

AVEW HOLDINGS, INC.

Balance Sheets

	March 31, 2017	December 31, 2016
<u>ASSETS</u>		
CURRENT ASSETS		
Cash in bank	\$ 4,700	\$ 4,748
Other current assets	4,182	4,182
Total current assets	<u>8,882</u>	<u>8,930</u>
FIXED & OTHER ASSETS		
Plant and equipments at cost	85,036	85,036
Less: Accumulated depreciation and amortization	(70,729)	(67,190)
Total fixed & other assets	<u>14,307</u>	<u>17,846</u>
INTANGIBLE ASSETS		
Goodwill - excess of purchase contract over net assets	144,772	144,772
TOTAL ASSETS	<u>\$ 167,961</u>	<u>\$ 171,548</u>
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
LIABILITIES		
CURRENT LIABILITIES		
Accrued liabilities	\$ 32,382	\$ -
Derivative liabilities	-	1,124,012
Total current liabilities	<u>32,382</u>	<u>1,124,012</u>
LONG-TERM LIABILITIES		
Convertible notes payable (Unamortized Debt Discount, \$24,200 and \$74,200, respectively)	306,400	255,893
Total Long-Term Liabilities	<u>306,400</u>	<u>255,893</u>
TOTAL LIABILITIES	<u>338,782</u>	<u>1,379,905</u>
STOCKHOLDERS' DEFICIT		
Common stock - 2,000,000,000 shares authorized, \$0.001 par value; 887,116,722 and 672,116,772 issued and outstanding respectively	887,117	672,117
Preferred stock - 50,000,000 shares authorized, \$0.001 par value; 100,000 issued and outstanding	100	100
Additional paid-in capital	(377,057)	(183,557)
Accumulated deficit	(680,981)	(1,697,017)
Total Stockholders' Deficit	<u>(170,821)</u>	<u>(1,208,357)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 167,961</u>	<u>\$ 171,548</u>

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

AVEW HOLDINGS, INC.
Statements of Operations
For the three months ended March 31, 2017 and 2016

	March 31, 2017	March 31, 2016
REVENUES		
Construction and service income	\$ -	\$ 84,690
Total Revenue	<u>-</u>	<u>84,690</u>
Cost of Revenue		
Cost of construction and service	<u>-</u>	<u>52,494</u>
Net Revenue	<u>-</u>	<u>32,196</u>
OPERATING EXPENSES		
Depreciation expense	3,539	6,261
General and administrative expense	20,048	9,403
Amortization of debt discount	58,000	21,017
Total Operating Expenses	<u>81,587</u>	<u>36,681</u>
LOSS FROM OPERATIONS	(81,587)	(4,485)
OTHER INCOME (EXPENSE)		
Interest expense	(32,382)	(11,416)
Gain (loss) on derivative liability	1,130,005	(4,111,349)
Gain (loss) on settlement of debt	<u>-</u>	<u>8,000</u>
Total Other Income (Expense)	<u>1,097,623</u>	<u>(4,114,765)</u>
INCOME (LOSS) BEFORE TAXES	1,016,036	(4,119,250)
Provision for income taxes	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	\$ <u>1,016,036</u>	\$ <u>(4,119,250)</u>

The accompanying notes are an integral part of these financial statements

AVEW HOLDINGS, INC
Statement of Stockholders' Deficit

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2014	100,000	100	28,281	28,281	218,274	(5,010,869)	(4,764,214)
Shares issued for conversion of debt			8,500,000	8,500	17,000		25,500
Net loss for the year ended December 31, 2015	-	-	-	-	-	(422,498)	(422,498)
Balance, December 31, 2015	100,000	\$ 100	36,781,036	\$ 36,781	\$ 235,274	\$ (5,433,367)	\$ (5,161,212)
Shares issued for conversion of debt			635,002,019	635,002	(419,197)		215,805
Shares issued for compensation			333,667	334	367		701
Net income for the year ended December 31, 2016	-	-	-	-	-	3,736,350	3,736,350
Balance, December 31, 2016	100,000	\$ 100	672,116,722	\$ 672,117	\$ (183,557)	\$ (1,697,017)	\$ (1,208,357)
Shares issued for conversion of debt			215,000,000	215,000	(193,500)		21,500
Net income for the quarter ended March 31, 2017						1,016,036	1,016,036
Balance, March 31, 2017	100,000	100	887,116,722	887,117	(377,057)	(680,981)	(1,186,857)

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

AVEW HOLDINGS, INC.
Statements of Cash Flows
For the Quarter Ended March 31, 2017 and 2016

	March 31, 2017	March 31, 2016
OPERATING ACTIVITIES		
Net income (loss)	\$ 1,016,036	\$ (4,119,250)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	3,539	6,261
Amortization of debt discount	58,000	21,017
Gain on settlement of debt	-	(8,000)
Gain on change in derivative liability	(1,130,005)	4,111,349
Changes in operating assets and liabilities:		
Increase in accounts receivable	-	(6,999)
Decrease in accounts payable		(11,273)
Decrease in bank overdraft	-	7,859
Increase in accrued liabilities	32,382	11,416
Net cash used in operating activities	(20,048)	12,380
FINANCING ACTIVITIES		
Proceeds from non-convertible note payable	20,000	-
Net cash provided by financing activities	20,000	-
NET INCREASE (DECREASE) IN CASH	\$ (48)	\$ 12,380
CASH AT BEGINNING OF PERIOD	4,748	(8,926)
CASH AT END OF PERIOD	\$ 4,700	\$ 3,454
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Income taxes	\$ -	\$ -
Interest	-	-
NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Shares issued for conversion of debt	\$ 21,500	\$ -

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

AVEW HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2017
(Unaudited)

NOTE 1 -BASIS OF PRESENTATION

Unaudited Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with United States generally accepted accounting principles. They may not include all information and footnotes required by United States generally accepted accounting principles for complete financial statement disclosure. In the opinion of Management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. These financial statements contain the balance sheet, statements of operations and cash flows, and equity statement of AVEW Holdings, Inc.

