

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM C-AR
UNDER THE SECURITIES ACT OF 1933**

(Mark one.)

- ☐ Form C: Offering Statement
- ☐ Form C-U: Progress Update
- ☐ Form C/A: Amendment to Offering Statement
 - ☐ Check box if Amendment is material and investors must reconfirm within five business days.
- ☒ Form C-AR: Annual Report
- ☐ Form C-AR/A: Amendment to Annual Report
- ☐ Form C-TR: Termination of Reporting

Name of issuer

Growgenics LLC

Legal status of issuer

Form

Limited Liability Company

Jurisdiction of Incorporation/Organization

Rhode Island

Date of organization

May 16, 2014

Physical address of issuer

5600 Post Road, Ste 114-191, East Greenwich, RI 02818

Website of issuer

<https://growgenics.net/>

Current number of employees

7

	Most recent fiscal year-end	Prior fiscal year-end
Total Assets	\$94,767	\$12,812
Cash & Cash Equivalents	\$82,699	\$12,812
Accounts Receivable	0	\$0
Short-term Debt	\$127,278	\$0
Long-term Debt	\$661,036	\$70,985
Revenues/Sales	\$70,049	\$0
Cost of Goods Sold	\$101,485	\$0
Taxes Paid	\$6,659	-\$400
Net Income	-\$752,756	-\$83,738

EXHIBITS

EXHIBIT A: Offering Memorandum

EXHIBIT B: Financials

Growgenics LLC
Annual Report
(Exhibit A to Form C-AR)
June 15, 2020



This disclosure document contains forward-looking statements and information relating to, among other things, the Company, its business plan and strategy, and its industry. These forward-looking statements are based on the beliefs of, assumptions made by, and information currently available to the Company's management. When used in this disclosure document and the Company Offering materials, the words "estimate", "project", "believe", "anticipate", "intend", "expect", and similar expressions are intended to identify forward-looking statements. These statements reflect management's current views with respect to future events and are subject to risks and uncertainties that could cause the Company's action results to differ materially from those contained in the forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements to reflect events or circumstances after such state or to reflect the occurrence of unanticipated events.

SUMMARY

The Business

The following summary is qualified in its entirety by more detailed information that may appear elsewhere in this Form C-AR and the Exhibits hereto. Each prospective Purchaser is urged to read this Form C-AR and the Exhibits hereto in their entirety.

Growgenics LLC is a Rhode Island Limited Liability Company, formed on May 16, 2014.

The Company is located at 5600 Post Road, Ste 114-191, East Greenwich, RI 02818.

The Company's website is <https://growgenics.net/>.

RISK FACTORS

The SEC requires the Company to identify risks that are specific to its business and its financial condition. The Company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

Risks Related to the Company's Business and Industry

The reviewing CPA has included a "going concern" note in the reviewed financials. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operation for the foreseeable future. However, management has identified the following conditions and events that created an uncertainty about the ability of the Company to continue as a going concern. The Company recorded net operating losses during the years ended December 31, 2019, 2018, and 2017. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

We have not prepared any audited financial statements. Therefore, you have no audited financial information regarding the Company's capitalization or assets or liabilities on which to make your investment decision. If you feel the information provided is insufficient, you should not invest in the Company.

The Company's cash position is concerning. As of December 31, 2019, the Company had \$82,699 in cash balances. The Company could be harmed if it is unable to meet its cash demands, and the Company may not be able to continue operations if they are not able to raise additional funds.

The development and commercialization of the Company's products and services are highly competitive. It faces competition with respect to any products and services that it may seek to develop or commercialize in the future. Its competitors include major companies worldwide. The Cannabis market is an emerging industry where new competitors are entering the market frequently. Many of the Company's competitors have significantly greater financial, technical and human resources and may have superior expertise in research and development and marketing approved services and thus may be better equipped than the Company to develop and commercialize services. These competitors also compete with the Company in recruiting and retaining qualified personnel and acquiring technologies. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Accordingly, the Company's competitors may commercialize products more rapidly or effectively than the Company is able to, which would adversely affect its competitive position, the likelihood that its services will achieve initial market acceptance and its ability to generate meaningful additional revenues from its products and services.

