PROFILE SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

	March 31, 2019	December 31, 2018
Current Assets:		
Cash	$ 5,160	$ 107,813
Accounts receivable, net	96,149	56,182
Loan receivable	150,000	150,000
Prepaid expenses	10,883	13,258
Inventory	280,744	231,919
Total current assets	542,936	559,172
Other Assets:		
Deposits	10,378	10,378
Total other assets	10,378	10,378
Total Assets	$ 553,314	$ 569,550

LIABILITIES AND STOCKHOLDERS'S EQUITY

	March 31, 2019	December 31, 2018
Current Liabilities:		
Accounts payable and accrued liabilities	$ 32,032	$ 58,258
Accounts payable and accrued liabilities- related parties	85,055	21,501
Note payable - related party	35,084	5,168
Total current liabilities	152,171	84,927
Note payable - related party	91,400	-
Total liabilities	243,571	84,927
Stockholders' Equity:		
Preferred shares, par value $0.001 per share, 10,000,000 shares authorized; 0 shares issued and outstanding as of March 31, 2019 and December 31, 2018 respectively	-	-
Common stock, par value $0.001 per share, 1,000,000,000 shares authorized; 774,708,585 and 774,596,085 shares issued and outstanding as of March 31, 2019 and December 31, 2018 respectively	774,709	774,596
Common stock Issuable, 0 and 37,500 shares, respectively 0 and 37,500 shares issued and outstanding as of March 31, 2019 and December 31, 2018	-	38
Additional paid-in capital	332,277	305,476
Accumulated deficit	(788,501)	(595,487)
Total stockholders' equity Profile Solutions, Inc. Equity	318,485	484,623
Non-controlling interest	(8,742)	-
Total Equity	309,743	484,623
Total Liabilities and Stockholder's Equity	$ 553,314	$ 569,550

The accompanying notes to are an integral part of these condensed unaudited statements

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

PROFILE SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended 31-Mar	
	2019 Consolidated	2018 Consolidated
Revenue	$ 453,732	$ 208,236
Cost of revenues	259,169	74,591
Gross Profit	194,563	133,645
Operating Expenses:		
Compensation - officers	12,736	6,923
General and administrative	197,014	217,930
Professional fees	186,506	33,279
Total operating expenses	396,256	258,132
Loss from operations	(201,693)	(124,487)
Other Income (Expenses)		
Interest expense	(63)	-
Total other expenses	(63)	-
Net loss before provision for income taxes	(201,756)	(124,487)
Provision for income taxes	-	-
Net loss	$ (201,756)	$ (124,487)
Net Loss Attributable to Non-controlling Interest	$ (8,742)	$ -
Net Loss Attributable to Common Shareholders	**$ (193,014)** #	**$ (124,487)**
Loss per common share:		
Loss per common share - Basic and Diluted	$ (0.00)	$ (0.00)
Weighted Average Common Shares Outstanding:		
Basic and Diluted	774,667,752	768,519,825

The accompanying notes to are an integral part of these condensed unaudited statements

PROFILE SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March March 31, 2019	Year Ended December 31, 2018
Cash Flow From Operating Activities:		
Net loss, icnlduing non controlling interest	(201,756)	(511,566)
Adjustments to reconcile net loss to net cash from operating activities:		
Stock-based compensation	15,000	39,960
In kind contribution of services	11,875	-
Changes in operating assets and liabilities:		
Deccrease/(Increase) in prepaid expenses	2,375	(9,847)
Increase in inventory	(48,825)	(215,269)
(Increase)/Decrease in accounts receivable	(39,967)	3,735
Increase (Decresae) in accrued compensation payable - related party	(1,264)	1,264
(Decrease)Increase in accounts payable and accrued expenses	(24,961)	30,624
Increase in accounts payable - related parties	64,853	15,237
Net Cash Used in Operating Activities	(222,670)	(645,862)
Investing Activities:		
Issuance of note receivable	-	(150,000)
Net Cash Used in Investing Activities	-	(150,000)
Financing Activities:		
Proceeds from advances from related party	120,017	5,168
Repayment of advances from related party	-	-
Net cash received from stock sold	-	702,000
Net cash received as part of deposit in transit	-	148,650
Net Cash Provided by Financing Activities	120,017	855,818
Net Increase In Cash	(102,653)	59,956
Cash - Beginning of Period	107,813	47,857
Cash - End of Period	5,160	107,813
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ 450	$ 617
<u>Supplemental cash flow information:</u>		
Recapitalization	$ -	$ -

The accompanying notes to are an integral part of these condensed unaudited statements

NOTE 1 - ORGANIZATION OF OPERATIONS

Profile Solutions, Inc. (the "Company") is a Delaware corporation originally incorporated as YaFarm Technologies, Inc. on July 31, 2006.