Going concern

These unaudited consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles, on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuing operations of the Company is dependent upon the ability of the Company to obtain necessary financing to fund its working capital requirements, and upon future profitable operations. The accompanying financial statements do not include any adjustments relative to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty. There can be no assurance that capital will be available as necessary to meet the Company's working capital requirements or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in dilution in the equity interests of its current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. Management intends to finance operating costs over the next twelve months with private placement of capital stock and loans.

NOTE 2 – CONVERTIBLE NOTES PAYABLE

At March 31, 2017, the Company had convertible notes payable of \$330,600 which are convertible, in aggregate, into 1,926,317,102 shares of common stock. These notes bear interest at rates between 8-10% per annum.

Convertible notes payable consisted of the following:

Name	Date of Issue	Original Amount	Conversion Price	Balance Remaining
Steel, Mike	2/21/2014	\$15,000	0.0022	\$15,000
Steel, Mike	6/19/2014	\$70,000	0.0022	\$70,000
Steel, Mike	5/28/2014	\$10,000	0.0022	\$10,000
Robinson, Clarence	8/7/2014	\$10,000	0.00415	\$4,000
Ridge Point	9/17/2014	\$35,000	0.0001	\$9,400
Ridge Point	11/11/2014	\$22,000	0.0001	\$22,000
Ridge Point	11/25/2014	\$20,000	0.0001	\$20,000
Ridge Point	12/12/2014	\$5,000	0.0001	\$2,000
Kempff, Carlos	2/3/2015	\$10,000	0.1	\$10,000
Ridge Point	2/23/2015	\$5,000	0.0001	\$5,000
Yepez, Adolfo	3/16/2015	\$7,000	0.0056	\$7,000
Yepez, Ramiro	3/16/2015	\$7,000	0.0056	\$7,000
Yepez, Jennifer	4/11/2015	\$10,000	0.0056	\$10,000
Yepez, Ramiro	4/11/2015	\$10,000	0.0056	\$10,000
Yepez, Jennifer	6/29/2015	\$5,000	0.0001	\$5,000
Ridge Point	7/21/2015	\$5,000	0.0001	\$5,000
Ridge Point	9/18/2015	\$5,000	0.0001	\$5,000
Ridge Point	10/6/2015	\$5,000	0.0001	\$5,000
Ling, Jay	12/18/2015	\$14,000	0.0001	\$14,000
Don Maler	6/16/2016	\$6,000	0.0001	\$6,000
Ridge Point	7/29/2016	\$2,000	0.0001	\$2,000
Ridge Point	8/5/2016	\$2,000	0.0001	\$2,000
Ridge Point	8/26/2016	\$30,000	0.0001	\$30,000
Ridge Point	11/1/2016	\$2,000	0.0001	\$2,000
Ridge Point	11/15/2016	\$1,000	0.0001	\$1,000
Ridge Point	11/18/2016	\$25,000	0.0001	\$25,000
Ridge Point	11/30/2016	\$2,200	0.0001	\$2,200
Ridge Point	12/16/2016	\$5,000	0.0001	\$5,000
Ridge Point	1/30/2017	\$5,000	0.0001	\$5,000
Ridge Point	2/6/2017	\$3,000	0.0001	\$3,000
Ridge Point	2/15/2017	\$2,000	0.0001	\$2,000
Ridge Point	3/2/2017	\$10,000	0.0001	\$10,000

The Company evaluated the terms of the conversion features of its convertible debentures in accordance with ASC Topic No. 815 - 40, *Derivatives and Hedging - Contracts in Entity's Own Stock* and determined they have fixed conversion features and are not indexed to the Company's common stock. The Company therefore determined it was appropriate to recapture the derivative expense previously recorded as a result of the bifurcation of the conversion features and eliminated the remaining derivative liability. As a result, the Company recorded a gain on the change in the value of derivative liability of \$1,130,005 during the quarter ended March 31, 2017.

During the quarter ended March 31, 2017, the Company borrowed \$20,000 from Ridge Point Capital. The notes are convertible into shares of common stock at a fixed price of \$0.0001 and are due and payable twelve months from the date of issuance. As of March 31, 2017, the unamortized debt discount of \$24,200 was offset against the convertible notes payable.

NOTE 3 – CAPITAL STOCK

Preferred Stock – The Company is authorized to issue 50,000,000 shares of \$.001 par value preferred stock. As of March 31, 2017, 100,000 shares of preferred stock were issued and outstanding.

Common Stock - The Company is authorized to issue 2,000,000,000 shares of \$.001 par value common stock. As of March 31, 2017, there were 887,116,722 shares issued and outstanding.

During the quarter ended March 31, 2017, the company issued 215,000,000 shares of restricted common stock on the conversion of \$21,500 in notes payable.

NOTE 5 - SUBSEQUENT EVENTS

None.