PotNetwork Holdings Inc.Unaudited Consolidated Financial Statements

As of Mar 31, 2016

PotNetwork Holdings Inc. Unaudited Consolidated Balance Sheets As of March 31, 2015 and December 31, 2015

Page 1

ASSETS May 1 December 3 Current Assets 575 \$1,008 Cherry Current Assets 575 \$1,008 Cherry Current Assets \$55,008 \$75,000 Total Current assets \$55,000 \$51,000 Fixed Assets, net \$4,000 \$28,000 Rem & Utility Deposits \$33,603 \$28,922 Auto Loans Receivable (Includes Principal, Interest), & Bank \$121,900 \$1,919,419 TOTAL ASSETS \$1,313,01 \$2,024,934 Current Liabilities \$39,618 \$1,019,000 Car Financial Payable and Accrued liabilities \$39,618 \$10,000 Car Financial Payable (Note 3) \$55,000 \$50,000 Car Financial Payable (Note 4) \$20,000 \$20,000 Charl Liabilities \$12,000 \$39,000 Total Current Liabilities \$12,000 \$1,980,000 Cher Princip Parties (Note 3) \$12,000 \$1,980,000 Total Liabilities \$1,000 \$1,980,000 \$1,980,000 Total Current Liabilities \$1,000 \$1,980,000 \$1,98	As of March 31, 2013 and December 31, 2013		I uge I
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Other Current Assets 710 \$710 Inventory Automobiles (Note 2) \$554,293 \$70,000 Total Current assets \$55,578 \$71,793 Fixed Assets, net \$4,800 \$4,800 Rent & Utility Deposits \$33,673 \$28,922 Auto Loans Receivable (Includes Principal, Interest , & Banks) \$1,219,000 \$1,919,412 TOTAL ASSETS \$1,313,051 \$2,024,934 LIABILITIES Current Liabilities \$39,618 \$10,378 Accounts Payable and Accrued liabilities \$39,018 \$10,300 Car Financial Payable \$50,000 \$20,000 Car Financial Payable \$50,000 \$20,000 Total Current Liabilities \$559,618 \$530,378 Control Third Parties (Note 3) \$125,000 \$2,000 Note Payable (Note 4) \$2,012,500 \$1,984,000 Total Liabilities \$87,71 \$87,753 \$87,873 STOCKHOLDERS EQUITY Commer, Authorized 8,000,000,000 shares, \$0001 par value; and \$9,300,400 \$87,753 \$	Current Assets	2016	2015
Inventory Automobiles (Note 2)	Cash	\$575	\$1,083
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Auto Loans Receivable (Includes Principal, Interest, & Banks) \$1,219,000 \$1,919,419 TOTAL ASSETS \$1,313,051 \$2,024,934 LIABILITIES Current Liabilities \$39,618 \$10,378 Car Financial Payable \$20,000 \$20,000 Total Current Liabilities \$559,618 \$530,378 Loans From Third Parties (Note 3) 125,000 125,000 Note Payable (Note 4) 2,012,500 1,984,000 Total Liabilities \$2,697,118 \$2,639,378 STOCKHOLDERS EQUITY Common; Authorized 8,000,000,000 shares, \$.0001 par value; and 59,300,400 \$87,573 \$87,573 Issued and outstanding at Mar. 31, 2016 and 7,621,650,326 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 460 Issued and outstanding at Mar. 31, 2016 and 6,209,236 \$200 \$200 Preferred Stock Class E Authorized 20,000,000 shares, .00001 par value; and 1,241,847 Issued and outstanding at Mar. 31, 2016 and 6,209,236 \$20 \$20 <td< td=""><td>Fixed Assets, net</td><td>\$4,800</td><td>\$4,800</td></td<>	Fixed Assets, net	\$4,800	\$4,800
Note Payable (Note 4) 125,000	Rent & Utility Deposits	\$33,673	\$28,922
LIABILITIES	Auto Loans Receivable (Includes Principal, Interest, & Banks)	\$1,219,000	\$1,919,419
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	Total Liabilities & Stockholders Equity		

PotNetwork Holdings Inc. Unaudited Consolidated Statements of Income For the year Three Months ended Mar 31, 2016 and 2015

