10-K 1 pfwi201610k.htm FORM 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2016**

OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-30380

PETRONE WORLDWIDE, INC.
(Exact name of registrant as specified in its charter)

Nevada	**87-0652348**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2200 N. Commerce Parkway **Weston, Florida**	**33326**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(855) 297-3876**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $0.001 Par Value
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
oYES þNO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
oYES þNO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. oYES þNO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). þYES oNO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in a definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
oYES þNO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer (Do not check if a smaller reporting company)	o	Smaller reporting company	þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). o YES NO þ

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold as of the last business day of the registrant's most recently completed second fiscal quarter: $3,302,830 as of June 30, 2016.

Indicate by check mark whether the registrant is an "emerging growth company" as defined in Section 2(a) of the Securities Act and Section 3(a) of the Exchange Act. Yes __ No _x__

Indicate by check mark whether the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act and Section 13(a) of the Exchange Act. __

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. 30,156,897 shares of common stock are outstanding as of May 4, 2017.

DOCUMENTS INCORPORATED BY REFERENCE

None

PETRONE WORDWIDE, INC.
FORM 10-K
December 31. 2016

TABLE OF CONTENTS

3

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Information included in this annual report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Petrone Worldwide, Inc. (the "Company"), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

PART I

ITEM 1. BUSINESS.

In this report, unless the context requires otherwise, references to the "Company", "Petrone Worldwide", "we", "us" and "our" are to Petrone Worldwide, Inc.

Overview

We are an exclusive importer/exporter and distributor of commercial grade tableware products, decorative hotel guest room amenities, lavatory and bathroom fixtures and furniture, food and beverage service items, and trendy accessories for the Asian and the European marketplaces. Our exclusive brands include Front of the House and Room 360.

Our founder, Victor Petrone, has spent over 20 years building a significant global network of buyers, comprised of distributors, hotels, resorts, cruise lines, and restaurants, for premium, chic, environmentally-conscious products and services. We have sales and marketing and product development expertise primarily in the hospitality business in Europe and Asia. We currently sell and market our product line we act as an exclusive distributor primarily to companies in the hospitality trade. Our product lines consist of vendor approved items for key accounts, which include large hotel groups, such as Marriott Hotel Brands, The Four Seasons Hotel & Resorts, Hilton Worldwide, Hyatt Hotels & Resorts, Starwood Hotel & Resorts, and Fairmont Hotel & Resorts, and smaller hotel chains and upscale restaurants.

We have been managing our cash needs through sales of our common stock for fulfillment (manufacturing, packaging and shipment), and hope that the cashflow through our sales will eliminate our need to sell stock and that future orders will be self-funding. Once our business becomes cashflow positive, we intend to raise additional funds through common stock offerings to provide working capital to finance several acquisitions. We also intend to continue to strengthen our balance sheet by paying off debt either through issuance of equity in exchange for cancellation of debt obligations or the payment of debt obligations with cash. For a summary of our unregistered sales of securities, please see "**Recent Financings**" below.

Organization

On January 29, 2014 and effective March 3, 2014, we entered into a purchase agreement (the "Purchase Agreement") with Petrone Food Works, Inc. ("PFW") and the shareholder of PFW. Pursuant to the Purchase Agreement, we acquired 100% of PFW's issued and outstanding common stock from the PFW shareholder in exchange for the issuance of 11,760,542 shares of our common stock, representing 98.4% of the outstanding common stock, (the "Exchange"), after giving effect to a 1-for-500 reverse stock split (the "Reverse Stock Split") which resulted in 195,607 common shares outstanding prior to the Exchange for liabilities of $30,000. Accordingly, the PFW shareholder became a shareholder of the Company and PFW became a subsidiary of the Company. The Exchange has been accounted for as a reverse-merger and recapitalization since the stockholder of PFW obtained voting and management control of our Company. PFW is the acquirer for financial reporting purposes and we are the acquired company. Consequently, the assets and liabilities and the operations reflected in the historical financial statements prior to the Exchange are those of PFW and were recorded at the historical cost basis of PFW, and the consolidated financial statements after completion of the Exchange included the assets and liabilities of both the Company and PFW and our consolidated operations from the closing date of the Exchange. All share and per share data in the accompanying consolidated financial statements have been retroactively restated to reflect the effect of the Reverse Stock Split and recapitalization. PFW was formed under the laws of the State of Nevada in October 2013.

On December 1, 2016, we amended our Articles of Incorporation to increase its authorized shares from 110,000,000 shares to 910,000,000 shares. The capital stock of the Corporation is divided into two classes: (1) Common Stock in the amount of 900,000,000 shares, having par value of $0.001 each, and (2) Preferred Stock in the amount of 10,000,000 shares, having par value of $0.001 each.

Recent Financings

Equity Purchase Agreement and Registration Rights Agreement

On October 24, 2016 (the "Closing Date"), we entered into an equity purchase agreement (the "Purchase Agreement") with Peak One Opportunity Fund, L.P. ("Peak One"), whereby, upon the terms and subject to the conditions thereof, Peak One is committed to purchase shares of our common stock (the "Purchase Shares") at an aggregate price of up to $5,000,000 (the "Total Commitment Amount") over the course of its 24-month term.

From time to time over the 24-month term of the Purchase Agreement, commencing on the date on which a registration statement registering the Purchase Shares (the "Registration Statement") becomes effective, we may, in our sole discretion, provide Peak One with a put notice (each a "Put Notice") to purchase a specified number of the Purchase Shares (each a "Put Amount Requested") subject to the limitations discussed below and contained in the Purchase Agreement. Upon delivery of a Put Notice, we must deliver the Put Amount Requested as Deposit Withdrawal at Custodian ("DWAC") shares to Peak One within two (2) trading days.

The actual amount of proceeds we receive pursuant to each Put Notice (each, the "Put Amount") is to be determined by multiplying the Put Amount Requested by the applicable purchase price. The purchase price for each of the Purchase Shares equals 90% of the "Market Price," which is defined as the lesser of the (i) lowest closing bid price of our common stock for any trading day during the ten (10) trading days immediately preceding the date of the respective Put Notice, or (ii) lowest closing bid price of the common stock for any trading day during the seven (7) trading days immediately following the clearing date associated with the applicable Put Notice (the "Valuation Period"). Within three (3) trading days following the end of the Valuation Period, Peak One will deliver the Put Amount to us via wire transfer.

The Put Amount Requested pursuant to any single Put Notice must have an aggregate value of at least $15,000, and cannot exceed the lesser of (i) 200% of the average daily trading value of the common stock in the ten (10) trading days immediately preceding the Put Notice or (ii) such number of shares of common stock that has an aggregate value of $100,000.

In order to deliver a Put Notice, certain conditions set forth in the Purchase Agreement must be met, as provided therein. In addition, we are prohibited from delivering a Put Notice if: (i) the sale of Purchase Shares pursuant to such Put Notice would cause us to issue and sell to Peak One, or Peak One to acquire or purchase, a number of shares of our common stock that, when aggregated with all shares of common stock purchased by Buyer pursuant to all prior Put Notices issued under the Purchase Agreement, would exceed the Total Commitment Amount; or (ii) the sale of the Commitment Shares pursuant to the Put Notice would cause us to issue and sell to Buyer, or Buyer to acquire or purchase, an aggregate number of shares of common stock that would result in Buyer beneficially owning more than 4.99% of the issued and outstanding shares of our common stock.

Unless earlier terminated, the Purchase Agreement will terminate automatically on the earlier to occur of: (i) 24 months after the initial effectiveness of the Registration Statement, (ii) the date on which Peak One has purchased or acquired all of the Purchase Shares, or (iii) the date on which certain bankruptcy proceedings are initiated with respect to the Company. In connection with the execution of the Purchase Agreement, we agreed to issue 650,000 shares of our common stock (the "Commitment Shares") to Peak One or Peak One's designee as a commitment fee.

On the Closing Date, and in connection with the Purchase Agreement, we also entered into a registration rights agreement (the "Registration Rights Agreement") with Peak One whereby we are obligated to file the Registration Statement to register the resale of the Commitment Shares and Purchase Shares. Pursuant to the Registration Rights Agreement, we must (i) file the Registration Statement within thirty (30) calendar days from the Closing Date, (ii) use reasonable efforts to cause the Registration Statement to be declared effective under the Securities Act of 1933, as amended (the "Securities Act"), as promptly as possible after the filing thereof, but in any event no later than the 90th calendar day following the Closing Date, and (iii) use its reasonable efforts to keep such Registration Statement continuously effective under the Securities Act until all of the Commitment Shares and Purchase Shares have been sold thereunder or pursuant to Rule 144.

On February 6, 2017, we filed a registration statement on Form S-1 to register the resale of the underlying shares that Peak One may purchase. Peak One agreed to waive any claim that the Company was in breach of the Purchase Agreement due to filing the registration statement more than 30-days following the consummation of the transaction.

The foregoing descriptions of the Purchase Agreement and Registration Rights Agreement are qualified in their entirety by reference to such Purchase Agreement and Registration Rights Agreement, which are filed hereto as Exhibits 10.1 and 10.2, respectively, to our current report on Form 8-K filed with the SEC on October 28, 2016, and are incorporated herein by reference.

We claim an exemption from the registration requirements of the Securities Act, for the private placement of these securities pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder because, among other things, the transaction did not involve a public offering, Buyer is an accredited investor, Buyer acquired the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

Securities Purchase Agreement and Debenture

On October 24, 2016 (the "Issuance Date"), we entered into a securities purchase agreement (the "SPA") with Buyer, whereby Buyer agreed to invest up to $346,500 (the "Purchase Price") in our Company in exchange for the convertible debentures, upon the terms and subject to the conditions thereof. Pursuant to the SPA, we issued a convertible debenture to Buyer on October 26, 2016, in the original principal amount of $85,000, which bears interest at 0% per annum (the "First Debenture"). The Buyer paid the portion of the Purchase Price associated with the First Debenture, consisting of $76,500 (minus the applicable fees under the SPA), to us in cash on October 26, 2016. Each convertible debenture issued pursuant to the SPA, coupled with the accrued and unpaid interest relating to each convertible debenture, is due and payable three years from the issuance date of the respective convertible debenture. Any amount of principal or interest that is due under each convertible debenture, which is not paid by the respective maturity date, will bear interest at the rate of 18% per annum until it is satisfied in full. Additionally, the Buyer has the right at any time to convert amounts owed under each convertible debenture into shares of our common stock at the closing price of the Common Stock on September 8, 2015. Each debenture shall contain representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

The Buyer is entitled to, at any time or from time to time, convert each convertible debenture issued under the SPA into shares of our common stock, at a conversion price per share (the "Conversion Price") equal to either: (i) if no event of default has occurred under the respective convertible debenture and the date of conversion is prior to the date that is one hundred eighty (180) days after the issuance date of the respective convertible debenture, $0.25, or (ii) if an event of default has occurred under the respective convertible debenture or the date of conversion is on or after the date that is one hundred eighty (180) days after the issuance date of the respective convertible debenture, the lesser of (a) $0.25 or (b) sixty five percent (65%) of the lowest closing bid price of the common stock for the twenty (20) trading days immediately preceding the date of the date of conversion (provided, further, that if either the Company is not DWAC operational at the time of conversion or the common stock is traded on the OTC Pink at the time of conversion, then sixty five percent (65%) shall automatically adjust to sixty percent (60%)), subject in each case to equitable adjustments resulting from any stock splits, stock dividends, recapitalizations or similar events.

We may redeem each convertible debenture issued under the SPA, upon not more than two (2) days written notice, for an amount (the "Redemption Price") equal to: (i) if the Redemption Date (as defined below) is ninety (90) days or less from the date of issuance of the respective convertible debenture, One Hundred Five percent (105%) of the sum of the Principal Amount so redeemed plus accrued interest, if any; (ii) if the Redemption Date is greater than or equal to ninety one (91) days from the date of issuance of the respective convertible debenture and less than or equal to one hundred twenty (120) days from the date of issuance of the respective convertible debenture, One Hundred Ten percent (110%) of the sum of the Principal Amount so redeemed plus accrued interest, if any; (iii) if the Redemption Date is greater than or equal to one hundred twenty one (121) days from the date of issuance of the respective convertible debenture and less than or equal to one hundred fifty (150) days from the date of issuance of the respective convertible debenture, One Hundred Twenty percent (120%) of the sum of the Principal Amount so redeemed plus accrued interest, if any; (iv) if the Redemption Date is greater than or equal to one hundred fifty one (151) days from the date of issuance of the respective convertible debenture and less than or equal to one hundred eighty (180) days from the date of issuance of the respective convertible debenture, One Hundred Thirty percent (130%) of the sum of the Principal Amount so redeemed plus accrued interest, if any; and (v) if either (1) the respective convertible debenture is in default but the Buyer consents to the redemption notwithstanding such default or (2) the Redemption Date is greater than or equal to one hundred eighty one (181) days

from the date of issuance of the respective convertible debenture, One Hundred Forty percent (140%) of the sum of the Principal Amount so redeemed plus accrued interest, if any. The date upon which the respective convertible debenture is redeemed and paid shall be referred to as the “Redemption Date” (and, in the case of multiple redemptions of less than the entire outstanding Principal Amount, each such date shall be a Redemption Date with respect to the corresponding redemption).

The foregoing descriptions of the SPA and First Debenture are qualified in their entirety by reference to such SPA and First Debenture, which are filed as Exhibits 10.3 and 4.1, respectively, to our current report on Form 8-K filed with the SEC on October 28, 2016, and are incorporated herein by reference

We claim an exemption from the registration requirements of the Securities Act, for the private placement of these securities pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder because, among other things, the transaction did not involve a public offering, Buyer is an accredited investor, Buyer acquired the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

Securities Purchase Agreement and Note

On November 18, 2016 (the “Closing Date”), we consummated a transaction with an accredited investor (“Buyer”), whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the “SPA”), Buyer agreed to invest up to $340,000 (the “Purchase Price”) in our Company in exchange for a convertible promissory note in the principal amount of $400,000 (the “Note”). The Note carries a prorated original issue discount of $60,000 and bears interest at the rate of 6% per year. On the Closing Date, the Buyer funded the first tranche under the Note, consisting of $34,000 in cash. Each tranche funded under the Note (each a “Tranche”), coupled with the accrued and unpaid interest relating to that respective Tranche, is due and payable twelve months from the funding date of the respective Tranche. Any amount of principal or interest that is due under each Tranche, which is not paid by the respective maturity date, will bear interest at the rate of 22% per annum until it is satisfied in full. The Buyer is entitled to, at any time or from time to time, convert each Tranche under the Note into shares of our common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price of the common stock for the twenty (20) trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the Note. In connection with the issuance of the Note and SPA, we agreed to issue 450,000 shares of our common stock to Buyer. The Note contains representations, warranties, events of default, beneficial ownership limitations, prepayment options, and other provisions that are customary of similar instruments.

The foregoing descriptions of the SPA and Note are qualified in their entirety by reference to such form of SPA and Note, which are filed as Exhibits 10.1 and 4.1, respectively, to our current report on Form 8-K filed with the SEC on December 2, 2016, and are incorporated herein by reference

We claim an exemption from the registration requirements of the Securities Act, for the private placement of these securities pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder because, among other things, the transaction did not involve a public offering, Buyer is an accredited investor, Buyer acquired the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

Securities Purchase Agreements and Notes

On February 13, 2017, we consummated a transaction with Labrys Fund, L.P. (“Buyer”), whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the “First SPA”), we issued a convertible promissory note in the principal amount of $110,000 (the “First Note”) to Buyer. The Company received proceeds of $100,000 in cash from the Buyer. The First Note bears interest at the rate of 12% per year. The First Note is due and payable six months from the issue date of the First Note. We may prepay the First Note at any time during the initial 180 days after the issue date of the First Note, without any prepayment penalty, by paying the face amount of the First Note plus accrued interest through such prepayment date. Any amount of principal or interest that is due under the First Note, which is not paid by the maturity date, will bear interest at the rate of 24% per annum until the First Note is satisfied in full. The Buyer is entitled to, at any time or from time to time, convert the First Note into shares of our common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price or closing bid price of our common stock for the twenty (20) trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the First Note. In connection with the issuance of the First Note, we agreed to issue 1,341,463 shares of our common stock (the “First Shares”) to Buyer, provided, however, that the First Shares must be returned to our treasury if we prepay the First Note as provided above. On February 20, 2017, we entered into an amendment to the First Note, whereby the Holder agreed to return the First Shares to treasury. The First Note contains representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

On February 21, 2017, we consummated a transaction with Buyer, whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the “Second SPA”), we issued a convertible promissory note in the principal amount of $65,000 (the “Second Note”) to Buyer. The Company received proceeds of $58,000 in cash from the Buyer. The Second Note bears interest at the rate of 12% per year. The Second Note is due and payable six months from the issue date of the Second Note. We may prepay the Second Note at any time during the initial 180 days after the issue date of the Second Note, without any prepayment penalty, by paying the face amount of the Second Note plus accrued interest through such prepayment date. Any amount of principal or interest that is due under the Second Note, which is not paid by the maturity date, will bear interest at the rate of 24% per annum until the Second Note is satisfied in full. The Buyer is entitled to, at any time or from time to time, convert the Second Note into shares of our common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price or closing bid price of our common stock for the twenty (20) trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the Second Note. In connection with the issuance of the Second Note, we issued 1,497,000 shares of our common stock (the “Second Shares”) to Buyer. The Second Note contains representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

The foregoing descriptions of the First SPA, Second SPA, First Note, and Second Note are qualified in their entirety by reference to such First SPA, Second SPA, First Note, and Second Note, which are filed as Exhibits 10.1, 10.2, 4.1 and 4.2, respectively, to our current report on Form 8-K filed with the SEC on February 21, 2017, and are incorporated herein by reference

We claim an exemption from the registration requirements of the Securities Act, for the private placement of these securities pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder because, among other things, the transaction did not involve a public offering, Buyer is an accredited investor, Buyer acquired the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

Strategy, Sales, Marketing and Distribution

We continuously seek to extend our network of customers for the sale and distribution of the products. Our business strategy is to contract exclusively with successful manufacturers and develop their brand recognition and global sales through our established channels. As an exclusive importer/exporter and distributor, we believe we will generate increased gross profit margins resulting from fewer trade tariffs and logistics costs by bypassing the United States and delivering directly to buyers in foreign countries. This effectively eliminates U.S. trade duties and warehousing costs.

We believe that the overseas hospitality supply industry is highly diverse but fragmented in terms of manufacturers and distributors. In the markets we serve, there is an extensive assortment of products offered. However, suppliers and distributors are often out-of-stock and cannot fulfill orders on a timely basis. We believe that the he most attractive and immediate opportunities exist in the addressable segments of porcelain/tableware, lavatory fixtures, and utensils and other small equipment. These segments represent a multi-million dollar business in terms of annual revenues. For the companies that we represent and intend to represent, competition arises from large multi-national manufacturers and smaller manufacturers in specific countries or regions and in specific product niches. We cater to the mid to high star hospitality services industry and we believe our value proposition is superior to other competitors when considering depth of product offerings, quality and reliability, on-demand inventory, pricing and customer service support.

We serve as an exclusive importer/exporter and distributor and we seek to appoint sub-distributors (the “Sub-distributors”) in each country where we have distribution agreements with our suppliers. Under our policy and procedure guidelines, our Sub-distributors will act as agents for brands that we represent as they place lines into their established networks and we can provide the Sub-distributors with the right product mix at the right price and the right time, rather than relying on their inferior previous offerings.

To date, dealer/distributors have frequently conducted business by selling common, locally-manufactured products that cannot compete with our product offerings. These sub-distributors have existing warehouses and personnel (sales and marketing, operational, customer service and administrative) that conduct regional with procurement agents at hotels and restaurants. Traditionally, international hotel chains and restaurants have primarily purchased premium products from the United States, which is costly due to higher product costs and freight charges. Through us, hotel chains will be able to purchase at the local level, at lower prices and with a shorter delivery cycle. By outsourcing important functions to our sub-distributors, we expect to contain fixed overhead and to reduce costs and management time.

We also have seasoned in-house marketing skill sets that enable us to attract new customers at low costs. These skill sets include developing and launching new product brands. We will promote the brand or product with a communication strategy that is tailored strictly towards the customer's goals.