On December 14, 2017, the Company entered into a Share Exchange Agreement with Elite Products International, Inc., a Florida corporation ("Elite") incorporated on February 15, 2016 issuing an aggregate total of 600,000,000 shares in exchange for 100% ownership of Elite. As part of the transaction, the Company filed a certificate of amendment with the State of Delaware increasing the authorized shares of common stock to 1,000,000,000 (one billion) shares of common stock. The acquisition of Elite through the issuance of 600 million shares of common stock resulted in a reverse acquisition (with Elite as the accounting acquirer). At the time of the transaction, the Company had nominal assets and operations. As a result, we accounted for the transaction as a reverse recapitalization, equivalent to the issuance of stock by Elite for the net monetary assets of the Company accompanied by a recapitalization tantamount to a corporate reorganization.

The condensed unaudited consolidated financial statements reflect the reorganized capital structure retrospectively for all periods presented for the Company and Elite, the Company has presented earnings per share based on the Company shares issued to the former shareholders of Elite.

The Company through its subsidiary Elite is a leading distributor and manufacturer in the cannabinoid (CBD) industry. The Company's products contain cutting-edge CBD Hemp extracts in the form of edibles, creams, oils, and salves.

On May 2, 2018, Elite Isolate Corp a wholly owned subsidiary was formed under the laws of the State of Florida.

On February 11, 2019, the Company formed under the State of Florida, CannBerryTek, Inc. as a hi-tech innovative biotechnology company to manage various research and development activities with the major focus on the medical cannabis industry.

On February 27, 2019, CannberryTek, LTD a wholly owned subsidiary of CannberryTek, Inc. was formed under the State of Israel. The Company owns 80% of CannberryTek, Inc.

On January 14, 2019 Stempro International, Inc., a majority-owned subsidiary was formed under the laws of the State of Nevada.

The Company's fiscal year end is December 31. Essentially all the operations of the Company are conducted through the Company's subsidiaries in Sunrise, Florida and Israel.

On October 19, 2018, the Company filed a Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission (SEC) to register securities under the Securities Act of 1933 as the first step to becoming an SEC reporting company and up listing to OTCQB.

Change in officers

On December 14, 2017, Officer and Director Dore S. Perler resigned and appointed Dan Oran as Officer and Director.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and consolidation

The comparative amounts presented in these consolidated financial statements are the historical results Elite for 2016 and for Elite and the Company for 2017 from the date of the recapitalization, all intercompany balances and transactions have been eliminated in consolidation. The Company's accounting policies used in the presentation of the accompanying consolidated financial statements conform to accounting principles generally accepted in the United States of America ("US GAAP") as promulgated by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and have been consistently applied.

Use of estimates and assumptions

The preparation of consolidated financial statements in conformity with a US GAAP 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.

The Company's significant estimates and assumptions include the fair value of financial instruments; income tax rate, income tax provision and valuation allowance of deferred tax assets; stock-based compensation, valuation of inventory and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, deposits, accounts payable and accrued expenses approximate their fair value because of the short maturity of those instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not however practical to determine the fair value of advances from stockholders due to their related party nature.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents. There were no cash and cash equivalents at March 31, 2019 and December 31, 2018.

Related parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include (i) affiliates of the Company; (ii) Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; (iii) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (iv) principal owners of the Company; (v) management of the Company; (vi) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (vii) Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Revenue recognition

Effective January 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products, licensing agreements and contracts by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied. For the comparative periods, revenue has not been adjusted and continues to be reported under ASC 605 — Revenue Recognition. Under ASC 605, revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists ;(2) the performance of service has been rendered to a customer or delivery has occurred; (3) the amount of fee to be paid by a customer is fixed and determinable; and (4) the collectability of the fee is reasonably assured.

