SECURITIES AND EXCHANGE COMMISSION

FORM 10-12G

Initial general form for registration of a class of securities pursuant to Section 12(g)

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FILER

Smart Energy Solutions, Inc. CIK:**1086082**| IRS No.: **870626333** | State of Incorp.:**UT** | Fiscal Year End: **1231** Type: **10-12G** | Act: **34** | File No.: **000-26027** | Film No.: **18787926** SIC: **3829** Measuring & controlling devices, nec	Mailing Address *20 RAOUL WALLENBERG ST.,* *TEL AVIV, L3 6971916*	Business Address *20 RAOUL WALLENBERG ST.,* *TEL AVIV, L3 6971916* *972-3-6130421*

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

Form 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
UNDER SECTION 12(B) OR (G) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 333-168527

CANNAPOWDER, INC.
(Exact Name Of Registrant As Specified In Its Charter)

Nevada	20-3353835
(State of Incorporation)	(I.R.S. Employer Identification No.)
20 Raoul Wallenberg St., Tel Aviv, Israel	6971916
(Address of Principal Executive Offices)	(ZIP Code)

Registrant’s Telephone Number, Including Area Code: +972-3-6130421

Smart Energy Solutions, Inc.
(Former Name of Registrant)

Securities to be registered under Section 12(b) of the Act: None

Securities to be registered under Section 12(g) of the Exchange Act: Common stock; $0.0001 par value
(Title of Class)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act) or a smaller reporting company.

Large accelerated filer [ ]   Accelerated filer [ ]   Non-Accelerated filer [ ]   Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Background and Former Operations

Smart Energy Solutions, Inc. (the "Company" or "Registrant") was incorporated in 1999 in the state of Utah under the name Datigen.com, Inc. On August 25, 2005, the Registrant was redomiciled from Utah to Nevada pursuant to a merger with and into its wholly-owned subsidiary, Smart Energy Solutions, Inc., a Nevada corporation and, in connection therewith, its name was changed to Smart Energy Solutions, Inc.

Prior to the merger into its wholly-owned subsidiary, the Company was engaged in activities including development and marketing of various internet and internet related products and services, investment in real property related instruments, and providing concrete cutting and finishing services to construction sites seeking to comply with certain provisions of the American Disability Act of 1991. In November 2004, the Company had a change in control as a result of the purchase of a majority of the Company's outstanding common stock by unaffiliated individuals from certain of the Company's shareholders, including its then Chief Executive Officer, Joseph Ollivier.

In connection with the change in control, the Company determined to pursue other business opportunities and, as a result, on March 23, 2005, the Company acquired the intellectual property rights and certain other assets relating to a product known as the Battery Brain from Purisys, Inc., a New Jersey corporation in an Asset Purchase Agreement (the "Agreement") with Purisys and Aharon Levinas, the owner of Purisys and the Battery Brain Assets (the "Assets"). The Battery Brain was a device attached to a motor vehicle battery for the purpose of protecting the vehicle from battery failure and theft.

Following the purchase of the Assets, the Company's management team devoted its resources to establishing operations and entering into agreements with third parties for the manufacture and distribution of products using the Battery Brain technology, including manufacturers in China and Israel and distributors in the United States, Canada, Italy, and Israel. During the period from the date of the Agreement through the end of 2009, the Company devoted its marketing activities on the following target markets, each of which the Company believed had unique requirements: Automotive Retail; Automobile Dealers; Automotive OEMs; Automotive Specialty; Fleets; Military; Heavy Truck/Bus; Motor Home/Recreational Vehicle; and Marine.

Notwithstanding its sales and marketing efforts and its ability to generate sales revenues from its Battery Brain products, the Company continued to generate losses from operations and, as of its fiscal year-ended December 31, 2008, The Company had an accumulated deficit of in excess of $22 million. The Company continued to file reports under the Exchange Act through its quarterly report on Form 10-Q for the period ended September 30, 2009, during which three and nine-month period the Company reported Net Losses of $232,815 and $1,167,989, respectively. Also, at September 30, 2009, the Company lacked sufficient capital resources to continue to fund the expenses including professional fees associated with being a current, reporting company under the Exchange Act.

As a result, from and after the filing of its 10-Q for the period ended September 30, 2009, the Company ceased active business operations and its board of directors determined to devote its limited and depleting cash resources to seek operations that would generate more revenues and hopefully, positive cash flow from operations than its prior operations exploiting its Battery Brain technology. The Company became delinquent in its reporting obligations under the Exchange Act, failing to file its annual report on Form 10-K for the year ended December 31, 2009 and continued to be a delinquent filer until it filed a Form 15, terminating its registration under Section 12(g) of the Exchange Act on July 24, 2013.

Prior to filing the Form 15, the Company's assets became subject to a proceeding before the Superior Court of the State of New Jersey, which resulted in the appointment of a receiver in early 2013. The principal creditor in that proceeding was Aharon Levinas, who had sold the Battery Brain Assets formerly owned by Purysis in the Asset Purchase Agreement dated March 23, 2005. On June 7, 2013, in connection with the order of the Superior Court of the State of New Jersey (the "Consent Order Approving Settlement"), the Court authorized and approved the sale, transfer and assignment of all of the Company's assets to Aharon Levinas, free and clear of any liens, claims or encumbrances and granting Mr. Levinas effective control of the Company.

During November 2014 and March 2015, third-party investors acquired control of the Company by purchasing a control block of shares each holding 137,500 shares representing 88% of the Company's issued and outstanding shares of common stock. Reference is made to the disclosure under Item 4. "Security Ownership of Certain Beneficial Owners and Management."

Recent Corporate Developments

On August 30, 2017, a new wholly-owned subsidiary was registered in Israel under the name of Canna Powder Ltd. ("CannaPowder Israel" or the "Subsidiary"), with 100 common shares outstanding, 0.01 NIS par value (the "Subsidiary Shares"), all of which were held in escrow on behalf of the Company by Israel attorney, Alon Nave. On September 27, 2017, pursuant to board resolution, the 100 Subsidiary Shares held in escrow were transferred to the Company.

The Subsidiary's management includes Lavi Krasney, its CEO, and Rafi Ezra, its CTO. Mr. Ezra is a highly experienced pharmacist with extensive knowledge of the cannabis sector and active experience of leading early-stage pharma companies from early-stage development through commercial launch.

Development is being conducted at the Hebrew University under the supervision of the inventor of the technology, Professor Shlomo Magdassi, pursuant to the term of the Feasibility Study and Option Agreement dated September 14, 2017 (the "Feasibility Study"), a copy of which is attached as Exhibit 10.1 hereto, as more fully discussed below.

On December 27, 2017, a board-resolution was adopted to issue an additional: (i) 800 Subsidiary Shares to the Company; and an additional 100 Subsidiary Shares to Rafi Ezra and, as a result, effective December 27, 2017, Canna Powder Ltd became a 90% owned subsidiary of the Company and a minority interest of 10% owned by Rafi Ezra.

In anticipation of the formation of CannaPowder Ltd, the Company's newly organized Israeli subsidiary, the Company began to raise capital through the private sale of its equity securities primarily pursuant to the exemptions provided under Regulation S promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Act") and, to a lesser extent, pursuant to Regulation D promulgated by the SEC under the Act (collectively, the "Equity Raise"). To date, the Company has raised approximately $888,775 in the Equity Raise. Reference is made to the disclosure under Item 10. "Recent Sales of Equity Securities" and Note (7) Subsequent Events, below.

The Equity Raise by the Company was and continues to be for the purpose of funding the Company's business involving its development program to establish cannabis powder production facilities utilizing the proprietary, licensed technology as more fully-described under "Intellectual Property" below (the "Development Program"). The Company reasonably expects that the Development Program will be completed within three years, with commercial sales starting in 2021, there can be no assurance that the Development Program will, in fact, be successful notwithstanding the Company's success in its Equity Raise to date, nor can there be assurance that the Company may not require additional capital to fully implement its business plan and complete production of commercially viable products based on its technology which is the subject of the Feasibility Study discussed below under *"Planned Research and Development and Current Trends."*

In the commercial stage, the Company's plan is to establish and operate several production facilities, each located in separate territories determined by the Company according to their size and regulatory environment that permits studies applicable to other activities prerequisite to commercial exploitation of medical cannabis generally and the Company's plan to develop cannabis-based powders for medical uses. While there can be no assurance, at present the Company believes that it will be able to produce cannabis powders for medical uses at a significant cost advantage.

Planned Research and Development and Current Trends

There is increasing recognition and agreement amongst medical professionals conducting research in hospitals world-wide, including leading hospitals in Israel such as Hebrew University, Jerusalem, Israel and Sheba Academic Medical Center located in Tel Hashomer, Israel, among others, that the therapeutic effect of medical cannabis is due to the total number of cannabinoids working together. There is a scientific effort currently being lead in Israel, as well as other countries to analyze and understand how the various components within cannabis work. including ongoing scientific studies to develop separate medical components for use in treatment of different medical conditions using various components or combinations for each cannabinoid.

The aim of CannaPowder Israel is to identify the active pharmaceutical ingredient (API) and to understand the cannabidiol (CBD) and tetrahydrocannabinol (THC) content of each product. Researchers have discovered approximately in excess of 100 cannabinoids, chemical compounds unique to the cannabis plant. The most common are CBD, cannabinol (CBN) and THC. CBN and THC interact with CB1 and CB2 receptors, which are located throughout the human body. CB1 receptors are primarily located in the brain and central nervous system. CB2 receptors are located throughout the body including the gastrointestinal and urinary tracts that are responsible for regulating neurotransmission. The CB1 and CB2 receptors help control bodily reactions such as inflammation and pain, which are areas are of great therapeutic interest with respect to drug development. Identifying cannabinoid receptors and the compounds that interact with them has helped accelerate clinical investigations of cannabinoid-based drugs. To date, due to the challenges of researching plant-derived cannabinoids in the United States, most U.S. research has been conducted utilizing synthetically produced cannabinoids, which as chemical compounds, are chemically identical to plant-derived cannabinoids.

We believe cannabinoid-based drugs using the powders we plan on developing may provide a superior treatment model for patients suffering from certain diseases, disorders and medical conditions. It is generally agreed that cannabinoid-based drugs have tolerable safety profiles but at present, because of U.S. FDA and DEA restrictions, most companies involved in research and development of cannabinoid therapeutic applications currently use synthetics.

We believe that there will be rising demand for cannabinoid-derived drugs and that future growth is likely to be driven by favorable changes in legislation and demographic factors. Controlled substance laws differ between countries and legislation in certain countries may restrict or limit our ability to distribute our cannabis-based powders, once developed, for us if drugs. Nevertheless, we believe that the U.S. can potentially represent a major market for CannaPowder-based drug candidates. In the European Community, medical cannabis program regulatory frameworks exist in countries, including the Netherlands, Italy, Germany, Finland, Norway, Ukraine, Estonia, Switzerland and the Czech Republic. It is also anticipated that there will be policy changes in many member countries of the European Union regarding the medical use of cannabis and cannabinoid-derived drugs. In addition, medical cannabis and, to some extent, recreation cannabis use by adults, has been decriminalized in Russia, Mexico, Columbia, Uruguay, Paraguay and Colombia.

The objective of our subsidiary, CannaPowder Israel, is to develop nano-cannabis powder, standardized from cannabis oil in a known cannaboid composition. CannaPowder Israel is in the process of licensing what it believes will represent a breakthrough platform technology in drug administration and with the view to applying it to enable the commercial production of cannabis powder.

The technology has been developed by scientists at the Hebrew University, Jerusalem, which technology has been licensed to the Company's Israeli Subsidiary. Reference is made to the Feasibility Study and Option Agreement attached as exhibit 10.1 attached hereto. It comprises a new technique which enables preparation of nanoparticles from micro emulsions of active ingredients that can be stored as powders and then dissolved in water when required.

Our management team, working in collaboration with the scientists at Hebrew University under the supervision of Professor Shlomo Magdassi, believe this technology may be adapted for many different insoluble drugs to provide enhanced dissolution properties and to improve solubility, bioavailability and storage properties and solutions.

The innovation is as a platform technology for preparing dispersible powders or aqueous dispersions of nanoparticles of water-insoluble organic compounds by converting micro emulsions or nanoemulsions containing the active chemicals into powders.

The key features, we believe, include:

- Preparation of the nanoemulsions is simple and reproducible, without the use of any special equipment.
- Can dilute the powders in water to obtain required concentration of active ingredient.
- Reduces dose of drug needed.
- Nanoparticles offer improved bioavailability and improved efficacy.
- Simple, cost effective technique.

- Powders have relatively long shelf life.

Although there can be no assurance, we believe that our new technology should be ideally suited to cannabis because it is based upon and deals specifically with oily/lipophilic materials which is exactly the form in which cannabis exists. Our plan if for the final product to a micronized powder containing cannabinoids in a particle size of 100 nanometers, easily incorporated in a commercial product, such as a capsule. It is the result of a pharmaceutical not a chemical process.

The process of producing the powders will utilize high pressure emulsifying agents that vaporize water to particles, which evaporation process is expected to take only hours as opposed to days or weeks, meaning that it should be quicker and less expensive than existing processes for producing medical cannabis with consistent dosages. Furthermore, the production process should not be labor intensive or require a large and therefore costly facility, thereby providing the economic advantage of being able to produce commercial quantities of cannabis powder at costs far less than existing methods currently in use by other manufacturers of medical cannabis drugs and treatments.

The Medical Cannabis Market

Cannabis has been used for medicinal purposes for thousands of years and has proven to be an effective treatment for pain relief, inflammation and a number of other medical disorders. According to an *IBISWorld* report, new medical research and changing public opinion have boosted industry growth.

Doctors may prescribe 'legalized' medical cannabis in approved states where patients can receive a "recommendation" from a state-approved, licensed physician for the treatment of certain conditions specified by the state.

Medical cannabis is being used to treat severe or chronic pain, inflammation, nausea and vomiting, neurologic symptoms (including muscle spasticity), glaucoma, cancer, multiple sclerosis, post-traumatic stress disorder, anorexia, arthritis, Alzheimer's, Crohn's disease, fibromyalgia, ADD, ADHD, Tourette's syndrome, spinal cord injury and numerous other conditions. Cannabis oil has also been proven effective in treating epileptic seizures in children.

The worldwide medical cannabis market is anticipated to reach $55.8 billion by 2025, growing at a CAGR of 17.1% from 2013 to 2025, the forecast period ([1]), compared to $11.4 billion in 2015.

Awareness regarding the medical benefits of cannabis is spurring market growth. Major manufacturers producing medical cannabis remove THC, a psychoactive compound which causes the well-known and recognized euphoria related hallucinations or even what some define as psychotic episodes on the negative spectrum of THC's potential side effects. The product then only contains cannabidiol (CBD), a chemical compound which provides health benefits. Use of medical cannabis for therapeutic purposes is driving many countries to legalize it. At present, 29 of 50 states in the U.S. permit the prescription and sale of medical cannabis to adults and although there appears to be a trend in the U.S. that additional states will approve medical cannabis, laws at the federal level in the U.S. still treat cannabis, whether for medical or recreational use, as a Class 1 Controlled Substance and illegal.

At present, cannabis is used widely in health foods and pet medicines. Health foods comprise juices, cannabis edibles, and drinkable medicines. For instance, Simply Pure, a U.S. based company offers edibles devoid of gluten and sugar. Auntie Dolores, another U.S. based company manufactures CBD pet treats to relieve pets of anxiety and pain. Cannabis edibles are offered in the form of lozenges, breath strips, and gummies. In an attempt to propel market growth, Microsoft Azure too has offered its Cloud services to industry participants for the sale of cannabis.

The global medical cannabis market is segmented according to applications and regions. Market applications comprise cancer, chronic pain, arthritis, migraine, and others. Chronic pain is the largest application segment due to a huge patient base. It accounted for nearly 40% of global revenues in the same year. It is driven by increasing number of clinical trials that promote the use of medical cannabis in pain management.

The cancer segment is expected to grow rapidly at an 18.2% CAGR during the forecast period. Although, medical use of cannabis is considered illegal, many districts and states are passing amendments to legalize it. A number of clinical trials have demonstrated that medical cannabis has the capacity to destroy cancer cells.

However, this drug is yet to receive U.S. FDA approval for use in cancer treatment. This adversely impacts the growth of the cancer application segment.

North America led the medical cannabis market with nearly 49% shares in 2015. The region is supported by the legalization of cannabis in most states of the U.S. The drug has received approval for recreational use in only eight states. North America is anticipated to grow at a CAGR of 22% during the forecast period. Prohibition of medical cannabis in most of Latin America and Asia has limited the growth of this market to Europe, North America, and other countries world-wide.

Prominent companies presently engaged in this field include: Cannabis Sativa, Inc.; United Cannabis Corporation; Growblox Sciences, Inc.; and GW Pharmaceuticals plc which is a UK pharmaceuticals manufacturer that has gained approval for using medical cannabis in treating various cancers and whose proprietary formula which contains a mixture of THC and CBD was used in a clinical trial to treat brain cancer.

[1] https://www.mediafound.org/news/medical-cannabis-market-to-grow-at-17-1-cagr-till-2025.htm

Competition

We will face competition from larger companies that are or may be in the process of offering similar products to ours. Many of our current and potential competitors have longer operating histories, significantly greater financial, marketing and other resources than we may be expected to have.

Competitors may include major pharmaceutical and biotechnology companies and public and private research institutions. Management cannot be certain that we will be able to compete against current or future competitors or that competitive pressure will not seriously harm our business prospects. These competitors may be able to react to market changes, respond more rapidly to new regulations or allocate greater resources to the development and promotion of their products than we can.

Furthermore, some of these competitors may make acquisitions or establish collaborative relationships among themselves to increase their ability to rapidly gain market share. Large pharmaceutical companies may eventually enter the market.

Given the rapid changes affecting the global, national, and regional economies in general and cannabis-related medical research and development in particular, we may not be able to create any perceived competitive advantage from our cannabis-based powder formulations in the marketplace.

Our success will also depend on our ability to respond quickly to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure to anticipate or respond adequately to such changes could have a material effect on our financial condition, operating results, liquidity, cash flow and our operational performance.