The Company may not be successful in obtaining issued patents. The Company filed a patent in March 2018. Filing a patent application only indicates that they are pursuing protection, but the scope of protection, or whether a patent will even be granted, is still undetermined. The Company is not currently protected from their competitors. Moreover, any patents issued to them may be challenged, invalidated, found unenforceable or circumvented in the future. Any intellectual enforcement efforts the Company seeks to undertake, including litigation, could be time-consuming and expensive and could divert management's attention.

The Company's sales cycle is long and may be unpredictable, which can result in variability of its financial performance. Additionally, long sales cycles may require the Company to incur high sales and marketing expenses with no assurance that a sale will result, which could adversely affect its profitability. The Company's results of operations may fluctuate, in part, because of the resource-intensive nature of its sales efforts and the length and variability of the sales cycle. A sales cycle is the period between initial contact with a prospective customer and any sale of its product. The sales process involves educating customers about the Company's product, participating in extended products evaluations and configuring the products to customer-specific needs. It is difficult to predict when, or even if, it will make a sale to a potential customer or if the Company can increase sales to existing customers. As a result, the Company may not recognize revenue from sales efforts for extended periods of time, or at all. The loss or delay of one or more large transactions in a quarter could impact its results of operations for that quarter and any future quarters for which revenue from that transaction is lost or delayed.

Its ability to grow its business depends on state laws pertaining to the cannabis industry. Continued expansions in the cannabis industry depends upon continued legislative authorization of cannabis at the state level. The status quo of, or progress in, the regulated cannabis industry is not assured and any number of factors could slow or halt further progress in this area. While there may be ample public support for legislative action permitting the manufacture and use of cannabis, numerous factors impact the legislative process.

The Company forecasts project aggressive growth post-raise. If its assumptions are wrong, and its projections regarding market penetration are too aggressive, its financial projections may overstate its viability. In addition, the forward-looking statements are only predictions. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The Company is pre-revenue and may not be successful in its efforts to grow and monetize its product. It has limited operating capital and for the foreseeable future will be dependent upon its ability to finance operations from the sale of equity or other financing alternatives. There can be no assurance that the Company will be able to successfully raise operating capital. The failure to successfully raise operating capital, and the failure to effectively monetize its products, could result in bankruptcy or other event which would have a material adverse effect on the Company and the value of its shares. The Company has limited assets and financial resources, so such adverse event could put investors' dollars at significant risk.

The Company's success depends on the experience and skill of the board of directors, its executive officers and key employees. In particular, the Company is dependent on Richard Genga, Robert Flynn, and Joseph Anter who have not yet signed employment agreements with the Company. There can be no assurance that they will continue to be employed by the Company for a particular period of time. The loss of our key employees or any member of the board of directors or executive officer could harm the Company's business, financial condition, cash flow and results of operations.

The Company has conducted transactions with Related Parties. See details on page 17 of the Form C-AR.

The Company has not filed a Form D for its prior offerings. The SEC rules require a Form D to be filed by companies within 15 days after the first sale of securities in the offering relying on Regulation D. Failing to register with the SEC or get an exemption may lead to fines, the right of investors to get their investments back, and even criminal charges. There is a risk that a late penalty could apply.

BUSINESS

Description of the Business

Growgenics aims to re-shape the horticultural lighting industry. Our innovative LED technology provides the rapidly growing markets of indoor cannabis and indoor vertical food farming the ability to maximize plant growth while reducing energy.

Business Plan

Growgenics aims to re-shape the horticultural lighting industry. Our innovative LED technology provides the rapidly growing markets of indoor cannabis and indoor vertical food farming the ability to maximize plant growth while reducing energy.

The agricultural market is changing. Indoor grow lighting is poised to re-define how we grow food. This new market is about growing plants indoors in a controlled environment without pesticides, and lighting is a critical and vital component.

There are two rapidly growing markets in this sector; indoor growing of cannabis, and indoor vertical farming for growing food. By 2024 cannabis is expected to be a \$30 billion market in the U.S. alone while Indoor vertical food farming is expected to grow to a \$12.8 billion market by 2026.

We believe there are three major problems with most current grow lights - they're not designed for plants, they generate excessive heat, and they waste a tremendous amount of energy.