The Company derives its revenues from sales contracts with its customer with revenues being generated upon rendering of products. Persuasive evidence of an arrangement is demonstrated via invoice; products are considered provided when the product is delivered to the customers; and the sales price to the customer is fixed upon acceptance of the purchase order and there is no separate sales rebate, discount, or volume incentive.

Accounts Receivable, net

The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The Company recorded an allowance of doubtful accounts of $0 and $0, for the three months ended March 31, 2019 and December 31, 2018.

Inventories

Inventories are stated at the lower of cost or market using the first in, first out (FIFO) method. Provisions have been made to reduce excess or obsolete inventories to their net realizable value.

Costs of Revenue

Components of costs of revenue include product costs, shipping costs to customers and any inventory adjustments.

Shipping and Handling Costs

The Company includes shipping and handling fees billed to customers as revenues and shipping and handling costs for shipments to customers as cost of revenues.

Income taxes

The Company is governed by the income tax laws of the United States of America. The Company accounts for income tax using the liability method prescribed by ASC 740, "*Income Taxes*". Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the year in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is morelikely- than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

The Company applies the provisions of ASC 740-10-50, "Accounting for Uncertainty in Income Taxes", which provides clarification related to the process associated with accounting for uncertain tax positions recognized in our financial statements. Audit periods remain open for review until the statute of limitations has passed. The completion of review or the expiration of the statute of limitations for a given audit period could result in an adjustment to the Company's liability for income taxes. Any such adjustment could be material to the Company's results of operations for any given quarterly or annual period based, in part, upon the results of operations for the given period. As of December 31, 2018, and 2017, the Company had no uncertain tax positions, and will continue to evaluate for uncertain positions in the future. The Company is subject to U.S. Federal income tax examinations for the tax years ended December 31, 2014 through 2017.

On December 22, 2017, the 2017 Tax Cuts and Jobs Act (the Tax Act) was enacted into law and the new legislation contains several key tax provisions that affected us, including a one-time mandatory transition tax on accumulated foreign earnings and a reduction of the corporate income tax rate to 21% effective January 1, 2018, among others. We are required to recognize the effect of the tax law changes in the period of enactment, such as determining the transition tax, re-measuring our U.S. deferred tax assets and liabilities as well as reassessing the net realizability of our deferred tax assets and liabilities. In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (SAB 118), which allows us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. Since the Tax Act was passed late in the fourth quarter of 2017, and ongoing guidance and accounting interpretation are expected over the next 12 months, we consider the accounting of the transition tax, deferred tax re-measurements, and other items to be incomplete due to the forthcoming guidance and our ongoing analysis of final year-end data and tax positions. We expect to complete our analysis within the measurement period in accordance with SAB 118.

The Company's ability to utilize its net operating loss (NOL) carryforwards may be substantially limited due to ownership changes that may have occurred on December 14, 2017, as required by Section 382 of the Internal Revenue Code of 1986, as amended (the Code), as well as similar state provisions. These ownership changes may limit the amount of NOL carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an "ownership change," as defined by Section 382 of the Code, results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percent of the outstanding stock of a company by certain stockholders or public groups.

If the Company has experienced an ownership change, utilization of the NOL carryforwards would be subject to an annual limitation, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term, tax-exempt rate, and then could be subject to additional adjustments, as required. Any such limitation may result in the expiration of a portion of the NOL carryforwards before utilization. Until a study is completed, and any limitation known, no amounts are being considered as an uncertain tax position or disclosed as an unrecognized tax benefit under ASC-740. Any carryforwards that expire prior to utilization as a result of such limitations will be removed from deferred tax assets with a corresponding reduction of the valuation allowance. Due to the existence of the valuation allowance, it is not expected that any possible limitation will have an impact on the results of operations of the Company.

Tax returns for the Company have not been prepared and filed for the years ended December 31, 2016 and 2017 through 2018 and may be subject to penalties for delinquent and non-compliance requirements, in addition, to the NOL carryover changes from prior years.

Net loss per common share

The Company follows ASC Topic 260 to account for earnings per share. Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

There were no potentially dilutive shares outstanding as of March 31, 2019.

Cash flows reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments.

Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company evaluates subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Foreign Currency

The assets and liabilities of CannberryTek, LTD, whose functional currency is Israeli new Shekel, are translated into US dollars at period-end exchange rates prior to consolidation. Income and expense items are translated at the average rates of exchange prevailing during the period.