Intellectual Property

At present, all of our research and development is conducted in Israel and is the subject of the Feasibility Study being conducted at Hebrew University. The cannabinoid-based medicinal powders we intend to develop, contain controlled substance (cannabis) as defined in the Israeli Dangerous Drugs Ordinance [New Version], 5733 - 1973. In Israel, licenses to cultivate, possess and to use cannabis for medical research are granted by the Ministry of Health, IMCU - Israel Medical Cannabis Unit, on an ad-hoc basis.

Government Regulation

United States

The legal cannabis industry has evolved considerably during the past five years and many observers believe that the industry has reached the tipping point for legalization through pressure from citizens' groups in individual states in the U.S. for the legalization of medical and/or recreational cannabis. At the United States federal level, cannabis is still classified as an illegal substance under the Controlled Substances Act. The classification makes cannabis illegal under federal law to cultivate, manufacture, distribute or possess cannabis, and has created a discrepancy between state's rights and federal law. It also means that production must be local to consumption as it cannot cross state lines.

Public support has resulted in the passing of new cannabis laws and regulations in a number of countries and individual states in the US. By 2026 many states are expected to build robust legal adult-use markets, and all but a few states will make medical cannabis available legally.

Countries around the world are already responding to the state-by-state dismantling of prohibition in America by moving to allow medical use (as in Australia, Germany, and Colombia) or to outright legalization (as in Uruguay).

We believe cannabinoid-based drugs using the powders we plan on developing may provide a superior treatment model for patients suffering from certain diseases, disorders and medical conditions. It is generally agreed that cannabinoid-based drugs have tolerable safety profiles but at present, because of U.S. FDA and DEA restrictions, most companies involved in research and development of cannabinoid therapeutic applications currently use synthetics.

To the extent that in the future, we shall seek to be able to conduct some of our research and development relating to our cannabis powders in the United States, at which time, we will become subject to the United States' Federal Controlled Substances Act of 1970 and regulations promulgated thereunder (the "CSA"). While cannabis is a Schedule I controlled substance, drugs approved for medical use in the United States that contain cannabis or cannabis extracts must be placed in Schedules II-V, since approval by the FDA satisfies the "accepted medical use" requirement. If any of our drug candidates will receive approval by the FDA, it must be listed by the Drug Enforcement Agency ("DEA") as a Schedule II or III controlled substance to be allowed for commercialization. Consequently, the manufacture, importation, exportation, domestic distribution, storage, sale and legitimate use of our future drugs will be subject to a significant degree of regulation by the DEA. In addition, individual states in the United States have also established controlled substance laws and regulations. Though state-controlled substances laws often mirror federal law because the states are separate jurisdictions, they may separately schedule our drugs.

The European Community

Even though we do not currently intend to conduct research and development in the European Community, we may do so in the future. Approximately 250 substances, including cannabis, are listed in the Schedules annexed to the United Nations Single Convention on Narcotic Drugs (New York, 1961, amended 1972), the Convention on Psychotropic Substances (Vienna, 1971) and the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (introducing control on precursors) (Vienna, 1988). The purpose of these listings is to control and limit the use of these drugs according to a classification of their therapeutic value, risk of abuse and health dangers, and to minimize the diversion of precursor chemicals to illegal drug manufacturers. The 1961 UN Single Convention on Narcotic Drugs, as amended in 1972 classifies cannabis as Schedule I ("substances with addictive properties, presenting a serious risk of abuse") and as Schedule IV ("the most dangerous substances, already listed in Schedule I, which are particularly harmful and of extremely limited medical or therapeutic value") narcotic drug. The 1971 UN Convention on Psychotropic Substances classifies THC -

the principal psychoactive cannabinoid of cannabis - as a schedule I psychotropic substance (Substances presenting a high-risk of abuse, posing a particularly, serious threat to public health which are of very little or no therapeutic value).

Most countries in Europe are parties to these conventions which govern international trade and domestic control of these substances, including cannabis. They may interpret and implement their obligations in a way that creates a legal obstacle to our obtaining manufacturing and/or marketing approval for our drugs in those countries. These countries may not be willing or able to amend or otherwise modify their laws and regulations to permit our drug candidates to be manufactured and/or marketed or achieving such amendments to the laws and regulations may take a prolonged period. In the European Community, medical cannabis program regulatory frameworks exist in countries, including the Netherlands, Italy, Germany, Finland, Norway, Ukraine, Estonia, Switzerland and the Czech Republic. It is also anticipated that there will be policy changes in many member countries of the European Union regarding the medical use of cannabis and cannabinoid-derived drugs.

Israel

If we intend to develop drugs containing cannabis plant-derived cannabinoids, we may conduct our research and development activities in Israel. The cannabinoid-based drugs we intend to develop, contain controlled substance (cannabis) as defined in the Israeli Dangerous Drugs Ordinance [New Version], 5733 - 1973. In Israel, licenses to cultivate, possess and to use cannabis for medical research are granted by the Ministry of Health, IMCU - Israel Medical Cannabis Unit, on an ad-hoc basis. If we proceed in Israel, we intend to obtain necessary IMCU licenses to carry out our drug development projects. This will require our acquiring the cannabis needed for our research activities from an Israeli government-licensed medical cannabis grower. Because we do not have a license to possess cannabis, the cannabis that will be required for our studies must be transported from the licensed grower directly to our research facilities or those of a contract research organization, in compliance with a license to use cannabis for medical research. If we proceed with research in Israel, we will apply for all necessary licenses needed to conduct our drug development projects. There can be given no assurance that we will obtain all necessary licenses and approvals.

We believe that there will be rising demand for cannabinoid-derived drugs and that future growth is likely to be driven by favorable changes in legislation and demographic factors. Controlled substance laws differ between countries and legislation in certain countries may restrict or limit our ability to distribute our cannabis-based powders, once developed, for us if drugs. Nevertheless, we believe that the U.S. can potentially represent a major market for CannaPowder-based drug candidates.

ITEM 1A. RISK FACTORS

Risks Relating to Our Lack of Operating History and Industry.

Risks Relating to Our Business

Any investment in our shares of common stock involves a high degree of risk. You should carefully consider the following information about these risks, together with the other information contained in this annual report before you decide to invest in our common stock. Each of the following risks may materially and adversely affect our business objective, plan of operation and financial condition. These risks may cause the market price of our common stock to decline, which may cause you to lose all or a part of the money you invested in our common stock. We provide the following cautionary discussion of risks, uncertainties and possible inaccurate assumptions relevant to our business plan. In addition to other information included in this annual report, the following factors should be considered in evaluating the Company's business and future prospects.

The Company has a limited operating history and very limited resources.

The Company's recent operations have been limited and has had no revenues from operations. Investors will have no basis upon which to evaluate the Company's ability to achieve the Company's plan of operation.

The Company's officer and director may allocate his time to other businesses thereby causing conflicts of interest in his determination as to how much time to devote to the Company's affairs. This could have a negative impact on the Company's ability to implement its plan of operation.

The Company's officer and director is not required to commit his full time to the Company's affairs, which may result in a conflict of interest in allocating his time between the Company's business and other businesses. Management of the Company is engaged in several other business endeavors and is not obligated to contribute any specific number of his hours per week to the Company's affairs. If Management's other business affairs require him to devote more substantial amounts of time to such affairs, it could limit his ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to implement its plan of operation.

The Company may be unable to obtain additional financing, if required, to complete its plan of operation or to fund the operations and growth of it business, which could compel the Company to abandon its business.

If we require funds, we will be required to seek additional financing. We cannot assure you that such financing would be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed, we would be compelled to abandon our business plan. In addition, we may require additional financing to fund the operations or growth of the our business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of our business. The Company's officers, director or stockholders are not required to provide any financing to us.

Broad discretion of Management

Any person who invests in the Company's common stock will do so without an opportunity to evaluate the specific merits or risks our business. As a result, investors will be entirely dependent on the broad discretion and judgment of Management. There can be no assurance that determinations made by the Company's Management will permit us to achieve the Company's business plan.

General Economic Risks.

The Company's current and future business objectives and plan of operation are likely dependent, in large part, on the state of the general economy. Adverse changes in economic conditions may adversely affect the Company's business objective and plan of operation. These conditions and other factors beyond the Company's control include also but are not limited to regulatory changes.

Our control shareholders have significant voting power and may take actions that may be different than actions sought by our other stockholders.

Our control shareholders own approximately 40.2% of the outstanding shares of our common stock. These stockholders will be able to exercise significant influence over all matters requiring stockholder approval. This influence over our affairs might be adverse to the interest of our other stockholders. In addition, this concentration of ownership could delay or prevent a change in control and might have an adverse effect on the market price of our common stock.

Our officers and directors are located in Israel and our assets may also be held from time to time outside of the United States.

Since all of our officers and directors are currently located in and/or are residents of Israel, any attempt to enforce liabilities upon such individuals under the U.S. federal securities and bankruptcy laws may be difficult. In accordance with the Israeli Law on Enforcement of Foreign Judgments, 5718-1958, and subject to certain time limitations (the application to enforce the judgment must be made within five years of the date of judgment or such other period as might be agreed between Israel and the United States), an Israeli court may declare a foreign civil judgment enforceable if it finds that:

- the judgment was rendered by a court which was, according to the laws of the State in which the court is located, competent to render the judgment;
- the judgment may no longer be appealed;
- the obligation imposed by the judgment is enforceable according to the rules relating to the enforceability of judgments in Israel and the substance of the judgment is not contrary to public policy; and
- the judgment is executory in the State in which it was given.

An Israeli court will not declare a foreign judgment enforceable if:

- the judgment was obtained by fraud;
- there is a finding of lack of due process;
- the judgment was rendered by a court not competent to render it according to the laws of private international law in Israel;
- the judgment is in conflict with another judgment that was given in the same matter between the same parties and that is still valid; or
- the time the action was instituted in the foreign court, a suit in the same matter and between the same parties was pending before a court or tribunal in Israel.

Furthermore, Israeli courts may not adjudicate a claim based on a violation of U.S. securities laws if the court determines that Israel is not the most appropriate forum in which to bring such a claim. Even if an Israeli court agrees to hear such a claim, it may determine that Israeli law, not U.S. law, is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proven as a fact, which can be a time-consuming and costly process.

Our assets may also be held from time to time outside of the United States. Since our directors and executive officers are foreign citizens and do not reside in the United States, it may be difficult for courts in the United States to obtain jurisdiction over our foreign assets or persons, and as a result, it may be difficult or impossible for you to enforce judgments rendered against us or our directors or executive officers in United States courts. Thus, investing in us may pose a greater risk because should any situation arise in the future in which you would have a cause of action against these persons or against us, you may face potential difficulties in bringing lawsuits or, if successful, in collecting judgments against these persons or against the Company.

Regulatory Risks

We face risks related to compliance with corporate governance laws and financial reporting standards.

The Sarbanes-Oxley Act of 2002, as well as related new rules and regulations implemented by the Securities and Exchange Commission and the Public Company Accounting Oversight Board, require changes in the corporate governance practices and financial reporting standards for public companies. These new laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002 relating to internal control over financial reporting, have materially increased the legal and financial compliance costs of small companies and have made some activities more time-consuming and more burdensome.

We may not have effective internal controls.

In connection with Section 404 of the Sarbanes-Oxley Act of 2002, we need to assess the adequacy of our internal control, remedy any weaknesses that may be identified, validate that controls are functioning as documented and implement a continuous reporting and improvement process for internal controls. We may discover deficiencies that require us to improve our procedures, processes and systems in order to ensure that our internal controls are adequate and effective and that we are in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. If the deficiencies are not adequately addressed, or if we are unable to complete all of our testing and any remediation in time for compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the SEC rules under it, we would be unable to conclude that our internal controls over financial reporting are designed and operating effectively, which could adversely affect investor confidence in our internal controls over financial reporting.

Risks Relating to Operating in Israel.

We conduct our operations in Israel and therefore our results may be adversely affected by political, economic and military instability in Israel or the Middle East.

Our subsidiary offices and our officers and directors are located in Israel. Accordingly, political, economic and military conditions in Israel and the Middle East may directly affect our business. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors. Any hostilities involving Israel or the interruption or curtailment of trade within Israel or between Israel and its trading partners could adversely affect our operations and could make it more difficult for us to raise capital. Since September 2000, terrorist violence in Israel has increased significantly and negotiations between Israel and Palestinian representatives have not achieved a peaceful resolution of the conflict. The establishment in 2006 of a government in Gaza by representatives of the Hamas militant group has created additional unrest and uncertainty in the region.

Further, Israel is currently engaged in an armed conflict with Hamas, which until Operation Cast Lead in January 2009 had involved thousands of missile strikes and had disrupted most day-to-day civilian activity in southern Israel. The missile attacks by Hamas did not target Tel Aviv, the location of our principal executive offices; however, any armed conflict, terrorist activity or political instability in the region may negatively affect business conditions and could significantly harm our results of operations.

Risks Related to Our Common Stock

Our historic stock price has been volatile and the future market price for our common stock is likely to continue to be volatile. Further, the limited market for our shares will make our price more volatile. This may make it difficult for you to sell our common stock.

The public market for our common stock has been very volatile. Over the past three fiscal years and subsequent quarterly periods, the market price for our common stock has ranged from $0.35 to $2.70 (See “Market for Common Equity and Related Stockholder Matters” in this annual report). Any future market price for our shares is likely to continue to be very volatile. This price volatility may make it more difficult for you to sell shares when you want at a price you find attractive. Further, the market for our common stock is limited and we cannot assure you that a larger market will ever be developed or maintained. Market fluctuations and volatility, as well as general economic, market and political conditions, could reduce our market price. As a result, this may make it difficult or impossible for you to sell our common stock.

The Company’s shares of common stock are quoted on the OTC Pink Sheet market, which limits the liquidity and price of the Company’s common stock.

The Company’s shares of common stock are traded on the OTC Pink Sheet market. Quotation of the Company’s securities on the OTC Pink Sheet market limits the liquidity and price of the Company’s common stock more than if the Company’s shares of common stock were listed on The Nasdaq Stock Market or a national exchange. There is currently no active trading market in the Company’s common stock. There can be no assurance that there will be an active trading market for the Company’s common stock following a business combination. In the event that an active trading market commences, there can be no assurance as to the market price of the Company’s shares of common stock, whether any trading market will provide liquidity to investors, or whether any trading market will be sustained.

Our common stock is subject to the Penny Stock Rules of the SEC and the trading market in our common stock is limited, which makes transactions in our stock cumbersome and may reduce the value of an investment in our common stock.

The Securities and Exchange Commission has adopted Rule 3a51-1 which establishes the definition of a “penny stock,” for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15g-9 require:

- that a broker or dealer approve a person's account for transactions in penny stocks; and
- the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

State blue sky registration; potential limitations on resale of the Company's common stock

The holders of the Company's shares of common stock registered under the Exchange Act and those persons who desire to purchase them in any trading market that may develop in the future, should be aware that there may be state blue-sky law restrictions upon the ability of investors to resell the Company's securities. Accordingly, investors should consider the secondary market for the Registrant's securities to be a limited one.

It is the intention of the Registrant's Management following the consummation of a business combination to seek coverage and publication of information regarding the Registrant in an accepted publication manual which permits a manual exemption. The manual exemption permits a security to be distributed in a particular state without being registered if the Registrant issuing the security has a listing for that security in a securities manual recognized by the state. However, it is not enough for the security to be listed in a recognized manual. The listing entry must contain (1) the names of issuers, officers, and directors, (2) an issuer's balance sheet, and (3) a profit and loss statement for either the fiscal year preceding the balance sheet or for the most recent fiscal year of operations. Furthermore, the manual exemption is a nonissuer exemption restricted to secondary trading transactions, making it unavailable for issuers selling newly issued securities.

Most of the accepted manuals are those published by Standard and Poor's, Moody's Investor Service, Fitch's Investment Service, and Best's Insurance Reports, and many states expressly recognize these manuals. A smaller number of states declare that they "recognize securities manuals" but do not specify the recognized manuals. The following states do not have any provisions and therefore do not expressly recognize the manual exemption: Alabama, Georgia, Illinois, Kentucky, Louisiana, Montana, South Dakota, Tennessee, Vermont and Wisconsin.

Dividends unlikely

The Company does not expect to pay dividends for the foreseeable future because it has no revenues or cash resources. The payment of dividends will be contingent upon the Company's future revenues and earnings, if any, capital requirements and overall financial conditions. The payment of any future dividends will be within the discretion of the Company's board of directors as then constituted. It is the Company's expectation that future management, following a business combination, will determine to retain any earnings for use in its business operations and accordingly, the Company does not anticipate declaring any dividends in the foreseeable future.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND PLAN OF OPERATION

The following Management's Discussion and Analysis of Financial Condition and Plan of Operations ("MD&A") is intended to help you understand our historical results of operations during the periods presented and our financial condition. This MD&A should be read in conjunction with our consolidated financial statements and the accompanying notes to consolidated financial statements and contains forward-looking statements that involve risks and uncertainties. See section entitled "Forward-Looking Statements" above.

Plan of Operation

At present, we are a Company with only limited operations and no revenues from our plan of operations. There is substantial doubt that we can continue as an on-going business for the next twelve months.

In December 2017 a new wholly-owned subsidiary was registered in Israel under the name of Canna Powder Ltd. ("CannaPowder") with Rafi Ezra as its CEO. He is a highly experienced pharmacist with extensive knowledge of the cannabis sector and hands on experience of leading early stage pharma companies from early development through to commercial launch. Development is being carried out at the Hebrew University under the supervision of the inventor of the technology Professor Shlomo Magdassi.

CannaPowder is raising funds to finance a development program to establish cannabis powder production facilities utilizing the licensed technology. The program is expected to be completed within three years, with commercial sales starting in 2021. Once reaching the commercial stage, CannaPowder is expected to establish and operate several production facilities, each located in individual territories selected according to their size and favorable regulation for medical cannabis. The facilities will produce cannabis powders at very competitive prices and we expect to quickly capture market share.

Products will be supplied to producers of medical cannabis products. The ability to produce a more effective, consistent product in terms of quality and composition will provide an important advantage when targeting the medical market.

Results of Operations during the year ended December 31, 2017 as compared to the year ended December 31, 2016

During 2017 and 2016 we generated revenues of $0 and $0, respectively. Our general and administrative expense increased to $75,177 during 2017 compared to $2,601 during the same period in prior year and our research and development expenses increased to $10,007 during 2017 compared to $0 during the same period in the prior year both increases were due to costs incurred in relation to our new subsidiary CannaPowder. We incurred a net loss of $85,970 during 2017 compared to a net loss of $2,644 in 2016.

