Bettwork Industries, Inc.

Financial Statements

From
June 1st, 2012
to
Aug 31st, 2014

(unaudited)

Bettwork Industries Inc.

Balance Sheets
Income Statements
Equity
Cash Flows

Bettwork Industries, Inc.
(A Development Stage Company)

BALANCE SHEETS

From June 1st, 2012 to Aug 31st, 2014
(Stated in US Dollars)

	Aug 31st, 2014	May 31st, 2014	May 31st, 2013
Assets			
Current assets			
Cash	$ -	$ -	$ -
Accounts receivable and prepaid expenses	$ 40,000	$ 40,000	$ -
Total current assets	$ 40,000	$ 40,000	$ -
Licenses	$ 494,200	$ 494,200	$ 494,200
Equipment	$ -	$ -	$ -
Total assets	$ 534,200	$ 534,200	$ 494,200
Liabilities			
Current liabilities			
Accounts payable	$ 108,647	$ 106,347	$ 84,150
Accounts payable to Subsidiary	$ -	$ -	-
Notes payable	$ 200,567	$ 200,567	$ 200,567
Total current liabilities	$ 309,214	$ 306,914	$ 284,717
Long term liabilities	$ -	$ -	$ -
Total liabilities	$ 309,214	$ 306,914	$ 284,717
Equity			
Authorized:			
300'000'000 common shares, par values US$0.001			
Issued and outstanding:			
594'763 common shares	$ 100,618	$ 100,618	$ 100,618
Additional paid-in capital	$ 10,106,943	$ 10,106,943	$ 10,066,943
Deficit accumulated during development stage	$ (2,943,774)	$ (2,941,474)	$ (2,919,277)
Accumulated deficit	$ (7,038,801)	$ (7,038,801)	$ (7,038,801)
Total stockholder's equity	$ 224,986	$ 227,286	$ 209,483
Total liabilities and stockholder's equity	$ 534,200	$ 534,200	$ 494,200

Bettwork Industries, Inc.
(A Development Stage Company)

INCOME STATEMENTS
From June 1st, 2012 to Aug 31st, 2014
(Stated in US Dollars)

	3 months ended Aug. 31, 2014		12 months ended May. 31, 2014		12 months ended May. 31, 2013	
Revenue	$	-	$	-	$	-
Expenses						
Depreciation	$		$		$	
Office & miscellaneous	$	-	$	8,229	$	3,215
Professional fees	$	2,300	$	2,028	$	2,695
Salaries and benefits	$	-	$	-	$	-
Interest expense	$	-	$	11,940	$	11,940
Total expenses	$	2,300	$	22,197	$	17,850
Other						
Interest income	$	-	$	-	$	-
Gain on foreign exchange	$	-	$	-	$	-
Gain on conversion of debt	$	-	$	-	$	-
Development costs	$	-	$	-	$	-
Provision for income tax	$	-	$	-	$	-
Loss from continuing operations	$	(2,300)	$	(22,197)	$	(17,850)
Discontinued operations	$	-	$	-	$	-
Net income (loss)	$	(2,300)	$	(22,197)	$	(17,850)
Basic & diluted (loss) per common share	$	-0.004	$	0.000	$	0.000
Weighted average number of common shares		594,763		297,381,545		257,381,545

The accompanying notes are an integral part of these financial statements

Bettwork Industries, Inc.

(A Development Stage Company)

STATEMENT OF STOCKHOLDER'S EQUITY

From May 31st, 2008 to Aug 31st, 2014

(Stated in US Dollars)