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases" Topic 842, which amends the guidance in former ASC Topic 840, *Leases*. The new standard increases transparency and comparability most significantly by requiring the recognition by lessees of right-of-use ("ROU") assets and lease liabilities on the balance sheet for all leases longer than 12 months. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. For lessees, leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The Company adopted the new lease guidance effective January 1, 2019 using the modified retrospective transition approach, applying the new standard to all of its leases existing at the date of initial application which is the effective date of adoption. Consequently, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019. We elected the package of practical expedients which permits us to not reassess (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) any initial direct costs for any existing leases as of the effective date. We did not elect the hindsight practical expedient which permits entities to use hindsight in determining the lease term and assessing impairment. The adoption of the lease standard did not change our previously reported consolidated statements of operations and did not result in a cumulative catch-up adjustment to opening equity.

In February 2018, the FASB issued ASU No. 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The guidance permits entities to reclassify tax effects stranded in Accumulated Other Comprehensive Income as a result of tax reform to retained earnings. This new guidance is effective for annual and interim periods in fiscal years beginning after December 15, 2018. Early adoption is permitted in annual and interim periods and can be applied retrospectively or in the period of adoption. We are evaluating the impact of adopting this guidance on our Consolidated Financial Statements.

In March 2018, the FASB issued ASU No. 2018-05, Income Taxes (Topic 740) - Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118. The amendment provides guidance on accounting for the impact of the Tax Cuts and Jobs Act (the "Tax Act") and allows entities to complete the accounting under ASC 740 within a one-year measurement period from the Tax Act enactment date. This standard is effective upon issuance. The Tax Act has several significant changes that impact all taxpayers, including a transition tax, which is a one-time tax charge on accumulated, undistributed foreign earnings. The calculation of accumulated foreign earnings requires an analysis of each foreign entity's financial results going back to 1986. We are evaluating the impact of adopting this guidance on our Consolidated Financial Statements.

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-07, Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, which expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of Topic 718 to nonemployee awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The new guidance is effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017, with early adoption permitted. We are evaluating the impact of adopting this guidance on our Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in this Update modify certain disclosure requirements of fair value measurements and are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. We are evaluating the impact of adopting this guidance on our Consolidated Financial Statements.

As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share (EPS) in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in Subtopic 470-20, Debt—Debt with Conversion and Other Options), including related EPS guidance (in Topic 260). The amendments in Part II of this Update recharacterize the indefinite deferral of certain provisions of Topic 480 that now are presented as pending content in the Codification, to a scope exception.

Those amendments do not have an accounting effect. For public business entities, the amendments in Part I of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company is currently reviewing the impact of adoption of ASU 2017-11on its financial statements.

All other newly issued accounting pronouncements but not yet effective have been deemed either immaterial or not applicable.

NOTE 3 – LIQUIDTY AND GOING CONCERN

The accompanying condensed consolidated unaudited financial statements have been prepared assuming that the Company will continue as a going concern. As reflected in the accompanying condensed unaudited consolidated financial statements, the Company had revenues of $ 453,732 and $ 208,236, Loss from Operations of $201,693 and $124,487 and net cash used in operations of $222,670 and $645,862 and for the three months ended March 31, 2019 and the year ended December 31, 2018, respectively.

While the Company is attempting to generate sufficient revenues, the Company's cash position may not be sufficient enough to support the Company's daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate sufficient revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate sufficient revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate sufficient revenues.

The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – RELATED PARTY TRANSACTIONS

In March 2016, Elite entered into a three-year lease agreement with a related party for an aggregate rent of $46,091. This lease was amended in February 2018 for a monthly rent of approximately $4,000 with an annual escalation of 3% per year expiring on December 31, 2021 with the option to renew for two additional years. On January 1, 2019, the Company entered into an additional lease for extra office space with a related party for an additional aggregate rent of $105,840. The additional monthly rent is $2,940 per month with an option to renew for three additional years The Company owed this related party approximately $5,000 and $5,000 as of March 31, 2019 and December 31, 2018, respectively. The amounts owed to this related party were 33% and 14% of accounts payable as of March 31, 2019 and December 31, 2018, respectively.

