

BETWORK INDUSTRIES, INC.

A Nevada Corporation

704 39th Street
Suite 130
Fort Pierce, FL 34947

800.772.1650
www.betw-ind.com
info@betw-ind.com
1623

Annual Report For the Period Ending: May 31, 2019 (the “Reporting Period”)

As of May 31, 2019, the number of shares outstanding of our Common Stock was:

37,682,256

As of May 31, 2018, the number of shares outstanding of our Common Stock was:

23,682,256

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No: (Double-click and select “Default Value” to check)

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Bettwork Industries, Inc.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The Company was incorporated on September 24, 1993 as Nostrad Telecommunications, Inc. in the state of Nevada. In May 2003, the Company changed its name to Skunk Work Technologies, Inc. In February 2004, the Company then 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 then changed its name to 3P Networks, Inc. In October 2008, the Company changed its name to Kender Energy, Inc. Lastly, in July 2014, the Company changed its name to Bettwork Industries, Inc.

The Company is currently in good standing with the state Nevada.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

2) Security Information

Trading Symbol: BETW:OTCPINK

<u>Exact title and class of securities outstanding:</u>	Common Stock
<u>CUSIP:</u>	488810102
<u>Par Value:</u>	\$0.001
<u>Total Shares Authorized:</u>	300,000,000 Common Shares as of May 31, 2019 10,000,000 Preferred (Blank as of May 31, 2019

Check)

<u>Total Shares Outstanding:</u>	37,682,256 Common as of 5/31/2019 0 Preferred as of 5/31/2019
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<u>Approximate Number of "Free Trading" Shares:</u>	2,348,139 as of 5/31/2019
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<u>Approximate Number Shareholders of Record:</u>	348 as of 5/31/2019
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Transfer Agent:

Pacific Stock Transfer
6725 Via Austin Parkway, Suite 300
Las Vegas, NV 89119
1 (800) 785- 7782

Is the Transfer Agent registered under the Exchange Act: Yes

List any restrictions on the transfer of securities

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

The Company acquired 100% of Process Cellular, Inc. on April 8, 2019. (see notes to financial statements)

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Number of Shares outstanding as of <u>May 31, 2018</u>	Opening Balance: Common: <u>23,682,256</u> Preferred: <u>0</u>		*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
<u>July 3, 2018</u>	<u>New Issuance</u>	<u>7,000,000</u>	<u>Common</u>	<u>\$5,250,000</u>	<u>Yes</u>	<u>Monaker Group, Inc.*</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Rule 506(b)</u>
<u>August 31, 2018</u>	<u>New Issuance</u>	<u>6,000,000</u>	<u>Common</u>	<u>\$3,000,000</u>	<u>Yes</u>	<u>Robert Harden, Jr</u>	<u>Employment</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>August 31, 2018</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$500,000</u>	<u>Yes</u>	<u>Robert Harden, III</u>	<u>Employment</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
Shares Outstanding <u>May 31 2019:</u>	Ending Balance: Common: <u>37,682,256</u> Preferred: <u>0</u>								

*Monaker Group, Inc. is publicly traded company (MKGI:NASDAQ) with no majority owner. William Kirby is the CEO.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

See notes to financial statements.

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)²:

Name: **John DellaDonna**
 Title: **CPA**
 Relationship to Issuer: **None**

The Financial statements are included in Exhibit A attached hereto.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Under guidance from management, the Company has become a provider of turnkey network solution in the telecommunications infrastructure market. Our subsidiary companies provide program management, engineering, construction, maintenance and installation services for telecommunications providers. We also offer additional services for electric and gas utilities. We provide the labor, tools and equipment necessary to design, engineer, locate, maintain, expand, install and upgrade the infrastructure of our customers.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

N/A

- C. Describe the issuers' principal products or services, and their markets

The Company's principal business is infrastructure construction related to cellular tower installations. In addition, the Company manages those assets described under Item 6, below.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The company leases office space at 704 39th Street, Fort Pierce, Florida. Currently the Company has certain assets purchased from the following assets from the Monaker Group, Inc.