Additionally, on October 21, 2015, we entered into a memorandum of undertaking with Dewan & Sons (the “Memorandum of Undertaking”). In accordance with the terms and provisions of the Memorandum of Undertaking, we agreed to: (i) undertake warehousing and logistics on behalf of Dewan & Sons in the United States, which include customer service, warehousing, and logistics inclusive of drop shipments and corporate office branch presence; and (ii) stock and sell Dewan & Sons’ products to Mexico and South and Central America markets. On February 4, 2016 and effective March 15, 2016, in connection with formalizing the Memorandum of Undertaking, we entered into a Warehousing and Logistics Agreement (the “Warehousing Agreement”) with Dewan & Sons to undertake JIT (Just In Time) distribution to all Dewan & Sons customers in North America, which includes direct store delivery of Dewan & Sons’ products to retail store, thereby bypassing a retailer’s distribution center to increase inventory and reduce margins. Management believes that in light of increasing port delays, planning for safety stock has become a critical component to reducing fulfillment costs. We expect that our supply chain operational efficiency will bring optimum results with minimum budget expense for Dewan & Sons. We also believe that the further alliance with Dewan & Sons will allow for increased real-time communication with purchasing agents and reduction of minimum order quantities so that smaller, more frequent orders can be placed off-setting long term risks of holding too much inventory. Pursuant to the terms of the Warehousing Agreement, Dewan & Sons agreed to pay us a flat fee for devanning, palletizing, shrink wrapping, labeling and storage.

For the year ended December 31, 2016, two customers accounted for approximately 43.0% of total sales (28.0% and 15.0%, respectively). For the year ended December 31, 2015, five customers accounted for approximately 85.3% of total sales (21.9%, 13.7%, 22.1%, 13.3% and 14.3%, respectively). A reduction in sales from or loss of such customers would have a material adverse effect on our consolidated results of operations and financial condition.

Competition

Our business is highly competitive, with the principal competitive factors being customer service, price, product quality, new product development, brand name, delivery time and breadth of product offerings. Advantages or disadvantages in any of these competitive factors may be sufficient to cause the customer to consider changing providers of the kinds of products that we sell. Our competitors include large and small domestic and international manufacturers and distributors.

Sources and availability of products

For the years ended December 31, 2016 and 2015, we purchased all of our product from one supplier FOH, Inc., a company located in Miami, Florida ("FOH"). The loss of this supplier may have a material adverse effect on our consolidated results of operations and financial condition. We sell the following FOH product lines.

Front of the House Collection – FOH's "front of the house" product offering is comprised of all-encompassing dinnerware, buffet ware and serve wise collections. Specific items offered are high-quality porcelain dinnerware, kitchen accessories and utensils, cookware, serve ware, bar ware, display ware, glassware and tumblers, and table mats. All collections are designed to be mixed and matched as FOH explores the intersection of unique materials, colors, textures and bold shapes with an array of sizes.

The most actively sold line is FOH Porcelain, which transforms the ordinary into modern elegance. It consists of 11 trendy, complete collections and incorporates over 200 matching accessories. All collections feature a proprietary super white glaze and are manufactured for high volume commercial use. In the U.S., FOH is recognized for personalized and unrivaled customer service, high stock levels, same-day order processing and unparalleled 3-5 day ship time. We intend to replicate this for the international hospitality and restaurant communities.

room360° by FOH Collection - The room360° "back of the house" collection includes in-room accessory and amenity products, including waste baskets, ice buckets, in-room trays, glassware, personal care and coffee service accessories, tissue box covers and risers, amenity trays and soap dishes. The various collections are easy to clean and maintain, and they offer an array of features including faux leather, resin, stone, porcelain and all-natural porous materials (rubber wood, sugar cane, coconut wood and bamboo.) Add-on products consist of turn down trays, toilet paper holders, mugs, glassware, coffee accessory pieces and non-woven material bags.

Since 2013, Mr. Petrone has been representing the FOH product lines in international markets. FOH has been successful in designing and manufacturing smart, savvy and affordable commercial solutions. In the United States, the Front of the House and room360° by FOH collections customer base includes major U.S. hotel brands (national and independent), restaurant chains and food and beverage management companies. FOH is an allied member of the Green Hotels Association, which is committed to encouraging, promoting and supporting ecological consciousness in the hospitality industry.

We hold the exclusive import/export, distribution and licensing rights for Front of House and room360° by FOH collections in all of the sovereign states of Europe and India. Like FOH, room360° is also an allied member of the Green Hotels Association.

Distributorship Agreements

FOH, Inc.

On February 28, 2014, we entered into an international distributor agreement (the "FOH Distributor Agreement") with FOH. In accordance with the terms and provisions of the FOH Distributor Agreement: (i) FOH granted to us exclusive distribution rights to sell, market and distribute FOH's products (the "FOH Products") in the 50 internationally recognized sovereign states of Europe, including those that are not part of the European continent, as well as all of Asia, except for Israel (the "Territories"); (ii) FOH further granted to us a non-exclusive and non-transferable right and license to use the trademarks, tradenames and/or service marks identified or associated with the FOH Products or used by FOH in connection with the sale and promotion of the FOH Products; (iii) we are responsible to purchase the FOH Products directly from FOH for resale marketing and distribution by us to our customers in the Territories; (iv) the purchase price for the FOH Products we purchase shall be a price equal to a 35% of the then published catalog price for such FOH Product (the "Purchase Price"); (v) we shall purchase FOH Products in such quantifies as to fill a standard-sized 40 foot shipping container, but in no event shall the Purchase Price for any single order be less than $25,000; (v) we shall use our best efforts to promote, sell, service, support and otherwise market the FOH Products in the Territories, (vi) we shall pay the Purchase Price and shall incur further substantial time soliciting customers, advertising the FOH Products, sending direct mailings of FOH Product literature, demonstrating the FOH Products and participating in trade show representations; and (vii) based on FOH's reputation and goodwill and our requirement to observe clear standards of conduct, FOH shall have the right to terminate the FOH Distributor Agreement if: (a) we failure to place and pay for the requisite Minimum Order (defined below), (b) we fail to achieve the level of market penetration for the Products in the Territories as expected by

FOH, (c) our breach of any provision of the FOH Distributor Agreement, (d) our dissolution, insolvency or bankruptcy, (e) engagement in immoral or misrepresentation by us.

Minimum Order means (i) during the first calendar year, purchases by us from FOH with an aggregate Purchase Price of $500,000; (ii) during the second calendar year, purchases by us from FOH with an aggregate Purchase Price of $750,000; (iii) during third calendar year, purchases by us from FOH with an aggregate Purchase Price of $1,000,000; (iv) during the fourth calendar year, purchases by us from FOH with an aggregate Purchase Price of $1,500,000; and (v) during the fifth calendar year, purchases by us from FOH with an aggregate Purchase Price of $2,500,000. Through December 31, 2015, we complied with our minimum purchase commitments. We did not meet our 2016 minimum purchase amount of $1,000,000

Dewan & Sons

On April 23, 2015, we entered into a one-year exclusive distributorship agreement (the "Dewan Distributorship Agreement") with Dewan & Sons. Dewan & Sons is engaged in the business of manufacturing and selling stainless steel, copper, brass and aluminum small ware, buffet ware and tabletop goods under several distinctive trademarks, copyrights and other related intellectual property rights (the "Goods"). Pursuant to the terms of the Dewan Distributorship Agreement, Dewan & Sons granted us an exclusive distributorship effective from April 1, 2015 to March 31, 2016 to market, sell and distribute the Goods in the European Union, and we agreed to purchase the Goods from Dewan & Sons. Under the terms of the Dewan Distributorship Agreement, all customized and special orders require 100% prepayment and all products will be shipped FOB Moradabad. We are entitled to an incentive rebate, which shall be calculated and payable on incremental sales volume achieved above $500,000 as follows: (a) a 2% rebate up to $500,000, and (b) a 2.5% for $500,000 and above. Under the Dewan Distributorship Agreement, we agreed not to promote or offer for sales any third party's competitive products or services that are in direct or indirect competition to the Goods without prior written authorization from Dewan & Sons. The Dewan Distributorship Agreement can be terminated by either party by giving two months’ notice to the other party. Otherwise, the Dewan Distributorship Agreement renews automatically for a one-year periods. As of the date of this annual report, we did not generate any revenues from the Dewan Distributorship Agreement.

Star Distributors

On April 20, 2015, we entered into a two-year exclusive distributorship agreement (the "Star Distributorship Agreement") with Star Distributors Inc. ("Star Distributors"). Star Distributors is engaged in the business of manufacturing and selling power banks, blue tooth headphones, ear phones and selfie sticks under several distinctive trademarks, copyrights and other related intellectual property rights (the "Star Goods").

In accordance with the terms and provisions of the Star Distributorship Agreement: (i) Star Distributors agreed to grant to us an exclusive distributorship effective from April 20, 2015 to April 19, 2017 to market, sell and distribute the Star Goods in Europe, the Middle East, South and Central America and Canada; (ii) we agreed to purchase the Star Goods from Star Distributors pursuant to written purchase orders; (iii) all customized and special orders require 100% prepayment and all other orders shall require 50% advance pre-payment along with order and balance payment of 50% before shipment; and (iv) we are entitled to an incentive rebate which shall be calculated and payable on incremental sales volume achieved above $1,000,000 as follows: (a) a 2% rebate $1,000,000 through $1,250,000; and (b) a 3% rebate for $1,250,000 and above. In addition, we agreed not to promote or offer for sales any third party's competitive products or services that are in direct or indirect competition to the Star Goods without prior written authorization from Star Distributors. As of the date of this annual report, we did not generate any revenues from the Star Distributorship Agreement.

DecoLav, Inc.

During 2015 and part of 2016, we were an exclusive importer and distributor of DecoLav products within Europe and Asia. As of May 2016, we no longer act as an importer or distributor of DecoLav products and we did not generate any revenues from this agreement.

Business Plan

We plan to continue our marketing and sales efforts throughout Europe, Asia and the Middle East, to expand our operations into Central and South America, Mexico and the Caribbean, and to expand into the consumer electronics distribution business.

We have entered into distributorship agreements with certain prominent hospitality manufacturers to provide premium hotels and resorts with guest room amenities, lavatory and bathroom furniture, food and beverage service items, and decorative accessories on an international basis. See “Distributorship Agreements above.”

We also plan to offer our services to manufacturers who have a desire to sell and market their products abroad. We expect to facilitate the entire process from manufacturing plant to end-user in North America, Central America, South America, Europe and Asia by utilizing a process designed to quickly break through the barriers of entry into countries. We believe that our expertise of industry trends, combined with a deep knowledge of customer preference and trending ingredients, will be invaluable to our clients who are beginning to develop their proprietary concept and product.

In 2017, we also plan to provide packaging solutions to our clients in the future. We believe that we can offer our understanding of the complexities of food and beverage designs to assist clients in the development of successful package design, from simple packaging designs to the most intricate designs, and from counter displays, design of the package, design of the cap, lid or top, or even a master carton package.

On May 18, 2015 and as amended in October 2015 and January 2016, we executed a letter of intent (the "Letter of Intent") with Transpower Components (India) Pvt. Ltd., a company located in New Delhi, India ("Transpower Components") for the acquisition of Transpower Components. Transpower Components For the year ended December 31, 2015, five customers accounted for approximately 85.3% of total sales (21.9%, 13.7%, 22.1%, 13.3% and 14.3%, respectively). is engaged in the business of manufacturing aluminum foil containers consisting of steam table pans, rounds, squares, oblongs, ovals with coordinating aluminum board lids.

Pursuant to the amended Letter of Intent, we agreed to purchase, and Transpower Components agreed to sell, substantially all of its assets used in or necessary for the conduct of its aluminum foil container manufacturing business, including all related intellectual property, the fixed assets, customer lists and the goodwill associated therewith (the "Assets"). We agreed to pay an aggregate purchase price of $1,600,000 for the acquisition of Transpower Components to be paid in the form of 2 million shares of Company common stock (valued at $0.40 per share) and the balance in 24 equal installments of $33,333 commencing six months from the date on which the definitive sale agreement is executed. Pursuant to the terms of the October MOU, the parties agreed to enter into a definitive sale agreement by January 5, 2016. On January 5, 2016, the Company and Transpower amended the October MOU (the “January Amendment”). Pursuant to the terms of the January Amendment, the parties agreed to extend the date by which a definitive agreement must be executed by April 30, 2016. Pursuant to the terms of the Acquisition Agreement, substantially all of the employees of Transpower Distributors would continue their respective employment with Transpower Distributors.

As of the date of this annual report on Form 10-K, we cannot reasonably determine if we can obtain the necessary funding to close on the Acquisition Agreement and the timing of such closing cannot be determined. Upon completion, we expect that Transpower Distributors acquisition will expand our overall capability for disposables through Transpower Components’ low cost Indian location and allow us to significantly advance out disposable strategy throughout Europe, the United States, South and Central American, and further consolidate the already established market in India.

Warehousing and Logistics Agreement

On February 4, 2016, we entered into an agreement (the "Warehousing Agreement"), effective March 15, 2016, with Dewan & Sons ("Dewan & Sons"), a supply company located in the Moradabad District in the Indian State of Uttar Prodesh in India. In accordance with the terms of the Warehousing Agreement, we agreed to provide warehousing and logistics services for Dewan & Sons, which designated us as a warehouseman under Article 7 of the Uniform Commercial Code, as follows: (i) coordinate floor loaded import containers and their arrival at the facility, unload the merchandise and place on wooden pallets for storage; (ii) prepare each order for ships per Dewan & Sons instructions and ship nationally to their clients through preferred carriers; and (iii) act as a local liaison office of Dewan & Sons with direct interface with the logistics team of respective buyers. Pursuant to the terms of the Warehousing Agreement, Dewan & Sons agreed to pay us a flat fee for devanning, palletizing, shrink wrapping, labeling and storage.

In connection with this Warehousing Agreement, on March 8, 2016, we entered into a contract with Evolution Logistics Corp., a Miami based logistics company ("Evolution Logistics"), pursuant to which Evolution Logistics agreed to manage all of our transportation, warehousing and distribution from origin throughout the United States. Evolution Logistics is a freight forwarder company specializing in distribution to big box retailers, roll outs and expedites cargo. Management believes that it has state of the art operational platform with advanced technology that provides visibility from the purchase order level to the final distribution.

In August 2016, we began to generate revenues pursuant to the Warehousing Agreement and have begun to utilize the services of Evolution Logistics.

Trademark, Licenses and Intellectual Property

In accordance with the terms of our distributor agreements, we have been granted non-exclusive and non-transferable rights and licenses to use the trademarks, tradenames and/or service marks identified or associated with the products that we sell or promote.

Employees

Other than Victor Petrone, our chief executive officer, we do not have any employees. We have established a network of service providers and consultants in an effort to minimize administrative overhead and maximize efficiency.

ITEM 1A. RISK FACTORS.

You should carefully consider the risks, uncertainties and other factors described below because they could materially and adversely affect our business, financial condition, operating results and prospects and could negatively affect the market price of our common stock. Also, you should be aware that the risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we do not yet know of, or that we currently believe are immaterial, may also impair our business operations and financial results. Our business, financial condition or results of operations could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

In assessing these risks you should also refer to the other information contained in or incorporated by reference to this Annual Report on Form 10-K, including our financial statements and the related notes.

Risks Associated with Market Conditions

Slowdowns in the retail, travel, restaurant and bar or entertainment industries may negatively impact demand for our products.

Our business is dependent on business and personal discretionary spending in the retail, travel, and restaurant and bar or entertainment industries. Business and personal discretionary spending may decline during general economic downturns or during periods of uncertainty about economic conditions. In addition, austerity measures adopted by some governments may cause consumers in some markets that we serve to reduce or postpone spending. Consumers also may reduce or postpone spending in response to tighter credit, negative financial news, higher fuel and energy costs, higher tax rates and health care costs and/or declines in income or asset values. Additionally, expenditures in the travel, restaurant and bar or entertainment industries may decline after incidents of terrorism, during periods of geopolitical conflict in which travelers become concerned about safety issues, during periods of severe weather or during periods when travel or entertainment might involve health-related risks such as severe outbreaks, epidemics or pandemics of contagious disease.

We face intense competition and competitive pressures, which could adversely affect demand for our products and our results of operations and financial condition.

Our business is highly competitive, with the principal competitive factors being customer service, price, product quality, new product development, brand name, delivery time and breadth of product offerings. Advantages or disadvantages in any of these competitive factors may be sufficient to cause the customer to consider changing providers of the kinds of products that we sell.

Demand for our products may be adversely impacted by increased competitive pressures caused by the provision of subsidies by foreign countries to our competitors based in those countries; national and international boycotts and embargoes of other countries' or U.S. imports and/or exports; the raising of tariff rates on, or increase of non-tariff trade barriers that apply to, imports of our products to foreign countries; the lowering of tariff rates on imports into the U.S. of our foreign competitors' products; and other changes to international agreements that improve access to the U.S. market for our competitors.

In addition, the cost-competitiveness of our products may be adversely affected by inflationary pressures that cause us to increase the prices of our products in order to maintain their profitability. In that connection, some of our competitors have greater financial and capital resources than we do and continue to invest heavily to achieve increased production efficiencies. Competitors may have incorporated more advanced technology in their manufacturing processes, including more advanced automation techniques. Our labor and energy costs also may be higher than those of some foreign producers of glass tableware.

The cost-competitiveness of our products, as compared to foreign competition, also may be reduced as a result of major fluctuations in the value of the euro, the Indian Rupee which we refer to as the “INR” and the Chinese Yuan, which we refer to as the “RMB,” relative to the U.S. dollar and other major currencies. For example, if the U.S. dollar appreciates against the euro, the INR or the RMB, the purchasing power of those currencies effectively would be reduced compared to the U.S. dollar, making our U.S.-manufactured products more expensive in the euro zone, India and China, respectively, compared to the products of local competitors, and making products manufactured by our foreign competitors in those locations more cost-competitive with our products.

In some countries in which our suppliers purchase, including China, our ability to put fixed priced contracts in place is limited.

Risks Related to Our Business

We will require additional funds to expand our operations.

In connection with any expansion projects for our business, we will incur significant capital and operational expenses. We do not presently have any funding commitments other than our present credit arrangements which we do not believe are sufficient to enable us to expand our business. If we are unable to generate cash flow from operations and obtain necessary bank or other financing to pay for significant capital or operational expenses, we may be unable to finance the growth of our existing business, which may impair our ability to operate profitably. Because of our stock price and the worldwide economic situation, we may not be able to raise any additional funds that we require on favorable terms, if any. The failure to obtain necessary financing may impair our ability to expanse or business and remain profitable.

15

If we are unable to increase output or achieve operating efficiencies, the profitability of our business may be materially and adversely affected.

We may not be successful purchasing at our lower-cost manufacturing facilities or gaining operating efficiencies that may be necessary in order to ensure that our products and their prices remain competitive.

We are dependent on major customers. If we are unable to maintain good relationships with our existing customers, our business could suffer.

For the year ended December 31, 2016, two customers accounted for approximately 43.0% of total sales (28.0% and 15.0%, respectively). A reduction in sales from or loss of such customers would have a material adverse effect on our consolidated results of operations and financial condition. For the year ended December 31, 2015, five customers accounted for approximately 85.3% of total sales (21.9%, 13.7%, 22.1%, 13.3% and 14.3%, respectively).

Unexpected equipment failures may lead to production curtailments or shutdowns.
Our product supplier's processes are dependent upon critical materials-producing equipment, such as furnaces and forming machines. This equipment may incur downtime as a result of unanticipated failures, accidents, natural disasters or other *force majeure* events. We may in the future experience facility shutdowns or periods of reduced production as a result of such failures or events. Unexpected interruptions in the production capabilities would adversely affect our productivity and results of operations for the affected period.

The success of our businesses will depend on our ability to effectively develop and implement strategic business initiatives.

In connection with the development and implementation of our growth plans, we will incur additional operating expenses and capital expenditures. The development and implementation of these plans also requires management to divert a portion of its time from day-to-day operations. These expenses and diversions could have a significant impact on our operations and profitability, particularly if our plans for any new initiative prove to be unsuccessful. Moreover, if we are unable to implement any of our plans in a timely manner, or if those plans turn out to be ineffective or are executed improperly, our business and operating results would be adversely affected.

We are highly dependent on Victor Petrone, Jr., our sole officer and director. The loss of Mr. Petrone, whose knowledge, leadership, and technical expertise upon which we rely, would harm our ability to execute our business plan.

We are solely dependent on our sole officer and director, for his knowledge and experience. Our ability to successfully market and distribute our products may be at risk from an unanticipated accident, injury, illness, incapacitation, or death. Upon such occurrence, unforeseen expenses, delays, losses and/or difficulties may be encountered. We currently do not have any plan of succession in the event Mr. Petrone is unable to perform his duties. Our future success is dependent upon our ability to attract and retain other qualified management and sales and marketing personnel. We have not hired more people because of our lack of capital resources.

We compete for such persons with other companies and other organizations, some of which have substantially greater capital resources than we do. We cannot give you any assurance that we will be successful in recruiting or retaining personnel of the requisite caliber or in adequate numbers to enable us to conduct our business.