	Common Stock Shares	Amount	Paid in capital	Deficit accumulated during development stage	Total equity
Shares issued for debt	31,275	$ 6,229	$ 180,640		$ 186,869
Shares issued for licenses	2,250	$ 450	$ 13,050		$ 13,500
Net (loss) for period				$ -527,942	$ -527,942
Balance, May 31, 2008	1,454,422	$ 50,596	$ - 10,037,117	$ -10,167,561	-79,848
Shares issued for debt	149,880	$ 150	$ 29,826		$ 29,976
Shares issued for debt	49,872,007	$ 49,872			$ 49,872
Net (loss) for period					$ -
Balance, Nov 30, 2008	51,476,309	$ 100,618	10,066,943	-10,167,561	0
Shares issued for dividend	205,905,236	$ 156764			$ 0
Shares issued for debt		$ 0			$ 0
Net (loss) for period				$ -136,436	$ -136,436
Balance, May 31, 2009	257,381,545	$ 257,382	10,066,943	-10,303,997	-136,436
Shares issued for dividend		$ 0			$ 0
Shares issued for debt		$ 0			$ 0
Conversion of Convertible Debenture		$ 0			$ 0
Shares Issued Sale of Common		$ 0			$ 0
Shares Issued for Recapitalization		$ 0			$ 0
Shares issued for Share Split		$ 0			$ 0
Net (loss) for period				$ -146,989	$ -146,989
Balance, May 31, 2010	257,381,545	$ 257,382	10,066,943	-10,450,986	-146,989
Shares issued for dividend		$			$ 0
Shares issued for debt		$			$ 0
Conversion of Convertible Debenture		$ 0			$ 0
Shares Issued Sale of Common		$ 0			$ 0
Shares Issued for Recapitalization		$ 0			$ 0

Shares issued for Share Split		$ 0			$ 0
Net (loss) for period				$ -13,728	$ -13,728
Balance, May 31, 2011	257,381,545	$ 257,382	10,066,943	-10,464,714	-13,728
Shares issued for dividend		$			$ 0
Shares issued for debt		$			$ 0
Conversion of Convertible Debenture		$ 0			$ 0
Shares Issued Sale of Common		$ 0			$ 0
Shares Issued for Recapitalization		$ 0			$ 0
Shares issued for Share Split		$ 0			$ 0
Net (loss) for period				$ 30,286	$ 30,286
Balance, May 31, 2012	257,381,545	$ 257,382	10,066,943	-10,434,428	30,286
Shares issued for dividend		$			$ 0
Shares issued for debt		$			$ 0
Conversion of Convertible Debenture		$ 0			$ 0
Shares Issued Sale of Common		$ 0			$ 0
Shares Issued for Recapitalization		$ 0			$ 0
Shares issued for Share Split		$ 0			$ 0
Net (loss) for period				$ -17,850	$ -17,850
Balance, May 31, 2013	257,381,545	$ 257,382	10,066,943	-10,452,278	-17,850
Shares issued for dividend		$			$ 0
Shares issued for debt		$			$ 0
Conversion of Convertible Debenture		$ 0			$ 0
Shares Issued Sale of Common	40,000,000	$ 40,000	$ 40,000		$ 0
Shares Issued for Recapitalization		$ 0			$ 0
Shares issued for Share Split		$ 0			$ 0
Net (loss) for period				$ -22,197	$ 22,197
Balance, May 31st, 2014	297,381,545	$ 297,382	10,066,943	-10,474,475	22,197
Shares issued for dividend		$			$ 0
Shares issued for debt		$			$ 0
Conversion of Convertible Debenture		$ 0			$ 0
Shares Issued Sale of Common	0	$ 0	$ 0		$ 0
Shares Issued for Recapitalization		$ 0			$ 0
Shares issued for Share Split		$ 0			$ 0
Net (loss) for period				$ -2,300	$ 2,300
Balance, Aug 31st, 2014	594,763	$ 257,382	10,066,943	-10,476,775	2,300

Bettwork Industries, Inc.
(A Development Stage Company)

STATEMENT OF CASH FLOWS
From June 1st, 2013 to Aug 31st, 2014
(Stated in US Dollars)