Liquidity and Capital Resources

Our balance sheet as of December 31, 2017 reflects $330,926 in total assets consisting of cash and cash equivalents of $326,730 and prepaid assets of $4,196. As of December 31, 2016, our balance sheet reflects assets of $0.

As of December 31, 2017, we had total current liabilities of $800 consisting of accounts payable and accrued liabilities and $2,687 of long term liabilities consisting of notes payable. As of December 31, 2016, we had total current liabilities of $2,144 consisting of accounts payable and $800 of long term liabilities consisting of notes payable.

We had positive working capital of $330,126 as of December 31, 2017 compared to negative working capital of $2,144 at December 31, 2016. Such working capital has been sufficient to sustain our operations to date. Our total liabilities as of December 31, 2017 were $3,487 compared to $2,944 at December 31, 2016.

During 2017, we used $91,560 in our operating activities. This resulted from a net loss of $85,970, decrease to accounts payable and accrued expenses of $1,344 decrease in prepaid expenses of $4,196 and gain on settlement of $50.

During 2016, we used $800 in our operating activities. This resulted from a net loss of $2,644 offset by an increase to accounts payable and accrued expenses of $1,844.

During the year ended December 31, 2017, we financed our negative cash flow from sale of common stock in the amount of $413,000, borrowings on debt of $19,190 which were offset by principal payment on debt of $17,253.

During the year ended December 31, 2016, we financed our negative cash flow from borrowings on debt of $800.

While management of the Company believes that the Company will be successful in its current and planned operating activities, there can be no assurance that the Company will be successful in the achievement of sales of its products that will generate sufficient revenues to earn a profit and sustain the operations of the Company.

Our ability to create sufficient working capital to sustain us over the next twelve-month period, and beyond, is dependent on our entering into additional licensing agreement and on our success in issuing additional debt or equity or entering into strategic arrangement with a third party. There can be no assurance that sufficient capital will be available to us. We currently have no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources.

Going Concern Consideration

There is substantial doubt about our ability to continue as a going concern. Our financial statements contain additional note disclosures with respect to this matter.

The Company currently plans to satisfy its cash requirements for the next 12 months through the issuance of equity and borrowings from its controlling shareholders and believes it can satisfy its cash requirements so long as it is able to obtain financing from its controlling shareholders. The Company expects that money borrowed will be used during the next 12 months to satisfy the Company's operating costs, professional fees and for general corporate purposes.

The Company has only limited capital. Additional financing is necessary for the Company to continue as a going concern. Our independent auditor has issued an unqualified audit opinion for the years ended December 31, 2017 and 2016 with an explanatory paragraph on going concern.

Off-Balance Sheet Arrangements

As of December 31, 2017, and 2016, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated under the Securities Act of 1934.

Contractual Obligations and Commitments

As of December 31, 2017, and 2016, we did not have any contractual obligations.

Critical Accounting Policies

Our significant accounting policies are described in the notes to our financial statements for the years ended December 31, 2017 and 2016 and are included elsewhere in this annual report.

ITEM 3. PROPERTIES

Our corporate office, which consists of approximately 150 square feet, is located at 40 Wall Street, 28th Floor New York, NY 10005, at a monthly cost of $300. Our Subsidiary leases offices located at 20 Raul Wallenberg Street, Tel Aviv, Israel consisting of 1200 square feet at a base monthly rent of $500. These offices are leased from an entity related to Attribute Ltd (See Item 4 below) which rent represents the fair market value of the facilities. The Company believes that its facilities are sufficient for the foreseeable future and until we actively commence our sales and marketing efforts. At such time, we believe that adequate facilities will be available for our Subsidiary's operations at terms satisfactory to the Company.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock as of April 20, 2018. The information in this table provides the ownership information for: each person known by us to be the beneficial owner of more than 5% of our common stock; each of our directors; each of our executive officers; and our executive officers and directors as a group.

Name of Beneficial Owner	Common Stock Beneficially Owned (1)	Percentage of Common Stock Owned (1)
Attribute Ltd.	787,500	8.9%
20 Raul Wallenberg Street		
Tel Aviv, Israel		
Kfir Silberman and L.I.A. Pure Capital (entity controlled by Kfir Silberman)	787,500	8.9%
3 Ha'armonim St.,		
Ramat Gan, Israel		
Amir Uziel	787,500	8.9%
5 Shira St Street		
Rishon Lezion, Israel		
Lavi Krasney	787,500	8.9%
8 Paamoni Street		
Rishon Lezion, Israel		
Liron Carmel, CEO and Chairman	300,000	3.4%
40 Wall Street, 28th Floor		
New York, NY 10005		
Oded Gilboa, CFO	0	0.00
40 Wall Street, 28th Floor		
New York, NY 10005		
Total Officers (2 people)	300,000	3.4%

(1) Applicable percentage ownership is based on 8,875,577 shares of common stock issued as of April 20, 2018. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock that are currently exercisable or exercisable within 60 days of April 20, 2018 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Our directors hold office until the next annual general meeting of the stockholders or until their successors are elected and qualified. Our officers are appointed by our Board of Directors and hold office until the earlier of their death, retirement, resignation, or removal.

The following table sets forth the names and ages of the members of our Board of Directors and our executive officers and the positions held by each.

Name	Age	Title
Liron Carmel	34	CEO and sole director
Oded Gilboa	45	CFO

Liron Carmel, 34, has been CEO, CFO and sole director of the Company since December 2014. From December 2014 to August 2015, Mr. Carmel was the CEO and CFO of Zaxis International Inc.

From 2010 through December 2014, Mr. Carmel served as a senior analyst in the Investment Division of Excellence Group, a leading investment firm in Israel. In such capacity, Mr. Carmel specialized in risk management and special debt financing including participation in and leading negotiations with major institutional investors in Israel. From 2009 to 2010, Mr. Carmel was an analytical consultant for Precise Group, an Israeli financial institution.

Oded Gilboa, 45, was appointed to be the Company's CFO on January 1, 2018. He is a licensed CPA in the United States and Israel. He was the CFO of TechCare Corp. (OTCQB: TECR17) from December 2013 to October 2016. Prior to his appointment as CFO of TechCare Corp., Mr. Gilboa served as TechCare's finance and accounting consultant. Mr. Gilboa has over 16 years of experience in finance and public accounting, having served as a senior finance executive in the technology and biotech industries with responsibilities in corporate finance, accounting, strategic planning and operational and financial management. From 2010 through 2012, Mr. Gilboa served as the Revenue Accounting and Finance Manager of Mylan Specialty, a subsidiary of Mylan Inc. (NASDAQ: MYL), a global company focused on the development, manufacturing and marketing of prescription drug products. From 2007 through 2009, Mr. Gilboa was the Executive director of Finance and US Controller of Taro Pharmaceuticals (NASDAQ: TAROF), a global pharmaceutical company. From 1998 through 2007 Mr. Gilboa held various financial positions with IDT Corporation (NYSE: IDT), a world-wide provider of telecommunications and media services, where in his most recent role he served as director of Finance. Mr. Gilboa began his career in public accounting, auditing both public and private companies and holds a B.A in Economics and Accounting from Tel-Aviv University and an M.B.A. from Recanati Business School at Tel-Aviv University.

Committees of the Board of Directors

We do not presently have a separately constituted audit committee, compensation committee, nominating committee, executive committee or any other committees of our Board of directors. As such, our entire Board of directors acts as our audit committee.

Involvement in Legal Proceedings

None of our directors, nominees for directors, or officers has appeared as a party during the past ten years in any legal proceedings that may bear on his ability or integrity to serve as a director or officer of the Company.

Code of Ethics

The Company has adopted a code of ethics applicable to our principal, executive and financial officers.

Potential Conflict of Interest

Since we do not have an audit or compensation committee comprised of independent directors, the functions that would have been performed by such committees are performed by our Board of directors. Thus, there is a potential conflict of interest in that our directors have the authority to determine issues concerning management compensation, in essence their own, and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executives or directors.

Board's Role in Risk Oversight

The Board assesses on an ongoing basis the risks faced by the Company. These risks include financial, technological, competitive, and operational risks. The Board dedicates time at each of its meetings to review and consider the relevant risks faced by the Company at that time. In addition, since the Company does not have an Audit Committee, the Board is also responsible for the assessment and oversight of the Company's financial risk exposures.

ITEM 6. EXECUTIVE COMPENSATION

The following table sets forth information concerning the total compensation that we have paid or that has accrued on behalf of our chief executive officer and other executive officers with annual compensation exceeding $100,000 during the fiscal years ending December 31, 2017, 2016 and 2015.

		Annual Compensation			Long Term Compensation Awards		
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation ($)**	**Restricted Stock Award(s) ($)**	**Securities Underlying Options ($)**	**All Other Compensation ($)**
Liron Carmel, CEO, and Director (1)	2017	15,000	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Oded Gilboa, CFO (1)	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-

We do not currently have a stock option plan. No individual grants of stock options, whether or not in tandem with stock appreciation rights known as SARs or freestanding SARs have been made to any executive officer or any director since our inception; accordingly, no stock options have been granted or exercised by any of the officers or directors since we were founded.

Long-Term Incentive Plans and Awards

We do not have any long-term incentive plans that provide compensation intended to serve as incentive for performance. No individual grants or agreements regarding future payouts under non-stock price-based plans have been made to any executive officer or any director or any employee or consultant since our inception; accordingly, no future payouts under non-stock price-based plans or agreements have been granted or entered into or exercised by any of the officers or directors or employees or consultants since we were founded.

Compensation of Directors

There are no current agreements pursuant to which directors are or will be compensated in the future for any services provided as a director.

Employment Contracts, Termination of Employment, Change-in-Control Arrangements

There are no employment contracts in place, no employees were terminated and no change in control arrangements have been signed with the company.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

During the years ended December 31, 2017 and 2016, the Company issued the following restricted securities to "affiliated purchasers":

On October 17, 2017, the Company issued and sold a total of 2.6 million restricted shares of common stock to four accredited investors (650,000 shares to each) at $0.01 per share for a total cash consideration of $26,000. Reference is made to Item 4. Security Ownership of Certain Beneficial Owners and Management. As a result of these issuances, the four accredited investors became greater than 5% shareholders.

ITEM 8. LEGAL PROCEEDINGS

We know of no material, active or pending legal proceedings against our Company, nor of any proceedings that a governmental authority is contemplating against us. We know of no material proceedings to which any of our directors, officers, affiliates, owner of record or beneficially of more than 5 percent of our voting securities or security holders is an adverse party or has a material interest adverse to our interest.

ITEM 9. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTER

Market Information

Our common stock is quoted on the OTC Pink Sheets Market under the symbol SMGY, an inter-dealer automated quotation system for equity securities not included on The Nasdaq Stock Market. Quotation of the Company's securities on the OTC Pink Sheets Market limits the liquidity and price of the Company's common stock more than if the Company's shares of common stock were listed on The Nasdaq Stock Market or a national exchange. For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. The below prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

Period	Price Range			
	High		Low	
Year Ended December 31, 2015:				
First Quarter	$	2.70	$	1.01
Second Quarter	$	2.69	$	0.99
Third Quarter	$	0.99	$	0.86
Fourth Quarter	$	0.75	$	0.60
Year Ended December 31, 2016:				
First Quarter	$	0.48	$	0.35
Second Quarter	$	0.35	$	0.35
Third Quarter	$	0.35	$	0.35
Fourth Quarter	$	0.35	$	0.35
Year Ending December 31, 2017:				
First Quarter	$	1.00	$	0.35
Second Quarter	$	0.51	$	0.51
Third Quarter	$	1.00	$	0.51
Fourth Quarter	$	0.62	$	0.51
Year Ending December 31, 2018:				
First Quarter (through April 20, 2018)	$	1.50	$	0.52

Our stock transfer agent is Transfer Online, Inc., with offices located at 512 SE Salmon Street, Portland, OR 97214. Their phone number is (503) 227-2950 and email address is: info@transferonline.com.

Holders. As of April 20, 2018, there 189 registered stockholders holding had 8,875,577 Common Stock.

Dividends. We have never declared or paid any cash dividends on our common stock nor do we anticipate paying any in the foreseeable future. We expect to retain any future earnings to finance our operations and expansion. The payment of cash dividends in the future will be at the discretion of our Board of Directors and will depend upon our earnings levels, capital requirements, any restrictive loan covenants and other factors the Board considers relevant.

Equity Compensation Plans. We do not have any equity compensation plans.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

During the years ended December 31, 2016 and 2015, the Company did not sell any unregistered securities.

Sales of Unregistered Securities in 2017:

On October 17, 2017, the Company sold 6,300,000 shares to 13 shareholders, each an "accredited investor" as that term is defined in Rule 501 of Regulation D promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Act"), for $0.01 a share for a total cash consideration of $63,000.

On October 24, 2017, the Company issued 666,667 shares to one shareholder at $0.075 per share for cash consideration of $50,000.

During the period from November 15, 2017 to December 7, 2017, the Company sold a total of 1,000,000 units to accredited investors for cash consideration of $300,000 at price of $.30 per unit (the "$0.30 Units"), each consisting of: (i) one share of Common Stock; and (ii) one class A warrant exercisable at $0.60 per share with a term of 24 months (the "Class A Warrants"). During the period from March 20, 2018 to April 17, 2018, the Company sold a total of 793,000 units to accredited investors for aggregate cash consideration of $475,775 at a price of $0.60 per unit (the "$0.60 Units"), each consisting of: (i) one share of Common Stock; and (ii) one class B warrant exercisable at $1.20 per share with a term of 24 months (the "Class B Warrants"). In connection with the sale of the $0.60 Units, a total of 234,000 shares of Common Stock have been issued to date and an additional 559,000 shares of Common Stock are pending issuance by the transfer agent but have not yet been issued.

As discussed above, the Company is continuing to raise capital through the private sale of its equity securities, primarily pursuant to the exemptions provided under Regulation S and to a lesser extent pursuant to Regulation D, both promulgated by the SEC under the Act. To date, the Company has raised approximately $888,775 in the Equity Raise.

The Company believes that the issuances and sale of the restricted securities were exempt from registration pursuant to Section 4(2) of the Act and Regulation S and Regulation D promulgated by the SEC under the Act, as privately negotiated, isolated, non-recurring transactions with accredited investors not involving any public solicitation. The subscribers, in each case, represented to the Company their intention to acquire the securities for investment only and not with a view to the distribution thereof. Appropriate restrictive legends are affixed to the stock certificates issued in such transactions. All recipients of restricted securities represented by the shares of Common Stock and the Units either received adequate information about the Company or had access, through employment, relation and/or business relationships with the Company to such information and each of the subscribers is an accredited investor.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED

Common Stock

We are authorized to issue 495,000,000 shares of common stock with a par value of 0$.00001 per share ("Common Stock"). As of April 20, 2018, 8,875,577 shares of our Common Stock were issued and on record with our transfer agent, Transfer Online Inc. Some of the shares of Common Stock issuable in connection with the Company's Equity Raise have not been yet been issued but are pending issuance.

Each outstanding share of Common Stock that is on record with our transfer agent is entitled to one vote, either in person or by proxy, on all matters that may be voted upon by the owners thereof at meetings of the stockholders.

Our shareholders have no pre-emptive rights to acquire additional shares of Common Stock. The Common Stock is not subject to redemption or any sinking fund provision, and it carries no subscription or conversion rights. In the event of our liquidation, the holders of the Common Stock will be entitled to share equally in the corporate assets after satisfaction of all liabilities.

The description contained in this section does not purport to be complete. Reference is made to our certificate of incorporation and bylaws which are available for inspection upon proper notice at our offices, as well as to the Nevada Revised Statutes for a more complete description covering the rights and liabilities of shareholders.

Holders of our Common Stock

(i) have equal ratable rights to dividends from funds legally available therefore, if declared by our Board of Directors,

(ii) are entitled to share ratably in all our assets available for distribution to holders of Common Stock upon our liquidation, dissolution or winding up;

(iii) do not have preemptive, subscription or conversion rights or redemption or sinking fund provisions; and

(iv) are entitled to one non-cumulative vote per share on all matters on which stockholders may vote at all meetings of our stockholders.

The holders of shares of our Common Stock do not have cumulative voting rights, which means that the holders of more than fifty percent (50%) of outstanding shares voting for the election of directors can elect all of our directors if they so choose and, in such event, the holders of the remaining shares will not be able to elect any of our directors.

Preferred Stock

The Company's Articles of Incorporation, as amended, authorize 5,000,000 shares of preferred stock, par value $0.00001 per share, which may be issued by the Board of Directors from time to time in one or more series. Our Board of Directors, without further approval of our stockholders, is authorized to fix the dividend rights and terms, conversion rights, voting rights, redemption rights, liquidation preferences and other rights and restrictions relating to any series of preferred stock that may be issued in the future. Issuances of shares of preferred stock, while providing flexibility in connection with possible financings, acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of our Common Stock and prior series of preferred stock then outstanding.

Dividends

We have no history of paying dividends, moreover, there is no assurance that we will pay dividends in the future.

Shares Eligible for Future Sale

Our shares are thinly traded on the OTC Market, and we cannot assure you that a significant public market for our Common Stock will be developed. Sales of substantial amounts of Common Stock in the public market, or the possibility of substantial sales occurring, could adversely affect prevailing market prices for our Common Stock or our future ability to raise capital through an offering of equity securities.

As of April 17, 2018, 8,787,881 shares of Common Stock of the total 8,875,577 issued and outstanding shares of Common Stock are "restricted" shares as that term is defined under the Act. We have not entered into any agreement to register any of our issued and outstanding shares, although such agreement may be entered into in the future, or such an agreement may be made part of the terms of a future equity raise or other transactions.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our bylaws and articles of incorporation provide that our officers and directors are indemnified to the fullest extent provided by the Nevada Revised Statutes ("NRS").

Under the Nevada Revised Statutes, director immunity from liability to a company or its shareholders for monetary liabilities applies automatically unless it is specifically limited by a company's Articles of Incorporation. Our Articles of Incorporation do not specifically limit the directors' immunity. The NRS excepts from that immunity (a) a willful failure to deal fairly with the company or its shareholders in connection with a matter in which the director has a material conflict of interest; (b) a violation of criminal law, unless the director had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful; (c) a transaction from which the director derived an improper personal profit; and (d) willful misconduct.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

The Company has not purchased insurance for the directors and officers that would provide coverage for their acts as an officer or director of the Company.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMNTARY DATA

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Smart Energy Solutions, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Smart Energy Solutions, Inc. (the Company) as of December 31, 2017 and 2016, and the related statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2017 and 2016, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2017 and 2016, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company suffered a net loss from operations and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ M&K CPAS, PLLC

We have served as the Company's auditor since 2013.