Voyage Library / Website / YouTube channel (40,000 visitors per month). The library, YouTube Channel and website had approximately \$8 million spent on creating them.

10% ownership in Launch 360 (includes RRTV and 1 hour airtime every day).

Home&AwayClub technology platform and ICE partnership.

The Company acquired 100% of Process Cellular, Inc, a California corporation. (see notes to financial statements)

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% of more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Glenn Asaff</u>	<u>Director/CEO</u>	<u>Naples, FL</u>	<u>0</u>	<u>_____</u>	<u>0%</u>	<u>_____</u>
<u>Ashvin Mascarenhas</u>	<u>Chairman/President</u>	<u>Vero Beach, FL</u>	<u>21,080,000</u>	<u>Common</u>	<u>55.9%</u>	See Below
<u>Russell Natrass</u>	<u>Director</u>	<u>Vista, CA</u>	<u>0</u>	<u>_____</u>	<u>0%</u>	<u>_____</u>
<u>Tanyon Sturtze</u>	<u>Director</u>	<u>Delray Beach, FL</u>	<u>0</u>	<u>_____</u>	<u>0%</u>	<u>_____</u>
<u>Cornelius "Lamar" Stokes</u>	<u>CFO</u>	<u>Durham, NC</u>	<u>0</u>		<u>0%</u>	
<u>Monaker Group, Inc.</u>	<u>Beneficial Owner</u>	<u>Westin, FL</u>	<u>6,142,856</u>		<u>16.3%</u>	
<u>Robert Harden, Jr</u>	<u>Beneficial Owner</u>	<u>Vista, CA</u>	<u>6,000,000</u>		<u>15.92%</u>	

Additional discussions have been held regarding the business developments contemplated by these issuances of shares. As of date of this filing, a portion of the transactions have not materialized. Therefore, the management team has decided to withhold the following shares, which are kept by the corporate attorney, ready to be issued to new business partners in a close future:

- Vlado Hreljanovic, 15,080,000 shares
- Calston Assets Inc, 2,000,000 shares
- Richmond Capital, 2,000,000 shares
- Siliegio Holdings, 2,000,000 shares

Ashvin Mascarenhas has the voting rights of the 15,080,000 shares in the name of Vlado P Hreljanovic.

Crystal Falls Investments, LLC has the voting rights of 6,000,000 shares held equally by Siliegio Holdings, Richmond Capital and Calston Assets, Inc. Crystal Falls Investments, LLC is controlled by Ashvin Mascarenhas.

We are in process of issuing to, Ashvin Mascarenhas, 5,000,000 shares in a Preferred 'A' class of stock that controls 55% of the vote and converts on a 1 to 1 basis into common stock. We are in the process of issuing to Crystal Falls Investments, LLC 2,000,000 shares of stock for the retirement of certain debt in the form of a Preferred 'B' class. The Preferred 'B' will convert on a 1 to 1 basis.

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

William Eilers
Eilers Law Group, P.A.
149 S. Lexington Ave.
Asheville, NC 28801
786.273.9152
admin@eilerslawgroup.com

Accountant or Auditor

JDDACPA LLC
3131 Piedmont Ave
Atlanta, Ga 30305
404-826-3902

Investor Relations Consultant

None.

Other Service Providers

None.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Glenn Asaff certify that:

1. I have reviewed this Annual Report for the year ended May 31, 2019 of Bettwork Industries, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

10/21/2019 [Date]

/s/ Glenn Asaff [CEO's Signature]

Principal Financial Officer:

I, Cornelius "Lamar" Stokes certify that:

1. I have reviewed this Annual Report for the year ended May 31, 2019 of Bettwork Industries, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

10/21/2019 [Date]

/s/ Lamar Stokes [CFO's Signature]

Exhibit A.

