propriety technologies to qualified licensed medical growers; and by providing training and consulting services to assist lessees in operating their businesses more profitably.

**Going concern**

To date the Company has generated \$1,540,000 in revenues from its business operations and has incurred operating losses since inception of \$20,864,216. As at September 30, 2017, the Company has a working capital deficit of \$3,418,736. The Company will require additional funding to meet its ongoing obligations and to fund anticipated operating losses. The ability of the Company to continue as a going concern is dependent on raising capital to fund its initial business plan and ultimately to attain profitable operations. Accordingly, these factors raise substantial doubt as to the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**Basis of Presentation**

The financial statements present the balance sheet, statements of operations, stockholders’ equity and cash flows of the Company. These financial statements are presented in the United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States.

**Use of Estimates and Assumptions**

Preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 period. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

**Revenue Recognition**

The Company recognizes revenue in accordance with ASC topic 605 “Revenue Recognition, and other applicable revenue recognition guidance under US GAAP. Sales revenue is recognized from customers when: (i) persuasive evidence of a sales arrangement exists, (ii) the sales terms are fixed or determinable, (iii) title and risk of loss have transferred, and (iv) collectability is reasonably assured — generally when purchased orders are received from the customer and services are rendered, except in situations in which title passes upon receipt of the products by the customer. Revenue consists of revenue earned for the sale of Modular Grow House frame structures. Revenue is recognized at the time the purchase order is received from the customer and or services provided by the Company are fulfilled.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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### **Fair Value of Financial Instruments**

The carrying amount of the Company's financial assets and liabilities approximates their fair values due to their short term maturities.

### **Income Taxes**

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances and tax loss carry-forwards. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those

differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

### **Stock-based Compensation**

The Company follows ASC 718-10, "Stock Compensation", which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. ASC 718-10 is a revision to SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance. ASC 718-10 requires measurement of the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized. The Company has not adopted a stock option plan and has not granted any stock options. As at September 30, 2017 the Company had not adopted a stock option plan nor had it granted any stock options. Accordingly no stock-based compensation has been recorded to date.

### **Recent Accounting Pronouncements**

The Company does not expect the adoption of any recent accounting pronouncements to have a material impact on its financial statements.

### **NOTE 3 – PATENT LICENSE AGREEMENTS**

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On May 24, 2017 Antonio Uccello ("Licensor") entered in to a Patent License Agreement with Kevin H. Fortin ("Licensee") to acquire a non-exclusive license to make use and sell the products systems and methods embodying the invention(s) under the United States Letters Patent entitled, "Chewing Gum Including Nanosome Encapsulated Cannabinoids, collectively referred to as the "Patents". In consideration for the licenses granted the Licensee agrees to pay to the Licensor a \$10,000 (Royalty) in a lump sum fee. Antonio Uccello assigned the fee and the patent to BluDog Products LLC to be recognized in the 3rd quarter 2017. BluDog Products LLC received the Royalty payment on June 6, 2017.

On June 12, 2017 the Company ("Licensee") entered into a Patent License Agreement with Brooks Kelly Research, LLC, and ("Licensor"). Whereby the Licensor grants to the Licensee and its affiliates a license under the Patents to make, use and sell the License Products for, "Extended Time Delivery System CBD Hemp Oil Extract", under United States Patents Nos. US9603887; US8642645; and US Patent Application No. 15/465,729; for a period of two years. In consideration for the licenses granted under this agreement the Licensee agrees to pay to the Licensor \$100,000 on or before August 12, 2017. The Licensor shall have the option to buy back any rights licensed under this agreement during the term of this agreement for \$200,000 payable to the Licensee.

On June 12, 2017 the Company ("Licensee") entered into a Patent License Agreement with CBD Medicinals LLC, and ("Licensor"). Whereby the Licensor grants to the Licensee and its affiliates a license under the Patents to make, use and sell the License Products under US Provisional Patent Application 62/487/072 filed on April 19, 2017 for a period of ten years. In consideration for the licenses granted under this agreement the Licensee agrees to pay to the Licensor \$50,000 on or before August 12, 2017. The Licensor shall have the option to buy back any rights licensed under this agreement during the term of this agreement for \$200,000 payable to the Licensee.

**INTERNATIONAL CONSOLIDATED COMPANIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 4 – STOCKHOLDERS (DEFICIT)**

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On December 29, 2016 the Board of Directors of the Company amended its Articles of Incorporation to increase the capital stock of the corporations to 5,000,000,000 consisting of 100,000,000 of Preferred Stock at no par value; and 4,900,000,000 of Common Stock at no par value.

On January 10, 2017 the Company converted \$112,000 of the promissory note payable held by Thomas J. Megale into 100,000,000 shares of the Company's common stock.

On January 10, 2017 the Company converted \$140,000 of the promissory note payable held by Ronald D. Ciaravella into 200,000,000 shares of the Company's common stock.

On January 12, 2017, the Company issued 10,000,000 shares of the Company's common stock to Louis La Susa for services provided to the Company for a value of \$5,000.

As of June 30, 2017, the Company had issued 1,000,000 of its preferred stock series A shares.

On June 12, 2017 the Company issued 232,450,000 shares of the Company's common stock to Continuation Capital regarding the conversion of \$50,632 in debt.

On July 24, 2017 the Company issued 40,000,000 common shares of the Company to Corporateads.Com LLC, in consideration for providing \$25,000 in marketing consulting services.

**NOTE 5 – RELATED PARTY**

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Antonio F. Uccello has a consulting agreement with the Company for \$250,000 per year, which commenced on January 1, 2010. The outstanding Due to Related Party relating to this agreement for the period ending September 30, 2017 is \$1,435,908.

**NOTE 5 – PURCHASE ORDER**

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On September 11, 2017 the Company received a purchase order from Jeffrey Halferty Design Inc. for twenty (20) - 20' x 14' x h. 10' Modular Grow House products for a total purchase price of \$1,540,000.

**NOTE 6 – NOTES PAYABLE**

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<b>Details of Long Term Notes Payable</b>	<b>Amount</b>
TJM note payable; interest rate 18%; due July 1, 2019	\$193,000
Trust note payable; interest rate 18%; due on various dates	\$835,500
Uccello note payable; interest rate 12%; due July 1, 2019	\$300,000
Ciaravella note payable; interest rate 12%; due July 1, 2019	\$10,000
<b>Total Long Term Notes Payable</b>	<b>\$1,338,500</b>

<b>Short Term Note Payable; interest rate 12%; Due on demand</b>	<b>\$250,000</b>
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On January 10, 2017 the Company converted \$112,000 of the promissory note payable held by Thomas J. Megale into 100,000,000 shares of the Company's common stock.

**INTERNATIONAL CONSOLIDATED COMPANIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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**NOTE 6 – NOTES PAYABLE (continued)**

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On January 10, 2017 the Company converted \$140,000 of the promissory note payable held by Ronald D. Ciaravella into 200,000,000 shares of the Company's common stock.