Houston, TX

March 5, 2018

SMART ENERGY SOLUTIONS, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2017 AND DECEMBER 31, 2016

	December 31, 2017		December 31, 2016	
ASSETS				
Current assets:				
Cash and cash equivalents	$	326,730	$	-
Prepaid expenses		4,196		-
Total current assets		330,926		-
Total assets	$	330,926	$	-
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current liabilities:				
Accounts payable and accrued liabilities	$	800	$	2,144
Total current liabilities		800		2,144
Notes payable		2,687		800
Total long term liabilities		2,687		800
Total liabilities		3,487		2,944
Stockholders' equity (deficit)				
Common stock, par value $0.00001 per share, 495,000,000 common shares authorized, 5,000,000 preferred shares authorized; 8,591,577 and 624,910 common stock issued and outstanding at December 31, 2017 and December 31, 2016 respectively.		86		6
Additional paid in capital		447,164		34,244
Accumulated other comprehensive income		3,353		-
Accumulated deficit		(123,164)		(37,194)
Total stockholders' (deficit)		327,439		(2,944)
Total liabilities and stockholders' equity (deficit)	$	330,926	$	-

The accompanying notes are an integral part of these financial statements

SMART ENERGY SOLUTIONS, INC.
STATEMENTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017 AND 2016

	For the twelve months ended December 31, 2017	For the twelve months ended December 31, 2016
Revenues	$ -	$ -
Expenses:		
General and administrative	(75,177)	(2,601)
Research and development expense	(10,007)	-
Total operating expenses	(85,184)	(2,601)
(Loss) from operations	(85,184)	(2,601)
Gain (loss) from debt settlement	50	-
Interest expense	(836)	(43)
Other income (expense)	(786)	(43)
Provision for income taxes	-	-
Net (loss)	$ (85,970)	$ (2,644)
Net loss per common share	$ (0.04)	$ (0.00)
Weighted average number of common shares outstanding	8,591,577	624,910

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

SMART ENERGY SOLUTIONS, INC.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	For the twelve months ended	
	December 31, 2017	December 31, 2016
Net loss from continuing operations	(85,970)	(2,644)
Change in unrealized foreign currency translation gain (loss)	3,353	-
Total comprehensive loss	(82,617)	(2,644)
Comprehensive loss attributable to Smart Energy Solutions, Inc	(82,617)	(2,644)

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

SMART ENERGY SOLUTIONS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' (DEFICIT)
FOR THE YEARS DECEMBER 31, 2017 AND 2016

	Common stock		Additional Paid-In	Other Comprehensive	Accumulated	
	Shares	Amount	Capital	Income	Deficit	Totals
Balance as of December 31, 2015	624,910	$ 6	$ 34,244	$ -	$ (34,550)	$ (300)
	-		-	-	-	-
Net loss for the year ended December 31, 2016	-	-	-	-	(2,644)	(2,644)
Balance as of December 31, 2016	624,910	6	34,244	-	(37,194)	(2,944)
Shares Issued for Cash	7,966,667	80	412,920	-	-	413,000
Translation adjustments	-	-	-	3,353	-	3,353
Net loss for the year ended December 31, 2017	-	-	-	-	(85,970)	(85,970)
Balance as of December 31, 2017	8,591,577	$ 86	$ 447,164	$ 3,353	$ (123,164)	$327,439

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

SMART ENERGY SOLUTIONS, INC.
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017 and 2016

	For the twelve months ended December 31, 2017	For the twelve months ended December 31, 2016
Operating Activities:		
Net loss	$ (85,970)	$ (2,644)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on settlement	(50)	-
Changes in operating assets and liabilities:		
Increase (decrease) in accounts payable and accrued expenses	(1,344)	1,844
Decrease (dncrease) in prepaid expenses	(4,196)	-
Net cash used in operating activities	(91,560)	(800)
Investing Activities:		
Purchase of property and equipment	-	-
Net Cash provided by (used in) investing activities	-	-
Financing Activities:		
Shares issued for cash	413,000	-
Borrowings on debt	19,190	800
Principal payments on debt	(17,253)	-
Net cash provided by financing activities	414,937	800
Foreign currency adjustment	3,353	
Net increase (decrease) in cash	326,730	-
Cash and cash equivalents - beginning of period	$ -	$ -
Cash and cash equivalents - end of period	$ 326,730	$ -

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

SMART ENERGY SOLUTIONS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

Note (1) Summary of Significant Accounting Policies

Basis of Presentation and Organization

The Company was incorporated in 1999 in the state of Utah under the name Datigen.com, Inc. On August 25, 2005, the Company changed its state of incorporation from Utah to Nevada by the merger of the Company with and into its wholly-owned subsidiary, Smart Energy Solutions, Inc., a Nevada corporation. As a result of such merger, the Company's name was changed to Smart Energy Solutions, Inc. in order to better reflect the Company's business operations.

During December 2017 a new subsidiary was registered with all shares held by the Company. The new subsidiary was register in Israel under the name of Canna Powder Ltd. ("CannaPowder") is headed by Rafi Ezra a highly experienced pharmacist with extensive knowledge of the cannabis sector and hands on experience of leading early stage pharma companies from early development through to commercial launch. Development is being carried out at the Hebrew University under the supervision of the inventor of the technology, Professor ShlomoMagdassi.

CannaPowder is raising investment to finance a development program to establish cannabis powder production facilities utilizing the licensed technology. The program is expected to be completed within three years, with commercial sales starting in 2021. In the commercial stage, CannaPowder will establish and operate several production facilities, each located in individual territories selected according to their size and favorable regulation for medical cannabis.

Products will be supplied to producers of medical cannabis products. The ability to produce a more effective, consistent product in terms of quality and composition will provide an important advantage when targeting the medical market. The accompanying financial statements of the Company were prepared from the accounts of the Company under the accrual basis of accounting.

The accompanying financials statement of the company were prepared from the account of the company under the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of reporting within the statement of cash flows, the Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. As of December 31, 2017 and 2016, we had cash and cash equivalents of $326,730 and $0, respectively.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on net earnings, financial position or cash flows.

Discontinued Operations

The Company follows the policy of segregating the assets and liabilities of subsidiaries or lines of business on its Balance Sheet from the assets liabilities ofcontinuing subsidiaries or lines of businesses when it is decided to close or dispose of a subsidiary or line of business. The Company also, follows the policy of separately disclosing the assets and liabilities and the net operations of a subsidiary or line of business in its financial statements when it is decided to closeor dispose of a subsidiary or line of business.

Revenue Recognition

The Company recognizes revenue from licensing its software to customers for contractually defined periods of time. The Company recognizes revenue ratably over the term of the contract in accordance with ASC 605 (1) when the price is fixed and determinable, (2) persuasive evidence of an arrangement exists, (3) delivery has occurred or services have been provided, and (4) collectability is assured.

Loss per Common Share

Basic loss per share is computed by dividing the net loss attributable to the common stockholders by the weighted average number of shares of common stock outstanding during the period. Fully diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are determined based on temporary differences between the bases of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

The Company maintains a valuation allowance with respect to deferred tax assets. The Company establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company's financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carryforward period under the Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change in estimate.

Fair Value of Financial Instruments

The Company estimates the fair value of financial instruments using the available market information and valuation methods. Considerable judgment is required in estimating fair value. Accordingly, the estimates of fair value may not be indicative of the amounts the Company could realize in a current market exchange. As of December 31, 2017 and 2016, the carrying value of accounts payable and accrued liabilities approximated fair value due to the short-term nature and maturity of these instruments.

Deferred Offering Costs

The Company defers as other assets the direct incremental costs of raising capital until such time as the offering is completed. At the time of the completion of the offering, the costs are charged against the capital raised. Should the offering be terminated, deferred offering costs are charged to operations during the period in which the offering is terminated.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets and the related estimated remaining lives when events or circumstances lead management to believe that the carrying value of an asset may not be recoverable. As of December 31, 2017, no events or circumstances occurred for which an evaluation of the recoverability of long-lived assets was required.

Estimates

The financial statements are prepared on the basis of accounting principles generally accepted in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of December 31, 2017 and 2016, and expenses for the years ended December 31, 2017 and 2016. Actual results could differ from those estimates made by management.

Impact of Recently Issued Accounting Standards

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. Public business entities should apply the amendments in this Update to annual periods beginning after December 15, 2017, including interim periods within those periods. All other entities should apply the amendments to annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

In March 2017, the FASB issued Update 2017-08—Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities.For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period.

In March 2017, the FASB issued Update 2017-07—Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. Effective for public business entities for annual periods beginning after December 15, 2017, including interim periods within those annual periods. For other entities, the amendments in this Update are effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted as of the beginning of an annual period for which financial statements (interim or annual) have not been issued or made available for issuance. That is, early adoption should be within the first interim period if an employer issues interim financial statements. Disclosures of the nature of and reason for the change in accounting principle are required in the first interim and annual periods of adoption.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The amendment in this ASU defers the effective date of ASU No. 2014-09 for all entities for one year. Public business entities should apply the guidance in ASU 2016-15 to annual reporting periods beginning on December 15, 2017. For all other entities, the guidance in ASU 2016-15 should be applied to annual reporting periods beginning December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019. Earlier application is permitted including interim reporting periods.

Goodwill and Intangible Assets

Goodwill is tested for impairment at a minimum on an annual basis. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. The fair values of the reporting units are estimated using market and discounted cash flow approaches. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. The discounted cash flow approach uses expected future operating results. Failure to achieve these expected results may cause a future impairment of goodwill at the reporting unit.

Intangible assets consist of patents and trademarks, purchased customer contracts, purchased customer and merchant relationships, purchased trade names, purchased technology, and non-compete agreements. Intangible assets are amortized over the period of estimated benefit using the straight-line method and estimated useful lives ranging from two to twenty years. No significant residual value is estimated for intangible assets.

Note (2) Going Concern

The Company was incorporated in 1999 in the state of Utah under the name Datigen.com, Inc. On August 25, 2005, the Company changed its state of incorporation from Utah to Nevada by the merger of the Company with and into its wholly-owned subsidiary, Smart Energy Solutions, Inc., a Nevada corporation. As a result of such merger, the Company's name was changed to Smart Energy Solutions, Inc. in order to better reflect the Company's business operations.

The Company has limited operations. During December 2017 a new subsidiary was registered with all shares held by the Company. The new subsidiary reregistered in Israel under the name of CannaPowder Ltd. ("CannaPowder") is headed by Rafi Ezra a highly experienced pharmacist with extensive knowledge of the cannabis sector and hands on experience of leading early stage pharma companies from early development through to commercial launch.Development is being carried out at the Hebrew University under the supervision of the inventor of the technology Professor Shlomo Magdassi.

CannaPowder is raising investment to finance a development program to establish cannabis powder production facilities utilizing the licensed technology. The program is expected to be completed within three years, with commercial sales starting in 2021. In the commercial stage, CannaPowder will establish and operate several production facilities, each located in individual territories selected according to their size and favorable regulation for medical cannabis. The Company believes that with its new facilities it will be able to produce cannabis powders at a significant cost advantage.

Products will be supplied to producers of medical cannabis products. The ability to produce a more effective, consistent product in terms of quality and composition will provide an important advantage when targeting the medical market. The Company has limited operations. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not established any source of revenue to cover its operating costs, and as such, has incurred an operating loss since inception. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

Note (3) Common Stock

On October 17, 2017, the Company sold a total of 6,300,000 shares to thirteen accredited investors at $0.01 per share for a total cash consideration of $63,000.

On October 24, 2017 the Company issued 666,667 shares to one shareholder, an accredited investor, at $0.075 per share or cash consideration of $50,000.

Between November 15, 2017 and December 7, 2017, the Company sold a total of 1,000,000 units for cash consideration of $300,000 at price of $.30 (the "$0.30 Units"), each unit comprised of one share of common stock and one class A warrant exercisable at $0.50 per share with a term of 24 months. The relative fair value of the stock with embedded warrants was $132,458 for the common stock and $167,542 for the class A warrants. The warrants were valued using the Black-Scholes model with volatility of approximately 163% and discount rates ranging from 1.68% to 1.8%.

At December 31, 2017 and December 31, 2016, there were approximately 189 and 168 holders of record and 8,591,577 and 624,910 shares of common stock issued and outstanding, respectively. All shares of common stock are entitled to one vote per share in all matters submitted to the shareholders. No preferred shares are issued and outstanding at December 31, 2017 and 2016.

Dividends

The Company has not declared or paid any cash dividends on its common stock nor does it anticipate paying any in the foreseeable future. Furthermore, the Company expects to retain any future earnings to finance its operations and expansion. The payment of cash dividends in the future will be at the discretion of its Board of Directors and will depend upon its earnings levels, capital requirements, any restrictive loan covenants and other factors the Board considers relevant.

Securities Authorized for Issuance under Equity Compensation Plans

None

Following is a table of warrant and options still outstanding and exercisable along with exercise price and range of remaining term.

Type	Quantity	Exercise Price	Remaining Term
Warrants Class A	1,000,000	$ 0.50	24 Months
Total	**1,000,000**		

(4) Income Taxes

The provision (benefit) for income taxes for the year ended December 31, 2017 and 2016, was as follows (assuming a 35% effective tax rate):

	2017	2016
Current tax provision:		
Federal-		
Taxable income	$ -	$ -
Total current tax provision	$ -	$ -

The Company had deferred income tax assets as of December 31, 2017 and 2016 as follows:

	2017	2016
Loss carryforwards	$ 43,107	$ 13,018
Less- Valuation allowance	(43,107)	(13,018)
Total net deferred tax assets	$ -	$ -

The Company provided a valuation allowance equal to the deferred income tax assets for the year ended December 31, 2017 and 2016, because it is not presently known whether future taxable income will be sufficient to utilize the loss carryforwards.

As of December 31, 2017 and 2016, the Company had approximately $123,164 and $37,194, respectively, in tax loss carryforwards that can be utilized in future periods to reduce taxable income, and expire by the year 2030.

The Company did not identify any material uncertain tax positions that will be filed. The Company did not recognize any interest or penalties for unrecognized tax benefits during the year ended December 31, 2017 and 2016.

The Company intends to file income tax returns in the United States. All tax years are closed by expiration of the statute of limitations.

Note (5) Related Party Transactions

On October 17, 2017, the Company issued and sold a total of 2.6 million restricted shares of common stock to four accredited investors (650,000 shares to each) at $0.01 per share for a total cash consideration of $26,000. Reference is made to Item 4. Security Ownership of Certain Beneficial Owners and Management. As a result of these issuances, the four accredited investors became greater than 5% shareholders.

Note (6) Notes Payable

During the year ended December 31, 2017, the Company borrowed $100 and $800, respectively, which the loans bear an interest rate of 8% and has no maturity date. The loans were repaid in the amount of $850 on May 5, 2017 and the Company recorded a gain on debt extinguishment of $50.

On May 12, 2016 a shareholder loaned the company the sum of $5,000 to settle a vendor debt. The shareholder has subsequently forgiven the debt resulting from this payment and has confirmed he is owed no principal or interest as of December 31, 2016 and December 31, 2017. As of December 31, 2016, the amount paid by the shareholder to the vendor was forgiven, as the shareholder is a related party the forgiven debt resulted in an increase to additional paid in capital.

On December 22, 2017 a loan was made in the amount $2,687 the loan bears no interest and has no maturity date.

Between January 8, 2017 and August 25, 2017 three shareholders loaned the company amounts totaling $16,403 in loans bearing 8% interest which have no maturity dates. The loans which accrued interest of $879 were repaid on December 20, 2017. The three debt holders confirmed they were owed no principal or interest as of December 31, 2017.

Note (7) Subsequent Events

As defined in FASB ASC 855-10, “Subsequent Events”, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or available to be issued.

The loan made to the Company on December 22, 2017 in the amount $2,687 was repaid on January 8, 2018.

During the period from March 20, 2018 to April 17, 2018, the Company sold a total of 793,000 units to accredited investors for aggregate cash consideration of $475,775 at a price of $0.60 per unit (the “$0.60 Units”), each consisting of: (i) one share of Common Stock; (ii) one class A warrant exercisable at $0.60 per share with a term of 24 months (the “Class A Warrants”); and (ii) one class B warrant exercisable at $1.20 per share with a term of 24 months (the “Class B Warrants”). In connection with the sale of the $0.60 Units, a total of 234,000 shares of Common Stock have been issued to date and an additional 559,000 shares of Common Stock are pending issuance by the transfer agent but have not yet been issued.

The Company evaluated all other events and transactions that occurred subsequent to the balance sheet date and prior to the date on which the financial statements contained in this report were issued, and the Company determined that no such events or transactions necessitated disclosure.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as exhibits to this report on Form 10-K or incorporated by reference herein. Any document incorporated by reference is identified by a parenthetical reference to the SEC filing that included such document.

Exhibit No.	Description
10.1	Feasibility Study and Option Agreement dated September 14, 2017, filed herewith.
31.1	Certification of CEO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement on Form 10 to be signed on its behalf by the undersigned.

Smart Energy Solutions, Inc.

By: */s/ Liron Carmel*

Liron Carmel
Chief Executive Officer and Chairman
(Principal Executive Officer)
Date: April 30, 2018

By: */s/ Oded Gilboa*

Oded Gilboa
Chief Financial Officer
(Principal Executive Officer)
Date: April 30, 2018

EXHIBIT 10.1

FEASIBILITY STUDY AND OPTION AGREEMENT

This Research and Option Agreement **("Agreement")** made in Jerusalem and bearing the effective date of September 7th, 2017 **("Effective Date"),** is by and between **YISSUM RESEARCH DEVELOPMENT COMPANY OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.,** of Hi Tech Park, Edmond J. Safra Campus, Givat Ram, Jerusalem 91390, Israel **("Yissum")** and Carina Powder LTD, of 20 Raul Wallenberg Tel Aviv (the "Company").