Betwork Industries, Inc
Financial Statements for the Year Ended
May 31, 2019
(UNAUDITED)

BETWORK INDUSTRIES, INC.
Year Ended May 31, 2019

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BETWORK INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	May 31, 2019	May 31, 2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 100,387	\$ 12,630
Accounts receivable, net of allowance for doubtful accounts	2,921,081	40,000
Reserve due from factor	88,105	-
Notes receivable	529,160	-
Total current assets	3,638,733	52,630
 PROPERTY AND EQUIPMENT, net	 25,520	 -
 OTHER ASSETS		
Prepaid employment contracts	2,975,000	-
Prepaid consulting	791,774	-
Licenses and other assets	5,744,200	5,803,625
Security deposit	10,975	-
Total assets	\$ 13,186,202	\$ 5,856,255
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,281,876	\$ 117,945
Factored invoices sold	587,368	-
Notes payable to related parties	230,527	-
Loans payable to third parties	253,395	-
Notes payable to third parties	421,220	950,567
Total current liabilities	3,774,386	1,068,512
 LONG TERM NOTES PAYABLE	 -	 4,500,000
Total liabilities	3,774,386	5,568,512
 STOCKHOLDERS' EQUITY		
Common stock; 300,000,000 shares authorized, \$.001 par value, as of May 31, 2019 and 2018, there are 37,682,256 and 23,682,256 shares outstanding, respectively		
	37,682	100,618
Additional paid-in capital	22,871,976	10,256,943
Accumulated deficit	(13,497,842)	(10,069,818)
Total stockholders' equity	9,411,816	287,743
Total liabilities and stockholders' equity	\$ 13,186,202	\$ 5,856,255

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

BETWORK INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended May 31, 2019 and 2018

(Unaudited)

	May 31, 2019	May 31, 2018
Revenue:		
Construction contracts	\$ 3,459,254	\$ -
Total revenue	3,459,254	-
Cost of construction contracts	2,300,460	-
Gross profit	1,158,794	-
Operating Expenses:		
Salaries and benefits, includes stock-based \$525,000	781,158	-
Selling, general and administrative expenses, includes stock-based services \$ 329,170	805,288	79,471
Depreciation expense	1,500	-
Total operating expenses	1,587,946	79,471
Loss from operations	(429,152)	(79,471)
Other income (expenses):		
Gain on sale of assets	4,900	-
Interest expense	(109,322)	(5)
Interest income	2	-
Total other income (expenses)	(104,420)	(5)
Loss before provision for income taxes	(533,572)	(79,466)
Provision for income taxes	-	-
Net loss	\$ (533,572)	\$ (79,466)
Basic and diluted loss per common share	\$ (.01)	\$ (.00)
Weighted average common shares outstanding- basic and diluted	37,682,256	23,882,256

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

BETWORK INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended May 31, 2019 and 2018

(Unaudited)

	May 31, 2019	May 31, 2018
OPERATING ACTIVITIES		
Net (loss)	\$ (533,572)	\$ (79,466)
Adjustments to reconcile net income (loss) to net cash provided (used) in operating activities:		
Depreciation expense	1,500	-
Issuance of common stock for services	854,170	-
Net change from business combination of subsidiary on April 8, 2019	221,884	
Changes in operating assets and liabilities:		
Accounts receivable	40,000	-
Notes receivable	(529,160)	(59,425)
Accounts payable and accrued expenses	32,935	1,521
Net cash provided (used) in operating activities	87,757	(137,370)
INVESTING ACTIVITIES		
Net cash provided in investing activities	-	-
FINANCING ACTIVITIES		
Proceeds from related parties	-	150,000
Net cash provided by financing activities	-	150,000
NET INCREASE IN CASH	87,757	12,630
CASH BALANCE, BEGINNING OF PERIOD	12,630	-
CASH BALANCE, END OF PERIOD	\$ 100,387	12,630
Supplemental Disclosures of Cash Flow Information:		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -
Non-cash Investing and Financing Activities:		
Issuance of 7,000,000 shares of common stock for services	\$ 3,500,000	\$ -

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

BETWORK INDUSTRIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended May 31, 2019 and 2018

(Unaudited)

NOTE A – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Betwork Industries, Inc. (the “Company”) was incorporated on September 24, 1993 as Nostrad Telecommunications, Inc. in the state of Nevada. In May 2003, the Company changed its name to Skunk Work Technologies, Inc. In February 2004, the Company then 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 then changed its name to 3P Networks, Inc. In October 2008, the Company changed its name to Kender Energy, Inc. Lastly, in July 2014, the Company changed its name to Betwork Industries, Inc.