If we are unable to attract, train and retain marketing, technical and financial personnel, our business may be materially and adversely affected.

Our future success depends, to a significant extent, on our ability to attract, train and retain marketing, technical and financial personnel. Recruiting and retaining capable personnel, particularly those with expertise in our industries and in the industries to which we market, are vital to our success. There is substantial competition for qualified marketing, technical and financial personnel, and there can be no assurance that we will be able to attract or retain our marketing, technical and financial personnel. If we are unable to attract and retain qualified employees, our business may be materially and adversely affected.

We rely on increasingly complex information systems for management of our manufacturing, distribution, sales and other functions. If our information systems fail to perform these functions adequately, or if we experience an interruption in their operation, our business and results of operations could suffer.

All of our operations, including the operations of our supplier's, warehouse and logistic partners, and sales and accounting, are dependent upon our complex information systems. Our information systems are vulnerable to damage or interruption from: (i) earthquake, fire, flood, hurricane and other natural disasters; (ii) power loss, computer systems failure, internet and telecommunications or data network failure; and (iii) hackers, computer viruses or software bugs.

Any damage or significant disruption in the operation of such systems or the failure of our information systems to perform as expected could disrupt our business; result in decreased sales, increased overhead costs, excess inventory, and product shortages; and otherwise adversely affect our operations, financial performance and condition. We take significant steps to mitigate the potential impact of each of these risks, but there can be no assurance that these procedures would be completely successful.

In addition, although we take steps to secure our management information systems, including our computer systems, intranet and internet sites, email and other telecommunications and data networks, the security measures we have implemented may not be effective and our systems may be vulnerable to theft, loss, damage and interruption from a number of potential sources and events, including unauthorized access or security breaches and cyber-attacks. Our reputation, brand, and financial condition could be adversely affected if, as a result of a significant cyber event or otherwise, our operations are disrupted or shutdown; our confidential, proprietary information is stolen or disclosed; data is manipulated or destroyed; we incur costs or are required to pay fines in connection with stolen customer, employee, or other confidential information; we must dedicate significant resources to system repairs or increase cyber security protection; or we otherwise incur significant litigation or other costs.

We may not be able to effectively integrate future businesses we acquire or joint ventures into which we enter.

Any future acquisitions that we might make or joint ventures into which we might enter are subject to various risks and uncertainties, including:

- the inability to integrate effectively the operations, products, technologies and personnel of the acquired companies (some of which may be spread out in different geographic regions) and to achieve expected synergies;
- the potential disruption of existing business and diversion of management's attention from day-to-day operations;
- the inability to maintain uniform standards, controls, procedures and policies or correct deficient standards, controls, procedures and policies, including internal controls and procedures sufficient to satisfy regulatory requirements of a public company in the U.S.;
- the incurrence of contingent obligations that were not anticipated at the time of the acquisitions;
- the failure to obtain necessary transition services such as management services, information technology services and others;
- the need or obligation to divest portions of the acquired companies; and
- the potential impairment of relationships with customers.

In addition, we cannot provide assurance that the integration and consolidation of newly acquired businesses or joint ventures will achieve any anticipated cost savings and operating synergies. The inability to integrate and consolidate operations and improve operating efficiencies at newly acquired businesses or joint ventures could have a material adverse effect on our business, financial condition and results of operations.

A decrease in supply or increase in cost of the materials used in our products could harm our profitability.

Any restrictions on the supply or the increase in the cost of the materials used by our suppliers in their manufactured products could significantly reduce our profit margins. Efforts to mitigate restrictions on the supply or price increases of materials by entering into long-term purchase agreements or by passing cost increases on to our customers may not be successful. Increased competition may affect our ability to pass on to our customers' price increases in product. Our profitability depends largely on the price and continuity of supply of our products, which in many instances are supplied by a limited number of sources.

The issuance by us of additional shares of common stock or convertible securities may dilute your ownership of us and could adversely affect our stock price.

In the past, we have issued certain equity securities and convertible debt in private placements. If we need to raise additional capital to expand or continue operations, it may be necessary for us to issue additional equity or convertible debt securities. If we issue equity or convertible debt securities, our net tangible book value per share may decrease and any equity securities we may issue may have rights, preferences or privileges senior or more advantageous to our common stockholders. In addition, the issuance by us of additional shares of our common stock or securities convertible into our common stock would dilute your ownership of us and the sale of a significant amount of such shares in the public market could adversely affect prevailing market prices of our common stock. As of May 4, 2017, we had 73,230,123 shares of common stock reserved for issuance pursuant to convertible debts.

Our status as an emerging growth company may result in reduced disclosure obligations.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (which we refer to as the "JOBS Act"), and we are eligible to take advantage of certain exemptions from various reporting and financial disclosure requirements that are applicable to other public companies, that are not emerging growth companies, including, but not limited to, (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), (2) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and (3) exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We intend to take advantage of these exemptions. Because of the reduced disclosure and because our business is conducted in the PRC, investors may find investing in our common shares less attractive as a result, which could have an adverse effect on our stock price.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. As a result, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We elected to opt out of such extended transition period and acknowledge such election is irrevocable pursuant to Section 107 of the JOBS Act.

We could remain an emerging growth company for up to five years, or until the earliest of (1) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (2) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ordinary shares that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter and we have been publicly reporting for at least 12 months, or (3) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

Our independent registered public accounting firm has expressed a risk that there is substantial doubt about our ability to continue in business.

Our auditors have questioned our ability to continue operations as a “going concern.” Investors may lose all of their investment if we are unable to continue operations and generate significant revenues**.** In the absence of significant sales and profits, we may seek to raise additional funds to meet our working capital needs, principally through the additional sales of our securities. However, we cannot guarantee that we will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to us. As a result, substantial doubt exists about our ability to continue as a going concern.

Our consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying consolidated financial statements, we had a net loss of $6,603,239 and $1,397,095 for the years ended December 31, 2016 and 2015, respectively. The net cash used in operations were $591,156 and $95,146 for the years ended December 31, 2016 and 2015, respectively. Additionally, we had an accumulated deficit, stockholders’ deficit and working deficit of $9,283,345, $5,088,851 and $5,088,851, respectively, at December 31, 2016. These factors raise substantial doubt about our ability to continue as a going concern for twelve months from the issuance date of this report. Management cannot provide assurance that we will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. During 2016, management has taken measures to reduce operating expenses. We are seeking to raise capital through additional debt and/or equity financings to fund its operations in the future. Although we have historically raised capital from sales of equity and from the issuance of promissory notes, there is no assurance that it will be able to continue to do so. If we are unable to raise additional capital or secure additional lending in the near future, management expects that we will need to curtail our operations. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Our level of debt may limit our operating and financial flexibility.

As of December 31, 2016, we had $179,300 aggregate principal amount of debt outstanding.

Our levels of indebtedness could: (i) limit our ability to withstand business and economic downturns and/or place us at a competitive disadvantage compared to our competitors that have less debt, because of the high percentage of our operating cash flow that is dedicated to servicing our debt; (ii) limit our ability to make capital investments in order to expand our business; (iii) limit our ability to invest operating cash flow in our business and future business opportunities, because we use a substantial portion of these funds to service debt; (iv) limit our ability to invest operating cash flow in our business and future business opportunities, because we use a substantial portion of these funds to service debt; (v) limit our ability to obtain additional debt or equity financing for working capital, capital expenditures, product development, debt service requirements, acquisitions or other purposes; (vi) make it more difficult for us to satisfy our financial obligations; (vii) limit our ability to pay dividends; and (viii) limit our ability to attract and retain talent.

If cash generated from operations is insufficient to satisfy our liquidity requirements, if we cannot service our debt, we could have substantial liquidity problems. In those circumstances, we might have to sell assets, delay planned investments, obtain additional equity capital or restructure our debt. Depending on the circumstances at the time, we may not be able to accomplish any of these actions on favorable terms or at all.

In addition, our failure to repay our loans could result in an event of default.

If we are unable to control or pass on to our customers’ increases in key input costs, including the cost of sourced products, utilities, packaging and freight, the profitability of our business may be materially and adversely affected.

We obtain glass tableware, ceramic dinnerware, metal flatware and hollowware from third parties. Increases in the costs of these commodities or products may result from inflationary pressures as well as temporary shortages due to disruptions in supply caused by weather, transportation, production delays or other factors. If we experience shortages in commodities or sourced products, we may be forced to procure them from alternative suppliers, and we may not be able to do so on terms as favorable as our current terms or at all.

Our financial results may be adversely impacted by product liability claims, recalls or other litigation that is determined adversely to us.

We are not involved in various routine legal proceedings arising in the ordinary course of our business. We do not have any pending legal proceeding as material. However, our financial results could be adversely affected by monetary judgments and the cost to defend legal proceedings in the future, including product liability claims related to the products we distribute. We do not maintain product liability insurance coverage.

We are a relatively young company with no operating history.

Since we are a young company, it is difficult to evaluate our business and prospects. At this stage of our business operations, even with our good faith efforts, potential investors have a high probability of losing their investment. Our future operating results will depend on many factors, including the ability to generate sustained and increased demand and acceptance of our products, the level of our competition, and our ability to attract and maintain key management and employees. While management believes their estimates of projected occurrences and events are within the timetable of their business plan, there can be no guarantees or assurances that the results anticipated will occur.

We expect to incur net losses in future quarters.

If we do not achieve profitability, our business may not grow or operate. We may not achieve sufficient revenues or profitability in any future period. We will need to generate revenues from the sales of our products or take steps to reduce operating costs to achieve and maintain profitability. Even if we are able to generate revenues, we may experience price competition that will lower our gross margins and our profitability. If we do achieve profitability, we cannot be certain that we can sustain or increase profitability on a quarterly or annual basis.

We will require additional funds to operate in accordance with our business plan.

We may not be able to obtain additional funds that we may require. We do not presently have adequate cash from operations or financing activities to meet our short or long-term needs. If unanticipated expenses, problems, and unforeseen business difficulties occur, which result in material delays, we will not be able to operate within our budget. If we do not achieve our internally projected sales revenues and earnings, we will not be able to operate within our budget. If we do not operate within our budget, we will require additional funds to continue our business. If we are unsuccessful in obtaining those funds, we cannot assure you of our ability to generate positive returns to the Company. Further, we may not be able to obtain the additional funds that we require on terms acceptable to us, if at all. We do not currently have any established third-party bank credit arrangements. If the additional funds that we may require are not available to us, we may be required to curtail significantly or to eliminate some or all of our development, manufacturing, or sales and marketing programs.

We may seek to obtain them primarily through equity or debt financings. Such additional financing, if available on terms and schedules acceptable to us, if available at all, could result in dilution to our current stockholders and to you. We may also attempt to obtain funds through arrangement with corporate partners or others. Those types of arrangements may require us to relinquish certain rights to our intellectual property or resulting products.

If capital is not available to us to expand our business operations, we will not be able to pursue our business plan.

We will require at some point capital to acquire distribution centers to warehouse and facilitate the shipments of products in a timely and cost effective manner. Cash flows from operations, to the extent available, will be used to fund these expenditures. We intend to seek additional capital from loans from current shareholders and from public and private equity offerings. It will also be dependent upon the status of the capital markets at the time such capital is sought. Should sufficient capital not be available, the development of our business plan could be delayed. In such event it would not be likely that investors would obtain a profitable return on their investments or a return of their investments.

Our sole officer and director has the ability to exercise significant influence over matters submitted for stockholder approval and his interests may differ from other stockholders.

Our sole executive officer and director may have significant influence in determining the outcome of any corporate transaction or other matter submitted to our stockholders for approval, including mergers, acquisitions, consolidations and the sale of all or substantially all of our assets, and also the power to prevent or cause a change in control. The interests of this executive officer and director may differ from the interests of the other stockholders.

Our ability to recognize the benefit of deferred tax assets is dependent upon future taxable income and the timing of temporary difference reversals.

We recognize the expected future tax benefit from deferred tax assets when realization of the tax benefit is considered more likely than not. Otherwise, a valuation allowance is applied against deferred tax assets. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income and the timing of reversals of temporary differences. To the extent that these factors differ significantly from estimates, our ability to realize the deferred tax assets could be impacted. Additionally, future changes in tax laws could impact our ability to obtain the future tax benefits represented by our deferred tax assets.

International Risks

We plan on operating in foreign countries and are subject to risks associated with operating in foreign countries.

We distribute our products into Europe, Asia and the Middle East. As a result of our international operations, we are subject to risks associated with operating in foreign countries, including: (i) difficulties in staffing and managing multinational operations; (ii) changes in government policies and regulations; (iii) limitations on our ability to enforce legal rights and remedies; (iv) limitations on our ability to enforce legal rights and remedies; (v) political, social and economic instability; (vi) war, civil disturbance or acts of terrorism; (vii) disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations including the U.S. Foreign Corrupt Practices Act (“FCPA”); (viii) potentially adverse tax consequences; (ix) impositions or increase of investment and other restrictions or requirements by foreign governments; and (x) limitations on our ability to achieve the international growth contemplated by our strategy.

Foreign country laws and regulations governing our businesses and the validity of certain of our contractual arrangements are uncertain. If we are found to be in violation, we could be subject to sanctions. In addition, changes in such foreign country laws and regulations may materially and adversely affect our business.

There are substantial uncertainties regarding the interpretation and application of the current or future foreign country laws and regulations, including regulations governing the validity and enforcement of such contractual arrangements. The foreign country governments have broad discretion in dealing with violations of laws and regulations, including levying fines, revoking business and other licenses, proscribing remittance of profits offshore and requiring actions necessary for compliance. In particular, licenses and permits issued or granted to us by relevant governmental bodies may be revoked at a later time by higher regulatory bodies. We cannot predict the effect of the interpretation of existing or new laws or regulations on our businesses. As a result, we may be subject to sanctions, including fines, and could be required to restructure our operations or cease to provide certain services. Any of these or similar actions could significantly disrupt our business operations or restrict us from conducting a substantial portion of our business operations, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to the United States Foreign Corrupt Practices Act.

We are required to comply with the United States Foreign Corrupt Practices Act, which generally prohibits United States companies from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, we are required to maintain records that accurately and fairly represent our transactions and have an adequate system of internal accounting controls. Foreign companies, including some that may compete with us, are not subject to these prohibitions, and therefore may have a competitive advantage over us. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices occur from time-to-time in the PRC, particularly in our industry since it deals with contracts from the Chinese Government, and our executive officers and employees have not been subject to the United States Foreign Corrupt Practices Act prior to the completion of the Share Exchange. If our competitors engage in these practices they may receive preferential treatment from personnel of some companies, giving our competitors an advantage in securing business or from government officials who might give them priority in obtaining new licenses, which would put us at a disadvantage. We can make no assurance that our employees or other agents will not engage in such conduct for which we might be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations.

Legal and Regulatory Risks

We are subject to complex corporate governance, public disclosure and accounting requirements to which most of our competitors are not subject.

We are subject to changing rules and regulations of federal and state governments, as well as the Public Company Accounting Oversight Board (“PCAOB”). The Securities and Exchange Commission (the “SEC”) has issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continues to develop additional regulations and requirements in response to laws enacted by the U.S. Congress. For example, in 2010, the Dodd-Frank Wall Street Reform and Protection Act (the “Dodd-Frank Act”) was signed into law. The Dodd-Frank Act includes significant corporate governance and executive compensation-related provisions that require the SEC to adopt additional rules and regulations in these areas. Our efforts to comply with new requirements of law and regulation are likely to result in an increase in expenses and a diversion of management's time from other business activities. Also, those laws, rules and regulations may make it more difficult and expensive for us to attract and retain key employees and directors and to maintain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to maintain coverage.

Our competitors generally are not subject to these rules and regulations because they are not SEC reporting companies. As a result, our competitors generally are not subject to the risks identified above. In addition, the public disclosures that we are required to provide pursuant to these rules and regulations may furnish our competitors with greater competitive information regarding our operations and financial results than we are able to obtain regarding their operations and financial results, thereby placing us at a competitive disadvantage.

Our financial results and operations may be adversely affected by violations of anti-bribery laws.

The FCPA and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances; strict compliance with anti-bribery laws may conflict with local customs and practices. We cannot assure you that our internal controls and procedures always will protect us from the reckless or criminal acts committed by our employees or agents. If we were found to be liable for FCPA violations (either due to our own acts or our inadvertence or due to the acts or inadvertence of others), we could be liable for criminal or civil penalties or other sanctions, which could have a material adverse effect on our business.

Risks Related to our Common Stock

The market for our common stock is illiquid.

The market for our common stock is volatile and illiquid. As a result, this could adversely affect our shareholders' ability to sell our common stock in short time periods, or possibly at all. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. Substantial fluctuations in our stock price could significantly reduce the price of our stock.

The penny stock rules cover our stock, which may make it difficult for a broker to sell investors' shares. This may make our stock less marketable, and liquid, and result in a lower market price.

Our common stock is a penny stock, which means that SEC rules require broker-dealers who make transactions in the stock to comply with additional suitability assessments and disclosures than they would in stock that were not penny stocks, as follows:

- Prior to the transaction, to approve the person's account for transactions in penny stocks by obtaining information from the person regarding his or her financial situation, investment experience and objectives, to reasonably determine based on that information that transactions in penny stocks are suitable for the person, and that the person has sufficient knowledge and experience in financial matters that the person or his or her independent advisor reasonably may be expected to be capable of evaluating the risks of transactions in penny stocks. In addition, the broker or dealer must deliver to the person a written statement setting forth the basis for the determination and advising in highlighted format that it is unlawful for the broker or dealer to effect a transaction in a penny stock unless the broker or dealer has received, prior to the transaction, a written agreement from the person. Further, the broker or dealer must receive a manually signed and dated written agreement from the person in order to effectuate any transactions is a penny stock.

- Prior to the transaction, the broker or dealer must disclose to the customer the inside bid quotation for the penny stock and, if there is no inside bid quotation or inside offer quotation, he or she must disclose the offer price for the security transacted for a customer on a principal basis unless exempt from doing so under the rules.

- Prior to the transaction, the broker or dealer must disclose the aggregate amount of compensation received or to be received by the broker or dealer in connection with the transaction, and the aggregate amount of cash compensation received or to be received by any associated person of the broker dealer, other than a person whose function in solely clerical or ministerial.

- The broker or dealer who has affected sales of penny stock to a customer, unless exempted by the rules, is required to send to the customer a written statement containing the identity and number of shares or units of each such security and the estimated market value of the security. Imposing these reporting and disclosure requirements on a broker or dealer make it unlawful for the broker or dealer to effect transactions in penny stocks on behalf of customers. Brokers or dealers may be discouraged from dealing in penny stocks, due to the additional time, responsibility involved, and, as a result, this may have a deleterious effect on the market for our common stock.

Nevada law and our Articles of Incorporation may protect our directors from certain types of lawsuits.

Nevada law provides that our officers and directors will not be liable to us or our stockholders for monetary damages for all but certain types of conduct as officers and directors. Our Bylaws permit us broad indemnification powers to all persons against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing stockholders from recovering damages against our officers and directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require us to use our limited assets to defend our officers and directors against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

Broker-deal requirements may affect trading and liquidity.

Section 15(g) of the Securities Exchange Act of 1934, as amended, and Rule 15g-2 promulgated thereunder by the SEC require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in our common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be "penny stocks." Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

We have identified material weaknesses in our internal control over financial reporting, and our business and stock price may be adversely affected if we do not adequately address those weaknesses or if we have other material weaknesses or significant deficiencies in our internal control over financial reporting.

Although we intend to take steps to correct our identified material weaknesses in our internal controls, the existence of these or possibly other material weaknesses or significant deficiencies raises concerns that the prevention of future errors could require the allocation of scarce financial resources at times when such resources may not be available to us. As of the date of this Annual Report, we are working to correct any material weaknesses in our internal controls. If we cannot produce reliable financial reports, investors could lose confidence in our reported financial information; the market price of our stock could decline significantly; we may be unable to obtain additional financing to operate and expand our business, and our business and financial condition could be harmed.

We intend to address material weaknesses by reviewing our accounting and finance processes to identify any improvements thereto that might enhance our disclosure controls and procedures and our internal control over financial reporting and determine the feasibility of implementing such improvements and by seeking qualified employees and/or outside consultants who possess the knowledge needed to eliminate this weakness. Our ability to remediate this weakness may, however, be delayed or limited by resource constraints, a lack of qualified persons in our market area and/or competition from other employers.

There is no significant active trading market for our shares, and if an active trading market does not develop, purchasers of our shares may be unable to sell them publicly.