WHEREAS: the rights and title to all inventions and research results of scientists of the Hebrew University of Jerusalem **("HUJ")** vest solely with Yissum; and

WHEREAS: the Company wishes to fund, and Yissum has agreed to obtain the performance of certain Feasibility Study as defined below, relating to the Yissum research entitled "Powder Formulations of Cannaboid Oil"; and, if such Feasibility Study is successful, to consider obtaining, subject to its sole discretion, a license to the Study Results (as defined below) in accordance with commercial terms listed in Appendix A and the terms of the License Agreement which is attached *as* Appendix C; and

WHEREAS: Yissum agrees to perform the Feasibility Study, and to grant the Option (as defined below) to the Company, all in accordance with the terms and conditions of this Agreement; and

NOW THEREFORE THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Interpretation and Definitions

1.1. The preamble and appendices annexed to this Agreement constitute an integral part hereof and shall be read jointly with its terms and conditions.

1.2. In this Agreement, unless otherwise required or indicated by the context, the singular shall include the plural and *vice-versa,* the masculine gender shall include the female gender, the use of the word "or" shall mean "and/or" and the use of the word "including" shall mean "including without limitation).

1.3. In this Agreement, capitalized terms shall have the meaning set forth herein:

1.3.1. **"Feasibility Study"** shall mean the feasibility study to be conducted by the Researcher pursuant to the Feasibility Study Program.

1.3.2. **"Study Period"** shall mean three (3) months from the date the Company provided Yissum with written notice of its readiness to commence the Feasiblity Study, which shall be provided to Yissum within 3 months from the Effective Date.

1.3.3. **"Feasibility Study Program"** shall mean the program under this Agreement pursuant to which the Feasibility Study shall be carried out and conducted by the Researcher, as per **Appendix B** of this Agreement.

1.3.4. **"Researcher"** shall mean Prof. Shlomo Magdassi, or such other person(s) as appointed from time to time by Yissum to supervise and to perform the Research, if applicable, after consulting with the Company and subject to its consent .

1.3.5. **"Study Results"** shall mean all work product and results (including all information, material, results, devices, solutions, know-how and intellectual property) first generated by and during the Feasibility Study.

2. Feasibility Study

2.1. The Company hereby undertakes to finance performance of the Feasibility Study in accordance with the Feasibility Study Program or any amendment thereof. Such financing shall be, subject to any earlier termination of the Feasibility Study pursuant to section 2.2, below, in an amount of $30,000 (Thirty Thousand US Dollars) plus VAT (inclusive of overhead) (the **"Study Fee")** payable in three (3) monthly installments of $10,000 each, the first to be made upon the commencement of the Study

Period and thereafter at the beginning of each month . The Study Fee will not exceed $30,000 also in the event the Study Period is extended.

2.2. The Feasibility Study shall be conducted by and under the supervision of the Researcher. Should the Researcher be unable to complete the Feasibility Study for any reason, Yissum shall notify the Company in writing of the identity of a suitable replacement researcher. If the Company does not object in writing to the replacement of a researcher on reasonable grounds within thirty (30) days of this notification, the substitute researcher shall be deemed acceptable to the Company. Alternatively, the Company shall have the right to terminate for convenience the Feasibility Study being conducted by the Researcher who is no longer able to complete such Feasibility Study, provided that (1) no monies paid to Yissum for the Feasibility Study pursuant to the schedule set forth in Appendix 13 will be refundable; and (ii) the Company shall be responsible for the payment of any accrued fees and expenses due to Yissum based on work duly performed up to the date of termination and those irrevocable commitments entered into by Yissuin prior to having received the Company's written notice of termination. For the avoidance if any doubt, the Company shall not be required to pay any balance of the Study Fee to Yissum other than set forth in this Section above.

2.3. Within sixty (60) days of the end of the Study Period, Yissum shall present the Company with a written report from the Researcher summarizing the results of the Feasibility Study during the Study Period (the **"Scientific Report").**

3. Option to License the Study Results; Ownership of the Study Results

3.1 License Agreement terms), worldwide royalty-bearing license to Yissum's interest in the Study Results in the field of production of powders from Cannabinoid oil (the **"License")** upon the commercial terms listed in Appendix A and other terms and conditions set forth in a license agreement to be finally negotiated between the Parties (the **"License Agreement).**

3.2 The Company may exercise the Option at any time from the Effective Date up to and including ninety (90) days from the Company's receipt of the Scientific Report (the **"Option Exrecise Period")** by notifying Yissum in writing that the Company desires to receive the License (the **"Option Exercise Notice").**

3.3 Within **10** days from the date of Yissum's receipt of the Option Exercise Notice within the Option Exercise Period, Yissum and the Company shall negotiate the final terms and conditions of the License Agreement during a period of up to ninety (90) days (the **"Negotiation Period").**

3.4 All rights in the Study Results, including in any patent applications in connection with the Study Results that may be filed, shall be owned by Yissum unless an employee of the Company is properly considered an inventor of any patent application so filed, in which event such patent application shall be owned jointly by Yissum and the Company **("Joint Patents").** All rights in any other intellectual property developed solely by the employees or representatives of one Party shall belong exclusively to such Party.

3.5 Notwithstanding the foregoing in Section 3.4, above, should the Company not exercise the Option within the Option Exercise Period or the Parties fail to execute a License Agreement within the Negotiation Period, (i) neither Yissum nor the Researcher shall have any further obligations towards the Company with respect to the Study Results, whether solely owned by Yissum or jointly held with the Company and (ii) the Company shall not use any of the approaches presented by the Researcher or the Study Results, to establish further research and development with a different entity or researcher, without the prior written approval of Yissum. In such event, the Company agrees to take all reasonably necessary actions to assign its interest in any Joint Patent to Yissum without any compensation to be paid by Yissum to the Company. Thereafter, Yissum shall be entitled to commercialize or otherwise grant third parties any right or title in and to the Study Results according to Yissum' sole discretion and without any further obligation to the Company.

3.6 From the Effective Date to the later of (a) the end of the Option Exercise Period; and (b) the execution of a License Agreement or the expiration of the Negotiation Period, Yissum shall not, directly or indirectly, enter into any discussions or agreement with any third party, including any agreement to license, sell or purchase any rights or interests in or to the Study Results, nor shall it accept, consider, initiate or negotiate any offer from any other person or entity with respect to a collaboration, license, sale, purchase or other business transaction involving the Study Results.

4. Responsibility for the Filing and Funding of Patent Applications Arising from the Study Results

4.1. Should the Company exercise the Option in a timely manner, the Company shall be responsible for ongoing costs in connection with the filing, prosecution and maintenance of any patents arising from the Study Results (the **"Study Results Patents").**

4.2. In the event that the Company does not exercise the Option, the Company shall have no further rights whatsoever in the Study Results or in any Study Results Patent and shall not bear any costs related to same. In such case, Yissum shall be responsible for the filing, prosecution and maintenance of any patents arising from the Study Results, and shall be entitled to license such Study Results Patents to any party it so chooses.

5. Confidentiality

5.1. Each Party warrants and undertakes to the other that during the term of this Agreement and subsequent thereto, it shall maintain full and absolute confidentiality, and shall also be liable for its officers, employees, representatives, or any other persons acting on its behalf maintaining absolute confidentiality, concerning all information, details and data which is in or comes to its knowledge or that of its officers, employees, representatives, or any other persons acting on its behalf directly or indirectly and relating to the Feasibility Study or the business of the other Party. Each Party undertakes not to convey or disclose anything in connection with the foregoing to any entity without the prior written permission of the Party which disclosed such confidential information.

5.2. The obligation contained in this section shall not apply to information which:

(a) is in the public domain as of the Effective Date or hereafter comes into the public domain through no fault of a Party, its officers, employees, representatives or persons acting on its behalf; or

(b) a Party can demonstrate through tangible evidence was in its possession before receipt from the disclosing Party or its Affiliates; or

(c) the Party can demonstrate through tangible evidence was developed independently by that Party without reference to or reliance upon the disclosing Party's information; or

(d) was disclosed to the Party without restriction on disclosure by a third party who has the lawful right to disclose such information.

5.3. Notwithstanding the above, a Party may disclose details and information to its officers, employees, representatives or persons acting on its behalf, and Affiliates as necessary for the performance of its obligations pursuant to this Agreement, provided that it procures that such parties execute a confidentiality agreement substantially similar in content to this Section 5 or are bound by confidentiality undertakings which are not less stringent than those specified above.

5.4. Without prejudice to the foregoing, the Company shall not mention the name of the Hal, Yissum or the Researcher unless required by law or in connection with prosecuting and/or maintaining the Study Results Patents, in any manner or for any purpose in connection with this Agreement or any matter relating to the Feasibility Study, without obtaining the prior written consent of Yissum.

5.5. Notewithstanding the above, the Company as subsidiary of a public company who is subject to reporting obligations under the US Securities Act 1934, may be required under the applicable law to disclose to the public reports and information relating to this Agreement and/or the Study Report and/or the Study Results and/or the Study Results Patents and/or the patents application and such dislosure by the Company will not be deemed a breach of its obligations under this Section 5.

5.6. Each Party shall be fully accountable and responsible for actions of any of its officers, employees, representatives or persons acting on its behalf (including in the case of Yissum, the Researcher and any other employees of HUJ) which constitute a breach of this Section 5.

5.7. The provisions of this section shall be subject to permitted publications pursuant to Section 6, below.

6. Publications

Yissum, subsequent to the execution of this Agreement, shall ensure that no publications in writing in scientific journals, or orally at scientific conventions, relating to the Feasibility Study are published by it or the Researcher until Yissum, acting in its sole discretion, has taken the necessary steps to protect any patentable invention being disclosed in such proposed publication.

7. Liability and indemnity

7.1. YISSUM MAKES NO WARRANTIES OF ANY KIND WITH RESPECT TO THE FEASIBILITY STUDY. IN PARTICULAR, YISSUM MAKES NO WARRANTIES THAT ANY RESULTS OR INVENTIONS WILL BE ACHIEVED BY THE FEASIBILITY STUDY, OR THAT THE STUDY RESULTS, IF ANY, ARE OR WILL BE COMMERCIALLY EXPLOITABLE OR THAT THE STUDY RESULTS PATENTS, IF ANY, WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER RIGHTS OF ANY THIRD PARTY. YISSUM SHALL HAVE NO LIABILITY WHATSOEVER TO THE COMPANY OR TO ANY THIRD PARTY FOR OR ON ACCOUNT OF ANY INJURY, LOSS, OR DAMAGE, OF ANY KIND OR NATURE, SUSTAINED BY THE COMPANY OR BY ANY THIRD PARTY, FOR ANY DAMAGE ASSESSED OR ASSERTED AGAINST THE COMPANY, OR FOR ANY OTHER LIABILITY INCURRED BY OR IMPOSED UPON THE COMPANY OR ANY OTHER PERSON OR ENTITY, ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THE USE OF THE STUDY RESULTS.

7.2. The Company shall be liable for any loss, injury or damage whatsoever caused to its employees or to any person acting on its behalf or to the employees of Yissum, HUI, or to any person acting on their behalf, or to any third party by reason of the Company's acts or omissions pursuant to this Agreement or by reason of any use made of the Study Results.

7.3. The Company undertakes to compensate, indemnify, defend and hold harmless Yissum and Hal, or any person acting on their behalf, including, without limitation, any of their employees or representatives (the "Indemnitees") against any liability including, without limitation, product liability, damage, loss or,expenses, including reasonable legal fees and litigation expenses, incurred by or imposed upon the Indemnitees by reason of its acts or omissions or which derive from the Company's use of the Study Results.

8. Termination of the Agreement

8.1. Without prejudice to the Parties' rights pursuant to this Agreement or at law, any Party may terminate this Agreement by written notice to the other Parties in any of the following cases:

8.1.1. Immediately upon such written notice, if: (i) a Party passes a resolution for voluntary winding up or a winding up application is made against it and not set aside within sixty (60) days; or (ii) a receiver or liquidator is appointed for a Party and was not removed within ninety (90) days; or (iii) a Party enters into winding up or insolvency or bankruptcy proceedings. The Parties undertake to notify the other Party within forteen (14) days if any of the abovementioned events occur.

8.1.2. Upon breach of this Agreement, where such breach has not been remedied within sixty (60) days from the breaching Party's receipt of the written notice of such breach.

8.2. In addition to the above, and without prejudice to Yissum's rights pursuant to this Agreement or at law, Yissum shall be entitled to terminate this Agreement upon thirty (30) days prior written notice to the Company in the following circumstances:

8.2.1. Unauthorized early termination by the Company of the Research Program or failure to pay the Research Fee as set forth in section 2.3. above; or

8.2.2. If an attachment is made over the Company's assets or if execution proceedings are taken against the Company and the same are not set aside within 90 days of the date the attachment is made or the execution proceedings are taken.

8.3. The termination of this Agreement for any reason shall not release the Company from its obligation to carry out any financial or other obligation which it was liable to perform prior to the Agreement's termination.

In addition, Sections 5, 7, 8, 9 and 10 shall survive the termination of this Agreement to the extent required to effectuate the intent of the parties as reflected in this Agreement.

9. Miscellaneous

9.1 The provisions and interpretation of this Agreement, all matters related to this Agreement and everything concerning the relationship between the Parties in accordance with this Agreement shall be governed by Israeli law without application of any conflict of law rules. Any dispute arising from this Agreement shall be submitted to the exclusive jurisdiction of the Courts in Jerusalem.

9.2 The Company shall not enter into any agreement or arrangement of any kind with the Researcher without Yissum's prior written consent

10. Notices

All notices and communications pursuant to this Agreement shall be made in writing and sent by facsimile or by registered mail or electronic mail or served personally at the addresses set out in the Preamble to this Agreement or such other address furnished in writing by one Party to the other. Any notice served personally or by electronic mail shall be deemed to have been received on the day of service. Any notice sent by registered mail shall be deemed to have been received seven days after being posted by prepaid registered mail. Any notice sent by facsimile shall be deemed to have been received by the next business day after receipt of confirmation of transmission.

[signatures on the following page]

IN WITNESS THE HANDS OF THE PARTIES

YISSUM RESEARCH DEVELOPMENT COMPANY OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.

By: ______________________________
Name & Title: ______________________________

CANNA POWDER LTD

By: ______________________________
Name & Title: ______________________________

1 the undersigned,Prof. Shlomo Magdassi, have reviewed, am familiar with and agree to all of the above terms and conditions. f hereby undertake to cooperate fully with Yissum in order to ensure its ability to fulfill its obligations hereunder, as set forth herein.

	14-9-17
Signature	**Date**

Appendix A
Commercial Terms

Royalties: 4% Royalties from Net Sales (as such term is defined in the License Agreement)

2. Sublicense Fee: 20% of all Sublicense Consideration received from a Sublicensee *(as* such terms is defined in the License Agreement) (i.e. in the event that the Company sublicenses the process to a third party)

Appendix B
The Feasibility Study Program

The aim of this study is to evaluate the possibility to convert the cannabis oil into a powder form. This will be achieved by making an oil-in-water emulsions, in presence of polymers and/or small molecules dissolved in the continuous phase of the emulsion.

The water will be removed first by lyophilization, and if successful, spray-drying will be tested (subject to health/safety). Therefore, the main activities in the feasibility study will be finding the adequate emulsification process, and finding the suitable water soluble additives. It should be noted that the emulsification studies may include addition of volatile solvents or various diluents for the oil.

After performing the feasibility study, if approved, the next R&D project will be tailoring the technology for specific applications such as oral or nasal delivery system.

YISSUM RESEARCH DEVELOPMENT COMPANY OF THE HEBREW UNIVERSITY OF JERUSALEM LTD.

By: ______________________________
Name & Title: ______________________________

CANNA POWDER LTD

By: ______________________________
Name & Title: ______________________________

I the undersigned, Prof. Shlomo Magclassi, have reviewed, am familiar with and agree to all of the above terms and conditions. I hereby undertake to cooperate fully with Yissum in order to ensure its ability to fulfill its obligations hereunder, as set forth herein.

Signature	**Date**

DRAFT For discussion purposes only - Not to be referred to as an offer

Appendix C
LICENSE AGREEMENT

This License Agreement ("Agreement") is made in Jerusalem this ______________________ day of 2018 (the "Effective Date"), by and between:

YISSUM RESEARCH DEVELOPMENT COMPANY OF THE HEBREW UNIVERSITY OF JERUSALEM, LTD., of Hi Tech Park, Edmond J. Safra Campus, Givat Ram, Jerusalem 91390, Israel ("Yissum") of the first part; and Canna Powder Ltd, of 20 Raul Wallenberg, Tel -Aviv ; (the **"Company"),** of the second part;

(each of Yissum and the Company, a "Party", and collectively the "Parties")

WHEREAS: in the course of research conducted by Prof. Magadassi (the **"Researcher"),** at the University (as defined in Section 1 below), the Researcher developed technology of Powder Formulation of Cannaboid Oil as more fully described in the patent application[s] [and patent[s] listed in **Appendix** A (collectively, the **"Existing Patents);** and

WHEREAS: Pursuant to the regulations of the University, the rights and title to all inventions, know-how and the results of research created by scientists of the University vest solely with Yissum, including the technology developed by the Researcher as aforesaid; and

WHEREAS: The Company has represented to Yissum that (i) the Company is experienced, or engages the appropriate experts who have experience in the development of products in the Field similar to those to be based on the inventions and the results of research that are the subject of this Agreement; and (ii) either by itself or through third parties, it has the financial capacity and the strategic commitment to facilitate the development, production, marketing, sale and distribution of such products; and

WHEREAS: The Company wishes to obtain a license from Yissum for the development and commercialization, in the Field, of the inventions covered by the Existing Patents, as well as the results of the research conducted under this Agreement; and

WHEREAS: Yissum agrees to grant the Company such a license, all in accordance with the terms and conditions of this Agreement.

NOW THEREFORE THE PARTIES DO HEREBY AGREE AS FOLLOWS:

1. Interpretation and Definitions

1.1. The preamble and appendices to this Agreement constitute an integral part hereof and shall be read jointly with its terms and conditions.

1.2. In this Agreement, unless otherwise required or indicated by the context, the singular shall include the plural and *vice-versa,* the masculine gender shall include the female gender, "including" or "includes" shall mean including, without limiting the generality of any description preceding such terms and the use of the term "or" shall mean "and/or" and any reference to the term "sale" shall include the sale, lease, rental, or other disposal of any Product.

1.3. The headings of the Sections in this Agreement are for the sake of convenience only and shall not serve in the interpretation of the Agreement.