Growgenics has created an innovative solution that aims to address and solve these problems via our advanced high-efficiency variable color spectrum LED shape lighting technology. Our laboratory testing has revealed enhanced plant growth with greatly reduced energy.

We just recently closed our first major lighting deal with a mid-west vertical grow farm and we are also currently testing lights with one on the largest U.S. cannabis cultivators Native Roots of Denver, CO. In addition, we filed a utility patent in March 2018 and are currently in discussions with two major U.S. distribution partners. To date we have over 60+ lights being tested with a multitude of indoor cultivators.

The Company's Products and/or Services

Product / Service	Description	Current Market
Variable Spectrum Lights - Direct to Commercial Growers	Advanced LED Grow Light Multi-Spectrum for high volume commercial applications	Cannabis Indoor Grow Vertical Food Farming Commercial Green Houses
Variable Spectrum Shape Lights - National Distribution	Advanced LED Grow Light Multi-Spectrum Shape Light	Cannabis Indoor Grow Vertical Food Farming Commercial Green Houses
Variable Spectrum Clone Lighting	Advanced variable spectrum grow lighting systems for plant cloning	Cannabis Indoor Grow Vertical Food Farming Commercial Green Houses

Competition

The markets in which our products are sold are highly competitive. Our products compete against similar products of many large and small companies, including well-known global competitors. In many of the markets and industry segments in which we sell our products, we compete against other branded products as well as retailers' private-label brands. Product quality, performance, value and packaging are also important differentiating factors.

Customer Base

Indoor commercial cannabis cultivators and growers
Indoor vertical food farmers
Indoor vertical hemp farmers
Commercial greenhouses
Small indoor medical cannabis home growers

Intellectual Property

The Company has filed the is following intellectual property:

Application or Registration #	Patent Type	Title	File Date	Country/Organization	Status
15/934,953	Utility	Grow Light Assembly	03/24/2018	U.S.	Pending

Litigation

None.

DIRECTORS, OFFICERS, AND MANAGERS

The directors, officers, and managers of the Company are listed below along with all positions and offices held at the Company and their principal occupation and employment responsibilities for the past three (3) years.

Name	Positions and Offices Held at the Company	Principal Occupation and Employment Responsibilities for the Last Three (3) Years
Richard A. Genga Jr.	President / CEO	3yrs: Growgenics & Acela Design
Robert Flynn	Partner / Consultant	2yrs Growgenics 1yr, United Brokers Group
Joseph Anter	V.P. Business Development	1yrs Growgenics 2yrs, Granite Telecommunications
Rhett Jordan	Global Business Dev Strategist	1yr Growgenics 2yrs Native Roots

Indemnification

Indemnification is authorized by the Company to managers, officers or controlling persons acting in their professional capacity pursuant to Rhode Island law. Indemnification includes expenses such as attorney's fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

Employees

The Company currently has 7 employees and business consultants in Rhode Island.

CAPITALIZATION AND OWNERSHIP

Capitalization

The Company has issued the following outstanding Securities:

Type of security	Amount outstanding	Voting rights	How this security may limit, dilute, or	Percentage ownership of the Company	Other material terms
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			qualify the Securities issues pursuant to this Offering	by the holders of such securities prior to the Offering	
Common Units	818,294 Units	Each Common Share provides the holder with one vote in all matters before the shareholders of the company.	Common shareholders will vote on matters related to the conversion of the Crowd Note.	100%	N/A

The Company has the following debt outstanding:

Type of debt	Name of creditor	Amount outstanding	Interest rate and payment schedule	Amortization schedule	Describe any collateral or security	Maturity date	Other material terms
Unsecured	R. Genga	\$74,053	0%	N/A	N/A	*see note	N/A
Credit Card	B.O.A.	\$45,999	12.74%	N/A	N/A	N/A	N/A
Convertible Note	SeedInvest	\$540,984	5.0%	N/A	N/A	**see note	N/A
Convertible Notes	Various (5)	\$75,000	5.0%	N/A	N/A	N/A	N/A

*Payable at a future date to be determined by management.

** January 2021

Ownership

A majority of the Company is owned by one individual. This individual is Richard A. Genga, Jr.

Below are the beneficial owners of 20% percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, are listed along with the amount they own.