There is no significant active trading market for our shares, and we do not know if an active trading market will develop. An active market will not develop unless broker-dealers develop interest in trading our shares, and we may be unable to generate interest in our shares among broker-dealers until we generate meaningful revenues and profits

from operations. Until that time occurs, if it does at all, purchasers of our shares may be unable to sell them publicly. In the absence of an active trading market:

- Investors may have difficulty buying and selling our shares or obtaining market quotations;
- Market visibility for our common stock may be limited; and
- A lack of visibility for our common stock may depress the market price for our shares.

Moreover, the market price for our shares is likely to be highly volatile and subject to wide fluctuations in response to various factors, including the following: (i) actual or anticipated fluctuations in our quarterly operating results and revisions to our expected results; (ii) changes in financial estimates by securities research analysts; (iii) conditions in the market for our products; (iv) changes in the economic performance or market valuations of companies specializing in the defense industries; (v) announcements by us or our competitors of new services, strategic relationships, joint ventures or capital commitments; (vi) addition or departure of key personnel; (vii) litigation related to any intellectual property; and (viii) sales or perceived potential sales of our shares.

In addition, the securities market has from time to time, and to an even greater degree since the last quarter of 2014 experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ordinary shares. Furthermore, in the past, following periods of volatility in the market price of a public company's securities, shareholders have frequently instituted securities class action litigation against that company. Litigation of this kind could result in substantial costs and a diversion of our management's attention and resources.

We have not paid, and do not intend to pay, cash dividends in the foreseeable future.

We have not paid any cash dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, for reinvestment in the development and expansion of our business. Dividend payments in the future may also be limited by other loan agreements or covenants contained in other securities which we may issue. Any future determination to pay cash dividends will be at the discretion of our board of directors and depend on our financial condition, results of operations, capital and legal requirements and such other factors as our board of directors deems relevant.

Sales of our common stock relying upon Rule 144 may depress prices in the market for our common stock by a material amount when a market is established.

As of the date of this Annual Report, certain of our common stock held by non-affiliates is beyond applicable holding periods imposed by Rule 144 under the Securities Act of 1933, as amended. Thus, with certain of our shares of common stock issued in private placements being freely tradeable, there is a significant risk that sales under Rule 144 or under any other exemption from the Securities Act, if available, or pursuant to registration of shares of common stock of present stockholders, may have a depressive effect upon the price of our common stock in the over-the-counter market, especially in situations where a large volume of shares is offered for sale at the same time.

Securities saleable pursuant to the Rule 144 exemption from registration may only be resold, however, if all of the requirements of Rule 144 have been met, including, but not limited to, the requirement that the issuer of the securities have made available all required public information. However, there is no limit on the amount of restricted securities that may be sold by a non-affiliate (i.e., a stockholder who has not been an officer, director or control person for at least 90 consecutive days) after the restricted securities have been held by the owner for a period of at least six months and the other requirements of Rule 144 have been satisfied. Presently shares of restricted common stock held by our non-affiliates may be sold, subject to compliance with Rule 144, six months after issuance, provided that our Exchange Act registration remains in effect and we are current in our disclosure reporting obligations.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

As of the date of this Annual Report, there are no unresolved SEC Staff comments.

ITEM 2. PROPERTIES

Currently, we do not lease any office space.

ITEM 3. LEGAL PROCEEDINGS.

As of the date of this Annual Report, management is not aware of any legal proceedings contemplated by any governmental authority or any other party involving us or our properties. As of the date of this Annual Report, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings pending or that have been threatened against us or our properties.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION

Our common stock has been quoted on the OTC Market Pink Sheets under the symbol "PFWI" since approximately March 2014. However, as of the date of this annual report on Form 10-K, there has been little volume or trading since March 2014. The following table sets forth the high and low price information of our common stock for the periods indicated. Over-the-counter market quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not represent actual transactions.

Quarter Ended	High	Low
December 31, 2015	$ 7.99	$ 0.13
September 30, 2015	$ 0.99	$ 0.11
June 30, 2015	$ 0.98	$ 0.11
March 31, 2015	$ 1.00	$ 1.00
December 31, 2016	$ 0.90	$ 0.05
September 30, 2016	$ 0.32	$ 0.28
June 30, 2016	$ 0.90	$ 0.25
March 31, 2016	$ 6.70	$ 0.30

SHAREHOLDERS OF RECORD

As of May 1, 2017, there were approximately 416 holders of record of our common stock, not including holders who hold their shares in street name.

DIVIDENDS

We have never declared or paid a cash dividend. At this time, we do not anticipate paying dividends in the future. We are under no legal or contractual obligation to declare or to pay dividends, and the timing and amount of any future cash dividends and distributions is at the discretion of our Board of Directors and will depend, among other things, on our future after-tax earnings, operations, capital requirements, borrowing capacity, financial condition and general business conditions. We plan to retain any earnings for use in the operation of our business and to fund future growth. You should not purchase our Shares on the expectation of future dividends.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	-0-	N/A	N/A
Equity compensation plans not approved by security holders	-0-	N/A	N/A
Total	-0-		

As of the date of this annual report on Form 10-K, we do not have a stock option plan.

INFORMATION RELATING TO OUTSTANDING SHARES

Common Stock

As of May 4, 2017, there were 30,156,897 shares of our common stock issued and outstanding. We have reserved an aggregate of 73,230,123 shares of common stock pertaining to certain convertible promissory notes. No other shares for issuance upon exercise of common stock purchase warrants or stock options.

Of our total issued and outstanding common shares, 14,260,463 shares are owned by our sole officer and director, Mr. Petrone. All of our shares of common stock issued and outstanding were issued in private placement offerings or otherwise have been held a period in excess of six months and are eligible to be resold pursuant to Rule 144 promulgated under the Securities Act.

The resale of our shares of common stock owned by officers, directors and affiliates is subject to the volume limitations of Rule 144. In general, Rule 144 permits our affiliate shareholders who have beneficially-owned restricted shares of common stock for at least six months to sell without registration, within a three-month period, a number of shares not exceeding one percent of the then outstanding shares of common stock. Furthermore, if such shares are held for at least six months by a person not affiliated with us (in general, a person who is not one of our executive officers, directors or principal shareholders during the three month period prior to resale), such restricted shares can be sold without any volume limitation, provided all of the other requirements for resale under Rule 144 are applicable.

Preferred Stock

We may issue preferred stock in one or more series. Our board of directors are authorized to issue the shares of preferred stock in such series and to fix from time to time before issuance thereof the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of such series.

On February 19, 2016, the Board of Directors of the Company authorized and approved to create a new class of voting preferred stock called "Series A Preferred Stock", consisting of 1,000,000 shares authorized, $.001 par value. The preferred stock is not convertible into any other class or series of stock. On all matters to come before the shareholders of the Company, the holders of Series A Preferred shall have that number of votes per share (rounded to the nearest whole share) equal to the product of (x) the number of shares of Series A Preferred held on the record date for the determination of the holders of the shares entitled to vote (the "Record Date"), or, if no record date is established, at the date such vote is taken or any written consent of shareholders is first solicited, and (y) 50. In the event that the votes by the holders of the Series A Preferred Stock do not total at least 51% of the votes of all classes of the Company's authorized capital stock entitled to vote, then regardless of the provisions of this paragraph, in any such case, the votes cast by a majority of the holders of the Series A Preferred Stock shall be deemed to equal 51% of all votes cast at any meeting of stockholders, or any issue put to the stockholders for voting and the Company may state that any such action approved by at least a majority of the holders of the Series A Preferred Stock was had by majority vote of the holders of all classes of the Company's capital stock. On February 19, 2016, we issued 1,000,000 shares of Series A Preferred Stock to our chief executive officer.

RECENT SALES OF UNREGISTERED SECURITIES

All sales of unregistered common stock have been previously reported by the Company in either its 10-Q reports or current reports on Form 8-K.

ISSUER PURCHASE OF SECURITIES

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following analysis of our consolidated financial condition and results of operations for the years ended December 31, 2016 and 2015 should be read in conjunction with the consolidated financial statements and other information presented elsewhere in this Annual Report.

OVERVIEW

We are an exclusive importer/exporter and distributor of commercial grade tableware products, decorative hotel room amenities, lavatory and bathroom fixtures and furniture, food and beverage service items, and trendy accessories for the Asian and the European marketplaces. Thru an exclusive licensing agreement with a leading supplier, our exclusive brands include Front of the House and Room 360 by FOH. Revenues and related costs of revenues expenses attributable to the sales of these products are included in our Product Segment.

Our founder, Victor Petrone, has spent over 20 years building a significant global network of buyers, comprised of hotels, resorts and restaurants, for premium, chic, environmentally conscious products and services. We have sales, marketing, and product development expertise primarily in the hospitality business in Europe and Asia. We currently sell and market products under our own proprietary name and we act as exclusive distributors primarily to companies to the hospitality trade. The brand portfolio consists of vendor-approved items for key foreign accounts, which include large hotel groups, such as Marriott Hotel Brands, The Four Seasons Hotel & Resorts, Hilton Worldwide, Hyatt Hotels & Resorts, Starwood

Hotel & Resorts, and Fairmont Hotel & Resorts, and smaller hotel chains and upscale restaurants.

On February 4, 2016 and effective March 15, 2016, we entered into a one-year Warehousing and Logistics Agreement (the "Warehousing Agreement") with Dewan & Sons to undertake JIT (Just In Time) distribution to all Dewan & Sons customers in North America, which includes direct store delivery of Dewan & Sons' products to retail store, thereby bypassing a retailer's distribution center to increase inventory and reduce margins. Management believes that in light of increasing port delays, planning for safety stock has become a critical component to reducing fulfillment costs. We expect that our supply chain operational efficiency will bring optimum results with minimum budget expense for Dewan & Sons. We also believe that the further alliance with Dewan & Sons will allow for increased real-time communication with purchasing agents and reduction of minimum order quantities so that smaller, more frequent orders can be placed off-setting long term risks of holding too much inventory. Pursuant to the terms of the Warehousing Agreement, Dewan & Sons agreed to pay us a flat fee for devanning, palletizing, shrink wrapping, labeling and storage. In connection with this Warehousing Agreement, on March 8, 2016, we entered into a contract with Evolution Logistics Corp., a Miami based logistics company ("Evolution Logistics"), pursuant to which Evolution Logistics agreed to manage all of our transportation, warehousing and distribution from origin throughout the United States. Evolution Logistics is a freight forwarder company specializing in distribution to big box retailers, roll outs and expedites cargo. Management believes that it has state of the art operational platform with advanced technology that provides visibility from the purchase order level to the final distribution.

In August 2016, we began to generate revenues pursuant to the Warehousing Agreement and have begun to utilize the services of Evolution Logistics. Revenues and related costs of revenues expenses attributable to these logistic services are included in our Logistics Services Segment.

In the short term, management plans to raise funds through sales of our common stock for fulfillment (manufacturing, packaging and shipment), which will set the stage for future orders becoming self-funding. Then the next phase of our business plan will be to raise additional funds through common stock offerings to provide working capital to finance several acquisitions. We also intend to continue to strengthen our balance sheet by paying off debt through either exchange of equity for cancellation of debt obligations or the payment of debt obligations with cash.

When possible we have conserved our cash by paying employees, consultants, and independent contractors with our common stock.

RESULTS OF OPERATIONS

The following comparative analysis on results of operations was based primarily on the comparative financial statements, footnotes and related information for the periods identified below and should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this report.

Comparison of Results of Operations for the Year Ended December 31, 2016 and 2015

Revenues:

For the year ended December 31, 2016, total revenues amounted to $326,891 as compared to $1,410,080 for the year ended December 31, 2015. Revenues in our product segment consists of the sale of products including tableware products, decorative hotel room amenities, lavatory and bathroom fixtures and furniture, food and beverage service items, and trendy accessories. In August 2016, we began providing logistics services to one customer. For the years ended December 31, 2016 and 2015, total revenues consisted of the following:

	Years Ended December 31,	
	2016	2015
Revenues - product segment:		
Products	$ 204,554	$ 1,302,679
Shipping	30,832	107,401
Total revenues - product segment	235,386	1,410,080
Revenues – logistics services segment	91,505	—
Total consolidated revenues	$ 326,891	$ 1,410,080

During the year ended December 31, 2015, we generated significant revenues from five customers in our product segment that accounted for approximately 85.3% of total consolidated revenues (21.9%, 13.7%, 22.1%, 13.3% and 14.3%, respectively). During the year ended December 31, 2015, we did not operate in our logistic services segment. During the year ended December 31, 2016, two customers accounted for approximately 43.0% of total consolidated revenues (15.0% from a customer in the product segment and 28.0%, from our only customer in the logistics services segment). The decrease in revenues in the product segment of $1,174,694 was attributable to a significant decline in larger orders that we had received in the 2015 period. We did not generate such large orders during the year ended December 31, 2016. The decrease in product segment revenue was offset by an increase in revenues from our logistics services segment that began operating in August 2016.

Cost of revenues.

Cost of revenues in our product segment includes cost of products and shipping and handling costs. Cost of revenues in our logistics services segment includes cost of outsourced logistic services provided.. For the year ended December 31, 2016, cost of revenues amounted to $281,488 as compared to $1,308,129 for the year ended December 31, 2015. For the years ended December 31, 2016 and 2015, total cost of revenues consisted of the following:

	Years Ended December 31,	
	2016	2015
Cost of revenues - product segment:		
Products	$ 148,893	$ 1,170,266
Shipping	37,231	137,863
Total cost of revenues - product segment	186,124	1,308,129
Cost of revenues – logistics services segment	95,364	—
Total consolidated cost of revenues	$ 281,488	$ 1,308,129

Gross profit and gross margin.

For the year ended December 31, 2016, gross profit amounted to $45,403 or 13.9% as compared to $101,951 or 7.2% for the year ended December 31, 2015. Gross margin percentages can fluctuate from period to periods depending on the mix of product sold. We expect gross profits to increase in future periods as revenues increase as we develop our logistics services segment and implement operational and pricing efficiencies.

Operating expenses:

For the year ended December 31, 2016, operating expenses amounted to $882,464 as compared to $605,363 for the year ended December 31, 2015, an increase of $227,101 or 45.8%.

	Year Ended December 31,	
	2016	2015
Compensation and related benefits	$ 248,000	$ 12,600
Consulting fees	179,409	314,705
Professional fees	184,562	52,943
Rent expense	48,931	77,435
General and administrative expenses	221,562	147,680
Total	$ 882,464	$ 605,363

- For the year ended December 31, 2016, compensation and related benefit expensed increased by $235,400 or 1,868% as compared to the year ended December 31, 2015. The increase was attributable to an increase in stock based compensation from the issuance of 2,500,000 shares of our common stock to our chief executive officer valued at $200,000 and an increase in compensation paid to our chief executive officer. We expect compensation and related benefit expense to increase in the future as we increase our operations.

- For the year ended December 31, 2016, consulting fees decreased by $135,296 or 43.0%, as compared to the year ended December 31, 2015. Consulting fees consists of stock-based consulting fees for business development services. The decrease was attributable to the changes in the amortization of prepaid consulting fees during the 2016 period as compared to the 2015 period.

- For the year ended December 31, 2016, professional fees increased by $131,619 or 248.6%. These increases were attributable to an increase in accounting fees of $89,775 related to the re-audit of our 2015 and 2014 financial statements and to the hiring of additional accounting assistance, an increase in legal fees of $36,057, and an increase in other professional fees of $5,787.

- For the year ended December 31, 2016, rent expense fees decreased by $28,504 or 36.8%, as compared to the year ended December 31, 2015. These decreases was attributable to a decrease in rent incurred for warehouse expenses of $25,800, and a decrease in rent expense for office space located in the United Kingdom of $11,343 offset by an increase in rent expense for office space located in the United States of $8,639. We did not renew our leases upon the expiration of such leases.

- For the year ended December 31, 2016, general and administrative expenses increased by $73,882 or 50.0% as compared to the year ended December 31, 2015. This increase was primarily attributable to an increase in travel expenses of $31,835, an increase in computer and internet expense of $46,012 incurred for the upgrade of the our website and logistics capabilities, and a net decrease in other general and administrative expenses of $3,965.

Loss from operations.

As a result of the factors described above, for the year ended December 31, 2016, loss from operations amounted to $837,061 as compared to a loss from operations of $503,412 for the year ended December 31, 2015, an increase of $333,649 or 66.3%.

Other expenses.

Other expenses includes interest expense, loss on derivative liabilities and a debt conversion inducement expense. For the year ended December 31, 2016, total other expense amounted to $5,766,178 as compared to $893,683 for the year ended December 31, 2015, an increase of $4,872,495 or 545.2%. For the year ended December 31, 2016, we incurred interest expense of $401,114 which includes $220,300 and $132,202 related to stock-based interest expense incurred from the issuance of common shares for debt issuances and modifications, and amortization of debt discount, respectively. For the year ended December 31, 2015, we recorded a debt conversion inducement expense of $890,000.

Net loss.

As a result of the foregoing, for the year ended December 31, 2016, net loss amounted to $6,603,239 as compared to a net loss of $1,397,095 for the year ended December 31, 2015, an increase of $5,206,144 or 372.6%.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. We had a working capital deficit of $5,088,851 and $2,991 of cash as of December 31, 2016 and working capital of $63,936 and $208,064 of cash as of December 31, 2015.

The following table sets forth a summary of changes in our working capital (deficit) from December 31, 2015 to December 31, 2016:

			December 31, 2015 to December 31, 2016	
	December 31, 2016	December 31, 2015	Change	Percentage Change
Working capital (deficit):				
Total current assets	$ 237,171	$ 350,372	$ (113,201)	(32.3)%
Total current liabilities	5,326,022	286,436	(5,039,586)	(1,759.4)%
Working capital (deficit):	$ (5,088,851)	$ 63,936	$ (5,152,787)	(8,059.3)%

The decrease in working capital was primarily attributable to an increase in derivative liabilities of $4,997,612, a decrease in cash of $205,073, an increase advances from customers of $79,780, an increase in loans payable of $42,293, and an increase in accounts payable of $48,442, offset by an increase in accounts receivable of $66,940 and a net decrease in convertible debt of $126,619 primarily due to the repayment of certain convertible debt.

Net cash flow used in operating activities was $591,156 for the year ended December 31, 2016 as compared to net cash used in operating activities of $95,146 for the year ended December 31, 2015, an increase of $496,010.

- Net cash flow used in operating activities for the year ended December 31, 2016 primarily reflected a net loss of $6,603,239 and the add-back of non-cash items consisting of derivative expense of $5,362,064, stock-based compensation expense of $352,219, debt issuance and medication costs of $220,300 and amortization of debt discount of $132,202, and changes in operating assets and liabilities primarily consisting of an increase in accounts receivable of $70,315, and an increase in advances to supplier of $119,984, offset by an increase in accounts payable of $48,442 and an increase in advances from customers of $79,780.

- Net cash flow used in operating activities for the year ended December 31, 2015 primarily reflected a net loss of $1,397,095 and the add-back of non-cash items consisting of debt conversion inducement expense of $890,000, stock-based compensation expense of $314,705, and other non-cash items of $11,936, and changes in operating assets and liabilities primarily consisting of a decrease in prepaid expenses and other current assets of $8,262, a decrease in advances to supplier of $53,738, and an increase in accounts payable of

Net cash provided by financing activities was $386,083 for the year ended December 31, 2016 as compared to net cash provided by financing activities $225,383 for the year ended December 31, 2015. During the year ended December 31, 2016, we received net proceeds from the sale of common stock of $480,000, we repaid net related party advances of $38,210, we repaid net convertible debt of $98,000 and we received net proceeds from loans of $42,293.

During the year ended December 31, 2015, we received net proceeds from convertible debt of $190,000, net proceeds from related party advances of $30,383, and received net proceeds from the sale of common stock of $5,000.

Future Liquidity and Capital Needs.

Our principal future uses of cash are for working capital requirements, including marketing and travel expenses, legal and other professional fees incurred in connection with our SEC filing requirements, and reduction of accrued liabilities and debt. These uses will depend on numerous factors including our revenues, and our ability to control costs. We have historically financed our working capital needs primarily through internally generated funds, from the sale of common stock and from debt financings. We collect cash from our customers based on our sales to them and their respective payment terms. We expect to require additional funds through public or private debt or equity financings to be able to increase marketing for our products and to fully execute our business plan. If we are unable to raise the capital we need, we may need to reduce the scope of our business in order to continue our operations.

Recent Financings

On December 28, 2015, we entered into a secured convertible promissory note (the "Convertible Note") with Firstfire Global Opportunities Fund LLC (the "Lender"), with a principal amount of $230,000, which amount is the $200,000 purchase price plus a 15% original issue discount equal to $30,000. Additionally, the lender deducted legal fees of $10,000 and the Company received net proceeds of $190,000. The unpaid principal and interest is secured by our common stock, bears interest computed at a rate of interest, which is equal to 7.0% per annum, and is payable in monthly installments of $50,555 commencing April 28, 2016 through August 28, 2016. Any amount of principal or interest on this Convertible Note, which is not paid by the due dates, shall bear interest at the rate of 15% per annum from the due date until paid. During the nine months ended September 30, 2016, we repaid Convertible Note principal of $162,166 and on October 31, 2016, we repaid the remaining balance of this Convertible Note.