On November 1, 2018, the Company entered into an Advisory Board Agreement with an Advisor. This agreement will remain in effect for one month. In connection with this agreement, the consultant will receive a compensation of 4,375 common stock shares with a fair value of $875 ($0.20/share) plus $875 payable in cash for total compensation of $1,750. In accordance with the agreement, the Company issued 4,375 shares of common stock for services for the year ended December 31, 2018 (See Note 9).

On December 1, 2018 the Company entered into a Directors agreement with a Director to serve as a Corporate Director. The agreement will continue until November 30, 2020. In connection with this agreement, the Director will receive a monthly compensation of 21,667 common stock shares with a fair value of $4,333. In addition:

- Director directly arranges or directly provides equity funding for Company; the Director will be entitled to 5% of net proceeds of such funding payable in 2.5% cash and 2.5% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.
- Director directly arranges or directly provides debt funding for Company; the Director will be entitled to 2.5% of net proceeds of such funding payable in 1.25% cash and 1.25% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.
- In the event Director directly arranges for an acquisition of or by the Company the Director shall be entitled to compensation of 5% of the acquisition payable 2.5% cash and 2.5% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.
- In the event Director directly arranges for a sale or distribution agreement for the Company's products or services, Director shall be entitled to companion of 5% of the sale payable 2.5% cash and 2.5% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.

In accordance with the agreement the Company accrued $13,000 as a consulting expense for the shares due on the terms of the agreement.

In accordance with the agreement, the Company issued 32,917 shares of common stock for the year ended December 31, 2018.

On January 1, 2019, the Company entered into a one-year Director Agreement with Dan Oran at a monthly base salary of $12,500 in addition to the following compensation (See Note 9):

- Director directly arranges or directly provides equity funding for Company; the Director will be entitled to 5% of net proceeds of such funding.
- Director directly arranges or directly provides debt funding for Company; the Director will be entitled to 2.5% of net proceeds of such funding.
- In the event Director directly arranges for an acquisition of or by the Company the Director shall be entitled to compensation of 5% of the acquisition.
- In the event Director initiates business for Company, Director shall be entitled to commission equal to 20% of the net proceeds received by Company.

On February 1, 2019, the Company's subsidiary Cannberrytek, Ltd. entered into a one-year employment agreement with Niv Yonani, a related party, for an average base salary of $91,000 per year (See Note 9).

On February 1, 2019, the Company's subsidiary Cannberrytek, Ltd. entered into a one-year employment agreement with Hanoch Tempelhof, a related party, for an average base salary of $56,000 per year (See Note 9).

Note 5 – CONCENTRATION ON CREDIT RISK

Major Customers

During the three months ended March 31, 2019 and 2018, Elite had four customers that approximated 48% of sales and had two customers that approximated 48% of sales, respectively.

At March 31, 2019, the Company had a concentration of accounts receivable from two customers, totaling 78.95%.

At December 31, 2018, the Company had a concentration of accounts receivable from four customers, totaling 99.56%.

Major Vendors

During the three months ended March 31, 2019 and 2018, Elite had three vendors that approximated 51% of purchases and four vendors that approximated 75% of purchases, respectively.

NOTE 6 – EQUITY

As noted in Note one on December 14, 2017, the Company acquired all of the issued and outstanding shares of Elite. The acquisition was accounted for as a recapitalization of the Company. The former shareholders of Elite received 600,000,000 shares in the Company.

Preferred Stock

The Company has 10,000,000 preferred shares authorized with a par value of $0.001 per share with no issued and outstanding at March 31, 2019 and December 31, 2018.

Common Stock

During the year ended December 31, 2017, the Company issued 600,000,000 shares of common stock to former shareholders of Elite for 100% of the issued and outstanding shares of Elite.

The Company has 1,000,000,000 common shares authorized with a par value of $0.001 per share with 774,708,585 and 774,596,085 shares issued and outstanding at March 31, 2019 and December 31, 2018.

On February 18, 2019, the Company issued 112,500 shares of common stock of which 37,500 previously recorded as common stock issuable for the three months ended March 31, 2019 with a fair value of $22,000.

NOTE 7 – PREPAID EXPENSES

Prepaid Expense represents the payment tendered to a manufacturer to produce product. For the three months ended March 31, 2019 and December 31, 2018, the company had $10,883 and $13,258 respectively.