	3 Months Ended Aug 31 2014	12 Months Ended May 31 2014
CASH FLOWS FROM OPERATING		
NET LOSS	(2,300)	(22,197)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss from conversion of convertible debt	-	-
Depreciation and amortization	-	-
Bad debt expense	-	-
Loss on disposal of inventory	-	-
Loss on disposal of business unit	-	-
Changes in operating assets and liabilities:	-	-
Inventory	-	-
Accounts receivable	-	-
Accounts payable and accrued expenses	2,300	22,197
NET CASH USED IN OPERATING ACTIVITIES	-	-
CASH FLOWS FROM OPERATING		
Proceeds from debentures	-	-
Repayment of debentures	-	-
Proceeds from Bridge Loan		-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH	-	-
CASH BEGINNING	-	-
CASH ENDING	-	-

Bettwork Industries, Inc.
(A Development Stage Company)

Footnotes to the Financial Statements
From June 1st, 2012 to
Aug 31st, 2014
(Stated in US Dollars)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Bettwork Industries, Inc. (hereinafter referred to as the “Company” or “Bettwork”) was incorporated in the state of Nevada as Nostrad Telecommunications, Inc on September 24, 1993. In May 2003, the company changed its name to Skunk Work Technologies, Inc. On February 29, 2004 the company changed its name to Genoray Advanced Technologies, Ltd. In November 2005 the company changed its name to Fennel Resources, Inc. In September 2006, the company changed its name to 3P Networks, Inc. In October 2008, the company changed its name to Kender Energy, Inc. Kender Energy's technology allows, via a closed circuit of gas (usually helium) to create a heat exchange with the sun and the air from the environment. The exchange generates the spinning of the gas in the closed circuit, propelling a turbine, which produces electricity in a 100% clean and renewable process. Kender Energy Inc. acquired on December 1st, 2008 a company called Kender Energy Ltd. this company owns the intellectual property rights for the technology described above.

On June 6th, 2014, Kender Energy was renamed into Bettwork Industries Inc., to better reflect the strategic direction the company is willing to take.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Method

The Company’s financial statements are prepared using the accrual method of accounting. The Company has elected a May 31st year-end.

b. Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, goods delivered, the contract price is fixed or determinable, and collectability is reasonably assured.

c. Income Taxes

The Company prepares its tax returns on the accrual basis. The Company accounts for income taxes under the Statement of Financial Accounting Standards No. 109, “Accounting for Income Taxes” (“Statement 109”). Under Statement 109, 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 bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

d. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 reporting period. Actual results could differ from those estimates.

e. Assets

The company has $0 in cash as of Aug 31st, 2014. The assets mentioned under Licenses acquired on July 17th, 2011 and mentioned in the books have been acquired at cost at 494,200 US$. There is an accounts receivable, flowing the May 22nd transaction, where 40,000,000 shares have been issued to Vlado P. Hreljanovic. These $ 40,000 aare still due to the company.

f. Income

Income represents all of the company's revenue less all its expenses in the period incurred. The Company has had revenues of $17,000 as of November 30th, 2008 and has paid expenses of $2,943,774 since commencement of development stage. For the twelve-month period ended Aug 31st, 2014, it has incurred expenses.

g. Basic Income (Loss) Per Share

In accordance with SFAS No.128-"Earnings Per Share", the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At Aug 31st, 2014, the Company has no stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

i. Cash and Cash Equivalents

For purposes of the statement of cash flows, the company considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents.

j. Liabilities

The company has liabilities of 309,214 US$ as of Aug 31st, 2014, as described further under "Debt and promissory Notes". Additional interest might be added since May 31st, 2014. These will be added at a later stage, when the creditors will require payment.

The share capital of the Company is as follows:

a) Authorized:

300,000,000 common shares with a par value of $0.001.

b) Issued:

On July 8th, 2009, the company has issued an extraordinary dividend of 4 new shares for one old one. This resulted in an increase of the number of shares outstanding to 257,381,545. As of May 31st, 2010, there are therefore 257,381,545 shares issued and outstanding at a value of $0.001 per share. There are no preferred shares outstanding. The Company has issued no authorized preferred shares. The Company has a stock option plan of 15,000,000 shares, warrants or other dilutive securities, mainly for the purpose of paying the management. Of those 15,000,000 stock options, the company has issued 5,000,000 shares to the CEO and 5,000,000 shares to the COO of the company on the date of November 24th, 2009 and effective on Dec 31st, 2010. These shares are already included in the number of shares mentioned above, which 257,381,545. On May 22nd, 2014, 40,000,000 shares were issued to Vlado P. Hreljanovic at par value of $0.001 per share, bringing the number of shares outstanding to 297,381,545.