On February 3, 2016, the Company sold 1,200,000 shares of its common stock at $0.40 per common share for cash of $200,000 and a subscription receivable of $280,000. The subscription receivable of $280,000 was collected in April 2016.

On September 21, 2016, we entered into a business loan and security agreement with EBF Partners, LLC (the "EBF Loan"). Pursuant to the EBF Loan, we borrowed $20,000 and received net proceeds of $20,000. We are required to repay the EBF Loan by making daily payments of $204 on each business day until the purchased amount of $28,200 is paid in full. Each payment is deducted directly from our bank accounts. The EBF Loan has an effective interest rate of approximately 116%, is secured by our assets and is personally guaranteed by our chief executive officer. At December 31, 2016, amounts due under the EBF Loan amounted to $14,529. On January 30, 2017, we entered into another business loan and security agreement with EBF Partners, LLC (the "Second EBF Loan"). Pursuant to the Second EBF Loan, we borrowed $25,000. We are required to repay the Second EBF Loan by making daily payments of $235 on each business day until the purchased amount of $35,250 is paid in full. Each payment is deducted directly from our bank accounts. The Second EBF Loan has an effective interest rate of approximately 116%, is secured by our assets and is personally guaranteed by our chief executive officer. In connection with the Second EBF Loan, the Company repaid its first EBF loan.

On September 23, 2016, we entered into a business loan and security agreement with On Deck Capital, Inc. (the "On Deck Loan"). Pursuant to the On Deck Loan, we borrowed $35,000 and received net proceeds of $34,125 after paying a loan origination fee of $825. We are required to repay the On Deck Loan by making 252 daily payments of $190 on each business day until the purchased amount of $47,951 is paid in full. Each payment is deducted directly from our bank accounts. The On Deck Loan has an effective interest rate of approximately 66%, is secured by the Company's assets and is personally guaranteed by our chief executive officer. At December 31, 2016, amounts due under the On Deck Loan amounted to $27,764.

Securities Purchase Agreement and Debenture

On October 24, 2016 (the "Issuance Date"), we entered into a securities purchase agreement (the "SPA") with Buyer, whereby Buyer agreed to invest up to $346,500 (the "Purchase Price") in the Company in exchange for the convertible debentures, upon the terms and subject to the conditions thereof. Pursuant to the SPA, we issued a convertible debenture to Buyer on October 26, 2016, in the original principal amount of $85,000, which bears interest at 0% per annum (the "First Debenture"). The Buyer paid the portion of the Purchase Price associated with the First Debenture, consisting of $76,500 (minus the applicable fees under the SPA), to us in cash on October 26, 2016. Each convertible debenture issued pursuant to the SPA, coupled with the accrued and unpaid interest relating to each convertible debenture, is due and payable three years from the issuance date of the respective convertible debenture. Any amount of principal or interest that is due under each convertible debenture, which is not paid by the respective maturity date, will bear interest at the rate of 18% per annum until it is satisfied in full. Additionally, the Buyer has the right at any time to convert amounts owed under each convertible debenture into shares of our common stock at the closing price of the Common Stock on September 8, 2015.

Each debenture shall contain representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

The Buyer is entitled to, at any time or from time to time, convert each convertible debenture issued under the SPA into shares of the Company's common stock, at a conversion price per share (the "Conversion Price") equal to either: (i) if no event of default has occurred under the respective convertible debenture and the date of conversion is prior to the date that is one hundred eighty days after the issuance date of the respective convertible debenture, $0.25, or (ii) if an event of default has occurred under the respective convertible debenture or the date of conversion is on or after the date that is one hundred eighty days after the issuance date of the respective convertible debenture, the lesser of (a) $0.25 or (b) 65% of the lowest closing bid price of the common stock for the twenty trading days immediately preceding the date of the date of conversion (provided, further, that if either the Company is not DWAC operational at the time of conversion or the common stock is traded on the OTC Pink at the time of conversion, then 65% shall automatically adjust to 60%), subject in each case to equitable adjustments resulting from any stock splits, stock dividends, recapitalizations or similar events.

We may redeem each convertible debenture issued under the SPA, upon not more than two days written notice, for an amount (the "Redemption Price") equal to: (i) if the Redemption Date (as defined below) is ninety days or less from the date of issuance of the respective convertible debenture, 105% of the sum of the Principal Amount so redeemed plus accrued interest, if any; (ii) if the Redemption Date is greater than or equal to ninety one days from the date of issuance of the respective convertible debenture and less than or equal to one hundred twenty days from the date of issuance of the respective convertible debenture, 110% of the sum of the Principal Amount so redeemed plus accrued interest, if any; (iii) if the Redemption Date is greater than or equal to one hundred twenty one days from the date of issuance of the respective convertible debenture and less than or equal to one hundred fifty days from the date of issuance of the respective convertible debenture, 120% of the sum of the Principal Amount so redeemed plus accrued interest, if any; (iv) if the Redemption Date is greater than or equal to one hundred fifty one days from the date of issuance of the respective convertible debenture and less than or equal to one hundred eighty days from the date of issuance of the respective convertible debenture, 130% of the sum of the Principal Amount so redeemed plus accrued interest, if any; and (v) if either (1) the respective convertible debenture is in default but the Buyer consents to the redemption notwithstanding such default or (2) the Redemption Date is greater than or equal to one hundred eighty one days from the date of issuance of the respective convertible debenture, 140% of the sum of the Principal Amount so redeemed plus accrued interest, if any. The date upon which the respective convertible debenture is redeemed and paid shall be referred to as the "Redemption Date" (and, in the case of multiple redemptions of less than the entire outstanding Principal Amount, each such date shall be a Redemption Date with respect to the corresponding redemption).

On November 18, 2016 (the "Closing Date"), we consummated a transaction with an accredited investor ("Crown"), whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the "SPA"), Crown agreed to invest up to $340,000 (the "Purchase Price") in our Company in exchange for a convertible promissory note in the principal amount of $400,000 (the "Crown Bridge Note"). The Crown Bridge Note carries a prorated original issue discount of $60,000 and bears interest at the rate of 6% per year. Through December 31, 2016, Crown funded the two tranches under the Crown Bridge Note in principal amounts aggregating $80,000 and the Company received net proceeds of $62,000 in cash after debt issuance costs of $18,000 which were treated as a debt discount and will be amortized into interest expense over the term of the respective note. Each tranche funded under the Crown Bridge Note (each a "Tranche"), coupled with the accrued and unpaid interest relating to that respective Tranche, is due and payable twelve months from the funding date of the respective Tranche. Any amount of principal or interest that is due under each Tranche, which is not paid by the respective maturity date, will bear interest at the rate of 22% per annum until it is satisfied in full. Crown is entitled to, at any time or from time to time, convert each Tranche under the Crown Bridge Note into shares of the Company's common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price of the common stock for the twenty trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the Note. In connection with the issuance of the Crowne Bridge Note and SPA, the Company issued 450,000 shares of the Company's common stock to Crown (See Note 5). The Crown Bridge Note contains representations, warranties, events of default, beneficial ownership limitations, prepayment options, and other provisions that are customary of similar instruments.

On February 13, 2017, we consummated a transaction with Labrys Fund, L.P. ("Buyer"), whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the "First SPA"), we issued a convertible promissory note in the principal amount of $110,000 (the "First Note") to Buyer. We received proceeds of $100,000 in cash from the Buyer. The First Note bears interest at the rate of 12% per year. The First Note is due and payable six months from the issue date of the First Note. We may prepay the First Note at any time during the initial 180 days after the issue date of the First Note, without any prepayment penalty, by paying the face amount of the First Note plus accrued interest through such prepayment date. Any amount of principal or interest that is due under the First Note, which is not paid by the maturity date, will bear interest at the rate of 24% per annum until the First Note is satisfied in full. The Buyer is entitled to, at any time or from time to time, convert the First Note into shares of the Company's common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price or closing bid price of the Company's common stock for the twenty (20) trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the First Note. In connection with the issuance of the First Note, we agreed to issue 1,341,463 shares of its common stock (the "First Shares") to Buyer, provided, however, that the First Shares must be returned to the Company's treasury if we prepay the First Note as provided above. On February 20, 2017, we entered into an amendment to the First Note, whereby the Holder agreed to return the First Shares to treasury.

On February 21, 2017, we consummated a transaction with Buyer, whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the "Second SPA"), we issued a convertible promissory note in the principal amount of $65,000 (the "Second Note") to Buyer. We received proceeds of $58,000 in cash from the Buyer. The Second Note bears interest at the rate of 12% per year. The Second Note is due and payable six months from the issue date of the Second Note. We may prepay the Second Note at any time during the initial 180 days after the issue date of the Second Note, without any prepayment penalty, by paying the face amount of the Second Note plus accrued interest through such prepayment date. Any amount of principal or interest that is due under the Second Note, which is not paid by the maturity date, will bear interest at the rate of 24% per annum until the Second Note is satisfied in full. The Buyer is entitled to, at any time or from time to time, convert the Second Note into shares of the Company's common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price or closing bid price of the Company's common stock for the twenty (20) trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the Second Note. In connection with the issuance of the Second Note, the Company issued 1,497,000 shares of its common stock (the "Second Shares") to Buyer. The Second Note contains representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

These note contains representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

We determined that the terms of these debentures contain terms that included a down-round provision under which the conversion price and exercise price could be affected by future equity offerings undertaken by the Company or contain terms that are not fixed monetary amounts at inception. Accordingly, under the provisions of FASB ASC Topic No. 815-40, "Derivatives and Hedging – Contracts in an Entity's Own Stock", the embedded conversion options contained in the convertible instruments are accounted for as derivative liabilities at the date of issuance and are adjusted to fair value through earnings at each reporting date.

Equity Purchase Agreement and Registration Rights Agreement

On October 24, 2016 (the "Closing Date"), we entered into an equity purchase agreement (the "Purchase Agreement") with Peak One Opportunity Fund, L.P. ("Buyer"), whereby, upon the terms and subject to the conditions thereof, the Buyer is committed to purchase shares of the Company's common stock (the "Purchase Shares") at an aggregate price of up to $5,000,000 (the "Total Commitment Amount") over the course of its 24-month term. From time to time over the 24-month term of the Purchase Agreement, commencing on the date on which a registration statement registering the Purchase Shares (the "Registration Statement") becomes effective, the Company may, in its sole discretion, provide the Buyer with a put notice (each a "Put Notice") to purchase a specified number of the Purchase Shares (each a "Put Amount Requested") subject to the limitations discussed below and contained in the Purchase Agreement. Upon delivery of a Put Notice, we must deliver the Put Amount Requested as Deposit Withdrawal at Custodian ("DWAC") shares to Buyer within two trading days.

The actual amount of proceeds we receive pursuant to each Put Notice (each, the "Put Amount") is to be determined by multiplying the Put Amount Requested by the applicable purchase price. The purchase price for each of the Purchase Shares equals 90% of the "Market Price," which is defined as the lesser of the (i) lowest closing bid price of our common stock for any trading day during the ten trading days immediately preceding the date of the respective Put Notice, or (ii) lowest closing bid price of the common stock for any trading day during the seven trading days immediately following the clearing date associated with the applicable Put Notice (the "Valuation Period"). Within three trading days following the end of the Valuation Period, the Buyer will deliver the Put Amount to us via wire transfer.

The Put Amount Requested pursuant to any single Put Notice must have an aggregate value of at least $15,000, and cannot exceed the lesser of (i) 200% of the average daily trading value of the common stock in the ten trading days immediately preceding the Put Notice or (ii) such number of shares of common stock that has an aggregate value of $100,000.

In order to deliver a Put Notice, certain conditions set forth in the Purchase Agreement must be met, as provided therein. In addition, the Company is prohibited from delivering a Put Notice if: (i) the sale of Purchase Shares pursuant to such Put Notice would cause the Company to issue and sell to Buyer, or Buyer to acquire or purchase, a number of shares of the Company's common stock that, when aggregated with all shares of common stock purchased by Buyer pursuant to all prior Put Notices issued under the Purchase Agreement, would exceed the Total Commitment Amount; or (ii) the sale of the Commitment Shares pursuant to the Put Notice would cause us to issue and sell to Buyer, or Buyer to acquire or purchase, an aggregate number of shares of common stock that would result in Buyer beneficially owning more than 4.99% of the issued and outstanding shares of the Company's common stock.

Unless earlier terminated, the Purchase Agreement will terminate automatically on the earlier to occur of: (i) 24 months after the initial effectiveness of the Registration Statement, (ii) the date on which the Buyer has purchased or acquired all of the Purchase Shares, or (iii) the date on which certain bankruptcy proceedings are initiated with respect to us. In connection with the execution of the Purchase Agreement, we agreed to issue 650,000 shares of our common stock (the "Commitment Shares") to Buyer or Buyer's designee as a commitment fee.

On the Closing Date, and in connection with the Purchase Agreement, we also entered into a registration rights agreement (the "Registration Rights Agreement") with Buyer whereby we are obligated to file the Registration Statement to register the resale of the Commitment Shares and Purchase Shares. Pursuant to the Registration Rights Agreement, we must (i) file the Registration Statement within thirty calendar days from the Closing Date, (ii) use reasonable efforts to cause the Registration Statement to be declared effective under the Securities Act of 1933, as amended (the "Securities Act"), as promptly as possible after the filing thereof, but in any event no later than the 90th calendar day following the Closing Date, and (iii) use its reasonable efforts to keep such Registration Statement continuously effective under the Securities Act until all of the Commitment Shares and Purchase Shares have been sold thereunder or pursuant to Rule 144.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations are based upon our audited consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We continually evaluate our estimates, including those related to income taxes, and the valuation of equity transactions. We base our estimates on historical experience and on various other assumptions that we 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. Any future changes to these estimates and assumptions could cause a material change to our reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of the consolidated financial statements.

Derivative liabilities

We have certain financial instruments that are embedded derivatives associated with capital raises. We evaluate all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with FASB ASC 815-10-05-4 and 815-40. This accounting treatment requires that the carrying amount of any embedded derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with us, the change in the fair value during the period is recorded as either income or expense. Upon conversion or exercise, the derivative liability is marked to fair value at the conversion date and then the related fair value is reclassified to equity.

Revenue recognition

Pursuant to the guidance of ASC Topic 605, we recognize sales when persuasive evidence of an arrangement exists, delivery has occurred or services have been provided, the purchase price is fixed or determinable and collectability is reasonably assured. Our standard terms are ex works, with title transferring to our customer at our suppliers loading dock or upon embarkation with risk of loss being assumed by the customer at the shipping point. We have a small percentage of sales with other terms, and revenue is recognized in accordance with the terms of the related customer purchase order. Shipping and handling costs billed to customers are recognized in net revenue.

Stock-based compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the service period of the award. Common stock awards issued to consultants represent common stock granted to non-employees in exchange for services at fair value. The measurement dates for such awards are set at the dates that the contracts are entered into as the awards are non-forfeitable and vest immediately. The measurement date fair value is then recognized over the service period as if we had paid cash for such service.

RECENT ACCOUNTING PRONOUNCEMENTS

In March 2016, the FASB issued its new stock compensation guidance in ASU No. 2016-09 (Topic 718). First, under the new guidance, companies will be required to recognize the income tax effects of share-based awards in the income statement when the awards vest or are settled (i.e. additional paid-in capital (“APIC”) or APIC pools will be eliminated). In addition, the new guidance allows a withholding amount of awarded shares with a fair value up to the amount of tax owed using the maximum, instead of the minimum, statutory tax rate without triggering liability classification for the award. Lastly, the new guidance allows companies to elect whether to account for forfeitures of share-based payments by (1) recognizing forfeitures of awards as they occur or (2) estimating the number of awards expected to be forfeited and adjusting the estimate when it is likely to change, as is currently required. The new standard is effective for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The result of adopting this guidance is not expected to have a material impact on our consolidated financial statements.

There are no other recently issued accounting standards that apply to us or that are expected to have a material impact on our results of operations, financial condition, or cash flows.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Contractual Obligations

We have certain fixed contractual obligations and commitments that include future estimated payments. Changes in our business needs, cancellation provisions, changing interest rates, and other factors may result in actual payments differing from the estimates. We cannot provide certainty regarding the timing and amounts of payments. We have presented below a summary of the most significant assumptions used in our determination of amounts presented in the tables, in order to assist in the review of this information within the context of our consolidated financial position, results of operations, and cash flows.

The following tables summarize our contractual obligations as of December 31, 2016, and the effect these obligations are expected to have on our liquidity and cash flows in future periods.

	Payments Due by Period				
Contractual obligations:	Total	Less than 1 year	1-3 years	3-5 years	5^+ years
Convertible notes payable	$ 179,300	$ 179,300	$ -	$ -	$ -
Loans payable	42,293	42,293	-	-	-
Total	$ 221,593	$ 221,593	$ -	$ -	$ -

Off-Balance Sheet Arrangements

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We have not utilized any derivative financial instruments such as futures contracts, options and swaps, forward foreign exchange contracts or interest rate swaps and futures. We believe that adequate controls are in place to monitor any hedging activities. We do not have any borrowings and, consequently, we are not affected by changes in market interest rates. We do not currently have any sales or own assets and operate facilities in countries outside the United States and, consequently, we are not effected by foreign currency fluctuations or exchange rate changes. Overall, we believe that our exposure to interest rate risk and foreign currency exchange rate changes is not material to our financial condition or results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

PETRONE WORDWIDE, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Petrone Worldwide, Inc.
Weston, Florida

We have audited the accompanying consolidated balance sheets of Petrone Worldwide, Inc. and Subsidiary (collectively, “the Company”) as of December 31, 2016 and 2015 and the related consolidated statements of operations, changes in stockholders' equity , and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Petrone Worldwide, Inc. and Subsidiary as of December 31, 2016 and 2015 and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has an accumulated deficit at December 31, 2016 and 2015 and net losses and negative cash flows for the years then ended. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ MaloneBailey, LLP
www.malone-bailey.com
Houston, Texas
May 4, 2017

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	December 31, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash	$ 2,991	$ 208,064
Accounts receivable, net	66,940	—
Prepaid expenses and other current assets	35,994	131,046
Advances to supplier	131,246	11,262
Total Current Assets	237,171	350,372
TOTAL ASSETS	$ 237,171	$ 350,372
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Convertible notes payable, net	$ 25,689	$ 129,187
Loans payable	42,293	—
Accounts payable	93,616	45,174
Accrued expenses	13,572	405
Advances from customers	79,780	—
Due to related party	224	38,434
Derivative liabilities	5,070,848	73,236
Total Current Liabilities	5,326,022	286,436
TOTAL LIABILITIES	5,326,022	286,436
Commitments (See Note 7)		
STOCKHOLDERS' EQUITY (DEFICIT):		
Preferred stock, $.001 par value, 10,000,000 shares authorized; Series A preferred stock: $.001 par value; 1,000,000 shares authorized; 1,000,000 and 0 shares issued and outstanding at December 31, 2016 and 2015, respectively	1,000	—
Common stock: $.001 par value, 900,000,000 shares authorized; 28,609,897 and 21,483,230 issued and outstanding at December 31, 2016 and 2015, respectively	21,483	21,483
Additional paid-in capital	4,164,884	2,722,559
Accumulated deficit	(9,283,345)	(2,680,106)
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(5,088,851)	63,936
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	$ 237,171	$ 350,372

See accompanying notes to consolidated financial statements.