Name	Number and type/class of security held	Percentage ownership
Richard A. Genga, Jr.	472,134	57.70%

FINANCIAL INFORMATION

Please see the financial information listed on the cover page of this Form C-AR and attached hereto in addition to the following information. Financial statements are attached hereto as Exhibit B.

Operations

Growgenics, LLC ("the Company") is a limited liability company organized under the laws of Rhode Island. The Company manufactures and sells LED grow lights for indoor growing of plants.

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operation for the foreseeable future. However, management has identified the following conditions and events that created an uncertainty about the ability of the Company to continue as a going concern. The Company recorded net operating losses during the years ended December 31, 2019, 2018, and 2017.

These conditions and events create an uncertainty about the ability of the Company to continue as a going concern through April 30, 2021 (one year after the date that the financial statements are available to be issued). The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Regulation-D 506(c) Offering

During 4th quarter 2019, the company initiated an accredited investor SEC Regulation-D 506(c) offering. The total offering amount is \$3 million at a pre-money valuation of \$18 million. The New York City based Seedinvest company is assisting Growgenics with the offering as a broker-dealer.

Liquidity and Capital Resources

The proceeds from the Offerings are essential to our operations. We plan to use the proceeds to fuel operations, sales/marketing initiatives, additional patent filings, rent/utilities, and inventory. The Offering proceeds will have a beneficial effect on our liquidity, as we had approximately \$82,699 in cash on hand as of December 31, 2019 which will be augmented by the Offering proceeds and used to execute our business strategy.

The Company currently does not have any additional outside sources of capital other than the proceeds from the Combined Offerings.

Capital Expenditures and Other Obligations

During calendar year 2020 the Company plans to invest between \$5,000 and \$50,000 in capital tooling for product components.

Trends and Uncertainties

After reviewing the above discussion of the steps the Company intends to take, potential Purchasers should consider whether achievement of each step within the estimated time frame is realistic in their judgment. Potential Purchasers should also assess the consequences to the Company of any delays in taking these steps and whether the Company will need additional financing to accomplish them.

The financial statements are an important part of this Form C-AR and should be reviewed in their entirety. The financial statements of the Company are attached hereto as Exhibit B.

Valuation

Before making an investment decision, you should carefully consider this valuation and the factors used to reach such valuation. Such valuation may not be accurate and you are encouraged to determine your own independent value of the Company prior to investing.

As discussed in "Dilution" below, the valuation will determine the amount by which the investor's stake is diluted immediately upon investment. An early-stage company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their "sweat equity" into the Company. When the Company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is immediately diluted because each share of the same type is worth the same amount, and you paid more for your shares (or the notes convertible into shares) than earlier investors did for theirs.

There are several ways to value a company. None of them is perfect and all of them involve a certain amount of guesswork. The same method can produce a different valuation if used by a different person.

Liquidation Value - The amount for which the assets of the Company can be sold, minus the liabilities owed, e.g., the assets of a bakery include the cake mixers, ingredients, baking tins, etc. The liabilities of a bakery include the cost of rent or mortgage on the bakery. However, this value does not reflect the potential value of a business, e.g. the value of the secret recipe. The value for most startups lies in their potential, as many early stage companies do not have many assets (they probably need to raise funds through a securities offering in order to purchase some equipment).

Book Value - This is based on analysis of the Company's financial statements, usually looking at the Company's balance sheet as prepared by its accountants. However, the balance sheet only looks at costs (i.e. what was paid for the asset), and does not consider whether the asset has increased in value over time. In addition, some intangible assets, such as patents, trademarks or trade names, are very valuable but are not usually represented at their market value on the balance sheet.

Earnings Approach - This is based on what the investor will pay (the present value) for what the investor expects to obtain in the future (the future return), taking into account inflation, the lost opportunity to participate in other investments, the risk of not receiving the return. However, predictions of the future are uncertain and valuation of future returns is a best guess.

Different methods of valuation produce a different answer as to what your investment is worth. Typically liquidation value and book value will produce a lower valuation than the earnings approach. However, the earnings approach is

also most likely to be risky as it is based on many assumptions about the future, while the liquidation value and book value are much more conservative.