NOTE 8 – LOAN RECEIVABLE

On June 15, 2018, the Company entered into Royalty Participation Agreement with Stemtech Corporation. The Company loaned $100,000 to Stemtech Corporation to be used as working capital. The loan is interest free and due twelve months from the effective date. In consideration for the $50,000 loan from the Company, Stemtech will pay a percentage from the sales, licensing or disposition of its products or other revenue. The royalty payments equal to the great of $10,000 or one percent of all "gross revenue" received by the company during the month based on (i) the sale, license, development, commercialization or monetization of the products and (ii) all gains on disposition of any products or assets or other income until the earlier of (A) the closing of the Reorganization and purchase and Sale Agreement between the Stemtech Corporation and the Company or (B) 12 months from execution of this agreement.

On June 22, 2018, the Company entered into Royalty Participation Agreement with Stemtech Corporation. The Company loaned $50,000 to Stemtech Corporation to be used as working capital. The loan is interest free and due twelve months from the effective date. In consideration for the $50,000 loan from the Company, Stemtech will pay a percentage from the sales, licensing or disposition of its products or other revenue. The royalty payments equal to the great of $5,000 or one half percent of all "gross revenue" received by the company during the month based on (i) the sale, license, development, commercialization or monetization of the products and (ii) all gains on disposition of any products or assets or other income until the earlier of (A) the closing of the Reorganization and purchase and Sale Agreement between the Stemtech Corporation and the Company or (B) 12 months from execution of this agreement.

For the three months ended March 31, 2019 and year ended December 31, 2018, the Company recorded loan receivable of $150,000.

On December 19, 2018, the Company filed suit against StemTech Corporation ("Stem Tech") in the Circuit Court of the 17th Judicial Circuit, in and for Broward County, Florida for breach of contract for failure to make monthly royalty payments pursuant to a written secured royalty participation agreement. On February 20, 2019, StemTech filed a motion to dismiss due to the contracts being unenforceable for criminally usury.

NOTE 9 - COMMITMENTS

Royalty agreements

On December 14, 2017, the Company entered into a Royalty Agreement with a group of unrelated investors. The purpose of this Agreement is for the Company to utilize this license to develop produce, market, promote, distribute and enhance the existing prototype for its use within the United States of America. Royalty payments will be tendered on a quarterly basis beginning February 1, May1, August 1, and November 1 of each year during the term of this agreement.

Lease agreements

On February 1, 2018 the Company entered into a three-year lease agreement with a related party in Sunrise, Florida commencing February 1, 2018 through January 31, 2021 for aggregate rent of $155,988 The amount is to be paid monthly over the term of the lease term along with 3 percent increases per annum. A deposit of $1,250 was tendered to secure the lease. On January 1, 2019, the Company entered into an additional lease for extra office space with a related party for an additional aggregate rent of $105,840. The additional monthly rent is $2,940 per month with an option to renew for three additional years

On March 11, 2019, the Company's subsidiary CannberryTek, LTD, entered into a 5-year lease in the State of Israel with an option to extend for an additional five years. The Company will pay a monthly rent of $700 per month for the first 24 months and $2,800 per month for the next 36 months under the terms of the agreement.

Employment agreement

On January 1, 2019, the Company entered into a one-year Director Agreement with Dan Oran, related party at a monthly base salary of $12,500 in addition to the following compensation (See Note 4):

- Director directly arranges or directly provides equity funding for Company; the Director will be entitled to 5% of net proceeds of such funding.
- Director directly arranges or directly provides debt funding for Company; the Director will be entitled to 2.5% of net proceeds of such funding.
- In the event Director directly arranges for an acquisition of or by the Company the Director shall be entitled to compensation of 5% of the acquisition.
- In the event Director initiates business for Company, Director shall be entitled to commission equal to 20% of the net proceeds received by Company.

On February 1, 2019, the Company's subsidiary Cannberrytek, Ltd. entered into a one-year employment agreement with Niv Yonani, a related party, for an average base salary of $91,000 per year (See Note 4).

On February 1, 2019, the Company's subsidiary Cannberrytek, Ltd. entered into a one-year employment agreement with Hanoch Tempelhof, a related party, for an average base salary of $56,000 per year (See Note 4).