F-3

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,	
	2016	**2015**
REVENUES:		
Product segment	$ 235,386	$ 1,410,080
Logistic services segment	91,505	—
Total Revenues	326,891	1,410,080
COST OF REVENUES:		
Product segment	186,124	1,308,129
Logistic services segment	95,364	—
Total Cost of Revenues	281,488	1,308,129
GROSS PROFIT	45,403	101,951
OPERATING EXPENSES:		
Compensation and related benefits	248,000	12,600
Consulting fees	179,409	314,705
Professional fees	184,562	52,943
Rent expense	48,931	77,435
General and administrative expenses	221,562	147,680
Total Operating Expenses	882,464	605,363
LOSS FROM OPERATIONS	(837,061)	(503,412)
OTHER EXPENSES:		
Interest expenses	(404,114)	(3,683)
Debt conversion inducement expense	—	(890,000)
Loss on derivative liabilities	(5,362,064)	—
Total Other Expense	(5,766,178)	(893,683)
NET LOSS	$ (6,603,239)	$ (1,397,095)
NET LOSS PER COMMON SHARE:		
Basic and diluted	$ (0.29)	$ (0.09)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic and diluted	22,691,572	16,101,743

See accompanying notes to consolidated financial statements.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	# of Shares	Amount	# of Shares	Amount			
Balance, December 31, 2014	—	$ —	15,274,303	$15,274	$1,401,343	$ (1,283,011)	$ 133,606
Common stock issued for services	—	—	2,158,927	2,159	414,541	—	416,700
Common stock issued for conversion of convertible debt	—	—	4,000,000	4,000	6,000	—	10,000
Common stock issued for convertible debt issuance costs	—	—	50,000	50	10,675	—	10,725
Debt conversion inducement expense	—	—	—	—	890,000	—	890,000
Net loss	—	—	—		—	(1,397,095)	(1,397,095)
Balance, December 31, 2015	—	—	21,483,230	21,483	2,722,559	(2,680,106)	63,936
Issuance of Series A preferred stock	1,000,000	1,000	—	—	—	—	1,000
Common stock issued for debt issuance costs	—	—	1,150,000	1,150	271,150	—	272,300
Common stock issued upon debt conversion	—	—	1,900,000	1,900	3,800	—	5,700
Common stock issued for services	—	—	2,676,667	2,677	244,323	—	247,000
Common stock issued for debt modification	—	—	200,000	200	79,800	—	80,000
Common stock issued for cash	—	—	1,200,000	1,200	478,800	—	480,000
Reclassification of derivative liabilities upon conversion and repayment	—	—	—	—	364,452	—	364,452
Net loss	—	—	—	—	—	(6,603,239)	(6,603,239)
Balance, December 31, 2016	1,000,000	$ 1,000	28,609,897	$28,610	$4,164,884	$ (9,283,345)	$ (5,088,851)

See accompanying notes to consolidated financial statements.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (6,603,239)	$ (1,397,095)
Adjustments to reconcile net loss to net cash used in operating activities:		
Debt conversion inducement expense	—	890,000
Amortization of debt discount to interest expense	132,202	3,148
Stock-based compensation	352,219	314,705
Debt issuance costs	140,300	—
Loss on derivative liabilities	5,362,064	—
Stock-based interest expense for debt modification	80,000	—
Bad debt	3,375	8,788
Change in operating assets and liabilities:		
Accounts receivable	(70,315)	(8,788)
Prepaid expenses and other current assets	(9,167)	8,262
Advances to supplier	(119,984)	53,738
Accounts payable	48,442	41,727
Accrued expenses	13,167	(9,631)
Advances from customers	79,780	—
NET CASH USED IN OPERATING ACTIVITIES	(591,156)	(95,146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from related party advances	51,570	31,366
Repayment of related party advances	(89,780)	(983)
Proceeds from convertible debt	132,000	190,000
Repayment of convertible debt	(230,000)	—
Proceeds from loans payable	55,000	—
Repayment of loans payable	(12,707)	—
Proceeds from sale of common stock	480,000	5,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	386,083	225,383
NET (DECREASE) INCREASE IN CASH	(205,073)	130,237
CASH, beginning of year	208,064	77,827
CASH, end of year	$ 2,991	$ 208,064
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ 55,930	$ 175
Income taxes	$ —	$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of derivative liability to equity	$ 364,452	$ —
Common stock issued for convertible debt	$ 5,700	$ 10,000

Common stock issued for future services and reflected in prepaid expenses	$ 32,000	$ 101,995
Common stock issued for debt discount	$ 132,000	$ 10,725
Increase in derivative liability and debt discount	$ —	$ 73,236

See accompanying notes to consolidated financial statements.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Organization

Petrone Worldwide, Inc. (the "Company") was incorporated as Sheridan Industries, Inc. on December 14, 1998 in the State of Nevada. On December 31, 1998, the Company changed its name to Diabetex International Corp. and effective February 18, 2014, the Company changed its name to Petrone Worldwide, Inc. The Company is in the hospitality industry and is a supplier of tabletop kitchenware and hotel room products thru an exclusive licensing agreement with a leading supplier. Additionally, in August 2016, the Company began providing logistic services to one customer.

On January 29, 2014 and effective March 3, 2014, the Company entered into a purchase agreement (the "Purchase Agreement") with Petrone Food Works, Inc. ("PFW") and the shareholder of PFW. Pursuant to the Purchase Agreement, the Company acquired 100% of PFW's issued and outstanding common stock from the PFW shareholder in exchange for the issuance of 11,760,542 shares of the Company's common stock, representing 98.4% of the outstanding common stock, (the "Exchange"), after giving effect to a 1-for-500 reverse stock split (the "Reverse Stock Split") which resulted in 195,607 common shares outstanding prior to the Exchange for liabilities of $30,000. Accordingly, the PFW shareholder became a shareholder of the Company and PFW became a subsidiary of the Company. The Exchange has been accounted for as a reverse-merger and recapitalization since the stockholder of PFW obtained voting and management control of the Company. PFW is the acquirer for financial reporting purposes and the Company is the acquired company. Consequently, the assets and liabilities and the operations reflected in the historical financial statements prior to the Exchange are those of PFW and was recorded at the historical cost basis of PFW, and the consolidated financial statements after completion of the Exchange included the assets and liabilities of both the Company and PFW and the Company's consolidated operations from the closing date of the Exchange. All share and per share data in the accompanying consolidated financial statements have been retroactively restated to reflect the effect of the Reverse Stock Split and recapitalization. PFW was formed under the laws of the State of Nevada in October 2013.

On December 1, 2016, the Company amended its Articles of Incorporation to increase its authorized shares from 110,000,000 shares to 910,000,000 shares. The capital stock of the Corporation is divided into two classes: (1) Common Stock in the amount of 900,000,000 shares, having par value of $0.001 each, and (2) Preferred Stock in the amount of 10,000,000 shares, having par value of $0.001 each.

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements include the financial statements of its wholly-owned subsidiary, Petrone Food Works, Inc. (inactive). All significant intercompany accounts and transactions have been eliminated in consolidation.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying consolidated financial statements, the Company had a net loss of $6,603,239 and $1,397,095 for the years ended December 31, 2016 and 2015, respectively. The net cash used in operations were $591,156 and $95,146 for the years ended December 31, 2016 and 2015, respectively. Additionally, the Company had an accumulated deficit, stockholders' deficit and working deficit of $9,283,345, $5,088,851 and $5,088,851, respectively, at December 31, 2016. These factors raise substantial doubt about the Company's ability to continue as a going concern for twelve months from the issuance date of this report. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. During 2016, management has taken measures to reduce operating expenses. The Company is seeking to raise capital through additional debt and/or equity financings to fund its operations in the future. Although the Company has historically raised capital from sales of equity and from the issuance of promissory notes, there is no assurance that it will be able to continue to do so. If the Company is unable to raise additional capital or secure additional lending in the near future, management expects that the Company will need to curtail its operations. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be

unable to continue as a going concern.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates for the years ended December 31, 2016 and 2015 include estimates of current and deferred income taxes and deferred tax valuation allowances, the fair value of derivative liabilities, and the fair value of non-cash equity transactions.

Fair value of financial instruments and fair value measurements

FASB ASC 820 — *Fair Value Measurements and Disclosures*, 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. FASB ASC 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on December 31, 2016 and 2015. Accordingly, the estimates presented in these consolidated financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments. FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1- Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2- Inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3- Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, loans, accounts payable, accrued expenses, and other payables approximate their fair market value based on the short-term maturity of these instruments.

The Company analyzes all financial and non-financial instruments with features of both liabilities and equity under the FASB's accounting standard for such instruments. Under this standard, financial and non-financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company accounts for one instrument at fair value using level 3 valuation.

	At December 31, 2016			At December 31, 2015		
Description	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative liabilities	-	-	$ 5,070,848	-	-	$73,236

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A roll forward of the level 3 valuation financial instruments is as follows:

	Derivative Liabilities
Balance at December 31, 2014	$ —
Initial valuation of derivative liability	73,236
Change in fair value included in net loss	—
Balance at December 31, 2015	73,236
Initial valuation of derivative liabilities	1,448,678
Reclassify derivative liabilities to paid-in capital upon conversion or repayment	(364,452)
Change in fair value included in net loss	3,913,386
Balance at December 31, 2016	$ 5,070,848

ASC 825-10 “Financial Instruments”, allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. The Company did not elect to apply the fair value option to any outstanding instruments.

Cash and cash equivalents

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less at the purchase date and money market accounts to be cash equivalents.

Accounts receivable

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 expense associated with the allowance for doubtful accounts is recognized as general and administrative expense. At December 31, 2016 and 2015, the Company has established, based on a review of its outstanding balances, an allowance for doubtful accounts in the amounts of $3,375 and $0, respectively.

Advances to supplier

Advances to supplier represent the advance payments for the purchase of product from supplier.

Impairment of long-lived assets

In accordance with ASC Topic 360, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset’s estimated fair value and its book value.

Derivative liabilities

The Company has certain financial instruments that are embedded derivatives associated with capital raises. The Company evaluates all its financial instruments to determine if those contracts or any potential embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with FASB ASC 815-10-05-4 and

815-40. This accounting treatment requires that the carrying amount of any embedded derivatives be recorded at fair value at issuance and marked-to-market at each balance sheet date. In the event that the fair value is recorded as a liability, as is the case with the Company, the change in the fair value during the period is recorded as either income or expense. Upon conversion or exercise, the derivative liability is marked to fair value at the conversion date and then the related fair value is reclassified to equity.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Pursuant to the guidance of ASC Topic 605, the Company recognizes sales when persuasive evidence of an arrangement exists, delivery has occurred or services have been provided, the purchase price is fixed or determinable and collectability is reasonably assured. The Company's standard terms are "ex works", with title transferring to its customer at the Company suppliers' loading docks or upon embarkation with risk of loss being assumed by the customer at the shipping point. The Company has a small percentage of sales with other terms, and revenue is recognized in accordance with the terms of the related customer purchase order. Shipping and handling costs billed to customers are recognized in revenue.

Advances from customers at December 31, 2016 and 2015 amounted to $79,780 and $0, respectively, and consist of prepayments from customers for merchandise that had not yet been shipped. The Company will recognize the deposits as revenue when customers take delivery of the goods and title to the assets is transferred to customers in accordance with the Company's revenue recognition policy.

For logistics services performed, the Company recognizes revenue upon performance and completion of services rendered.

Cost of sales

Cost of sales includes inventory costs, materials and supplies costs, and shipping and handling costs incurred.

Shipping and handling costs

For the years ended December 31, 2016 and 2015, shipping and handling costs incurred for product shipped to customers are included in cost of sales and amounted to $109,595 and $137,863, respectively. Shipping and handling costs charged to customers are included in sales.

Advertising costs

All costs related to advertising of the Company's products are expensed in the period incurred. For the years ended December 31, 2016 and 2015, advertising costs charged to operations were $0 and $2,153, respectively, and are included in general and administrative expenses on the accompanying consolidated statements of operations.

Income taxes

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 more-likely-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 follows the accounting guidance for uncertainty in income taxes using the provisions of Accounting Standards Codification (ASC) 740 "*Income Taxes*". Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. As of December 31, 2016 and 2015, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest and penalties related to uncertain income tax positions in other expense. However, no such interest and penalties were recorded for the years ended December 31, 2016 and 2015.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock-based compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the vesting period or immediately if the equity award is non-forfeitable and non-cancellable. The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the "measurement date." The expense is recognized over the service period of the award. Common stock awards issued to consultants represent common stock granted to non-employees in exchange for services at fair value. The measurement dates for such awards are set at the dates that the contracts are entered into as the awards are non-forfeitable and vest immediately. The measurement date fair value is then recognized over the service period as if the Company has paid cash for such service.

Loss per share of common stock

ASC 260 "Earnings Per Share", requires dual presentation of basic and diluted earnings per share ("EPS") with a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. Basic EPS excludes dilution. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. Basic net loss per common share is computed by dividing net loss available to common shareholders by the weighted average number of shares of common shares outstanding during the period. Diluted net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period. Additionally, potentially dilutive common shares consist of common stock issuable upon conversion of convertible debt. These common stock equivalents may be dilutive in the future. Potentially dilutive common shares were excluded from the computation of diluted shares outstanding as they would have an anti-dilutive impact on the Company's net losses and consisted of the following:

	December 31, 2016	December 31, 2015
Convertible notes	57,402,538	463,200

Recent accounting pronouncements

In May 2014, the FASB issued an update ("ASU 2014-09") *Revenue from Contracts with Customers.* ASU 2014-09 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. ASU 2014-09 requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and also requires certain additional disclosures. ASU 2014-09 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2016. The Company is currently evaluating the impact of the adoption of ASU 2014-09 on its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*, that will require management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. In connection with each annual and interim period, management will assess if there is substantial doubt about an entity's ability to continue as a going concern within one year after the issuance date. Substantial doubt exists if it is probable that the entity will be unable to meet its obligations within one year after the issuance date. The new standard defines substantial doubt and provides example indicators. Disclosures will be required if conditions give rise to substantial doubt. However, management will need to assess if its plans will alleviate substantial doubt to determine the specific disclosures. This standard is effective for public entities for annual periods ending after

December 15, 2016. Earlier application of this standard is permitted. This standard is not expected to have a material effect on the Company's financial position, results of operations and cash flows.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"), which requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The ASU simplifies the current guidance in ASC Topic 740, *Income Taxes*, which requires entities to separately present deferred tax assets and liabilities as current and noncurrent in a classified balance sheet. ASU 2015-17 is effective for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for all entities as of the beginning of an interim or annual reporting period. The Company does not expect the impact of ASU 2015-17 to be material to the Company's consolidated financial statements.

In March 2016, the FASB issued its new stock compensation guidance in ASU No. 2016-09 (Topic 718). First, under the new guidance, companies will be required to recognize the income tax effects of share-based awards in the income statement when the awards vest or are settled (i.e., additional paid-in capital ("APIC") or APIC pools will be eliminated). In addition, the new guidance allows a withholding amount of awarded shares with a fair value up to the amount of tax owed using the maximum, instead of the minimum, statutory tax rate without triggering liability classification for the award. Lastly, the new guidance allows companies to elect whether to account for forfeitures of share-based payments by (1) recognizing forfeitures of awards as they occur or (2) estimating the number of awards expected to be forfeited and adjusting the estimate when it is likely to change, as is currently required. The new standard is effective for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The result of adopting this guidance is not expected to have a material impact on the Company's consolidated financial statements.

There are no other recently issued accounting standards that apply to us or that are expected to have a material impact on our results of operations, financial condition, or cash flows.

NOTE 3 – CONVERTIBLE NOTES

Firstfire Convertible Note

On December 28, 2015, the Company entered into a secured convertible promissory note (the "Firstfire Convertible Note") with Firstfire Global Opportunities Fund LLC (the "Lender"), with a principal amount of $230,000, which amount is the $200,000 purchase price plus a 15% original issue discount equal to $30,000. Additionally, the lender deducted legal fees of $10,000 and the Company received net proceeds of $190,000. The unpaid principal and interest is secured by the Company's common stock, bears interest computed at a rate of interest that is equal to 7.0% per annum, and is payable in monthly installments of $50,555 commencing April 28, 2016 through August 28, 2016. Any amount of principal or interest on this Convertible Note, which is not paid by the due dates, shall bear interest at the rate of 15% per annum from the due date until paid. During the year ended December 31, 2016, the Company repaid all of the Firstfire Convertible Note principal amount due of $230,000.

In connection with the issuance of the Firstfire Convertible Note, the Company determined that the terms of the Firstfire Convertible Note included a down-round provision under which the conversion price and exercise price could be affected by future equity offerings undertaken by the Company or contain terms that are not fixed monetary amounts at inception. Accordingly, under the provisions of FASB ASC Topic No. 815-40, "Derivatives and Hedging – Contracts in an Entity's Own Stock", the embedded conversion option contained in the convertible instruments were accounted for as derivative liabilities at the date of issuance and shall be adjusted to fair value through earnings at each reporting date.

The fair value of the embedded conversion option derivatives was determined using the Black- Scholes Option Pricing Model. On the initial measurement date, the fair values of the embedded conversion option derivative of $73,236 was recorded as a derivative liability and was allocated as a debt discount to the Convertible Note of $73,236. At December 28, 2015, the Company valued the embedded conversion option derivative liabilities resulting in no gain or loss from change in fair value of derivative liabilities. During the year ended December 31, 2016, at the end of each period, the Company revalued the embedded conversion option derivative liabilities. In connection with these revaluations, the Company recorded derivative income of $57,415. Additionally, in connection with the Firstfire Convertible Note, in December 2015, the Company paid Lender debt issuance costs of $10,000 and issued 50,000 shares of its common stock. These common

shares were valued at $0.225 per share based on recent sales of the Company's stock and the Company recorded a debt discount of $10,725 which is the relative fair value of such shares.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 – CONVERTIBLE NOTES (continued)

Upon repayment of the debt, the Company reclassified any remaining derivative liabilities to additional paid in capital of $15,821.

During the year ended December 31, 2016, the Company entered into agreements for the addendum of the Firstfire Convertible Note which waived all rights to enforce any event of default, which may have been triggered by the Company's failure to file it reports with the SEC. In connection with these agreements, during 2016, the Company issued an aggregate of 200,000 shares of common stock that were valued on the date of grant at $0.40 per share or $80,000 based on recent sales of the Company's common stock and paid cash penalties of $10,000. The value of these shares and the cash penalties paid have been included in interest expense on the accompanying consolidated statement of operations.

Securities Purchase Agreements and Debentures

Peak securities purchase agreement and debenture

On October 24, 2016 (the "Issuance Date"), the Company entered into a securities purchase agreement (the "SPA") with Peak One Opportunity Fund, L.P., an accredited investor ("Peak"), whereby Peak agreed to invest up to $346,500 (the "Purchase Price") in the Company in exchange for the convertible debentures, upon the terms and subject to the conditions thereof. Pursuant to the SPA, the Company issued a convertible debenture to Peak on October 26, 2016, in the original principal amount of $85,000, which bears interest at 0% per annum (the "First Debenture"). On October 26, 2016, the Company received net cash proceeds of $70,000 under this convertible note which was net of debt issuance costs and legal fees of $15,000 which were treated as a debt discount and will be amortized into interest expense over the term of the respective note. Each convertible debenture issued pursuant to the SPA and any accrued and unpaid interest relating to each convertible debenture, is due and payable three years from the issuance date of the respective convertible debenture. Any amount of principal or interest that is due under each convertible debenture, which is not paid by the respective maturity date, will bear interest at the rate of 18% per annum until it is satisfied in full. In connection with the issuance of the SPA, the Company issued 650,000 shares of the Company's common stock to Peak (See Note 6).

Peak is entitled to, at any time or from time to time, convert each convertible debenture issued under the SPA into shares of the Company's common stock, at a conversion price per share (the "Conversion Price") equal to either: (i) if no event of default has occurred under the respective convertible debenture and the date of conversion is prior to the date that is one hundred eighty days after the issuance date of the respective convertible debenture, $0.25, or (ii) if an event of default has occurred under the respective convertible debenture or the date of conversion is on or after the date that is one hundred eighty days after the issuance date of the respective convertible debenture, the lesser of (a) $0.25 or (b) 65% of the lowest closing bid price of the common stock for the twenty trading days immediately preceding the date of the date of conversion (provided, further, that if either the Company is not DWAC operational at the time of conversion or the common stock is traded on the OTC Pink at the time of conversion, then 65% shall automatically adjust to 60%), subject in each case to equitable adjustments resulting from any stock splits, stock dividends, recapitalizations or similar events.