Future investors (including people seeking to acquire the Company) may value the Company differently. They may use a different valuation method, or different assumptions about the Company's business and its market. Different valuations may mean that the value assigned to your investment changes. It frequently happens that when a large institutional investor such as a venture capitalist makes an investment in a company, it values the Company at a lower price than the initial investors did. If this happens, the value of the investment will go down.

Previous Offerings of Securities

We have made the following issuances of securities within the last three years:

Previous Offering	Date of Previous Offering	Offering Exemption Relied Upon	Type of Securities Offered	Amount of Securities Sold	Use of Proceeds of the Previous Offering
Pre-seed.1	2015	Section 4(a)(2)	Common	\$335,000	Product Development
Pre-seed.2	Oct, 2018	Section 4(a)(2)	Common	\$65,100	Product Development
Side-by-Side Reg-CF & Reg-D	Nov, 2018	Section 4(a)(2)	Convertible Note	\$703,766	Product Launch & Operations
Series A (Reg-D)	Nov, 2019	Section 4(a)(2)	Preferred	Active	Fuel Growth & Operations

Classes of Securities of the Company

Common Units

Dividend Rights

Yes

Voting Rights

Yes

Right to Receive Liquidation Distributions

Yes, junior to any issued preferred stock.

Rights and Preferences

None

Preferred Units

None.

Dilution

Even once the Crowd Note convert into preferred or common equity securities, as applicable, the investor's stake in the Company could be diluted due to the Company issuing additional shares. In other words, when the Company issues more shares (or additional equity interests), the percentage of the Company that you own will go down, even though the value of the Company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock.

If a company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

The type of dilution that hurts early-stage investors mostly occurs when a company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings. An example of how this might occur is as follows (numbers are for illustrative purposes only):

- In June 2014 Jane invests \$20,000 for shares that represent 2% of a company valued at \$1 million.
- In December, the company is doing very well and sells \$5 million in shares to venture capitalists on a valuation (before the new investment) of \$10 million. Jane now owns only 1.3% of the company but her stake is worth \$200,000.
- In June 2015 the company has run into serious problems and in order to stay afloat it raises \$1 million at a valuation of only \$2 million (the "down round"). Jane now owns only 0.89% of the company and her stake is worth only \$26,660.

This type of dilution might also happen upon conversion of convertible notes into shares. Typically, the terms of convertible notes issued by early-stage companies provide that in the event of another round of financing, the holders of the convertible notes get to convert their notes into equity at a "discount" to the price paid by the new investors, i.e., they get more shares than the new investors would for the same price. Additionally, convertible notes may have a "price cap" on the conversion price, which effectively acts as a share price ceiling. Either way, the holders of the convertible notes get more shares for their money than new investors. In the event that the financing is a "down round" the holders of the convertible notes will dilute existing equity holders, and even more than the new investors do, because they get more shares for their money.

If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it's important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

Restrictions on Transfer

Any Securities sold pursuant to Regulation CF being offered may not be transferred by any Purchaser of such Securities during the one-year holding period beginning when the Securities were issued, unless such Securities are transferred: 1) to the Company, 2) to an accredited investor, as defined by Rule 501(a) of Regulation D promulgated under the 1933 Act, 3) as part of an IPO or 4) to a member of the family of the Purchaser or the equivalent, to a trust controlled by the Purchaser, to a trust created for the benefit of a member of the family of the Purchaser or the equivalent, or in connection with the death or divorce of the Purchaser or other similar circumstances. "Member of the family" as used herein means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother/father/daughter/son/sister/brother-in-law, and includes adoptive relationships. Remember that although you may legally be able to transfer the Securities, you may not be able to find another party willing to purchase them.

In addition to the foregoing restrictions, prior to making any transfer of the Securities or any Securities into which they are convertible, such transferring Purchaser must either make such transfer pursuant to an effective registration statement filed with the SEC or provide the Company with an opinion of counsel stating that a registration statement is not necessary to effect such transfer.

Other Material Terms

The Company does not have the right to repurchase the Securities. The Securities do not have a stated return or liquidation preference.

Related Person Transactions

From time to time the Company may engage in transactions with related persons. Related persons are defined as any manager, director, or officer of the Company; any person who is the beneficial owner of 10 percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter of the Company; any immediate family member of any of the foregoing persons or an entity controlled by any such person or persons.

