

PotNetwork Holding Inc.
Unaudited Consolidated Financial Statements
As of Mar 31, 2017

PotNetwork Holding Inc.
Unaudited Consolidated Balance Sheets

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Assets	As of March 31, 2017 and December 31, 2016	Mar 31 2017	December 31 2016
Current Assets			
Cash		\$133,905	\$100
Accounts Receivable		30,373	\$710
Other		14,946	0
Inventory		306,174	\$0
Total Current assets		\$485,398	\$810
Note Receivable (Includes Principal and interest at 4% per annum)		\$52,000	\$52,000
Fixed Assets, net		\$47,915	\$3,154
Rent & Utility Deposits		\$38,398	\$33,673
Other Assets - Packing Supplies		\$1,985	\$0
TOTAL ASSETS		\$625,696	\$89,637
LIABILITIES			
Current Liabilities			
Accounts Payable		\$238,050	\$24,750
Other Payables		60,982	0
Total Current Liabilities		\$299,032	\$24,750
Accrued Interest		\$2,860	\$0
Note Payable - La Playa		\$150,000	\$0
Loans From Third Parties (Note 3)		265,618	265,618
Note Payable (Note 4)		1,956,186	2,033,283
Other liabilities		\$35,094	\$0
Total Liabilities		\$2,708,790	\$2,323,651
STOCKHOLDERS EQUITY			
Common ; Authorized 1,000,000,000 shares, \$.00001 par value; and 484,920,485 Issued and outstanding at Mar. 31, 2017 and 89,571,121 Issued and outstanding and December 31, 2016 respectively.		\$87,573	\$87,573
Preferred Stock Class A Authorized - 50,000 shares, .00001 par value; and 32,681.97 Issued and outstanding at Mar. 31, 2017 and None Issued and outstanding at Dec. 31, 2016, respectively.		\$200	\$200
Preferred Stock Class D Authorized - 6,000 shares, .00001 par value.		\$200	\$200
Additional paid in capital		263,131	263,131
Retained Earnings (First Capital Ventures / Diamond CBD Oils)		\$153,587	0
Retained Earnings (First Capital Ventures / Diamond CBD Oils)		-2667	0
Retained Earnings (Deficit) Sunrise		\$317,255	317,255
Retained Earnings (Deficit) POTN		(2,902,373)	(2,902,373)
Retained Earnings (Deficit) Consolidated		(2,585,118)	(2,585,118)
Total Liabilities & Stockholders Equity		\$625,696	\$89,637

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

PotNetwork Holding Inc.
Unaudited Consolidated Statements of Income
For the year Three Months ended Mar 31, 2017 and 2016

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	Three Months Ended	
	Mar 31	Mar 31
	2017	2016
Sales	\$1,894,464	\$668,290
Discounts	(55,702)	0
Shipping Charge	20,937	0
Other	(1,352)	0
Operating Income	\$1,858,347	\$668,290
Cost of Goods Sold	(\$1,174,690)	(\$423,321)
Packaging	(21,324)	0
Total Cost of Goods Sold	(1,196,014)	(423,321)
Gross Profit (Loss)	\$662,333	\$244,969
Expenses:		
Salary & Benefits	\$96,977	\$47,232
General and Administrative	\$53,222	\$4,906
Legal & Professional	\$57,217	5,995
Advertising	93,468	26,493
Insurance	1,611	8,557
Supplies	11,883	5,144
Rent	5,697	26,061
Interest	42,763	38,500
Automobile Expense	14,996	0
Travel, Lodging & Meals Expense	48,312	0
Telephone Expense	9,534	0
Postage & Freight Expense	35,449	0
Payroll Taxes	2,253	0
Depreciation	2,355	0
Consultant Expense	34,886	0
Other	0	4,790
Total Expenses	\$510,623	\$167,678
Operating Profit (Loss)	\$151,710	\$77,291
Rebate and Discount Income	1,877	0
Total Non Operating Income/Expense	\$1,877	\$0
Profit (Loss) before income taxes	\$153,587	\$77,291
Provision for income taxes	0	0
Net Profit (Loss)	<u>\$153,587</u>	<u>\$77,291</u>

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PotNetwork Holding Inc.
Unaudited Consolidated Statement of Cash Flows
For the year Three Months ended Mar 31, 2017 and 2016

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Three Months Ended

Mar 31 **Mar 31**
2017 2016

	Mar 31	Mar 31
	2017	2016
OPERATING ACTIVITIES		
Net Income (Loss)	\$153,587	\$77,291
Add:		
Depreciation	2,355	0
Adjustments to reconcile net income (loss)		
Decreases (Increases)		
Accounts Receivable	18,439	57,000
Inventory	(\$538,745)	\$15,707
Fixed Assets	0	-
Other Assets	\$51,336	\$0
Accts payable	(49,073)	(29,240)
Loan Payable	(31,438)	(221,812)
Notes Payable- WLL	<u>60,896</u>	<u>(28,500)</u>
Net cash (used in) operating activities	<u>(\$383,979)</u>	<u>(\$129,554)</u>
Loans Receivable	\$0	\$157,546
CASH FLOWS FROM INVESTING ACTIVITIES	<u>\$0</u>	<u>\$157,546</u>
Inventory	\$234,142	0
Increase in assets	<u>(\$16,858)</u>	<u>0</u>
Net cash (used in) investing activities	<u>\$217,283</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
La Playa	150,000	0
Interest Accrued	<u>2,860</u>	<u>-</u>
Net cash (used in) financing activities	<u>\$152,860</u>	<u>\$0</u>
NET INCREASE (DECREASE) IN	<u>(\$13,836)</u>	<u>\$27,992</u>
Cash, Beginning - First Capital Ventures	<u>\$147,641</u>	
Cash, Beginning	<u>\$100</u>	<u>\$1,083</u>
Cash, Ending	<u>\$133,905</u>	<u>\$575</u>