The Company may redeem each convertible debenture issued under the SPA, upon not more than two days written notice, for an amount (the "Redemption Price") equal to: (i) if the Redemption Date is ninety days or less from the date of issuance of the respective convertible debenture, 105% of the sum of the Principal Amount so redeemed plus accrued interest, if any; (ii) if the Redemption Date is greater than or equal to ninety one days from the date of issuance of the respective convertible debenture and less than or equal to one hundred twenty days from the date of issuance of the respective convertible debenture, 110% of the sum of the Principal Amount so redeemed plus accrued interest, if any; (iii) if the Redemption Date is greater than or equal to one hundred twenty one days from the date of issuance of the respective convertible debenture and less than or equal to one hundred fifty days from the date of issuance of the respective convertible debenture, 120% of the sum of the Principal Amount so redeemed plus accrued interest, if any; (iv) if the Redemption Date is greater than or equal to one hundred fifty one days from the date of issuance of the respective convertible debenture and less than or equal to one hundred eighty days from the date of issuance of the respective convertible debenture, 130% of the sum of the Principal Amount so redeemed plus accrued interest, if any; and (v) if either (1) the respective convertible debenture is in default but the Buyer consents to the redemption notwithstanding such default or (2) the Redemption Date is greater than or equal to one hundred eighty one days from the date of issuance of the

respective convertible debenture, 140% of the sum of the Principal Amount so redeemed plus accrued interest, if any.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 – CONVERTIBLE NOTES (continued)

Crown Bridge securities purchase agreement and debenture

On November 18, 2016 (the "Closing Date"), the Company consummated a transaction with an accredited investor ("Crown"), whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the "SPA"), Crown agreed to invest up to $340,000 (the "Purchase Price") in our Company in exchange for a convertible promissory note in the principal amount of $400,000 (the "Crown Bridge Note"). The Crown Bridge Note carries a prorated original issue discount of $60,000 and bears interest at the rate of 6% per year. Through December 31, 2016, Crown funded the two tranches under the Crown Bridge Note in principal amounts aggregating $80,000 and the Company received net proceeds of $62,000 in cash after debt issuance costs of $18,000 which were treated as a debt discount and will be amortized into interest expense over the term of the respective note. Each tranche funded under the Crown Bridge Note (each a "Tranche"), coupled with the accrued and unpaid interest relating to that respective Tranche, is due and payable twelve months from the funding date of the respective Tranche. Any amount of principal or interest that is due under each Tranche, which is not paid by the respective maturity date, will bear interest at the rate of 22% per annum until it is satisfied in full. Crown is entitled to, at any time or from time to time, convert each Tranche under the Crown Bridge Note into shares of the Company's common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price of the common stock for the twenty trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the Note. In connection with the issuance of the First Tranch of the Crowne Bridge Note and SPA, the Company issued 450,000 shares of the Company's common stock to Crown and in connection with the issuance of the second Tranche of the Crowne Bridge Note, the Company issued 50,000 shares of the Company's common stock to Crown (See Note 6). The Crown Bridge Note contains representations, warranties, events of default, beneficial ownership limitations, prepayment options, and other provisions that are customary of similar instruments.

Other

In 2013 and on July 1, 2014, the Company entered into two convertible promissory two note agreements with individuals in the amount of $20,000 and $10,000, respectively. The notes were non-interest bearing, unsecured and were due on demand. The notes are convertible into shares of stock of the Company at the market price on the date of conversion. Pursuant to ASC Topic 470-20 (Debt with conversion and other options), since these convertible notes had fixed conversion price at market, the Company determined it had a fixed monetary amounts that can be settled for the debt. Accordingly, no derivative liability was calculated. On December 22, 2015, the Company entered into a debt purchase and assignment agreement with one of the debt holders whereby a convertible note in the principal amount of $10,000 became convertible at $.0025 per common share and the note was converted into 4,000,000 shares of the Company's common stock (see Note 6). Additionally, on December 2, 2016, the Company entered into a debt purchase and assignment agreement with one of the debt holders whereby a convertible note in the principal amount of $20,000 was assigned to a third party and the Company entered into a new convertible note agreement (the "Rosen Note") for $20,000 which became immediately convertible at $.003 per common share. On December 2, 2016, $5,700 of the principal amount was converted into 1,900,000 shares of the Company's common stock (see Note 6). At December 31, 2016 and 2015, one note remained due in the principal amount of $14,300 and $20,000, respectively.

In connection with the issuance of the and Peak and Crown Bridge debentures, the Company determined that the terms of these debentures contain terms that included a down-round provision under which the conversion price and exercise price could be affected by future equity offerings undertaken by the Company or contain terms that are not fixed monetary amounts at inception. Accordingly, under the provisions of FASB ASC Topic No. 815-40, "Derivatives and Hedging – Contracts in an Entity's Own Stock", the embedded conversion options contained in the convertible instruments are accounted for as derivative liabilities at the date of issuance and are adjusted to fair value through earnings at each reporting date. Additionally, since there is an undeterminable amount of shares issuable under the Peak Note, the Company accounted for the Rosen Note under the provisions of FASB ASC Topic No. 815-40. The fair value of the embedded conversion option derivatives were determined using the Binomial valuation model. During 2016, on the initial measurement dates, the fair values of the embedded conversion option derivatives of $1,448,678 was recorded as derivative liabilities and $1,448,678 was charged to current period operations as initial derivative expense. At the end of each period, the Company revalued the embedded conversion option derivative liabilities. In connection with these

revaluations, the Company recorded derivative expense of $3,970,801 for the year ended December 31, 2016. Aggregate derivative expense from changes in fair value of derivative liabilities and the initial derivative expense on the Peak, Crown and Rosen debentures amounted to $5,419,479, which is recorded as a component of other income/(expense) on the accompanying consolidated statements of operations.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3 – CONVERTIBLE NOTES (continued)

During the years ended December 31, 2016 and 2015, the fair value of the derivative liabilities were estimated using the Binomial option pricing method with the following assumptions:

	Year ended December 31, 2016	Year ended December 31, 2015
Conversion price per share	$0.0017 to $0.028	$0.50
Dividend rate	0	0
Term (in years)	0.92 to 3 years	0.67 years
Volatility	200.0%	100.0%
Risk-free interest rate	0.85% to 1.47%	0.66%

For the years ended December 31, 2016 and 2015, amortization of debt discounts related to these convertible notes amounted to $132,202 and $3,148, respectively, which has been included in interest expenses on the accompanying consolidated statements of operations.

At December 31, 2016 and 2015, convertible promissory notes consisted of the following:

	December 31, 2016	December 31, 2015
Principal amount	$ 179,300	$ 250,000
Less: unamortized debt discount	(153,611)	(120,813)
Convertible note payable, net	$ 25,689	$ 129,187

NOTE 4 – LOANS PAYABLE

On September 23, 2016, the Company entered into a business loan and security agreement with EBF Partners, LLC (the "EBF Loan"). Pursuant to the EBF Loan, the Company borrowed $20,000. The Company is required to repay the EBF Loan by making daily payments of $204 on each business day until the purchased amount of $28,200 is paid in full. Each payment is deducted directly from the Company's bank accounts. The EBF Loan has an effective interest rate of approximately 116%, is secured by the Company's assets and is personally guaranteed by the Company's chief executive officer. During 2016, the Company repaid principal amounts of $5,471 and at December 31, 2016, amounts due under the EBF Loan amounted to $14,529. On January 25, 2017, the Company refinanced this loan (See Note 10).

On September 26, 2016, the Company entered into a business loan and security agreement with On Deck Capital, Inc. (the "On Deck Loan"). Pursuant to the On Deck Loan, the Company borrowed $35,000 and received net proceeds of $34,125 after paying a loan origination fee of $875. The Company is required to repay the On Deck Loan by making 252 daily payments of $190 on each business day until the purchased amount of $47,951 is paid in full. Each payment is deducted directly from the Company's bank accounts. The On Deck Loan has an effective interest rate of approximately 66%, is secured by the Company's assets and is personally guaranteed by the Company's chief executive officer. During 2016, the Company repaid principal amounts of $7,236 and at December 31, 2016, amounts due under the On Deck Loan amounted to $27,764.

NOTE 5 – RELATED PARTY TRANSACTIONS

From time to time, the Company receives advances from the Company's chief executive officer for working capital purposes. The advances are non-interest bearing and are payable on demand. For the year ended December 31, 2016 and 2015, due to related party activity consisted of the following:

	For the Year ended December 31, 2016	For the Year ended December 31, 2015
Balance due to related party at beginning of year	$ 38,434	$ 8,051

Working capital advances received	51,570	31,366
Repayments made and conversions	(89,780)	(983)
Balance due to related party at end of year	$ 224	$ 38,434

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 - STOCKHOLDERS' EQUITY

Preferred stock

The Company's board of directors authorized the issuance of 10,000,000 the shares of preferred stock in such series and to fix from time to time before issuance thereof the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, of such series.

On February 19, 2016, the Board of Directors of the Company authorized and approved to create a new class of voting preferred stock called "Series A Preferred Stock", consisting of 1,000,000 shares authorized, $.001 par value. The preferred stock is not convertible into any other class or series of stock and has no liquidation preference value. The Series A Preferred Stock was issued to ensure perpetual control of at least 51% is provided to the holder of the Series A Preferred Stock. On all matters to come before the shareholders of the Company, the holders of Series A Preferred shall have that number of votes per share (rounded to the nearest whole share) equal to the product of (x) the number of shares of Series A Preferred held on the record date for the determination of the holders of the shares entitled to vote (the "Record Date"), or, if no record date is established, at the date such vote is taken or any written consent of shareholders is first solicited, and (y) fifty.

In the event that the votes by the holders of the Series A Preferred Stock do not total at least 51% of the votes of all classes of the Company's authorized capital stock entitled to vote, then regardless of the provisions of this paragraph, in any such case, the votes cast by a majority of the holders of the Series A Preferred Stock shall be deemed to equal 51% of all votes cast at any meeting of stockholders, or any issue put to the stockholders for voting and the Company may state that any such action approved by at least a majority of the holders of the Series A Preferred Stock was had by majority vote of the holders of all classes of the Company's capital stock.

On February 19, 2016, the Company issued 1,000,000 shares of Series A Preferred Stock to its chief executive officer. In connection with the issuance of Series A preferred shares, the Company recorded a nominal amount of stock-based compensation of $1,000 since the shares had no economic value, on the date of the issuance of such shares, the Company's chief executive officer was the majority owner of the Company's common shares, and the value of such voting rights were not readily and objectively measurable.

Common stock issued for services

During the year ended December 31, 2015, pursuant to consulting agreements, the Company issued 2,158,927 shares of common stock to consultants for business development and other services rendered and to be rendered. These shares were valued on the date of grant at per share prices ranging from $0.13 to $0.225 based on recent sales of the Company's common stock or based on the fair value of services rendered for an aggregate value of $416,700. For the year ended December 31, 2015, in connection with the issuance of these shares, the Company recorded stock-based consulting expense of $288,192 and a prepaid expense of $128,508 which was amortized into consulting expense during the year ended December 31, 2016.

On March 16, 2016, pursuant to a consulting agreement, the Company issued 16,667 shares of common stock to a consultant for investor relations services rendered. These shares were valued on the date of grant at $0.90 per share or $15,000 based on the fair value of services performed. In March 2016, in connection with the issuance of these shares, the Company recorded stock-based consulting expense of $15,000.

On September 13, 2016, pursuant to a one-year consulting agreement, the Company issued 60,000 shares of common stock to a consultant for business development services rendered and to be rendered. These shares were valued on the date of grant at $0.40 per share or $24,000 based on recent sales of the Company's common stock. In connection with this agreement, the Company recorded stock-based consulting fees, of $7,043 and a prepaid expense of $16,957 that will be amortized over the remaining one-year service period.,

On December 16, 2016, pursuant to a consulting agreement, the Company issued 100,000 shares of common stock to a

consultant for investor relations services rendered. These shares were valued on the date of grant at $0.08 per share or $8,000 based on the quoted trading price on date of grant. In connection with this agreement, the Company recorded stock-based consulting fees, of $668 and a prepaid expense of $7,332 that will be amortized over the remaining six month service period.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 - STOCKHOLDERS' EQUITY (continued)

On December 16, 2016, the Company issued 2,500,000 shares of common stock to the Company's chief executive officer for services rendered. These shares were valued on the date of grant at $0.08 per share or $200,000 based on the quoted trading price of the Company's common stock on the date of grant. In December 2016, in connection with the issuance of these shares, the Company recorded stock-based compensation expense of $200,000.

Additionally, for the year ended December 31, 2015, amortization of other prepaid stock-based consulting fees amounted to $26,513.

Common stock issued for cash

During 2014, the Company issued 262,218 shares of common stock for cash of $105,000 and a subscription receivable of $5,000 at per share prices ranging from $0.4545 per share to $0.225 per share. In January 2015, the subscription receivable amount due of $5,000 was received.

On February 3, 2016, the Company sold 1,200,000 shares of its common stock at $0.40 per common share for cash of $200,000 and a subscription receivable of $280,000. The subscription receivable of $280,000 was collected in April 2016.

Common shares issued in connection with debt addendum

On April 20, 2016, June 6, 2016 and August 26, 2016, the Company entered into agreements for the addendum of the Convertible Note (see Note 3) which waived all rights to enforce any event of default, which may have been triggered by the Company's failure to file it reports with the SEC. In connection with these agreements, the Company issued of 30,000, 40,000 and 130,000 shares of common stock, respectively, for an aggregate of 200,000 shares of common stock. These shares were valued on the date of grant at $0.40 per share or $80,000 based on recent sales of the Company's common stock.

Common stock issued in connections with convertible debts

On December 22, 2015, the Company entered into a debt purchase and assignment agreement with one of its debt holders whereby a convertible note in the principal amount of $10,000 became convertible at $.0025 per common share and the note was converted into 4,000,000 shares of the Company's common stock. Pursuant to ASC 470-20-40, since the convertible note was immediately converted into common shares of the Company pursuant to the debt purchase and assignment agreements, the Company recognized a debt conversion inducement expense of $890,000 equal to the fair value of the common stock transferred in the transaction in excess of the fair value of securities issuable pursuant to the original conversion terms (see Note 3).

On December 28, 2015, in connection with a Convertible Note, the Company issued 50,000 shares of its common stock. These common shares were valued at $0.225 per share based on recent sales of the Company's stock and the Company recorded a debt discount of $10,725 which is the relative fair value of such shares (see Note 3).

On October 26, 2016, in connection with a Convertible Note, the Company issued 650,000 shares of its common stock as a debt issuance cost. These common shares were valued at $0.26 per share based on the quoted trading price of the Company's common stock on the note date, In connection with the issuance of these shares, the Company recorded debt issuance costs of $99,000, which is included in interest expense, and a debt discount of $70,000 which will be amortized into interest expense over the term on the note (see Note 3).

On November 7, 2016, In connection with the issuance of the First Tranch of the Crowne Bridge Note and SPA (see Note 3), the Company issued 450,000 shares of its common stock as a debt issuance cost. These common shares were valued at $0.22 per share based on the quoted trading price of the Company's common stock on the note date, In connection with the issuance of these shares, the Company recorded debt issuance costs of $37,000, which is included in interest expense, and a debt discount of $62,000 which will be amortized into interest expense over the term on the note (see Note 3).

F-17

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 - STOCKHOLDERS' EQUITY (continued)

On December 2, 2016, the Company entered into a debt purchase and assignment agreement with one of its debt holders whereby a convertible note in the principal amount of $20,000 became convertible at $.003 per common share and $5,700 in principal balance was converted into 1,900,000 shares of the Company's common stock (see Note 3).

On December 20, 2016, in connection with the issuance of the second Tranche of the Crowne Bridge Note (see Note 3), the Company issued 50,000 shares of the Company's common stock to Crown. These shares were valued on the date of grant at $0.086 per share or $4,300 based on the quoted trading price of the Company's common stock on the second Tranche of the Crown Bridge Note. In March 2016, in connection with the issuance of these shares, the Company recorded debt issuance costs of $4,300.

NOTE 7 – INCOME TAXES

The Company maintains deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The net deferred tax asset has been fully offset by a valuation allowance because of the uncertainty of the attainment of future taxable income. The items accounting for the difference between income taxes at the effective statutory rate and the provision for income taxes for the years ended December 31, 2016 and 2015 were as follows:

	Years Ended December 31,	
	2016	2015
Income tax benefit at U.S. statutory rate of 34%	$ (2,245,101)	$ (475,012)
State income taxes	(330,162)	(69,854)
Non-deductible expenses	2,366,046	469,834
Change in valuation allowance	209,217	75,032
Total provision for income tax	$ —	$ —

The Company's approximate net deferred tax assets as of December 31, 2016 and 2015 were as follows:

	December 31, 2016	December 31, 2015
Deferred Tax Assets:		
Net operating loss carryforward	$ 382,922	$ 173,705
Total deferred tax assets before valuation allowance	382,922	173,705
Valuation allowance	(382,922	(173,705)
Net deferred tax assets	$ —	$ —

The estimated net operating loss carryforward was approximately $982,000 at December 31, 2016 which may be limited on the usage of such net operating loss carryforwards due to a change in ownership in accordance with Section 382 of the Internal Revenue Code. The Company provided a valuation allowance equal to the net deferred income tax asset for the years ended December 31, 2016 and 2015 because it was not known whether future taxable income will be sufficient to utilize the loss carryforward. The increase in the valuation allowance was $209,217 from the year ended December 31, 2014. The potential tax benefit arising from tax loss carryforwards will expire in 2036.

The Company does not have any uncertain tax positions or events leading to uncertainty in a tax position. The Company's 2013, 2014, 2015 and 2016 Corporate Income Tax Returns are subject to Internal Revenue Service examination.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 8 – COMMITMENTS

International distribution agreement

On February 28, 2014, the Company entered into an International Distribution Agreement (the "International Distribution Agreement") with its major supplier. The Company did not meet its 2016 minimum purchase amount of $1,000,000. Future minimum purchase amounts under the International Distribution Agreement at December 31, 2016 are as follows:

Years ending December 31,		Amount
2017	$	1,500,000
2018		2,500,000
Total minimum purchase amounts	$	4,000,000

Leases

The Company leases its facilities under non-cancelable operating leases. Rent expense for operating leases was $48,931 and $77,435 for the years ended December 31, 2016 and 2015, respectively. Future minimum lease payments under non-cancelable operating lease at December 31, 2016 are as follows:

Years ending December 31,		Amount
2017	$	1,150
Total minimum non-cancelable operating lease payments	$	1,150

NOTE 9 – CONCENTRATIONS

Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of and cash deposits. The Company places its cash in banks at levels that, at times, may exceed federally insured limits. There were no balances in excess of FDIC insured levels as of December 31, 2016 and 2015. The Company has not experienced any losses in such accounts through December 31, 2016.

Geographic concentrations of sales

For the year ended December 31, 2016 total sales to customers located in Europe and the United States represent approximately 63% and 28% of total consolidated revenues, respectively. No other geographical area accounted for more than 10% of total sales during the years ended December 31, 2016. For the year ended December 31, 2015, total sales in Europe, the Middle East, Latin American and the United States represent approximately 27%, 29%, 22% and 22% of total consolidated revenues, respectively.

Customer concentrations

For the year ended December 31, 2016, two customers accounted for approximately 43.0% of total sales (28.0% and 15.0%, respectively). For the year ended December 31, 2015, five customers accounted for approximately 85.3% of total sales (21.9%, 13.7%, 22.1%, 13.3% and 14.3%, respectively). A reduction in sales from or loss of such customers would have a material adverse effect on the Company's consolidated results of operations and financial condition.

Vendor concentrations

For the years ended December 31, 2016 and 2015, the Company purchased all of its product from one supplier. The loss of this supplier may have a material adverse effect on the Company's consolidated results of operations and financial condition.

F-19

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 10 – SEGMENT REPORTING

The Company's principal operating segments coincide with the types of products or services to be sold. The Company's two reportable segments for the year ended December 31, 2016 were (i) the Product Segment and (ii) the Logistics Services Segment. For the year ended December 31, 2016, the Company only operated in the Product Segment. The Company's chief operating decision-maker has been identified as the Chairman and CEO, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company. Segment information is presented based upon the Company's management organization structure as of December 31, 2016 and the distinctive nature of each segment. Future changes to this internal financial structure may result in changes to the reportable segments disclosed. There are no inter-segment revenue transactions and, therefore, revenues are only to external customers.

Segment operating profits or loss is determined based upon internal performance measures used by the chief operating decision-maker. The Company derives the segment results from its internal management reporting system. The accounting policies the Company uses to derive reportable segment results are the same as those used for external reporting purposes. Management measures the performance of each reportable segment based upon several metrics, including net revenues, gross profit and operating income (loss). Management uses these results to evaluate the performance of, and to assign resources to, each of the reportable segments. The Company manages certain operating expenses separately at the corporate level and does not allocate such expenses to the segments. Segment income (loss) from operations excludes interest income/expense and other income or expenses and income taxes according to how a particular reportable segment's management is measured. Management does not consider impairment charges, and unallocated costs in measuring the performance of the reportable segments.