1.4. In this Agreement, the following capitalized terms shall have the meanings appearing alongside them, unless provided otherwise:

1.4.1. **"Affiliate"** shall mean any person, organization or other legal entity which controls, or is controlled by, or is under common control with, the Company. **"Control"** shall mean the holding of more than fifty percent (50%) of (i) the equity, or (ii) the voting rights, or (iii) the right to elect or appoint directors.

1.4.2. **"Development Plan"** shall mean the written plan and timetable, a copy of which is attached to this Agreement as **Appendix C,** for the development and the commercialization of Products, including specific development milestones, prepared by the Company and approved by Yissum pursuant to Section 5.1 below.

1.4.3. **"Development Results"** shall mean the results of activities carried out by the Company or by third parties (other than the Researcher and his/her team or any other University employee) at the direction of the Company pursuant to the Development Plan or otherwise in fulfillment of the Company's obligations hereunder (including its development obligations under Section 5 below), including any invention, patent or patent application, product, material, method, discovery, composition, process, technique, know-how, data, information or other result which do not form part of the Licensed Technology, and further including any governmental or regulatory filing submitted, or approval, license, registration, or authorization obtained, by the Company, an Affiliate or Sublicensee in respect of the Products, as well as any other information, data, material, results, devices and know-how arising from the performance of the Development Plan.

1.4.4. **"Field"** shall mean Powder Formulation of Cannaboid Oil.

1.4.5. **"First Commercial Sale"** shall mean the first sale of a Product by the Company, an Affiliate or a Sublicensee after the receipt of any required regulatory approval to market and sell such Product. Notwithstanding the foregoing and for the avoidance of doubt, sales of Products for the purposes of clinical trials or other testing prior to a First Commercial Sale shall entitle Yissum to payment of consideration in accordance with Sections.7.1 (Royalties and 7.2. (Sublicense Fee) of this Agreement but shall not be considered a First Commercial Sale.

1.4.6. **"Know-How"** shall mean any non-public, proprietary, tangible or intangible information, techniques, technology, practices, trade secrets, inventions, methods, processes, knowledge, ancillary materials, results or devices (whether patentable or not) developed by the Researcher, prior to the execution of this Agreement, solely and directly related to the subject matter claimed in the Existing Patents, and belonging to Yissum and described generally in **Appendix A.**

1.4.7. **"License"** shall have the meaning set forth in Section 3.1 below.

1.4.8. **"Licensed Patents"** shall mean (i) the Existing Patents, and any patent application that claims priority therefrom; as well as (ii) all divisions, continuations, continuations-in-part, re-examinations, reissues, renewals, registrations, confirmations, substitutions, or extensions, including European Supplementary Protection Certificates ("SPCs") (within the meaning of such term under Council Regulation (EU) No. 1768/92), and/or any other similar statutory protection, and any provisional applications, national, regional, PCT or similar applications and any and all patents issuing from, and patentable inventions, methods, processes, and other subject matter disclosed or claimed in, any or all of the foregoing.

1.4.9. **"Licensed Technology"** shall mean the Know-How, the Research Results and the Licensed Patents.

1.4.10. **"Net Sales"** shall mean:

(a) the gross sales price invoiced for sales of Products by the Company, an Affiliate or Sublicensee to a third party; or

(b) the fair market value of non-monetary consideration received in connection with such sales; after deduction of (i) commercially reasonable discounts and return credits to the extent actually taken by third parties; and (ii) sales taxes, including VAT paid by customers for transfer in full to applicable tax authorities; provided that such deductions shall be directly related to the sale of Products that were awarded within the regular running of the business of the Company, Affiliate or Sublicensee. For the sake of clarity, any payment or rebate received by the Company, an Affiliate or Sublicensee from any governmental agency directly in relation to the sales shall be considered as Net Sales.

In the event of sales of Products made through a distributor, or marketing agent where the transfer to the distributor or marketing agent was made for a price certain without the Company, Affiliate or Sublicensee being entitled to any further compensation for such transfer based upon the price at which the distributor or marketing agent sells Products to a third party, the sales made by such distributor or marketing agent to a third party shall not be deemed gross sales for the purposes of this Agreement. Rather, the gross sales shall be the amounts invoiced for Products transferred to such distributor or marketing agent by the Company, an Affiliate or Sublicense

In the event of sales or deductions not made at "arms-length", then for the purpose of calculation of Royalties (as defined below) to Yissum, Net Sales shall be calculated in accordance with arms-length prices for sale of Products to an independent third-party purchaser and arms-length deductions, to be determined by the current market conditions, or in the absence of such conditions, according to the assessment of an independent appraiser to be selected by the Parties.

1.4.11. **“Product”** shall mean any product, system, device, material, method, process or service, the development, manufacture, provision or sale of which, in whole or in part (i) uses, exploits, comprises, contains, improves upon or incorporates the Licensed Technology or the Development Results or any part thereof, or is otherwise covered thereby, or falls within the scope thereof, in whole or in part, or uses the Licensed Technology or the Development Results as a basis for subsequent modifications; or (ii) but for the License (as defined below) would infringe any claim of a Licensed Patent.

1.4.12. **“Representatives”** shall mean employees, researchers, officers, agents, subcontractors, consultants, and/or any other person or entity acting on a Party’s behalf.

1.4.13. **“Researcher”** shall mean Prof. Prof. Shiomo Magdassi or such other person as determined and appointed from time to time by Yissum to supervise and to perform the Research, if applicable.

1.4.14. **“Research Results”** shall mean any inventions, products, materials, compounds, compositions, substances, methods, processes, techniques, know-how, data, information, discoveries and other results of whatsoever nature, discovered or occurring in the course of, or arising from, the performance of the Research, including any patent applications and patents (which shall be added to the list of Licensed Patents set forth on **Appendix A),** information, material, results, devices or know-how arising therefrom.

1.4.15. **“Royalties”** shall have the meaning set forth in Section 7.3 below.

1.4.16. **"Subcontracting Agreement"** shall mean (i) a bona fide subcontracting agreement with a subcontractor in which the Company must grant the subcontractor the right to make use of the Licensed Technology on behalf of the Company, and for which use the Company is required to pay or otherwise compensate the subcontractor, including, but not limited to, manufacturing or developing any of the Products (or part thereof); or (ii) a bona fide arms-length research agreement, pursuant to which an academic or research institution is engaged for the purpose of performing research, on the Company's behalf, for the development of any of the Products (or part thereof); provided that in no event shall the consideration (if any) therefor comprise any Products; and further provided that such subcontracting agreement in (I) and (ii) above shall contain terms substantially as protective in relation to the Licensed Technology, as the terms of this Agreement; and the term **"Subcontractor"** shall be construed accordingly.

1.4.17. **"Sublicense"** shall mean any grant by the Company or its Affiliates of any of the rights granted under this Agreement or any part thereat including the right to develop, manufacture, market, sell or distribute the Licensed Technology or any Product, for which grant the recipient of the Sublicense is required to pay the grantor of the Sublicense (or the grantor's related entity), excluding a Subcontracting Agreement.

1.4.18. **"Sublicense Consideration"** shall mean any proceeds or consideration or benefit of any kind whatsoever, whether monetary or otherwise, that the Company or an Affiliate may receive from a Sublicensee as a direct or indirect result of the grant of a Sublicense or an option for a Sublicense and/or pursuant thereto, including, without limitation, any amounts that are part of the consideration to be received by the Company or an Affiliate but which are withheld at source by the Sublicensee on account of tax owed by the Company or an Affiliate, except amounts received by the Company which constitute royalties based on sales by Sublicensees in respect of which the Company is required to pay Royalties to Yissum.

1.4.19. **"Sublicense Fees"** shall have the meaning set forth in Section 7.6 below.

1.4.20. **"Sublicensee"** shall mean any third party to whom the Company or an Affiliate shall grant a Sublicense or an option for a Sublicense. For the sake of clarity, Sublicensee shall include any other third party (other than a Subcontractor) to whom such rights shall be transferred or assigned, or who may assume control thereof by operation of law or otherwise.

1.4.21. **"Territory"** shall mean Worldwide.

1.4.22. "University" shall mean the Hebrew University of Jerusalem and each of its branches.

2. Reserved

3. The License

3.1. Subject to the full performance by the Company of its obligations in accordance with this Agreement, Yissum hereby grants the Company an exclusive license to make commercial use of the Licensed Technology, in order to develop, manufacture, market, distribute or sell a Product, all within the Field and the Territory only, subject to and in accordance with the terms and conditions of this Agreement (the "License").

3.2. Notwithstanding the provisions of Section 3.1, above, Yissum, on behalf of the University, shall retain the right (i) to make, use and practice the Licensed Technology for the University's own research and educational purposes; (ii) to license or otherwise convey to other academic and not-forprofit research organizations, the Licensed Technology for use in non-commercial research; and (iii) to license or otherwise convey the Licensed Technology to any third party for research or commercial applications outside the Field.

4. Term of the License

The License shall expire, if not earlier terminated pursuant to the provisions of this Agreement, on a country-by-country, Product-by-Product basis, upon the later of: (i) the date of expiration in such country of the last to expire Licensed Patent included in the Licensed Technology; (ii) the date of expiration of any exclusivity on the Product granted by a regulatory or government body in such country; or (iii) the end of a period of twenty (20) years from the date of the First Commercial Sale in such country. Should the periods referred to in Subsections (i) or (ii) expire in a particular country prior to the period referred to in Subsection (iii), above, the license in that country or those countries shall be deemed a license to the Know-How during such post-expiration period.

Upon the expiration of the later of the periods set forth in Subsections (i) through (iii) above (and provided that the License has not been terminated prior thereto), the Company shall have a fully-paid non-exclusive license to the Know-How, and the Company shall have an irrevocable option to obtain an exclusive license to the Know-How by agreeing to pay Yissum fifty percent (50%) of the consideration set forth in Section 7.3 and 7.6 below, in respect of Net Sales and Sublicense Consideration received during the period of such license which shall continue for a period of two (2) years after termination of the later of the periods as referred to above and shall be renewed automatically for additional successive two (2) year periods, unless the Company or Yissum notifies the other Party in writing prior to the end of the then current two (2) year period that it does not wish the license to be renewed as aforesaid.

5. **Development and Commercialization**

5.1 The Company undertakes, at its own expense, to use its best efforts to carry out the development, regulatory, manufacturing and marketing work necessary to develop and commercialize Products in accordance with the Development Plan approved by Yissum, a copy of which is attached to this Agreement as **Appendix B-2.** The Development Plan may be modified from time to time by the Company as reasonably required in order to achieve the commercialization goals set forth above, upon Yissum's prior written approval, but without derogating from the dates of the achievement of the Milestones set forth in this Section 5. All terms and conditions of the License and this Agreement shall apply to the modified Development Plan and subsequent Development Results. Notwithstanding anything to the contrary contained herein, the Company undertakes to meet all of the following milestones (the **"Development Milestones")** attached as **Appendix B-2.**

5.2. The Company shall at the request of Yissum (i) provide Yissum with periodic written reports ("Development Reports") not less than once per every twelve (12) months concerning all material activities undertaken in respect of the exercise of the License, (ii) keep Yissum informed on a timely basis concerning all material activities and changes to the Development Plan undertaken in respect of the exercise of the License, and (iii) at Yissum's request, from time to time, provide Yissum with further information relating to the Company's activities in exercise of the License. The Development Reports shall include detailed descriptions of the progress and results, if any, of: (a) the tests and trials conducted and all other actions taken by the Company pursuant to the Development Plan, and a summary of the Development Results and any other related work effected by the Company or by any Affiliate or Sublicensee during the twelve (12) months period prior to the report, (b) manufacturing, sublicensing, marketing and sales during the six (6) months period prior to the report; (c) the Company's plans in respect of the testing, undertaking of trials or commercialization of Products for the following twelve (12) months; and (d) projections of sales and marketing efforts following the First Commercial Sale. Development Reports shall also set forth a general assessment regarding the achievement of any milestones; the projected — or actual — completion date of the development of a Product and the marketing thereof; as well as a description of any corporate transaction involving the Products or the Licensed Technology. If progress in respect of a Product differs from that anticipated in its Development Plan or a preceding Development Report, the Company shall explain, in its Development Report, the reason therefor and shall prepare a modified Development Plan for Yissum's review and approval. The Company shall also make reasonable efforts to provide Yissum with any reasonable additional data that Yissum requires to evaluate the performance of the Company hereunder.

5.3. The Company shall pursue the development and registration of all commercially reasonable indications or uses of the Licensed Technology in the Field.

5.4. Upon completion of the development of any Product, the Company undertakes to perform all commercially reasonable actions necessary to maximize Net Sales of such Product on a regular and consistent basis. Payments of the License Maintenance Fee as set forth in Section 7 below, shall not release the Company from its obligation as stated in this Section.

5.5. If the Company shall not meet the Development Milestones or shall not commercialize the Products within a reasonable time frame, unless such delay is caused by (i) the requirements of a regulatory or other governmental authority; (ii) force majeure in accordance with Section 17.9, below; or (iii) unless the Company and Yissum have agreed in writing to amend the Development Plan, Yissum shall notify the Company in writing of the Company's failure to meet its obligations of diligence and shall allow the Company six(6) months to cure such failure of diligence. The Company's failure to cure within such six (6) months period to Yissum's reasonable satisfaction shall be a material breach of this Agreement, entitling Yissum to immediate termination under Section 15.2 below.

5.6. The Company shall perform all its activities hereunder in accordance with all applicable laws and regulations, and shall procure the receipt of all approvals and consents necessary for the performance of its obligations hereunder.

5.7. The Company agrees to provide Yissum and/or the University (for no consideration) a reasonable number of units of any Product developed and/or manufactured under this Agreement, for academic research purposes only.

6. Sublicenses

6.1. The Company shall only be entitled to grant a Sublicense after obtaining Yissum's written approval regarding the identity of the Sublicensee and all material terms and conditions of the Sublicense, which approval shall not be unreasonably withheld or delayed. Notwithstanding the above, in case the Sublicensee is a company with annual turnover from sales of more than $250MM the approval of Yissum will not be required.

6.2. Upon submission of its request to obtain the written consent of Yissum to a Sublicense, the Company shall fully disclose and submit to Yissum all documentation relating to the Sublicense, adequately disclose to Yissum any other business connection which it now has or is in the process of forming with the Sublicensee which may reasonably effect the decision of the Company regarding terms and conditions of the Sublicense; and shall notify Yissum in writing, whether a proposed Sublicensee is an Affiliate or is otherwise related to the Company. In addition, the Company shall provide Yissum with an executed copy of the Sublicense within ten (10) days of its execution. Any material amendments to a Sublicense shall be subject to Yissum's prior written approval and shall be subject to the Company providing Yissum with an executed copy of such amendment to the Sublicense within ten (10) days of the execution of such amendment.

6.3. If the Company is unable or unwilling to serve or develop a potential market or market territory for which there is another party willing to be a Sublicensee, the Company shall, at Yissum's request, negotiate in good faith a Sublicense with such party.

6.4. Any Sublicense shall be dependent on the validity of the License and shall terminate upon termination of the License.

6.5. The Company shall ensure that any Sublicense shall include material terms that require the Sublicensee to comply with the terms of this Agreement, including, Section 14 below, the breach of which terms shall be a material breach resulting in termination of the Sublicense. In such an event, the Company undertakes to take all reasonable steps to enforce such terms upon the Sublicensee, including the termination of the Sublicense. In all cases, the Company shall immediately notify Yissum of any breach of the material terms of a Sublicense and shall copy Yissum on all correspondence with regard to such breach.

Furthermore, in the context of any Sublicense, the Company will obtain an agreement from the relevant Sublicensee (0 that such Sublicensee may only use the Licensed Technology and any related information received from the Company in connection with the further development and/or commercialization of a Product pursuant to the terms of the Sublicense agreement, and will keep same confidential; and (ii) naming Yissum as a third party beneficiary with the right to directly enforce the use and confidentiality provisions described in Subsection 0) above and the reporting provisions set out in Sections 6.6 and 8.2 below.

6.6. Without derogating from the generality of Section 6.5 above, the Company shall require each Sublicensee to provide it with regular written royalty reports that include at least the detail that the Company is required to provide pursuant to Section 8.2 below. Upon request, the Company shall provide such reports to Yissum.

6.7. Any act or omission of the Sublicensee which is not promptly remedied by the Company or the Sublicensee and which would have constituted a breach of this Agreement by the Company had it been an act or omission of the Company, and which the Company has not made best efforts to promptly cure, including termination of the Sublicense, shall constitute a breach of this Agreement by the Company.

6.8. For the avoidance of any doubt it is hereby declared that under no circumstance whatsoever shall a Sublicensee be entitled to assign such Sublicense or further Sublicense the License or any part thereof.

6.9. The Company shall not be entitled to grant any rights whatsoever in respect of the Licensed Technology or the Product to any third party, including rights of distribution/distributorship, except by means of a Sublicense.

7. License Consideration

In consideration for the grant of the License, the Company shall pay Yissum the following consideration during the term of the License as set forth in Section 4 above:

7.1. Royalties at a rate of Four percent (4%) of Net Sales (the **"Royalties")**

7.2. Sublicense fees at a rate of twenty percent (20%) of Sublicense Consideration.

8. Reports and Accounting

8.1. The Company shall give Yissum written notice of any (i) Sublicense Consideration received; (ii) or First Commercial Sale made/

8.2. One (1) month after the end of each calendar quarter commencing from the earlier of (i) the First Commercial Sale; or (ii) the grant of a Sublicense or receipt of Sublicense Consideration, the Company shall furnish Yissum with a quarterly report **("Periodic Report"),** certified *as* being correct by the chief financial officer of the Company, detailing the total sales and Net Sales effected during the preceding quarter, the total Sublicense Consideration received during the preceding quarter and the total Royalties and Sublicense Fees due to Yissum in respect of that period. Once the events set forth in Subsection (i) or (ii) above, have occurred, Periodic Reports shall be provided to Yissum whether or not Royalties and Sublicense Fees are payable for a particular calendar quarter. The Periodic Reports shall contain full particulars of all sales made by the Company, Affiliates or Sublicensees and of all Sublicense Consideration received, including a breakdown of the number and type of Products sold, discounts, returns, the country and currency in which the sales were made, invoice dates and all other data enabling the Royalties and Sublicense Fees payable to be calculated accurately.