The Company has become a provider of turnkey network solution in the telecommunications infrastructure market. Our subsidiary companies provide program management, engineering, construction, maintenance and installation services for telecommunications providers. We also offer additional services for electric and gas utilities. We provide the labor, tools and equipment necessary to design, engineer, locate, maintain, expand, install and upgrade the infrastructure of our customers.

On April 8, 2019, the Company executed an acquisition agreement to acquire 100% of the issued and outstanding common shares of Process Cellular, Inc. (“PCI”).

PCI was incorporated on September 10, 2010 in the State of California.

PCI is a turnkey general contractor that specializes in the telecommunications industry and structural engineering. The Company is committed to implementing, developing, improving strategies, management systems and processes to ensure that all of its construction activities uphold the highest level of safety performance.

Principles of Consolidation

The unaudited consolidated financial statements include the accounts of Betwork Industries, Inc., and its wholly owned subsidiaries. See **NOTE C - ACQUISITION OF PROCESS CELLULAR, INC.**

Basis of Presentation

The accompanying unaudited financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) and in the opinion of management contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly, in all material respects, the Company’s consolidated financial position as at May 31, 2019, and the results of its operations for the years ended May 31, 2019 and 2018 and cash flows for the years ended May 31, 2019 and 2018. These statements reflect all normal and recurring adjustments that, in the opinion of management, are necessary for a fair presentation of the information contained herein.

Cash and Cash Equivalents

Investments having an original maturity of 90 days or less that are readily convertible into cash are considered to be cash equivalents. For the periods presented, the Company had no cash equivalents.

Income Taxes

In accordance with Accounting Standards Codification (ASC) 740 - Income Taxes, the provision for income taxes is computed using the asset and liability method. The asset and liability method measures deferred income taxes by applying enacted statutory rates in effect at the balance sheet date to the differences between the tax basis of assets and liabilities and their reported amounts on the financial statements. The resulting deferred tax assets or liabilities are adjusted to reflect changes in tax laws as they occur. A valuation allowance is provided when it is more likely than not that a deferred tax asset will not be realized.

We expect to recognize the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax positions meeting a “more-likely-than-not” threshold, the amount to be recognized in the financial statements will be the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. As of May 31, 2019, we had no uncertain tax positions. We recognize interest and penalties, if any, related to uncertain tax positions as general and administrative expenses. We currently have no foreign federal or state tax examinations nor have we had any foreign federal or state examinations since our inception. To date, we have not incurred any interest or tax penalties.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Financial Instruments and Fair Value of Financial Instruments

We follow ASC Topic 820, *Fair Value Measurements and Disclosures*, for assets and liabilities measured at fair value on a recurring basis. ASC Topic 820 establishes a common definition for fair value to be applied to existing US GAAP that requires the use of fair value measurements that establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC Topic 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1:	Observable inputs such as quoted market prices in active markets for identical assets or liabilities
Level 2:	Observable market-based inputs or unobservable inputs that are corroborated by market data
Level 3:	Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The carrying value of financial assets and liabilities recorded at fair value is measured on a recurring or nonrecurring basis. Financial assets and liabilities measured on a recurring basis are those that are adjusted to fair value each time a financial statement is prepared. Financial assets and liabilities measured on a non-recurring basis are those that are adjusted to fair value when a significant event occurs. Except for derivative liabilities, we had no financial assets or liabilities carried and measured on a recurring or nonrecurring basis during the reporting periods.

Derivative Liabilities

We evaluate stock options, stock warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under the relevant sections of ASC Topic 815-40, *Derivative Instruments and Hedging: Contracts in Entity's Own Equity*.

The result of this accounting treatment could be that the fair value of a financial instrument is classified as a derivative instrument and is marked-to-market at each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income or other expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Financial instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815-40 are reclassified to a liability account at the fair value of the instrument on the reclassification date.

