

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.

UNAUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2017

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.
BALANCE SHEETS
(UNAUDITED)

	DECEMBER 31,	
	2017	2016
ASSETS;		
Current Assets:		
Cash	\$ -	\$ -
Accounts receivable	-	-
Tax refund	-	-
Sundry assets	-	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ -	\$ -
Note Payable	-	-
	<hr/>	<hr/>
Total Current Liabilities	-	-
	<hr/>	<hr/>
Stockholders' Equity		
Common stock		
247,000,000 shares authorized, par value \$0.001 each		
70,196,490 shares issued and outstanding at December 31, 2017	70,196	70,196
70,196,490 shares issued and outstanding at December 31, 2016		
Additional Paid-In Capital	9,627,578	9,627,578
	<hr/>	<hr/>
Accumulated deficit	(9,697,774)	(9,697,774)
	<hr/>	<hr/>
Total Stockholders' Equity	-	-
	<hr/>	<hr/>
TOTAL LIABILITES & STOCKHOLDERS' EQUITY	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

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

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.
STATEMENT OF OPERATIONS
(UNAUDITED)

	YEAR ENDED	
	DECEMBER 31,	
	2017	2016
Revenue:		
Income	\$ -	\$ -
Total Income	-	-
Operating expenses		
General and administrative	-	-
Total Operating Expenses	-	-
DISCONTINUED OPERATIONS	-	-
Net Income(Loss)	\$ -	\$ -
Per Share Information:		
Weighted average number of common shares outstanding	70,196,490	70,196,490
Net Income(Loss) per common share - Basic and fully diluted	\$ -	\$ -

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

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.
STATEMENT OF CASH FLOWS
(UNAUDITED)

	YEAR ENDED	
	DECEMBER 31,	
	2017	2016
Cash Flows from Operating Activities:		
Net income(loss)	\$ -	\$ -
Adjustments to reconcile net income(loss) to net cash used in operating activities		
Accounts receivable	-	-
Sundry assets	-	-
Accounts Payable	-	-
Net Cash Provided By(Used In) Operating Activities	-	-
Cash Flows from Financing Activities:		
Increase(decrease) in Notes Payable	-	-
Issuance of stock for cash	-	-
Net Cash Provided By(Used In) Financing Activities	-	-
Net Change in Cash	-	-
Cash and Cash Equivalents - Beginning of Year	-	-
Cash and Cash Equivalents - End of Year	\$ -	\$ -

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

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	<u>COMMON STOCKS</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u># of Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>Deficit</u>	<u>Equity</u>
Balance - January 1, 2017	70,196,490	\$ 70,196	\$ 9,627,578	\$ (9,697,774)	\$ -
Net Income(Loss) - December 31, 2017	-	-	-	-	-
Balances - December 31, 2017	70,196,490	\$ 70,196	\$ 9,627,578	\$ (9,697,774)	\$ -

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

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.

Notes to Financial Statements

December 31, 2017

(Unaudited)

Note 1 - Organization and Summary of Significant Accounting Policies:

Organization:

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC. (the “Company”) was incorporated in the State of Nevada on July 25, 2001.

In October 2017, the Company changed its domicile from Nevada to North Carolina through a merger with a North Carolina company.

The Company’s fiscal year end is December 31.

The Company ceased operations in 2013.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. In the opinion of management, these financials include all necessary adjustments to make them not misleading.

Cash and Cash Equivalents:

The Company considers all highly liquid debt instruments, purchased with an original maturity of three months or less, to be cash equivalents.

Use of Estimates:

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of assets and liabilities, and correspondingly revenues and expenses, depends on future events, the preparation of financial statements for any period necessarily involves the use of estimates and assumption an example being assumptions in valuation of stock options. Actual amounts may differ from these estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.

Notes to Financial Statements

December 31, 2017

(Unaudited)

Note 1 - Organization and Summary of Significant Accounting Policies:(continued)

Net Loss Per Share:

Net loss per share is based on the weighted average number of common shares and common shares equivalents outstanding during the period.