Further, by Board decision dated June 6th, 2014, the company has performed a reverse split of 500:1. Therefore the number of issued shares has now become 594,763. This number of shares will be subject to the transfer agent’s adjustments, as several shareholders owning a low number of shares will be allocated to a rounded number of shares.

NOTE 3 – DEBT AND PROMISSORY NOTES

The company has accumulated debt over the past 3 years. This debt has been converted into promissory notes, as the company was unable to pay these suppliers or service companies. This debt is of today 309,214 US$, without interest due.

The promissory notes (1) are described as follows:

- On the day of launch of the Kender Energy activity, now renamed Bettwork, for developing its cold turbine, in April 2008, the company has hired the services of the company StockTargets SA, a Swiss investment banking firm, based in 36, boulevard Helvétique, 1207 Geneva, Switzerland. The investment banking and advisory agreement between the company and StockTargets SA called for a monthly payment of 7,000 CHF (Swiss Francs) per month. This fee was paid only partially in the early stages of the contractual agreement. On November 30th, 2009, the balance of payment due was as of 95,566 US$. At that date, StockTargets SA decided to have the company issue a promissory note in their favour of for an amount of 95,566 US$ with an interest rate of 7% and with an option of converting into shares at par value of 0.001 US$ per share.

- Since November 30th, 2009, the company was unable of paying the interest due on the above mentioned promissory note. On November 30th, 2011, StockTargets SA has decided to have the company issue a promissory note in their favour of for an amount of 13,379 US$, which is equivalent to the interest due on the promissory note, with an option of converting into shares at value of 0.0005 US$ per share.

- On May 8th, 2012, this debt of 95,566 US$ and the related interest of 13,379 US$ was sold by StockTargets SA for an undisclosed amount to Crystal Falls LLC, a Wyoming LLC, PO Box 643550, Vero Beach, Florida 32964.

- In February 2009, StockTargets SA decided to receive technical advice from the company MEDoctor (Europe) SA, a Swiss company, based in 114, chemin de la Montagne, 1224 Chêne-Bougeries, Geneva, Switzerland. The technical advice agreement between the company and MEDoctor (Europe) SA called for a monthly payment of 8,750 US$ (US dollars) per month. This fee was never paid by lack of funds. On March 31st, 2010, the balance of payment due was as of 105,000 US$. At that date, MEDoctor (Europe) SA decided to have the company issue a promissory note in their favour of for an amount of 105,000 US$ with an interest rate of 5% and with an option of converting into shares at par value of 0.001 US$ per share.

- Since February 2009, the company was unable of paying the interest due on the above mentioned promissory note. On November 30th, 2011, MEDoctor (Europe) SA has decided to have the company issue a promissory note in their favour of for an amount of 8,312 US$, which is equivalent to the interest due on the promissory note, with an option of converting into shares at value of 0.0005 US$ per share.

- On May 8th, 2012, this debt of 105,000 US$ and the related interest of 8,312 US$ was sold by MEDoctor (Europe) SA for an undisclosed amount to Crystal Falls LLC, a Wyoming LLC, PO Box 643550, Vero Beach, Florida 32964.

NOTE 4 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. However, the Company has accumulated a loss and is new. The company also has accumulated debt. This raises substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

As shown in the accompanying financial statements, the Company has incurred a net loss of $2,943,774 for the period from January 1st, 2001 (since commencement of development stage) to Aug 31st, 2014 and has generated $17,000 in revenues for the same period. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of acquisitions.

Management has plans to seek additional capital through a private placement and public offering of its common stock. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.