Long-lived Assets

Long-lived assets such as property and equipment and intangible assets are periodically reviewed for impairment. We test for impairment losses on long-lived assets used in operations whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. Impairment evaluations involve management's estimates on asset useful lives and future cash flows. Actual useful lives and cash flows could be different from those estimated by management which could have a material effect on our reporting results and financial positions. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with obtaining debt financing. These costs are amortized ratably and charged to financing expenses over the term of the related debt.

Equity Instruments Issued to Non-Employees for Acquiring Goods or Services

Issuances of our common stock or warrants for acquiring goods or services are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The measurement date for the fair value of the equity instruments issued to consultants or vendors is determined at the earlier of (i) the date at which a commitment for performance to earn the equity instruments is reached (a “performance commitment” which would include a penalty considered to be of a magnitude that is a sufficiently large disincentive for nonperformance) or (ii) the date at which performance is complete.

Although situations may arise in which counter performance may be required over a period of time, the equity award granted to the party performing the service may be fully vested and non-forfeitable on the date of the agreement. As a result, in this situation in which vesting periods do not exist if the instruments are fully vested on the date of agreement, we determine such date to be the measurement date and will record the estimated fair market value of the instruments granted as a prepaid expense and amortize such amount to expense over the contract period. When it is appropriate for us to recognize the cost of a transaction during financial reporting periods prior to the measurement date, for purposes of recognition of costs during those periods, the equity instrument is measured at the then-current fair values.

Related Parties

A party is considered to be related to us if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with us. Related parties also include our principal owners, our management, members of the immediate families of our principal owners and our management and other parties with which we 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. A party which can significantly influence the management or operating policies of the transacting parties, or if it has 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, is also a related party.

Revenue Recognition

Revenue from product sales is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) the price is fixed or determinable, (3) collectability is reasonably assured, and (4) delivery has occurred.

Factoring Receivables

On September 5, 2018, the Company entered into a Factoring and Security agreement with Thermo Credit, LLC. The maximum advance is stated at \$ 1,500,000 with a two year term. There is an advanced rate up to 85% of purchased eligible accounts if dilution is less than 5%. This amount includes the unbilled with daily advances. Factoring fees are 1.10% of invoices outstanding 1-30 days from date of purchase of the invoice by Thermo plus an additional 0.55% for every 15 day or part thereof beyond 30 days from date of purchase of the invoice by Thermo.

Advertising Costs

Advertising costs are expensed as incurred.

Loss per Share

We compute net loss per share in accordance with FASB ASC 260. The ASC specifies the computation, presentation and disclosure requirements for loss per share for entities with publicly held common stock.

Basic loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed on the basis of the weighted average number of common shares and dilutive securities (such as stock options, warrants and convertible securities) outstanding. Dilutive securities having an anti-dilutive effect on diluted net loss per share are excluded from the calculation.

Recently Enacted Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers, which supersedes nearly all prior revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under prior U.S. GAAP. As amended by the FASB in July 2015, the standard became effective for annual periods beginning after December 15, 2017, and interim periods therein. ASU 2014-09 has had no impact on our Financial statements for the year ended May 31, 2019.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), to provide guidance on recognizing lease assets and lease liabilities on

the balance sheet and disclosing key information about leasing arrangements, specifically differentiating between different types of leases. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from all leases. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous GAAP. There continues to be a differentiation between finance leases and operating leases. However, the principal difference from previous guidance is that the lease assets and lease liabilities arising from operating leases should be recognized in the balance sheet. The accounting applied by a lessor is largely unchanged from that applied under previous GAAP. The amendments will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients that entities may elect to apply. These practical expedients relate to the identification and classification of leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. An entity that elects to apply the practical expedients will, in effect, continue to account for leases that commence before the effective date in accordance with previous GAAP unless the lease is modified, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP. The Company does not expect the impact of ASU 2016-02 on its future financial statements to be significant.