Consulting agreements

In February 2018, Elite entered into an additional consulting agreement for a monthly fee of $7,500 and 10% future generation of sales on a month to month basis.

On March 2, 2018, the Company entered into an Advisory Board Agreement with an individual that has expertise in the Hemp business and also has expertise in public companies. This agreement is for four months and consideration is for $25,000 worth of the Company's common stock payable at $0.035 a share.

On November 1, 2018, the Company entered into an Advisory Board Agreement with a consultant. This agreement will remain in effect for one month. In connection with this agreement, the consultant will receive a compensation of 4,375 common stock shares with a fair value of $875 ($0.20/share) plus $875 payable in cash for total compensation of $1,750. In accordance agreement, the Company issued 4,375 shares of common stock for services for the year ended December 31, 2018 (See Note 4).

On November 15, 2018, the Company entered into an Independent Contractor Agreement. This agreement will continue until February 14, 2019. In connection with this agreement, the Contractor will receive a monthly compensation of 37,500 common stock shares with a fair value of $7,500 plus 5% of the gross sales excluding shipping and handling costs, taxes and related delivery fees that were originated specifically by Contractor. In accordance agreement, the Company recorded 37,500 shares of common stock issuable for services for the year ended December 31, 2018. The shares were issued on February 15, 2019.

On December 1, 2018 the Company entered into a Directors agreement with a Director to serve as a Corporate Director. The agreement will continue until November 30, 2020. In connection with this agreement, the Director will receive a monthly compensation of 21,667 common stock shares with a fair value of $4,333. In addition:

- Director directly arranges or directly provides equity funding for Company; the Director will be entitled to 5% of net proceeds of such funding payable in 2.5% cash and 2.5% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.
- Director directly arranges or directly provides debt funding for Company; the Director will be entitled to 2.5% of net proceeds of such funding payable in 1.25% cash and 1.25% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.
- In the event Director directly arranges for an acquisition of or by the Company the Director shall be entitled to compensation of 5% of the acquisition payable 2.5% cash and 2.5% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.
- In the event Director directly arranges for a sale or distribution agreement for the Company's products or services, Director shall be entitled to companion of 5% of the sale payable 2.5% cash and 2.5% shares of common stock. The number of shares will be determined by OTC Markets for the previous 20 trading days prior to closing.

In accordance with the agreement the Company accrued $13,000 as a consulting expense for the shares due on the terms of the agreement (See Note 4).

In accordance with the December 1, 2018 agreement, the Company issued 32,917 shares of common stock for the year ended December 31, 2018 (See Note 4).

On January 1, 2019, the Company entered into a three-year consulting agreement for a monthly fee of $12,150 in addition to the following compensation:

- The consultant directly arranges or directly provides equity funding for Company, the Director will be entitled to 5% of net proceeds of such funding.
- The consultant directly arranges or directly provides debt funding for Company, the Director will be entitled to 2.5% of net proceeds of such funding.
- In the event the Consultant directly arranges for an acquisition of or by the Company the Director shall be entitled to compensation of 5% of the acquisition.
- In the event the Consultant initiates business for Company, Director shall be entitled to commission equal to 20% of the net proceeds received by Company.

In February 25, 2019, Elite entered into A consulting agreement for a monthly fee of 10% gross sales. During the three months ended March 31, 2019, the Company paid $306 to the consultant.

Growing Rights

On October 2, 2018, the Company received preliminary approval from the eSwatini Ministry of Economic Planning and Development to establish an exclusive growing farm and processing plant for medical cannabis and hemp in The Kingdom of eSwatini f/k/a Swaziland.

On October 31, 2018, the Company executed a joint venture term sheet with South African Ventures, Inc. f/k/a Stem Ventures, Inc. ("South African Ventures") to become the only licensed growing farm and processing plant for medical cannabis and hemp in The Kingdom of eSwatini. As a condition of the term sheet, South African Ventures was to deliver to Escrow Agent the sum of Two Million Five Hundred Thousand Dollars ($2,500,000.00) as a deposit against a $5,000,000 Investment.

On January 11, 2019, South African Ventures delivered to the Escrow Agent the sum of $2,500,000.00 as a deposit against a $5,000,000 investment to become the only licensed growing farm and processing plant for medical cannabis and hemp in The Kingdom of eSwatini.