Other Comprehensive Income:

The Company has no material components of other comprehensive income (loss), and accordingly, net income(loss) is equal to comprehensive loss in all periods.

Foreign Exchange Translation:

The accounts of the Company are accounted for in accordance with the Statement of Financial Accounting Standards No. 52 ("SFAS 52"), "Foreign Currency Translation". The financial statements of the Company are translated into US dollars as follows: assets and liabilities at year-end exchange rates; income, expenses and cash flows at average exchange rates; and shareholders' equity at historical exchange rate.

Monetary assets and liabilities, and the related revenue, expense, gain and loss accounts, of the Company are re-measured at year-end exchange rates. Non-monetary assets and liabilities, and the related revenue, expense, gain and loss accounts are re-measured at historical rates. Adjustments which result from the re-measurement of the assets and liabilities of the Company are included in net income.

Stock-Based Compensation

In December 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment" (SFAS 123 (R)). SFAS 123 (R) requires companies to recognize compensation cost for employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The Company adopted the provisions of SFAS 123 (R) on January 1, 2005 using the "modified prospective" application method of adoption which requires the Company to record compensation cost related to unvested stock awards as of January 1, 2005 by recognizing the unamortized grant date fair value of these awards over the remaining service periods of those awards with no change in historical reported earnings. The adoption of this standard has not affect the financial statements for the year ended December 31, 2005, since up to that date, no stock options had been issued. Awards granted after December 31, 2006 are valued at fair value in accordance with the provisions of SFAS 123 (R) and recognized on a straight-line basis over the service periods of each award.

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.

Notes to Financial Statements

December 31, 2017

(Unaudited)

Note 1 - Organization and Summary of Significant Accounting Policies:(continued)

Stock-Based Compensation

As of December 31, 2017 there was \$Nil of unrecognized expense related to non-vested stock-based compensation arrangements granted. There have been no options granted during the year ended December 31, 2017.

Note 2 – Federal Income Taxes:

The Company has made no provision for income taxes because there have been no operations to date causing income for financial statements or tax purposes.

The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards Number 109 (“SFAS 109”). “Accounting for Income Taxes”, which requires a change from the deferred method to the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of “temporary differences” by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

Deferred tax assets

Net operating loss carry-forwards	\$ 9,697,774
Valuation allowance	<u>(9,697,774)</u>
Net deferred tax assets	<u>\$ 0</u>

At December 31, 2017 the Company had net operating loss carry forwards of approximately \$9,697,774.

The Company experienced a change in control during the year and therefor no more than an insignificant portion of this net operating allowance will ever be used against future taxable income.

INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.

Notes to Financial Statements

December 31, 2017

(Unaudited)

Note 3 – Going Concern

The Company's financial statements have been prepared on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company has earned no revenue from operations in the current period ended December 31, 2017, and has an accumulated deficit of \$9,697,774. The Company's ability to continue as a going concern is dependent upon its ability to develop additional sources of capital or ultimately acquire an entity which the Company hopes will become profitable at some time in the near future. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties. Management is seeking new capital to revitalize the Company.

Note 4 – Financial Accounting Developments:

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

Note 5 – Subsequent Events:

There are no other events of a subsequent nature that in management's opinion are reportable.

Pursuant to an amended consent judgment order filed with the State of North Carolina on December 14, 2017, the Company will issue 18,500,000 shares of common stock as free trading shares exempt from registration pursuant to Section 3(a)(10) of the Securities Act of 1933 to a controlling shareholder, and a control block of 100,000,000 shares of common stock will be issued to be held in the treasury by the Company.

CERTIFICATION

I, Angela Collette, acting CEO hereby certify that I have prepared the accompanying unaudited financial statements and notes hereto, and that these financial statements and accompanying notes present fairly, in all material respects, the financial position of the issuer and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

**s/s Angela Collette
Angela Collette, Acting CEO**