8.3. On the date prescribed for the submission of each Periodic Report, the Company shall pay the Royalties and Sublicense Fees due to Yissum for the reported period. All payments under this Agreement shall be computed and paid in US dollars, using the appropriate foreign exchange rate reported by the Bank of Israel on the last working day of the calendar quarter. Payment of value added tax or any other tax, charge or levy applicable to the payment to Yissum of the consideration as detailed in Section 7 above, shall be borne by the Company and added to each payment in accordance with the statutory rate in force at such time. All payments made to Yissum by an Israeli entity shall be made without the withholding of any taxes, provided that Yissum shall supply such Israeli entity, at its request, with a tax certificate indicating an official exemption from tax withholding (ii -npn on 'Din), for so long as Yissum has such a certificate. For the avoidance of doubt, if Yissum does not supply such certificate, the Israeli entity shall withhold taxes according to applicable law. All other payments to Yissum by non-Israeli entities shall be made without the withholding of any taxes. Payments may be made by check or by wire transfer to the following account:

Name of Bank: Hapoalim
Bank Key: 12
Bank's address: 1 Hamarpe Street, Jerusalem, Israel Branch: Jerusalem Business Branch - 436
Bank account Number: 12-436-142-155001 Swift Code: POALILIT
IBAN: IL56-0124-3600-0000-0155-001 (for payment from Europe only)

8.4. The Company shall keep, and shall require its Affiliates and Sublicensees to keep, full and correct books of account in accordance with applicable Generally Accepted Accounting Principles as required by international accounting standards enabling the Royalties and Sublicense Fees to be calculated accurately. Starting from the first calendar year after the First Commercial Sale, or the first grant of a Sublicense, whichever occurs first, an annual report, authorized by a certified public accountant, shall be submitted to Yissum within ninety (90) days of the end of each calendar year, detailing Net Sales and Sublicense Consideration, Royalties and Sublicense Fees, both due and paid (the **"Annual Reports").** The Annual Reports shall also include the Company's sales and royalty forecasts for the following calendar year, if available.

The Company shall, and shall require and cause its Affiliates and Sublicensees to, retain such books of account for five (5) years after the end of each calendar year during the period of this Agreement, and, if this Agreement is terminated for any reason whatsoever, for five (5) years after the end of the calendar year in which such termination becomes effective.

8.5. Yissum will either (i) allow the Company a credit against future Royalties to be paid for Royalties previously paid on account of Net Sales, as appropriate, that were reported as bad debts in the Company's annual audited financial statements; or (ii) if such bad debts are recorded by the Company in its annual audited financial statement after the Company's obligation to pay Royalties has ceased, Yissum shall repay any Royalties received on account of Net Sales that were reported as bad debts by the Company.

8.6. Yissum shall be entitled to appoint not more than two (2) representatives who must be independent certified public accountants or such other professionals as appropriate (the **"Auditors")** to inspect during normal business hours the Company's and its Affiliates' books of account, records and other relevant documentation to the extent relevant or nsole purpose of verifying the performance of the Company's payment obligations under this Agreement, the calculation of amounts due to Yissum under this Agreement and of all financial information provided in the Periodic Reports, provided that Yissum shall coordinate such inspection with the Company or Affiliate (as the case may be) in advance. In addition, Yissum may require that the Company, through the Auditors, inspect during normal business hours the books of account, records and other relevant documentation of any Sublicensees, to the extent relevant or necessary for the sole purpose of verifying the performance of the Company's payment obligations under this Agreement, the calculation of amounts due to Yissum under this Agreement and of all financial information provided in the Periodic Reports, and the Company shall cause such inspection to be performed. The Parties shall reconcile any underpayment or overpayment within thirty (30) days after the Auditors deliver the results of the audit. Any underpayment shall be subject to interest in accordance with the terms of Section 8.7 below. In the event that any inspection as aforesaid reveals any underpayment by the Company to Yissum in respect of any year of the Agreement in an amount exceeding five percent (5%) of the amount actually paid by the Company to Yissum in respect of such year, then the Company shall, in addition, pay the cost of such inspection.

8.7. Any sum of money due Yissum which is not duly paid on time shall bear interest from the due date of payment until the actual date of payment at the rate of annual LIBOR plus five percent (5%) per annum accumulated on a monthly basis.

9. Ownership

9.1 All right, title and interest in and to the Licensed Technology vest and shall vest solely in Yissum, and the Company shall hold and make use of the rights granted pursuant to the License solely in accordance with the terms of this Agreement.

9.2. All rights in the Development Results shall be solely owned by the Company, except to the extent that an employee of the University, including, the Researcher, is considered an inventor of a patentable invention arising from the Development Results, in which case such invention and all patent applications and/or patents claiming such invention **("Joint Patents")** shall be owned jointly by the Company and Yissum, as appropriate.

9.3. Upon the execution of this Agreement, the Company shall execute the letter of assignment attached to this Agreement as **Appendix D** concerning its interest in any Joint Patents that will provide that such interest will be irrevocably assigned to Yissum in the event that the Company is declared bankrupt, is voluntarily or involuntarily dissolved, or otherwise ceases operations.

10. Patents

10.1. Within ten (10) days of the Effective Date, the Company shall reimburse Yissum for all previous documented expenses and costs relating to the registration and maintenance of the Licensed Patents listed in **Appendix A.**

10.2. Yissum, in consultation with the Company, shall be responsible for the filing, prosecution and maintenance of the Licensed Patents in the Territory, at the Company's expense (the **"Ongoing Patent Expenses").** Each application and every patent registration shall be made and registered in the name of Yissum or, should the law of the relevant jurisdiction so require, in the name of the relevant inventors and then assigned to Yissum. The Company agrees to have Yissum's patent counsel directly bill the Company for such expenses and shall directly pay such bills in accordance with patent counsel's directions.

10.3. The Company undertakes and warrants that no amounts utilized by the Company for such payment of Ongoing Patent Expenses or for the reimbursement of Yissum's past documented expenses and costs relating to the registration and maintenance of the Licensed Patents listed in **Appendix A** will be (i) funding provided by the Office of the Chief Scientist at the Israeli Ministry of Economics (the "OCS"); (ii) funding that is earmarked as supplementary funding *("mimimum funding")* for an OCS approved project; or funding provided to the Company from any other governmental or regulatory institution of the State of Israel.

10.4. Notwithstanding the foregoing in Section 10.2, above, upon the execution of this Agreement, the Company shall deposit with Yissum the amount of US$5000 to secure the payment of the Ongoing Patent Expenses (the **"Expense Deposit").** Should the Company fail to pay any amounts due in connection with the Ongoing Patent Expenses within thirty (30) days following receipt of Yissum's written request accompanied by a detailed account, Yissum shall be entitled pay the unpaid expenses from the Expense Deposit In the event that Yissum utilizes some or all of the Expense Deposit as set forth in this Section, it shall so notify the Company in writing. The Company shall be obligated to deposit with Yissum an amount equal to the difference between US$5000 and the balance in the Expense Deposit within thirty (30) days of its receipt of Yissum's notice. Upon termination or expiration of this Agreement, Yissum shall return to the Company the nominal amount of any remaining Expense Deposit that will not be required to cover Ongoing Patent Expenses for the period up until such termination or expiration.

10.5. Subject to the above, the Parties shall consult and make every effort to reach agreement in all respects relating to the manner of making applications for and registering the patents, including the time of making the applications, the countries where applications will be made and all other particulars relating to the registration and maintenance of the Licensed Patents. Notwithstanding the foregoing, Yissum reserves the sole right to make all final decisions with respect to the preparation, filing, prosecution and maintenance of such patent applications and patents.

10.6. The Parties shall assist each other in all respects relating to the preparation of documents for the registration of any patent or any patent-related tight upon the request of the other Party. Both Parties shall take all appropriate action in order to assist the other to extend the duration of a Licensed Patent or obtain any other extension obtainable under law, to maximize the scope of the protection afforded by the Licensed Patents.

10.7. In the event that the Company is approached by a patent examiner or attorney in connection with any matter that is the subject matter of this Agreement, it shall give Yissum immediate notice of such approach. The Company shall only reply to such approaches after consultation with Yissum and subject to its consent.

10.8. The Company, shall mark, and shall cause its Affiliates and Sublicensees to mark, all Products covered by one or more of the Licensed Patents with patent numbers (or the legend "patent pending") applicable to such Product. The Company shall ensure that its Sublicensee complies with the provisions of this Section.

10.9. If at any time during the term of this Agreement the Company decides that it is undesirable, as to one or more countries, to file, prosecute or maintain any patents or patent applications within the Licensed Patents, it shall give at least ninety (90) days written notice thereof to Yissum, and upon the expiration of the ninety (90) day notice period (or such longer period specified in the Company's notice) the Company shall be released from its obligations to bear the expenses to be incurred thereafter as to such patent(s) or patent application(s). As of such time, such patent(s) or application(s) shall be removed from the Licensed Technology and Yissum shall be free to grant rights in and to such patent(s) or patent application(s) in such countries to third parties, without further notice or obligation to the Company, and the Company shall have no rights whatsoever to exploit such patent(s) or patent application(s) or the Know-How related thereto. Notwithstanding the foregoing, the Company shall be required to bear the costs and expenses for filing, prosecuting and maintaining the Licensed Patents in at least the following jurisdictions: The United States, Canada, Japan, China, India, the United Kingdom, Germany, France, Italy, Israel and Spain (the **"Required Jurisdietions"[1]).** Should the Company fail to do so in the majority of the Required Jurisdictions, Yissum shall be entitled to terminate this Agreement after serving the Company with a 90 days advanced notice in which the Company has not cured the above breach, and without any need to compensate the Company in any manner.

10.10. Other than in the Required Jurisdictions, in which Yissum shall file, prosecute diligently and maintain patents with the broadest protection obtainable, the foregoing does not constitute an obligation, representation.

The parties will discuss and agree on the final list of the Required Jurisdictions prior to signing the or warranty, express or implied, on the part of Yissum that any patent or patent registration application will indeed be made or registered or be registerable in respect of the Licensed Technology or any part thereof, nor shall it constitute an obligation, representation, or warranty, express or implied, on the part of Yissum that a registered patent will be valid or afford any protection. For the avoidance of doubt, nothing in this Agreement constitutes an obligation, representation or warranty, express or implied, on the part of Yissum regarding the validity of or the protection afforded by any of the patents or patent registration applications detailed in **Appendix A** or regarding the commercial exploitability or any other value of the Licensed Technology or that the Licensed Technology will not infringe the rights of any third party.

1 1. Patent Rights Protection

11.1. The Company and Yissum shall each inform the other promptly in writing of any alleged infringements by a third party of the Licensed Patents in the Territory, together with any available written evidence of such alleged infringement.

11.2. To the extent permitted by applicable law, if the Company, its Affiliate or any Sublicensee makes (directly or indirectly), any assertion, application or claim, or initiates or supports (directly or indirectly) any action or proceeding, that challenges the validity, enforceability or scope of any of the Licensed Patents **("Challenge Proceeding"),** Yissum will have the right, at any time following the commencement of the Challenge Proceeding, to terminate this Agreement and the Royalty rates specified in this Agreement will be tripled with respect to Net Sales of Products that are sold, leased or otherwise transferred during the course of such Challenge Proceeding, and the percentage due to Yissum in respect of Sublicense Consideration will be tripled with respect to Sublicense Consideration during such period. If the outcome of such Challenge Proceeding is a determination in favor of Yissum, (a) the Royalty rate with respect to Net Saks of Products and the percentage due to Yissum with respect to Sublicense Consideration will remain at such triple rate as aforesaid; and (b) Company will reimburse Yissum for all expenses incurred by Yissum (including reasonable attorneys' fees and court costs) in connection with such Challenge Proceeding. If the outcome of such Challenge Proceeding is a determination in favor of Company, Company will have no right to recoup any Royalties or Sublicense Fees paid before or during the course of such Challenge Proceeding.

11.3. The Company, its Affiliate or Sublicensee shall have the first right in its own name and at its own expense to initiate any legal action and enforce the Licensed Patents against any infringement of such Licensed Patents. Before the Company, its Affiliate or its Sublicensee commences an action with respect to any infringement, the Company shall give careful consideration to the views of Yissum in making its decision whether or not to initiate any legal action and, if relevant, make these views known to its Affiliate or Sublicensee. The Company shall, or, if relevant, shall ensure that its Affiliate or Sublicensee shall, continuously keep Yissum apprised of all developments in the action and shall continuously provide Yissum with full information and copies of all documents relevant to the proceedings, including, all documents filed with the courts by the parties to the legal action(s) and all correspondence with the other parties to the proceedings, and shall seek Yissum's input and approval on any substantive submissions or positions taken in the litigation regarding the scope, validity or enforceability of the Licensed Patents.

If Yissum shall determine that the legal actions taken by the Company may adversely affect Yissum's rights hereunder, Yissum shall be entitled to appoint its own counsel to represent it in such litigation and the Company shall reimburse Yissum its actual payments for such legal representation. If the Company, its Affiliate or its Sublicensee elects to commence an action as described above and.

Yissum is a legally indispensable party to such action (being the registered owner of the infringed patent rights), Yissum, at the Company's expense, may be joined as a co-plaintiff, provided that all the following conditions shall be fulfilled:

(a) the Company shall continuously provide Yissum with full information and copies of all documents relevant to the proceedings, including, all documents filed with the courts by the parties to the legal action(s) and all correspondence with the other parties to the proceedings, as well as all drafts of written submissions relating to such legal action that are sent to the Company for review, and all Yissum's comments in respect thereof will be taken into account;

(b) any out of pocket expenses incurred by the Company or Yissum in connection with such action(s), including all legal and litigation related fees and expenses, all out of pocket expenses for external assistance required to comply with any discovery or other motions and any costs or amounts awarded to the counterparties in such action(s) shall be borne by the Company;

(c) if Yissum shall determine that a conflict of interest exists between the Company and Yissum, Yissum shall be entitled, at its own expense, to appoint its own counsel to represent it in such litigation and the Company shall make best efforts to ensure that such counsel chosen by Yissum is fully informed and receives all material necessary to adequately participate in such action; and

(d) the Company shall bear all costs, expenses and awards incurred by or awarded against Yissum, with respect to any action filed against Yissum alleging that an action initiated by the Company pursuant to the terms of this Section 11 was anticompetitive, malicious, or otherwise brought for an improper purpose, whether by a counterparty to such aforementioned action or by any third party.

If Yissum is not required by law to be joined as a co-plaintiff, Yissum, to the extent permitted by law, and at its own cost, may elect to join the action as a co-plaintiff at its own initiative and shall jointly control the action with the Company, its Affiliate or its Sublicensee. Irrespective of whether Yissum joins any such action as described above it shall provide reasonable cooperation to the Company, its Affiliate or its Sublicensee. The Company shall reimburse Yissum for any costs it incurs as part of an action brought pursuant to this Section where Yissum has not elected to join the action as a co-plaintiff at its own initiative.

11.4. If the Company, its Affiliate or its Sublicensee does not bring an action against an alleged infringer pursuant to Section 11.3, above, or has not commenced negotiations with said infringer for discontinuance of said infringement within one hundred and eighty (180) days after learning of said infringement, Yissum shall have the right, but not the obligation, to bring an action for such infringement at its own expense, and retain all proceeds from such action. If the Company has commenced negotiations with said infringer for the discontinuance of said infringement within such one hundred and eighty (180) day period, the Company shall have an additional period of ninety (90) days from the end of the first one hundred and eighty (180) day period to conclude its negotiations before Yissum may bring an action for said infringement.

11.5. No settlement, consent judgment or other voluntary disposition of an infringement suit may be entered without the consent of Yissum, which consent shall not be unreasonably withheld, conditioned or delayed. For the avoidance of doubt and notwithstanding anything to the contrary herein, should Yissum bring an action as set forth in Section 11.4 above, it shall have the right to settle such action by licensing the Licensed Technology, or part of it, to the alleged infringer.

11.6. Any award or settlement payment resulting from an action initiated by the Company pursuant to this Section **11** shall be utilized, first to effect reimbursement of documented out-of-pocket expenses incurred by both Parties in relation to such legal action, and thereafter shall be paid to the Company and shall be deemed Sublicense Consideration received under this Agreement, in respect of which Sublicense Fees shall be due to Yissum.

11.7. If either Party commences an action and then decides to abandon it, such Party will give timely notice to the other Party. The other Party may continue the prosecution of the suit after both Parties agree on the sharing of expenses.

11.8. The Company shall use its best efforts at its own expense to defend any action, claim or demand made by any entity against the Company or Yissum in connection with rights in the Licensed Technology, and shall indemnify and hold harmless Yissum and the other Indemnitees (defined in Section 14.4 below) from and against all losses, damages and expenses arising in such regard. Each Party shall notify the other immediately upon learning of any such action, claim or demand as aforesaid.

12. Confidentiality

12.1 For the purposes of this Agreement (1) **"Yissum Confidential Information"** means this Agreement and the terms hereof and any and all reports, details, data, formulations, solutions, designs, and inventions and other information disclosed to the Company or any of its Representatives by Yissum or any of Yissum's Representatives in connection with the Licensed Technology, Yissum, the University, the Researcher and other Representatives of Yissum and/or the University, whether in written, oral, electronic or any other form, except and to the extent that that any such information: (a) was known to the Company at the time it was disclosed, other than by previous disclosure by or on behalf of Yissum, as evidenced by the Company's written records at the time of disclosure; (b) is in the public domain at the time of disclosure or becomes part of the public domain thereafter other than as a result of a violation by the Company or any of its Representatives of the confidentiality obligations herein; (c) is lawfully and in good faith made available to the Company by a third party who is not subject to obligations of confidentiality with respect to such information; or (d) is independently developed by the Company without the use of Yissum Confidential Information, as demonstrated by documentary evidence; and (ii) **"Company Confidential Information"** means this Agreement and the terms hereof and any and all reports, details, data, formulations, solutions, designs, and inventions and other information disclosed by or on behalf of the Company under this Agreement, whether in written, oral, electronic or any other form, except and to the extent that any such information: (a) was known to Yissum or the University at the time it was disclosed, other than by previous disclosure by or on behalf of the Company, as evidenced by Yissum's or the University's written records at the time of disclosure; (b) is in the public domain at the time of disclosure or becomes part of the public domain thereafter other than as a result of a violation by Yissum or its Representatives of the confidentiality obligations herein; (c) is lawfully and in good faith made available to Yissum or the University by a third party who is not subject to obligations of confidentiality with respect to such information; or (d) is independently developed by Yissum or the University without the use of the Company Confidential Information, as demonstrated by documentary evidence

12.2. Yissum Confidential Information. The Company undertakes that during the term of this Agreement and for a period of five (5) years subsequent thereto, it shall maintain full and absolute confidentiality of and shall not use the Yissum Confidential Information other than for the purposes of this Agreement. The Company undertakes not to convey or disclose any of the Yissum Confidential Information to any third party without the prior written permission of Yissum. The Company shall be liable for its officers or employees or other Representatives maintaining absolute confidentiality of and not using or disclosing the Yissum Confidential Information except as expressly provided herein. The Company shall treat such Yissum Confidential Information with the same degree of care and confidentiality that it maintains or protect its own confidential information, but in any event, no less than a reasonable degree of care and confidentiality.