On February 15, 2019, South African Ventures delivered to the Company and Escrow Agent an extension to March 15, 2019 of the Escrow Agreement for the $ 2,500,000 deposit to become the only licensed growing farm and processing plant for medical cannabis and hemp in the Kingdom of eSwatini with instructions to release $ 75,000 as payment for license when applicable.

On March 29, 2019, the Company executed a letter of intent to receive a temporary license to prepare farm located at Hatzeva 37 Arava, Israel to grow and cultivate Medical Cannabis on 10,000 square meters therein with the intent to receive a permanent license to grow, cultivate, distribute and export Medical Cannabis.

On April 2, 2019, South African Ventures delivered to the Company and Escrow Agent an extension to May 1, 2019 of the Escrow Agreement with instructions to release $100,000 to prepare land in eSwatini to grow Hemp & Cannabis according to strict GMP standards including but not limited to soil & water reports.

Distribution Rights

On November 7, 2018, the Company through its operating subsidiary Elite Products, International, Inc. acquired the exclusive brick and mortar distribution rights to Cheech and Chong men's grooming products with hemp in the United States and Israel and their related internet websites. Elite has also acquired other distribution rights.

On November 27, 2018, Elite granted a Distributor the exclusive distribution rights for Mexico and Argentina with first year minimum guarantee of $ 500,000 and 20% growth per year thereafter to retain exclusivity.

On February 12, 2019, the Company granted a Distributor the right to distribute its Products to kosher markets in Florida and New York. A Kosher market shall be considered an establishment that Kosher foods are sold. Kosher foods are those that conform to the Jewish dietary regulations of kashrut (dietary law), primarily derived from Leviticus and Deuteronomy.

On February 19, 2019, the Company granted a distributor the rights to sell its products at mall carts and kiosks in Florida and New York.

On March 21, 2019, the Company granted a Distributor the rights to sell its products in Paraguay, Chile and Brazil.

NOTE 10 – LOAN PAYABLE – RELATED PARTY

On November 9, 2018, the Company entered into a secured loan agreement with a related party in the amount of $5,000. Pursuant to the terms of the loan, the loan is bearing 5% interest, secured and is due on demand.

On February 11, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $35,000. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before February 11, 2021.

On February 14, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $400. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before February 14, 2021.

On March 4, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $30,000. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before March 4, 2021.

On March 8, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $1,250. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before March 8, 2020.

On March 19, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $19,255. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before March 19, 2020.

On March 21, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $20,000. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before March 21, 2021.

On March 21, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $6,000. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before March 21, 2021.

On March 27, 2019, the Company's subsidiary entered into an unsecured loan agreement with a related party in the amount of $9,411. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before March 27, 2020.

NOTE 11 – SUBSEQUENT EVENTS

On April 1, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $25,000. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before April 1, 2021.

On April 11, 2019, the Company's subsidiary CannberryTek, LTD, entered into a one-year lease in the State of Israel. The Company will pay a monthly rent of approximately $3,400 per month under the terms of the agreement.

On April 16, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $7,500. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before April 16, 2021.

On April 18, 2019, the Company entered into an unsecured loan agreement with Eran Meytal, in the amount of $19,587. Pursuant to the terms of the loan, the loan is bearing 4% interest, secured and is due on April 17, 2020.

On April 29, 2019, the Company entered into an unsecured loan agreement with Yonathan Zilberman, in the amount of $165,306. Pursuant to the terms of the loan, the loan is bearing 4% interest, secured and is due on April 28, 2020.

On May 1, 2019 the Company's subsidiary Cannberrytek, Ltd. entered into a one-year employment agreement with Liora Lifshitz for an average base salary of $18,800 per year.

On May 6, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $10,000. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before May 6, 2021.

On May 7, 2019, the Company entered into an unsecured loan agreement with a related party in the amount of $10,000. Pursuant to the terms of the loan, the loan is due on demand. If demand for payment has not theretofore been made, all payments of principal and interest shall be due on or before May 7, 2021.

On May 7, 2019, the Company issued 366,667 shares of common stock in consideration of $55,000 pursuant to subscription agreement.

On May 15, 2019, the Company issued 200,000 shares of common stock in consideration of $25,000 pursuant to subscription agreement.