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PotNetwork Holdings Inc.
Unaudited Consolidated Statement of Stockholders Equity
Mar 31, 2017

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<u>Description</u>	<u>Common Stock</u> <u>Shares</u>	<u>Preferred</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						
Dec 31,2015	7,621,650,000	460 (1)	\$87,573	\$1,461,532	(\$2,163,949)	(\$2,496,303)
Dec 31, 2015	<u>6,209,236 (2)</u>					
(The company decreased its shares by a 1 for 1000 split)						
Shares Issued	51,678,750	(4,967,389)		(712,514)		
(Preferred E exchanged for common)						
Shares Issued	30,271,121			(234,400)		
Net Profit (Loss)					(520,022)	(520,022)
Balance						
Dec 31,2016	89,571,521	460 (1)	\$87,573	\$ 263,131	(\$2,585,118)	(\$1,976,281)
Dec 31, 2016	<u>137,192,767(5) 6,209,236 (2)</u>					
Shares Issued	49,822,614					
Shares Issued	300,000,000	(5)				
Preferred A Issued		32,681.97	(3)			
Shares Cancelled	(4,500,000)					
Net Profit (Loss)					153,587(4)	153,587(4)
Shares in Reserve	87,166,717	(6)				
Balance						
Mar 31,2017	484,920,485	32,681.97(3)	\$87,573	\$ 263,131	(\$2,585,118)	(\$1,976,281)

(1) Preferred Class D Shares

(2) Preferred Class E Shares

(3) Preferred Class A Shares

(4) Retained Earnings (First Capital Ventures / Diamond CBD Oils)

(5) Restricted Common Stock issued with Legend.

(6) Shares held at the Transfer Agent in Reserve.

The accompanying notes are an integral part of these financial statements

PotNetwork Holding Inc.
Unaudited-NOTES TO FINANCIAL STATEMENTS
March 31, 2017

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

The issuer has now reincorporated in Colorado, as of March 3, 2017, following its acquisition of First Capital Venture Holdings Co. Coinciding with that event, the issuer entered into a triangular merger pursuant Colorado law, similar to what is prescribed by Section 251(g) of the Delaware General Corporation Law. Immediately prior thereto, the company changed its name to its current name – PotNetwork Holding, Inc., having changed its name to SND Auto Group, Inc., on May 20, 2016. Prior thereto, effective July 24, 2015 the company changed its name to PotNetwork Holdings Incorporated and new ticker symbol "POTN." PotNetwork Holding, Inc. PotNetwork Holding, Inc has two wholly owned subsidiaries, First Capital Venture Co., the makers of Diamond CBD Oils and Sunrise Auto Mall Inc., a pre-owned auto dealership started in July 2014. PotNetwork Holding Inc. acquired First Capital Venture Co on January 31, 2017 therefore the financial statements include the consolidation of First Capital Venture Co's business Diamond CBD Oils Inc.starting in the 1st Quarter ending March 31, 2017.

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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PotNetwork Holdings Inc.
Unaudited-NOTES TO FINANCIAL STATEMENTS
March 31, 2017

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Note 2 – FIXED ASSETS, NET:

The Company's equipment consists of the following:

	March 31	December 31
	2017	2016
Office equipment	\$71,116	\$24,000
Less accumulated depreciation	<u>(\$23,201)</u>	<u>(\$20,846)</u>
Total Fixed Assets	\$47,915	\$3,154

Depreciation expense of \$ 2,355 was charged to operations for the 3 months ended March 31, 2017 and \$ 1,646 charged in December 31, 2016, respectively.

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PotNetwork Holding Inc.
Unaudited-NOTES TO FINANCIAL STATEMENTS
March 31, 2017

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Note 3 – Loans from Third Parties

	Mar 31	December 31
	2017	2016
These loans bear 8% interest per annum and have terms of demand repayment.		
Loan from Third Parties - K.N.	\$112,000	\$112,000
Loan from Third Parties - J.C.	0	13,000
Loan from Third Parties - KR	0	12,600
Loan from Third Parties - South R.	0	22,500
Loan from Third Parties - GT	0	10,305
Loan from Third Parties - Microcap	0	5,000
Loan from Third Parties - M.C.	0	7,000
Loan from Third Parties - Sign	44,240	44,240
Loan from Third Parties - Sign	38,973	38,973
Total Loans from Third Parties	\$195,213	\$265,618

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. The balance of the note at December 31, 2016 is \$ 112,000. Interest for the three months ended March 31, 2017 is \$ 2,000.00

"Sign" Is holder of a note dated April 28, 2016 in the original principal amount of \$ 42,000. The note accrues interest at the annual rate of eight percent (8%). Interest for 2016 is \$ 2,240. Interest for the three months ended March 31, 2017 is \$ 840.00

"Sign" Is holder of a note dated May 04, 2016 in the original principal amount of \$ 37,000. The note accrues interest at the annual rate of eight percent (8%). Interest for 2016 is \$ 1,973.33. Interest for the three months ended March 31, 2017 is \$ 740.00

Notes 4 – Note Payable

	Mar 31	December 31
	2017	2016
"Sign"	\$1,956,186	\$2,033,283
Total Note Payable	\$1,956,186	\$2,033,283

Promissory Note in the principal amount of \$ 1,850,000 pursuant to the terms of a securities purchase agreement dated of even date therewith. The security derives from an original promissory note dated June 2, 2014. The note accrues interest at the annual rate of eight percent (8%). The balance of the note at March 31, 2017 is \$ 1,956,186, Interest expense accrued in 2017 was \$ 39,903.

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