The Company has conducted the following transactions with related persons:

In 2019, the Company borrowed \$74,053 from Richard Genga, the Company's majority owner and managing member ("the Related Party Loan"). The Related Party Loan is non-interest bearing and is payable at a future date to be determined by management.

Conflicts of Interest

The Company has engaged in the following transactions or relationships, which may give rise to a conflict of interest with the Company, its operations and its security holders: Not Applicable.

OTHER INFORMATION

Bad Actor Disclosure

None.

SIGNATURE

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C-AR and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

/s/Richard A. Genga Jr.

(Signature)

Richard A. Genga Jr.

(Name)

CEO

(Title)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Form C-AR has been signed by the following persons in the capacities and on the dates indicated.

/s/Richard A. Genga Jr.

(Signature)

Richard A. Genga Jr.

(Name)

CEO

(Title)

June 15, 2020

(Date)

Instructions.

1. The form shall be signed by the issuer, its principal executive officer or officers, its principal financial officer, its controller or principal accounting officer and at least a majority of the board of directors or persons performing similar functions.

2. The name of each person signing the form shall be typed or printed beneath the signature.

Intentional misstatements or omissions of facts constitute federal criminal violations. See 18 U.S.C. 1001.

EXHIBIT B
Financials

GROWGENICS LLC

Financial Statements

Year Ended December 31, 2019



Date: June 15, 2020

2019 C-AR Financial Statements Certification

I, Richard A. Genga Jr., certify that the financial statements of Growgenics LLC. included in this Form are true and complete in all material respects.

Richard A. Genga Jr., President/CEO
Growgenics LLC
5600 Post Rd, Ste 114-191
East Greenwich, RI 02818

GROWGENICS LLC
BALANCE SHEET
December 31, 2019

Assets

Current Assets:

Cash	\$ 82,699
Inventory	\$ 9,048
Total current assets	91,747

Property and Equipment	5,510
Less accumulated depreciation	5,510
Net property and equipment	-

Tooling	3,020
Total Fixed Assets	3,020

Total Assets	\$ 94,767
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Liabilities and Members' Deficit

Current Liabilities:

Accounts payable	\$ 20,911
Credit Card	\$ 45,999
Sales Tax Payable	\$ 2,443
Accrued Interest (Crowd Notes)	\$ 28,924
Convertible Notes	\$ 615,984
Loan payable - member	74,053
Total Liabilities	788,314

Members' deficit:

Common units, no par value, 1,200,00 authorized units and 817,583 issued and outstanding	426,200
Members' deficit	(1,119,747)
Total members' deficit	(693,547)

Total Liabilities and Members' Deficit	\$ 94,767
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Growgenics LLC
Profit & Loss
January through December 2019

	Jan - Dec 19
Ordinary Income/Expense	
Income	
Interest Income	488.98
Sales	69,559.80
Total Income	70,048.78
Cost of Goods Sold	
Cost of Goods Sold	101,485.45
Total COGS	101,485.45
Gross Profit	-31,436.67
Expense	
Automobile Expense	101.56
Bank Service Charges	213.69
Charitable Contributions	100.00
Commisions	1,775.00
Computer Expenses	106.99
Consulting	102,607.51
Design Services	31,500.00
Insurance Expense	
Business liability	1,424.40
Insurance Expense - Other	32,096.16
Total Insurance Expense	33,520.56
Interest Expense	28,924.21
Internet Expense	135.65
Janitorial Expense	722.88
Legal	6,238.95
Management & Operations Fees	231,125.00
Manufacturing (Outside)	13,154.67
Marketing Expense	
Trade Shows	598.00
Website	2,080.76
Marketing Expense - Other	26,704.14
Total Marketing Expense	29,382.90
Meals and Entertainment	3,604.69
Office Expense	10,263.36
Office Supplies	224.99
Postage and Delivery	3,136.78
Professional Fees	59.00
R&D Equipment	757.26
R&D Expense	111,166.05
R&D Prototype Expense	37,902.48
R&D Tools	680.21
Rent Expense	18,000.00
Shop Work	2,128.75
Taxes	6,658.51
Travel Expense	36,265.86
Utilities	8,362.21
Total Expense	718,819.72
Net Ordinary Income	-750,256.39