In March 2016, the FASB issued ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations, to clarify the implementation guidance on principal versus agent considerations and address how an entity should assess whether it is the principal or the agent in contracts that include three or more parties. The effective date and transition requirements for these amendments are the same as the effective date and transition requirements of ASU 2014-09 (discussed above). ASU 2016-08 has had no impact on our Financial statements for the year ended May 31, 2019.

In April 2016, the FASB issued ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, to clarify the following two aspects of Topic 606: 1) identifying performance obligations, and 2) the licensing implementation guidance. The effective date and transition requirements for these amendments are the same as the effective date and transition requirements of ASU 2014-09 (discussed above). ASU 2016-10 has had no impact on our Financial statements for the year ended May 31, 2019.

NOTE B - GOING CONCERN

Under ASC 205-40, we have the responsibility to evaluate whether conditions and/or events raise substantial doubt about our ability to meet our future obligations as they become due within one year after the date the financial statements are issued. As required by this standard, our evaluation shall initially not take into consideration the potential mitigating effects of our plans that have not been fully implemented as of the date the financial statements are issued.

In performing the first step of this assessment, we concluded that the following conditions raise substantial doubt about our ability to meet our financial obligations as they become due. As of May 31, 2019, the Company had cash of \$100,387, total current liabilities of \$3,774,386, and negative working capital of \$135,653. For the year ended May 31, 2019, we incurred a net loss of \$533,572. We expect to continue to incur net losses until such time as our business generates sufficient cash inflows to finance our operations and debt service requirements.

In performing the second step of this assessment, we are required to evaluate whether our plans to mitigate the conditions above alleviate the substantial doubt about our ability to meet our obligations as they become due within one year after the date that the financial statements are issued. Our future plans include securing additional funding sources.

There is no assurance that sufficient funds required during the next year or thereafter will be generated from operations or that funds will be available through external sources. The lack of additional capital resulting from the inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material effect on the business. Furthermore, there can be no assurance that any such required funds, if available, will be available on attractive terms or that they will not have a significant dilutive effect on the Company's existing shareholders.

The accompanying consolidated financial statements have been prepared on a going-concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the uncertainty related to our ability to continue as a going concern.

NOTE C - ACQUISITION OF PROCESS CELLULAR, INC.

As discussed in **Note A**, the Company acquired 100% ownership of Process Cellular, Inc. on April 8, 2019 as a "Business Combination". The closing consideration is an asset backed revolving line of credit (LOC) with mutually agreed upon terms. The LOC has the following: \$1,500,000 minimum first tranche.

Details regarding the book values and fair values of the net assets of Process Cellular, Inc. are as follows:

As of April 8, 2019

Item	Book value	Fair value
Cash	\$ 176,671	\$ 176,671
Accounts receivable (net)	2,498,981	2,498,981
Reserve due from factor	40,287	40,287
Other current assets	23,815	23,815
Fixed assets	1,041,359	1,041,359
Accumulated depreciation	(1,014,339)	(1,014,339)
Building security deposit	10,975	10,975
Accounts payable and accrued expenses	(2,445,861)	(2,445,861)
Factored invoices sold	(540,359)	(540,359)
Notes and loans payable	(493,524)	(493,524)
Total	<u>\$ (701,995)</u>	<u>\$ (701,995)</u>

NOTE D – NOTES PAYABLE TO RELATED PARTIES

Notes payable to related parties consist of:

	May 31, 2019	May 31, 2018
Note payable-M. Harden	\$ 157,500	\$ -
Note payable-A. Mascarenhas	4,027	-
Note payable-L. Eckhart	69,000	-
Total loans payable	<u>\$ 230,527</u>	<u>\$ -</u>

All notes accrue interest at 7% annum.

On February 22, 2018, the Company executed a promissory note to pay M. Harden the sum of \$ 8,000,00 with interest from February 22, 2018, on the unpaid principal at the rate of 7% per annum.

On May 31, 2018, the Company executed a promissory note to pay M. Harden the sum of \$ 10,500,00 with interest from May 31, 2018, on the unpaid principal at the rate of 7% per annum.

On June 7, 2018, the Company executed a promissory note to pay L. Eckert the sum of \$ 40,000,00 with interest from June 7, 2018, on the unpaid principal at the rate of 7% per annum.