Page 2

	Three Mont	<u>hs Ended</u>
	Mar 31	Mar 31
	2016	2015
Sales	\$668,290	\$1,458,561
Cost of Sales	(\$423,321)	(\$960,616)
Gross Margin	\$244,969	\$497,951
Expenses:		
Salary & Benefits	\$47,232	\$162,056
General and Administrative	\$4,906	\$5,122
Legal & Professional	5,995	23,988
Advertising	26,493	33,798
Insurance	8,557	10,350
Supplies	5,144	9,307
Rent	26,061	32,770
Interest	38,500	37,000
Depreciation	0	0
Other	4,790	2,403
Total Expenses	\$167,678	\$316,794
Profit (Loss) before income taxes	\$77,291	\$181,157
Provision for income taxes	0	0
Net Profit (Loss)	<u>\$77.291</u>	<u>\$181,157</u>

PotNetwork Holdings Inc. Unaudited Consolidated Statement of Cash Flows For the year Three Months ended Mar 31, 2016 and 2015

Page 3

For the year Three Months ended Mar 31, 2010 and 2013	Three Months Ended		
	Mar 31	Mar 31	
	2016	2015	
OPERATING ACTIVITIES			
Net Income (Loss)	\$77,291	\$181,157	
Add:			
Depreciation	0	0	
Adjustments to reconcile net income (loss)			
Decreases (Increases)			
Notes receivable	57,000	0	
Inventory	\$15,707	\$179,728	
Fixed Assets	-	-	
Other Assets	\$0	0	
Accts payable	-29,240	53,873	
Finanical Loan Payable	-221,812	\$221,812	
Notes Payable	<u>-28,500</u>	0	
Net cash (used in) operating activities	(\$129,554)	\$636,570	
Loans Receivable	\$157,546	(\$444,408)	
CASH FLOWS FROM INVESTING ACTIVITIES	\$157,546	(\$444,408)	
(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	\$0	13,000	
NET INCREASE (DECREASE) IN	\$27,992	\$205,162	
Cash, Beginning	<u>\$1,083</u>	<u>\$100</u>	
Cash, Ending	\$575	\$205,262	

PotNetwork Holdings Inc. Unaudited Consolidated Statement of Stockholders Equity Mar 31, 2016

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<u>Description</u>	· · · · · · · · · · · · · · · · · · ·	Common Additional ount Paid-In Capital	Accum Equity (Deficit)	Total Stockholders Equity(Deficit)
Balance				
December 31,20				
	5,671,159,696 1,000,000 \$87,57	73 \$2,545,527	-2,851,546	-2,445,476
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 (Los	s)		-50,827	-50,827
Balance				
December 31,20				
	5,399,150,326 0 \$87,		(\$2,902,373)	(\$2,496,303)
	1,500 (1	·		
Shares Issued	2,222,499,679 6,209,236 (E) (813,471)		
Net Profit (Los	(z)		738,424	738,424
Balance	<i>s</i> ,		730,424	750,424
Dec 31,2015	7,621,650,326 1,500 (D) \$87,	573 \$1,461,532	(\$2,163,949)	(\$2,496,303)
Dec 31, 2015	6,209,236 (E)			
Shares Issued	51,678,750 (4,967,389)	(846,914)		
(Preferred E ex	changed for common)			
Net Profit (Los	s)		\$77,291	\$77,291
Balance				
Mar 31,2016	59,300,400 1,500 (D) \$87,57	3 \$614,618	(\$2,086,658)	\$2,419,012

The accompanying notes are an integral part of these financial statements

1,241,847 (E)

Mar 31, 2106

PotNetwork Holdings Inc. Unaudited-NOTES TO FINANCIAL STATEMENTS March 31, 2016

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

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

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

<u>Inventory</u> - 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.

PotNetwork Holdings Inc. Unaudited-NOTES TO FINANCIAL STATEMENTS March 31, 2016

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Note 2 – INVENTORY:

The Company's Inventory consists of the following:	Mar 31	December 31
	2016	2015
Automobiles, valued at cost	\$55,578	\$71,793

Inventory is valued at the lower of cost or market.

PotNetwork Holdings Inc. Unaudited-NOTES TO FINANCIAL STATEMENTS March 31, 2016

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Note 3 – Loans from Third Parties	Mar 31	December 31
	2016	2015
These loans bear 8% interest per annum		
and have terms of demand repayment.		
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	Mar 31 2016	December 31 2015
These loans bear 8% interest per annum and have terms of demand repayment.		
S.N.D.	\$2,012,500	\$1,984,000
Total Note Payable	\$2,012,500	\$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 Mar 31, 2016 is \$2,012,500, Interest expense in 2016 was \$38,500.00

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

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