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02/04/20

Accrual Basis

Growgenics LLC
Profit & Loss
January through December 2019

	Jan - Dec 19
Other Income/Expense	
Other Expense	
Accounting Expense	2,500.00
Total Other Expense	2,500.00
Net Other Income	-2,500.00
Net Income	-752,756.39

GROWGENICS LLC
STATEMENT OF OPERATIONS AND MEMBERS' DEFICIT
For the Year Ended December 31, 2019

Net sales	\$ 70,049
Cost of Goods Sold	101,485
Selling, general and administrative expenses	<u>721,320</u>
Operating loss	<u>(752,756)</u>
Members' deficit - beginning of year	(488,999)
Member contributions	<u>122,008</u>
Members' deficit - end of year	<u><u>\$ (1,119,747)</u></u>

GROWGENICS LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

Cash flows from operating activities:	
Net Income/Loss	\$ (752,756)
Changes in assets and liabilities:	
Inventory Asset	(9,048)
Accounts payable	16,286
Credit Card	45,999
Accrued Crowd Note Interest	28,924
Convertible Bridge Notes	615,984
Member Loan	3,068
Sales tax Payable	2,443
Net cash used by operating activities	<u>(49,100)</u>
Investing Activities	
Tooling	(3,020)
Net cash provided by investing activities	<u>(3,020)</u>
Cash flows from financing activities:	
Member contributions	122,008
Net cash provided by financing activities	<u>122,008</u>
Net increase cash	69,888
Cash - beginning of year	<u>12,812</u>
Cash - end of year	<u>\$ 82,700</u>

GROWGENICS LLC
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

1. Nature of Operations

Growgenics LLC (the Company) is a limited liability company organized under the laws of the State of Rhode Island. The Company manufactures and sells LED grow lights for indoor growing of plants.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representation of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Property and Equipment

Property and equipment are stated at cost. Repairs and maintenance are charged to expenses as incurred. Major renewals and betterments are capitalized. Depreciation is provided over the estimated useful lives of the respective assets principally on the straight-line method.

Income Taxes

The Company is a limited liability company organized under the laws of the State of Rhode Island. The Company is not a taxpaying entity for federal income tax purposes, and thus, no income tax expense has been recorded in these statements. Members are required to report on their individual income tax returns their proportionate share of the Company's income, gains, losses, deductions and credits.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the year ended December 31, 2019 was approximately \$29,383.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash.

The Company maintains its operating bank accounts in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation, up to specified limits. From time to time, the Company's aggregate amount of all balances may exceed the insurance limits.

GROWGENICS LLC
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

Estimates

The preparation of financial statements under accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Property and Equipment

Property and equipment at December 31, 2019 consisted of fully depreciated computer equipment with a cost basis of \$5,510 and tooling assets of \$3,020.

4. Loan Payable - Member

As of December 31, 2019, the Company had an outstanding loan payable to one member in the amount of \$74,053. This loan is non-collateralized and non-interest bearing.

5. Contingencies

As shown in the accompanying financial statements, the Company incurred a net loss of \$752,756 during the year ended December 31, 2019. Management has evaluated these conditions and as a result the accompanying financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operation for the foreseeable future. These conditions create an uncertainty about the ability of the Company to continue as a going concern through April 30, 2021 (one year after the date that the financial statements are available to be issued). The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

6. Subsequent Events

During 4th quarter 2019, the company initiated an accredited investor SEC Regulation-D 506(c) offering. The total offering amount is \$3 million at a pre-money valuation of \$18 million. The New York City based Seedinvest company is assisting Growgenics with the offering as a dealer-broker.

During March 2020, the Company issued a Bridge Loan Note. The Bridge Note is in the amount of \$60,000, \$40,000 of which is convertible at the holder's option into common equity at a Company valuation of \$18,000,000.

The Company has granted options or warrants to three business consultants to acquire up

GROWGENICS LLC
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

to a total of 1.0754% of Company equity, one of which may earn up to an additional 3% in Company common equity based on Company sales performance criteria.

Management has evaluated subsequent events through April 30, 2020, which is the date these financial statements were available to issue.