On July 17, 2018, the Company executed a promissory note to pay L. Eckert the sum of \$ 45,000,00 with interest from July 17, 2018, on the unpaid principal at the rate of 7% per annum.

On February 28, 2019, the Company executed a promissory note to pay M. Harden the sum of \$ 135,000,00 with interest from February 28, 2019, on the unpaid principal at the rate of 7% per annum.

Accrued interest on the above notes aggregate \$ 9,053 as of May 31, 2019 and \$ 0 as of May 31, 2018.

NOTE E - NOTES PAYABLE TO THIRD PARTIES

Notes payable to third parties consist of:

	May 31, 2019	May 31, 2018
Note payable-Monaker	\$ 198,867	\$ 750,000
Note payable-ATech, LLC	1,786	-
Note payable-Other	220,567	200,567
Total current	<u>421,220</u>	<u>950,567</u>
Long-term portion-Monaker	<u>-</u>	<u>-</u>

		4,500,000
Total notes	\$ 421,220	\$ 5,450,567

Accrued interest on the above notes aggregate \$ 31,129 as of May 31, 2019 and \$ 15,565 as of May 31, 2018.

-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 30, 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 US\$ 8,750 (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 a shares at conversion price of \$.80 per share 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 favor of for an amount of US\$ 8,312, 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 US\$ 8,312 was sold by MEDoctor (Europe) SA for an undisclosed amount to Crystal Falls LLC, a Wyoming LLC, PO Box 643550, Vero Beach, Florida 32964.
- On Aug 31st, 2017, the Company entered into a Purchase Agreement (the "Purchase Agreement") with the Monaker Group. Pursuant to the Purchase Agreement, Bettwork purchased:

○ Voyage Library / Website / YouTube channel (40,000 visitors per month). The library, YouTube Channel and website had approximately \$8 million spent on creating them.

- 10% ownership in Launch 360 (includes RRTV and 1 hour airtime every day).
- Home&AwayClub technology platform and ICE partnership.

The various elements purchased have been provisionally valued at a total value of US\$ 2,900,000. Thereby, the long-term liability of the Company towards the seller, the Monaker Group, is of US\$ 2,900,000. During the coming quarter, the valuation may be adjusted. Also, it is quite likely that the liability related to this purchase shall be converted into common shares in Bettwork.

- On August 31, 2017, the Company entered into an Assignment and Novation Agreement (the “Assignment”) with Monaker Group and Crystal Falls Investments, LLC (“Crystal Falls”), which entity purchased Monaker Group’s 51% membership interest in Name Your Fee, LLC in May 2016, in consideration for among other things, \$750,000 evidenced by a Promissory Note (the “Name Your Fee Note”). Pursuant to the Assignment, the Name Your Fee Note, which had a principal balance of \$750,000 as of the date of the Assignment, was assigned from Crystal Falls to the Company, Monaker Group agreed to only look for the repayment of the Name Your Fee Note, Bettwork agreed to repay the Name Your Fee Note pursuant to its terms, and provided Crystal Falls a novation of amounts owed thereunder. Crystal Falls also released Monaker Group from any and all claims in connection with such Name Your Fee Note and any other claims which Crystal Falls then had. The Assignment also amended the Name Your Fee Note to include an option which allows Monaker Group to convert the amount owed under the Name Your Fee Note into shares of Bettwork common stock at a conversion price of \$1.00 per share.
- On May 31st, 2018 the Company entered into a Right to Own Acquisition Agreement (“the Agreement”) whereby Bettwork acquired 12 parcels of land on Long Caye, Lighthouse Reef Belize. In consideration for the acquisition Bettwork agreed to pay Seller Manaker Group \$1,600,000 in the form of a Secured Convertible Promissory Note. The conversion option allows Monaker Group to convert the Note into common.
- On July 3, 2018, and effective as of July 2, 2018, the Bettwork entered into a Debt Conversion Agreement (the “Debt Conversion Agreement”), whereby Monaker Group converted the \$5,250,000 of principal amount owed under the Bettwork Notes into 7,000,000 shares of common stock of Bettwork at \$0.75 per share. The Debt Conversion Agreement provided that the Bettwork Shares were issued in exchange for the Bettwork Notes and in consideration for the full retirement and payment in full thereof, with the Company forgiving any accrued and unpaid interest thereon, and not in connection with the conversion of the Bettwork Notes pursuant to their terms.