Segment information available with respect to these reportable business segments for the years ended December 31, 2016 and 2015 was as follows:

	Years Ended December 31,	
	2016	**2015**
Revenues:		
Product segment	$ 235,386	$ 1,410,080
Logistics services segment	91,505	—
Total segment and consolidated revenues	**326,891**	**1,410,080**
Gross profit (loss):		
Product segment	49,262	101,951
Logistics services segment	(3,859)	—
Total segment and consolidated gross profit	**45,403**	**101,951**
Loss from operations		
Product segment	$ (648,640)	$ (450,469)
Logistics services segment	(3,859)	—
Total segment income (loss)	(652,499)	(450,469)
Unallocated costs	(184,562)	(52,943)
Total consolidated loss from operations	**$ (837,061)**	**$ (503,412)**

	December 31, 2016	December 31, 2015
Total assets:		
Product segment	$ 183,861	$ 350,372
Logistics services segment	53,310	—
Total segment and consolidated assets	**$ 237,171**	**$ 350,372**

F-20

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 11 - SUBSEQUENT EVENTS

Loan payable

On January 25, 2017, the Company entered into a business loan and security agreement with EBF Partners, LLC (the "Second EBF Loan"). Pursuant to the Second EBF Loan, the Company borrowed $25,000. The Company is required to repay the EBF Loan by making daily payments of $235 on each business day until the purchased amount of $35,250 is paid in full. Each payment is deducted directly from the Company's bank accounts. The Second EBF Loan has an effective interest rate of approximately 116%, is secured by the Company's assets and is personally guaranteed by the Company's chief executive officer. In connection with the Second EBF Loan, the Company repaid its first EBF loan.

Convertible debt

On February 13, 2017, the Company consummated a transaction with Labrys Fund, L.P. ("Buyer"), whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the "First SPA"), the Company issued a convertible promissory note in the principal amount of $110,000 (the "First Note") to Buyer. The Company received proceeds of $100,000 in cash from the Buyer. The First Note bears interest at the rate of 12% per year. The First Note is due and payable six months from the issue date of the First Note. The Company may prepay the First Note at any time during the initial 180 days after the issue date of the First Note, without any prepayment penalty, by paying the face amount of the First Note plus accrued interest through such prepayment date. Any amount of principal or interest that is due under the First Note, which is not paid by the maturity date, will bear interest at the rate of 24% per annum until the First Note is satisfied in full. The Buyer is entitled to, at any time or from time to time, convert the First Note into shares of the Company's common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price or closing bid price of the Company's common stock for the twenty (20) trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the First Note. In connection with the issuance of the First Note, the Company agreed to issue 1,341,463 shares of its common stock (the "First Shares") to Buyer, provided, however, that the First Shares must be returned to the Company's treasury if the Company prepay the First Note as provided above. On February 20, 2017, the Company entered into an amendment to the First Note, whereby the Holder agreed to return the First Shares to treasury.

On February 21, 2017, the Company consummated a transaction with Buyer, whereby, upon the terms and subject to the conditions of that certain securities purchase agreement (the "Second SPA"), the Company issued a convertible promissory note in the principal amount of $65,000 (the "Second Note") to Buyer. The Company received proceeds of $58,000 in cash from the Buyer. The Second Note bears interest at the rate of 12% per year. The Second Note is due and payable six months from the issue date of the Second Note. The Company may prepay the Second Note at any time during the initial 180 days after the issue date of the Second Note, without any prepayment penalty, by paying the face amount of the Second Note plus accrued interest through such prepayment date. Any amount of principal or interest that is due under the Second Note, which is not paid by the maturity date, will bear interest at the rate of 24% per annum until the Second Note is satisfied in full. The Buyer is entitled to, at any time or from time to time, convert the Second Note into shares of the Company's common stock, at a conversion price per share equal to fifty five percent (55%) of the lowest traded price or closing bid price of the Company's common stock for the twenty (20) trading days immediately preceding the date of the date of conversion, upon the terms and subject to the conditions of the Second Note. In connection with the issuance of the Second Note, the Company issued 1,497,000 shares of its common stock (the "Second Shares") to Buyer. The Second Note contains representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

These note contains representations, warranties, events of default, beneficial ownership limitations, and other provisions that are customary of similar instruments.

The Company determined that the terms of these debentures contain terms that included a down-round provision under which the conversion price and exercise price could be affected by future equity offerings undertaken by the Company or contain terms that are not fixed monetary amounts at inception. Accordingly, under the provisions of FASB ASC Topic No. 815-40, "Derivatives and Hedging – Contracts in an Entity's Own Stock", the embedded conversion options contained in the convertible instruments are accounted for as derivative liabilities at the date of issuance and are adjusted to fair value

through earnings at each reporting date.

PETRONE WORLDWIDE, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 11 - SUBSEQUENT EVENTS (continued)

Forbearance agreement

On April 12, 2017, in connection with certain with the Crown Bridge Notes (See Note 3), the Company entered into a forbearance agreement (the "Forbearance Agreement") with Crown whereby Crown waived any event of default, as defined in the Crown Bridge Notes, that were triggered by the Company's execution of the December 2, 2016 debt purchase and assignment agreement (See Note 3) as well as any rights provided in the Crown Bridge Notes that would permit Crown to incorporate and terms of the Rosen Note (including but not limited to the use of $0.003 as a conversion price per share). In connection with this Forbearance Agreement, the Company increased the principal amounts due under the Crown Bridge Notes by $20,000.

Other

In January 2017, in connection with the Crowne Bridge Note (see Note 3), the Company issued 50,000 shares of the Company's common stock to Crown. These shares were valued on the date of grant at $0.0685 per share or $3,425 based on the quoted trading price of the Company's common stock on date of grant. In January 2017, in connection with the issuance of these shares, the Company recorded debt issuance costs of $3,425.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We have carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer/Principal Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2016. Based on such evaluation, we have concluded that, as of such date, our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer/Principal Financial Officer, as appropriate, to allow timely discussions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining internal control over financial reporting for our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over our financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that in reasonable detail accurately and fairy reflect our transactions,

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error or circumvention through collusion of improper overriding of controls. Therefore, even those internal control systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2016. In making its assessment of internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal-Control-Integrated Framework* (2013 framework) and implemented a process to monitor and assess both the design and operating effectiveness of our internal controls. Based on this assessment, management believes that as of December 31, 2016, our internal control over financial reporting was not effective. Material weaknesses include:

(1) We did not maintain a sufficient system that keep track of documents.

(2) Lack of segregation of duties

(3) Lack of audit committee

(4) Lack of experienced and qualified personal to fulfill accounting and reporting functions

Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. As a result, we have not been able to take steps to improve our internal control over financial reporting during the year ended December 31, 2016. However, to the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals.

A material weakness (within the meaning of PCAOB Auditing Standard No. 5) is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

In light of this significant deficiency, we performed additional analyses and procedures in order to conclude that our consolidated financial statements for the year ended December 31, 2016 included in this Annual Report on Form 10-K were fairly stated in accordance with the U.S. GAAP. Accordingly, management believes that despite our material weaknesses, our consolidated financial statements for the year ended December 31, 2016 are fairly stated, in all material respects, in accordance with the U.S. GAAP.

Auditor Attestation

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

There were no changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

There are no further disclosures.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

The following table includes the names and positions held of our executive officers and directors:

NAME	AGE	POSITION	DIRECTOR SINCE
Victor Petrone	47	President/Chief Executive Officer, Secretary, Treasurer/Chief Financial Officer and Director	2014

Victor Petrone. Mr. Petrone has more than 20 years of experience in the hospitality business sector. From 2009 to 2010, Mr. Petrone was an independent hospitality consultant in Europe. During 2010, Mr. Petrone was appointed the chief operating officer of Diamond Ranch Foods, a publicly traded U.S. corporation. Mr. Petrone held this position until 2011 when he returned to being a consultant in the hospitality industry. This subsequently let to Mr. Petrone being appointed as the President/Chief Executive Officer, Secretary, Treasurer/Chief Financial Officer of Petrone Worldwide, Inc. on March 3, 2014. Mr. Petrone is a graduate of the Wharton School of Business, University of Pennsylvania.

During his career, Mr. Petrone was general manager and vice president of Performance Food Group/ Roma Foods, now a publicly traded company, then director of Specialty Markets and International Markets Sysco Foodservice, also a publicly traded company. Subsequently, Mr. Petrone became president of Nascent Wine Company, Inc. and chief operating officer of Diamond Ranch Foods, Ltd. all of which are publicly traded companies.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

Involvement in Certain Legal Proceedings

To our knowledge, none of our directors and executive officers have been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;

4. being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

5. being subject of, or a party to, any Federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

6. being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

CORPORATE GOVERNANCE MATTERS

Committees

Our Board of Directors does not currently have any committees, including an audit committee, a compensation committee or nominating and corporate governance committee. The functions of those committees are being undertaken by our sole director. Because we only have one director, we believe that the establishment of these committees would be more form over substance.

Audit Committee and Financial Expert

Presently, the Board of Directors acts as the audit committee. The Board of Directors does not have an audit committee financial expert. The Board of Directors has not yet recruited an audit committee financial expert to join the Board of Directors because we have only recently commenced a significant level of financial operations.

Code of Ethics

We have not yet adopted a Code of Ethics and Business Conduct.

Board Leadership Structure and Role in Risk Oversight

Mr. Victor Petrone serves as Chairman and sole member of our Board of Directors. Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding our assessment of risks. The Board of Directors focuses on the most significant risks facing us and our general risk management strategy, and also ensures that risks undertaken by our Company are consistent with the board's appetite for risk. While the Board of Directors oversees our risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing us and that our board leadership structure supports this approach.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Commission. Officers, directors and greater than ten percent beneficial owners are required by Commission regulations to furnish us with copies of all forms they file pursuant to Section 16(a). Based solely on our review of the copies of such forms received and written representations from reporting persons required to file reports under Section 16(a), all of the Section 16(a) filing requirements applicable to such persons, with respect to fiscal 2015, appear not to have been complied with to the best of our knowledge.

ITEM 11. EXECUTIVE COMPENSATION.

The table set forth below summarizes the annual and long-term compensation for services in all capacities to us payable to our principal executive officer during the fiscal years ended December 31, 2016 and December 31, 2015.

2016 Summary Compensation Table									
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Stock Awards ($)**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($)**	**Nonqualified Deferred Compensation Earnings ($)**	**All Other Compensation ($)**	**Total ($)**
Victor Petrone, President/CEO. Secretary, Treasurer/CFO	2016	$48,000	--	$200,000 (2)	--	--	--		$248,000
	2015	--	--	-	--	--	--	12,600 (1)	12,600

(1) Represents amounts paid to Mr. Petrone not reflects as salary on Form W-2.
(2) On December 16, 2016, we issued 2,500,000 shares of common stock to Mr. Petrone for services rendered. These shares were valued on the date of grant at $0.08 per share or $200,000 based on the quoted trading price of the Company's common stock on the date of grant.

Employment Agreement

Currently, we have no employment agreements with any officer or director.

Director Compensation

No director received compensation for services rendered to us in his capacity as a director during the fiscal year ended December 31, 2016.

Indemnification of Directors And Officers

Our Articles of Incorporation, as amended and restated, and our Bylaws provide for mandatory indemnification of our officers and directors, except where such person has been adjudicated liable by reason of his negligence or willful misconduct toward us or such other corporation in the performance of his duties as such officer or director. Our Bylaws also authorize the purchase of director and officer liability insurance to insure them against any liability asserted against or incurred by such person in that capacity or arising from such person's status as a director, officer, employee, fiduciary, or agent, whether or not the corporation would have the power to indemnify such person under the applicable law.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following tables set forth information as of December 31, 2016 regarding the beneficial ownership of our common shares by:

- each stockholder who is known by us to own beneficially in excess of 5% of our outstanding common stock;
- each director;
- our chief executive officer; and
- the executive officers and directors as a group

Except as otherwise indicated, all persons listed below have (i) sole voting power and investment power with respect to their shares of stock, except to the extent that authority is shared by spouses under applicable law, and (ii) record and beneficial ownership with respect to their shares of stock. The percentage of beneficial ownership of common stock is based upon 30,156,897 shares of common stock outstanding as of May 4, 2017.

NAME AND ADDRESS OF BENEFICIAL OWNER	TITLE OF CLASS	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT OF SHARES BENEFICIALLY OWNED
Victor Petrone 2200 N. Commerce Parkway Weston, Florida 33326	Common	14,260,542(1)	47.3%
All Directors and officers as a group (1 member)	Common	14,260,542	47.3%

(1)Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided.

Series A Preferred Stock

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class[1]
Victor Petrone	1,000,000	100.0%

(1) Calculated on the basis of 1,000,000 issued and outstanding shares of Series A preferred stock as of March 30, 2017. Holders of our Series A preferred stock are entitled to 50 votes per share; provided, however, that in the event that the votes by the holders of the Series A preferred stock do not total at least 51% of the votes of all classes of the Company's authorized capital stock entitled to vote, then in any such case, the votes cast by a majority of the holders of the Series A preferred stock shall be deemed to equal 51% of all votes cast at any meeting of stockholders, or any issue put to the stockholders for voting.

Changes in Control

Our management is not aware of any arrangements which may result in "changes in control" as that term is defined by the provisions of Item 403(c) of Regulation S-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

We do not have a specific policy or procedure for the review, approval, or ratification of any transaction involving related persons. We historically have sought and obtained funding from officers, directors, and family members as these categories of persons are familiar with our management and often provide better terms and conditions than we can obtain from unassociated sources. Also, we are so small that having specific policies or procedures of this type would be unworkable.

From time to time, we receive advances from our chief executive officer for working capital purposes. The advances are non-interest bearing and are payable on demand. For the years ended December 31, 2016 and 2015, due to related party activity consisted of the following:

	For the Year ended December 31, 2016	For the Year ended December 31, 2015
Balance due to related party at beginning of year	$ 38,434	$ 8,051
Working capital advances received	51,570	31,366
Repayments and conversion made	(89,780)	(983)
Balance due to related party at end of year	$ 224	$ 38,434

Except as otherwise indicated herein, there have been no related party transactions, or any other transactions or relationships required to be disclosed pursuant to Item 404 of Regulation S-K.

Director Independence

At this time we do not have a policy that our directors or a majority be independent of management as we have at this time

only one director. It is our intention to implement a policy that a majority of the Board member be independent of our management as the members of the board of director's increases. A Director is considered independent if the Board affirmatively determines that the Director (or an immediate family member) does not have any direct or indirect material relationship with us or our affiliates or any member of our senior management or his or her affiliates. The term "affiliate" means any corporation or other entity that controls, is controlled by, or under common control with us, evidenced by the power to elect a majority of the Board of Directors or comparable governing body of such entity. The term "immediate family member" means spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in law, brothers- and sisters-in-laws and anyone (other than domestic employees) sharing the Director's home.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Aggregate fees for professional services rendered for the Company by our independent registered public accounting firm for the fiscal years ended December 31, 2016 and 2015 were as follows:

	Fiscal Year Ended December 31,	
	2016	**2015**
Audit Fees	$ 30,000	$ 17,475
Audit-related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total	$ 30,000	$ 17,475

Audit Fees

Audit fees were for professional services rendered for the audits of our financial statements and for review of the financial statements included in our quarterly reports on Form 10-Q for the quarterly periods during the 2016 and 2015 fiscal years.

Audit-Related Fees

During the 2016 and 2015 fiscal years, our independent registered public accounting firm did not provide any assurance and related services that are reasonably related to the performance of the audit or review of our financial statements that are not reported under the caption “Audit Fees” above. Therefore, there were no audit-related fees billed or paid during the 2016 and 2015 fiscal years.

Tax Fees

As our independent registered public accounting firm did not provide any services to us for tax compliance, tax advice and tax planning during the fiscal years ended December 31, 2016 and 2015, no tax fees were billed or paid during those fiscal years.

All Other Fees

Our independent registered public accounting firm did not provide any products and services not disclosed in the table above during the 2016 and 2015 fiscal years. As a result, there were no other fees billed or paid during those fiscal years.

Pre-Approval Policies and Procedures

Prior to engaging our independent registered public accounting firm to perform a particular service, our Board of Directors obtains an estimate for the service to be performed. All of the services described above were approved by the Board of Directors in accordance with its procedures.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

The following exhibits are filed as part of this annual report on Form 10-K:

Exhibit Number	Description of Exhibits
3.1	Articles of Incorporation dated December 14, 1998 (incorporated by reference to Exhibit 3.1 to the registrant's registration statement on Form 10-12G filed with the Securities and Exchange Commission on June 13, 2014).
3.2	Articles of Merger dated December 21, 1998 (incorporated by reference to Exhibit 3.2 to the registrant's registration statement on Form 10-12G filed with the Securities and Exchange Commission on June 13, 2014).
3.3	Articles of Amendment to the Articles of Incorporation dated December 22, 1998 (incorporated by reference to Exhibit 3.3 to the registrant's registration statement on Form 10-12G filed with the Securities and Exchange Commission on June 13, 2014).
3.4	Certificate of Amendment to the Articles of Incorporation dated January 31, 2014 (incorporated by reference to Exhibit 3.4 to the registrant's registration statement on Form 10-12G filed with the Securities and Exchange Commission on June 13, 2014).
3.5	Certificate of Designation dated February 24, 2016 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on February 24, 2016).
3.6	Bylaws of the registrant dated March 7, 2014 (incorporated by reference to Exhibit 3.1 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on December 2, 2016).
3.7	Amendment to Articles of Incorporation, as filed with the Secretary of State of Nevada on December 1, 2016.
4.1	Convertible Debenture dated October 26, 2015 by and between the registrant and Peak One Opportunity Fund, L.P. (incorporated by reference to Exhibit 4.1 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on October 28, 2016).
4.2	Form of Convertible Promissory Note (incorporated by reference to Exhibit 4.1 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on December 2, 2016).
4.3	Convertible Promissory Note in the Principal Amount of $110,000.00, by and between registrant and Labrys Fund, L.P. (incorporated by reference to Exhibit 4.1 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on February 21, 2017).
4.4	Convertible Promissory Note in the Principal Amount of $110,000.00, by and between registrant and Labrys Fund, L.P. (incorporated by reference to Exhibit 4.2 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on February 21, 2017).
10.1	Exclusive Distributorship Agreement between Star Distributors Inc. and the registrant dated April 20, 2015 (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on April 27, 2015).
10.2	Exclusive Distributorship Agreement between M/s Dewan & Sons and the registrant dated April 23, 2015 (incorporated by reference to Exhibit 10.2 to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on April 27, 2015).
10.3	Memorandum of Undertaking dated October 21, 2015 between the registrant and Transpower Components (India) Pvt. Ltd. (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on March 14, 2016).
10.4	Amendment to Memorandum of Undertaking dated January 5, 2016 between the registrant and Transpower Components (India) Pvt. Ltd. (incorporated by reference to Exhibit 10.2 to the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on March 14, 2016).
10.5	Exclusive Distributorship Agreement between FOH, Inc. and the registrant dated February 28, 2014 (incorporated by reference to Exhibit 10.5 to the registrant's annual report on Form 10-K filed with the Securities and Exchange Commission on September 9, 2016).
10.6	Secured Convertible Promissory Note issued by the Registrant in favor of FirstFire Global Opportunities Fund LLC dated December 28, 2015 (incorporated by reference to Exhibit 10.5 to the registrant's annual report on Form 10-K filed with the Securities and Exchange Commission on September 9, 2016).

10.7	Equity Purchase Agreement dated October 24, 2016, by and between registrant and Peak One Opportunity Fund, L.P. (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on October 28, 2016).
10.8	Registration Rights Agreement dated October 24, 2016, by and between registrant and Peak One Opportunity Fund, L.P. (incorporated by reference to Exhibit 10.2 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on October 28, 2016).
10.9	Securities Purchase Agreement dated October 24, 2016, by and between registrant and Peak One Opportunity Fund, L.P. (incorporated by reference to Exhibit 10.3 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on October 28, 2016).
10.10	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on December 2, 2016).
10.11	Securities Purchase Agreement, by and between registrant and Labrys Fund, L.P., with respect to the First Note (incorporated by reference to Exhibit 10.1 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on February 21, 2017).
10.12	Securities Purchase Agreement, by and between registrant and Labrys Fund, L.P., with respect to the Second Note (incorporated by reference to Exhibit 10.2 to the registrant's current report on Form 8-K filed with the Securities Exchange Commission on February 21, 2017).
31.1	Certification of Principal Executive Officer and Principal Financial Officer Required By Rule 13a-14(A) of the Securities Exchange Act of 1934, As Amended, As Adopted Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Schema*
101.CAL	XBRL Taxonomy Calculation Linkbase*
101.DEF	XBRL Taxonomy Definition Linkbase*
101.LAB	XBRL Taxonomy Label Linkbase*
101.PRE	XBRL Taxonomy Presentation Linkbase*

*Filed or furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 4, 2017

PETRONE WORLDWIDE, INC.

By: */s/ Victor Petrone*

Victor Petrone
President/Chief Executive Officer, Secretary,
Treasurer/Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	**Title**	**Date**
/s/ Victor Petrone Victor Petrone	President/Chief Executive Officer, Secretary, Treasurer/Chief Financial Officer (principal executive officer, principal financial officer and principal accounting officer) and Director	May 4, 2017