On August 31, 2018 the Company entered into five year employment contracts with Robert Harden Jr and Robert Harden III and as part of the agreements issued 6,000,000 Common shares of Bettwork at \$.50 per share to Robert Harden Jr and 1,000,000 Common shares at \$.50 per share to Robert Harden III. The amount attributed to the Common shares has been set up as prepaid employment costs and is amortized over the five year terms of the contract,

- On October 19, 2018 the Company executed a promissory note with Monaker Group Inc of 2893 Executive Park Drive, for the value received of \$230,000. The term for this note was from October 19, 2018 to February 28th, 2019. As of November 30, 2018, the amount outstanding on the note was \$190,000. Subsequent to the quarter end, on March 12, 2019, the maturity date of the note was extended to August 31, 2019 and the Lender was given the option to convert at any time prior to the payment in full by the Company the option to convert the then outstanding Principal Amount balance and any accrued interest under the Promissory Note (or any portion thereof), into shares of common stock of the Company at a Conversion Price equal \$0.75 per Share.

NOTE F - CAPITAL STOCK

Preferred Stock

None issued as of May 31, 2019.

Common Stock

On July 3, 2018, the Company issued 7,000,000 restricted shares of common stock to Monaker Group, Inc. for debt conversion.

On August 31, 2018, the Company issued 6,000,000 restricted shares of common stock to Robert Harden, Jr. for employment services

On August 31, 2018, the Company issued 1,000,000 restricted shares of common stock to Robert Harden, III for employment services

NOTE G - COMMITMENTS AND CONTINGENCIES

Lease Agreements

The Company leases office space at 704 39th Street, Fort Pierce, Florida. The term of the lease commenced on January 1, 2019 and shall terminate on December 31, 2021. The annual base rent is sixty thousand dollars, plus Florida sales tax, payable in equal consecutive monthly installments.

The subsidiary company, "PCI", leases space at 3020 West Harvard Street, Santa Ann, California. The term of the triple net lease commenced on August 1, 2017 and shall terminate on July 1, 2037 at an annual rate of nineteen thousand dollars.

Service Agreements

On April 10, 2019, the Company accepted and agreed to an employment agreement with a start date of January 1, 2019. Robert Harden, Jr., an employee of the Company, will receive an annual salary of \$ 231,000 per year, payable semi-monthly, \$ 1,200 monthly car allowance, and \$ 3,000 per month in per diem. Employee shall be entitled to receive a cash bonus under the terms based on the net profits of the Company with a maximum annual incentive bonus of \$300,000 (at the sole discretion of the Board and may be payable in cash or stock options with a strike price of \$1.00). See **Note F** for equity participation with a 3-year hold period.

On April 10, 2019, the Company accepted and agreed to an employment agreement with a start date of January 1, 2019. Robert Harden, III., an employee of the Company, will receive an annual salary of \$ 160,000 per year, payable semi-monthly, \$ 1,200 monthly car allowance, and \$ 3,000 per month in per diem. Employee shall be entitled to receive a cash bonus under the terms based on the net profits of the Company with a maximum annual incentive bonus of \$300,000 (at the sole discretion of the Board and may be payable in cash or stock options with a strike price of \$1.00). See **Note F** for equity participation with a 3-year hold period.

NOTE H – SUBSEQUENT EVENTS

The subsidiary company, "PCI", entered into a lease agreement for space at 1391 Specialty, Suite A, Vista, California. The term of the lease commences on October 1, 2019 and shall terminate on January 31, 2025. After the first four months of lease expense in the amount of \$ 20,415, the following five years lease expenses are \$ 20,071, \$ 29,990, \$ 30,890, \$ 31,816 and \$ 32,771.