12.3 Notwithstanding the foregoing, the Company may only disclose the Yissum Confidential Information:

(a) to those of its Representatives who have a “need to know” such information as necessary for the exercise of its rights and/or performance of its obligations hereunder, provided that such Representatives are legally bound by agreements which impose similar confidentiality and non-use obligations to those set out in this Agreement. The Company shall be responsible for ensuring that its Representatives abide by such undertakings of confidentiality; and

(b) to any potential third party investor, including, any government, public foundation and/or private foundation, in connection with seeking potential funding for the Company, provided that such potential third party investor has executed a confidentiality and non-use agreement which imposes similar obligations to those set out in this Agreement; and

(c) to any competent authority for the purposes of obtaining any approvals or permissions required for the exercise of the License and/or the implementation of this Agreement, or in the fulfillment of a legal duty owed to such competent authority (including a duty to make regulatory filings or to comply with any other reporting requirements); and

(d) to the extent required to be disclosed under any law, rule, regulation, court, or order of any competent authority, provided that the Company promptly notifies Yissum thereof in order to enable Yissum to seek an appropriate protective order or other reliable assurance that confidential treatment will be accorded to such information (with the Company’s assistance, if necessary), and such disclosure shall be made to the minimum extent required.

12.4. The Company Confidential Information. Yissum undertakes that during the term of this Agreement and for a period of five (5) years subsequent thereto, it shall maintain in confidence, and shall not use the Company Confidential Information other than for the purposes of this Agreement. Yissum undertakes not to convey or disclose any of the Company Confidential Information to any third party without the prior written permission of the Company. Yissum shall treat such Company Confidential Information with the same degree of care and confidentiality that each of them maintains and protects its own confidential information, but in any event, no less than a reasonable degree of care and confidentiality. Notwithstanding the foregoing, Yissum’s confidentiality obligations pursuant to this Section 12 to the extent relating to the Development Results shall terminate upon termination of this Agreement.

12.5. Notwithstanding the foregoing, Yissum may only disclose the Company Confidential Information:

(a) to the University and to those of the Representatives of Yissum and/or the University who have a “need to know” such information as necessary for the exercise of Yissum’s rights and/or performance of Yissurn’s obligations hereunder, provided that such Representatives are legally bound by agreements which impose similar confidentiality and non-use obligations to those set out in this Agreement; and

(b) to any competent authority in connection with the filing and prosecution of patent applications relating to the Licensed Technology, or in the fulfillment of a legal duty owed to any competent authority; and

(c) to the extent required to be disclosed under any law, rule, regulation, court, or order of any competent authority, provided that Yissum promptly notifies the Company thereof in order to enable the Company to seek an appropriate protective order or other reliable assurance that confidential treatment will be accorded to such information (with Yissum’s assistance, if necessary), and such disclosure shall be made to the minimum extent required.

12.6. The Company shall be responsible and liable to Yissum, for any breach by its Representatives, Affiliates, Subcontractors, Sublicensees and investors of the undertakings of confidentiality set forth in this Section 12 as if such breach were a breach by the Company itself.

12.7. Without prejudice to the foregoing, the Company shall not mention the name of the University, Yissum or the Researcher, unless required by law, in any manner or for any purpose in connection with this Agreement, the subject of the Research or any matter relating to the Licensed Technology, without obtaining the prior written consent of Yissum.

12.8. Neither Party shall issue any press release or other media statement regarding the execution, existence or terms of this Agreement or any developments of the Licensed Technology without the prior written approval of the other Party.

12.9. The provisions of this Section shall be subject to permitted publications pursuant to Section 13 below.

13. Publications

13.1. Yissum shall ensure that no publications in writing, in scientific journals or orally at scientific conventions relating to the Licensed Technology, the Development Plan, the Development Results or the Product, which are subject to the terms and conditions of this Agreement, are published by it or the Researcher, without first seeking the consent of the Company.

13.2. The Company undertakes to reply to any such request for publication by Yissum within thirty (30) days of its receipt of a request in connection with the publication of articles in scientific journals, and within seven (7) days of its receipt of a request in connection with article abstracts. The Company may only decline such a request upon reasonable grounds, which shall be fully detailed in writing, requiring the postponement of such publication because it contains patentable subject matter for which patent protection should be sought, or the removal of any Company Confidential Information.

13.3. Should the Company decide to object to publication as provided in sub-Section 13.2, the publication shall be postponed for a period of not more than three (3) months from the date the publication was sent to the Company, to enable the filing of an appropriate patent application, or until the removal of the Company Confidential Information. Thereafter, the publication will automatically be permitted.

13.4. The provisions of this Section 13 shall not prejudice any other right, which. Yissum has pursuant to this Agreement or at law.

13.5. For the avoidance of doubt, the prohibitions with respect to disclosure and publication set out in Sections 12 and 13 shall not apply to internal research and educational activities at the University for the Researcher and University employees provided that such persons are subject to written obligations of confidentiality substantially similar to those set forth in Section 12.

14. Liability and Indemnity

14.1. TO THE EXTENT PERMITTED BY THE APPLICABLE LAW, YISSUM MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE LICENSED TECHNOLOGY. IN PARTICULAR, YISSUM MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE LICENSED TECHNOLOGY WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER RIGHTS OF ANY THIRD PARTY. IN ADDITION, NOTHING IN THIS AGREEMENT MAY BE DEEMED A REPRESENTATION OR WARRANTY BY YISSUM AS TO THE VALIDITY OF ANY OF THE LICENSED PATENTS OR THEIR REGISTRABILITY OR OF THE ACCURACY, SAFETY, EFFICACY, OR USEFULNESS, FOR ANY PURPOSE, OF THE LICENSED TECHNOLOGY. YISSUM HAS NO OBLIGATION, EXPRESS OR IMPLIED, TO SUPERVISE, MONITOR, REVIEW OR OTHERWISE ASSUME RESPONSIBILITY FOR THE PRODUCTION, MANUFACTURE, TESTING, MARKETING OR SALE OF ANY PRODUCT. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NEITHER YISSUM NOR THE RESEARCHER, NOR THE UNIVERSITY, NOR THE REPRESENTATIVES OF YISSUM AND/OR OF THE UNIVERSITY SHALL HAVE ANY LIABILITY WHATSOEVER TO THE COMPANY OR TO ANY THIRD PARTY FOR OR ON ACCOUNT OF ANY INJURY, LOSS, OR DAMAGE, OF ANY KIND OR NATURE WHETHER DIRECT OR INDIRECT, SUSTAINED BY THE COMPANY OR BY ANY THIRD PARTY, FOR ANY DAMAGE ASSESSED OR ASSERTED AGAINST THE COMPANY, OR FOR ANY OTHER LIABILITY INCURRED BY OR IMPOSED UPON THE COMPANY OR ANY OTHER PERSON OR ENTITY, DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN

CONNECTION WITH OR RESULTING FROM THIS AGREEMENT AND/OR THE EXERCISE OF THE LICENSE, INCLUDING, (i) THE PRODUCTION, MANUFACTURE, USE, PRACTICE, LEASE, OR SALE OF ANY PRODUCT; (ii) THE USE OF THE LICENSED TECHNOLOGY; OR (iii) ANY ADVERTISING OR OTHER. PROMOTIONAL ACTIVITIES WITH RESPECT TO ANY OF THE FOREGOING.

14.2. IN NO EVENT SHALL YISSUM, THE RESEARCHER, THE UNIVERSITY, OR THE REPRESENTATIVES OF YISSUM AND/OR OF THE UNIVERSITY BE LIABLE TO THE COMPANY OR ANY OF ITS AFFILIATES OR TO ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING, LOST PROFITS, BUSINESS OR GOODWILL) SUFFERED OR INCURRED BY THE COMPANY OR ITS AFFILIATES OR. ANY THIRD PARTY, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE OR TORT, OR OTHERWISE, ARISING OUT OF THIS AGREEMENT.

14.3. The Company shall be liable for any loss, injury or damage whatsoever caused directly or indirectly to or suffered by its employees or any Representatives of Yissum or the University (including the Researcher and his/her team), or to any third party by reason of the Company's acts or omissions pursuant to this Agreement or by reason of any use made by the Company, its Representatives, Affiliates, Subcontractors, and the Sublicensees and their respective business associates and customers of the Licensed Technology, the Development Results or any Product or exercise of the License.

14.4. The Company undertakes to compensate, indemnify, defend and hold harmless Yissum, the University, and any of their respective Representatives (including the Researcher and his/her team) (herein referred to jointly and severally as **"Indemnitees")** from and against any claim, investigation or liability including, product liability, damage, loss, costs and expenses, including legal costs, attorneys' fees and litigation expenses, incurred by or imposed upon the Indemnitees by reason of any acts or omissions of the Company, its Representatives, Affiliates, Subcontractors, and the Sublicensees, or which derive from the development, manufacture, marketing, sale, use or other exploitation, or sublicensing (as applicable) of any Product, or Licensed Technology, or the exercise of the License.

The Company shall ensure that its Sublicensees shall provide undertakings of indemnification which shall also be given also in favor of, and shall be actionable by Yissum, the University and any director, officer or employee of Yissum or of the University, and by the Researcher.

14.5. As of the Effective Date, the Company shall procure and maintain, at its sole cost and expense, policies commensurate with industry standard of similar size and stage businesses. Such policy shall name the Indemnitees as additional insureds. The policy or policies so issued shall include a "cross-liability" provision pursuant to which the insurance is deemed to be separate insurance for each named insured (without right of subrogation as against any of the insured under the policy, or any of their representatives, employees, officers, directors or anyone in their name). Such comprehensive general liability insurance shall provide (i) product liability coverage and (ii) broad form contractual liability coverage for the Company's indemnification obligations under this Section 14. If the Company elects to self-insure all or part of the limits described above (including deductibles or retentions which are in excess of a $250,000 annual aggregate), such self-insurance program shall include assets or reserves which have been actuarially determined for the liabilities associated with this Agreement and must be reasonably acceptable to Yissum.

The minimum amounts of insurance coverage required above shall not be construed to create a limit of the Company's liability with respect to its indemnification obligations under this Section 14.

14.6. The Company shall provide Yissum with written evidence of such insurance upon request. The Company shall provide Yissum with written notice at least fifteen (15) days prior to the cancellation, non-renewal or material change in such insurance. If the Company does not obtain replacement insurance providing comparable coverage within such fifteen (15) day period, Yissum shall have the right to terminate this Agreement effective at the end of such fifteen (15) day period without notice or any additional waiting periods.

14.7. The Company shall maintain, at its own expense, liability insurance as set forth in Section 14 above, beyond the expiration or termination of this Agreement as long as a Product relating to or developed pursuant to this Agreement is being commercially distributed or sold by the Company, an Affiliate or a Sublicensee, and thereafter as required by applicable laws.

15. Termination of the Agreement

15.1. Unless otherwise agreed by the Parties in writing, this Agreement shall terminate upon the occurrence of the later of the following: (i) the date of expiry of the last of the Licensed Patents anywhere in the Territory; (ii) the date of expiration of the last exclusivity on a Product granted by a regulatory or government body within the Territory; (iii) the expiry of a continuous period of twenty (20) years during which there shall not have been a First Commercial Sale of any Product in any country in the Territory; and (iv) if the Company elects to obtain an exclusive license to the Know-How pursuant to Section 4 above - the date of expiry of the period of such exclusive license.

15.2. Without prejudice to the Parties' rights pursuant to this Agreement or at law, either Party may terminate this Agreement by written notice to the other in any of the following cases:

15.2.1. immediately upon such written notice, if (i) the other Party passes a resolution for voluntary winding up or a winding up application is made against it and not set aside within ninty (90) days; or (ii) a receiver or liquidator is appointed for the other Party; or (iii) the other Party enters into winding up or insolvency or bankruptcy proceedings. Each of the Parties undertakes to notify the other within seven (7) days if any of the abovementioned events occur; or

15.2.2. upon breach of this Agreement, where such breach has not been remedied within forty-five (45) days from the breaching Party's receipt of written notice from the non-breaching Party requiring such remedy.

15.3. In addition to the above, and without prejudice to Yissum's rights pursuant to this Agreement or at law, Yissum shall be entitled to terminate this Agreement immediately upon written notice to the Company in the following circumstances:

15.3.1. non-performance or a delay of more than 6 months in the performance of the Development Plan;

15.3.2. failure or a delay of more than six (6) months in meeting the Development Milestones as provided in Section 5 above;

15.3.3. if an attachment is made over the Company's assets or if execution proceedings are taken against the Company and the same are not set aside within sixty (60) days of the date the attachment is made, or the execution proceedings are taken or the Company seeks protection under any laws or regulations, the effect of which is to suspend or impair the rights of any or all of its creditors, or to impose a moratorium on such creditors and such act is not cancelled within sixty (60) days of the performance thereof;

15.3.4. uncured lapse of insurance coverage under Section 14 above;

15.3.5. failure to defend against third party claims as required under Section 11 above;

15.3.6. if the Company, its Affiliate or a Sublicensee initiates, supports or makes a Challenge Proceeding as detailed in Section 11.2 above; or

15.3.7. acts or omissions by the Company, or lack of sufficient funding, which indicate that the Company is not diligently developing or commercializing the Licensed Technology.

15.4. Upon termination of this Agreement for any reason other than the expiration of its term, the License shall terminate, the Licensed Technology and all rights included therein shall revert to Yissum, and Yissurn shall be free to enter into agreements with any other third parties for the granting of a license or to deal in any other manner with such right as it shall see fit at its sole discretion.

The Company shall return or transfer to Yissum, within fourteen (14) days of termination of the License, all material, in soft or hard copy, relating to the Licensed Technology or Products connected with the License, and it may not make any further use thereof. In case of termination as set out herein, the Company will not be entitled to any reimbursement of any amount paid to Yissum under this Agreement. Yissum shall be entitled to conduct an audit in order to ascertain compliance with this provision and the Company agrees to allow access to Yissum or its representatives for this purpose.

15.5. The Company will prepare and present all regulatory filings necessary or appropriate in any country and will obtain and maintain any regulatory approval required to market Products in any such country, at all its own expense. Company will solely own all right, title and interest in and to all such regulatory approvals and filings; provided, however, that **(1)** Company will provide copies thereof to Yissum on an on-going basis; and (2) without derogating from Company's assignment undertaking in this Section 15.5 below, upon termination of the License (in whole or in part), Company agrees that Yissum shall have the right, on its own or via third parties, to reference, cross-reference, review, have access to, incorporate and use all documents and other materials filed by or on behalf of Company and its Affiliates with any regulatory authority in furtherance of applications for regulatory approval in the relevant country with respect to Products.

Upon the termination of the Agreement for any reason other than the expiration of its term or due to an uncontested, uncured breach by Yissum (as set forth in Section 15.2.2 above), the Company shall transfer and assign to Yissum all of the Development Results and any information and documents, in whatever form, relating thereto, including any data, results, regulatory information (including applications, registrations, licenses, authorizations, approvals and all clinical studies, tests, and manufacturing batch records relating to a Product, and all data contained in any of the foregoing) and files that relate to the Licensed Technology or the Product(s) (collectively, the **"Assigned Development Results").** The Company shall fully cooperate with Yissum to effect such transfer and assignment and shall execute any document and perform any acts required to do so.

Without derogating from the force and effect of the foregoing assignment undertaking, the Parties acknowledge and agree that if under applicable law the aforesaid assignment undertaking will not be fully enforceable, then the part (if any) of such undertaking which is enforceable shall remain in full force and effect, and the part (or whole) which is not enforceable shall be automatically replaced with an irrevocable grant by the Company to Yissum, binding upon all of the Company's acquirers, successors and assignees, of an unrestricted, perpetual, irrevocable, worldwide, royalty-free, license to use, exploit, transfer and sublicense (on a multi-tier basis) the Assigned Development Results, for any and all purposes and uses. To the extent permitted by applicable law, such license will be exclusive.

Notwithstanding anything to the contrary in Section 11 (Confidentiality) or elsewhere in this Agreement, Yissum (on its own or via third parties) shall be entitled to freely exploit the Assigned Development Results without any obligation of confidentiality to the Company.

15.6. Notwithstanding the foregoing, neither the termination of this Agreement for any reason nor the expiration of the License shall release the Company from its obligation to carry out any financial or other obligation which it was liable to perform prior to the Agreement's termination or the License's expiration. In the event that the Company terminates this Agreement, it shall be required to continue paying all Ongoing Patent Expenses for those Licensed Patents in existence on the date of notice of such termination, including expenses incurred by reason of examinations and extensions, for twelve (12) months following the effective date of such termination.

In addition, Sections 7, 8, 9, 12, 14, 15, 16 and 18 shall survive the termination of this Agreement to the extent required to effectuate the intent of the Parties as reflected in this Agreement.

16. Law

16.1. The provisions of this Agreement and everything concerning the relationship between the Parties in accordance with this Agreement shall be governed exclusively by Israeli law without application of any conflict of law principles that direct that the laws of another jurisdiction apply and jurisdiction shall be granted to the competent court in Jerusalem exclusively, except that Yissum may bring suit against the Company in any other jurisdiction outside the State of Israel in which the Company has assets or a place of business. The Company undertakes not to object to the enforcement against it of writs and decisions issued by any other jurisdiction outside the State of Israel under such circumstances. The Company hereby waives any immunity it may have against enforcement of any judgment so obtained against it by Yissum and waives any rights or claims that it may have with respect to forum non-conveniens.

16.2. Each Party agrees that any breach or threatened breach of the terms and conditions of this Agreement governing confidentiality or the exploitation and use of the Licensed Technology may cause irreparable harm, that may be difficult to ascertain and that monetary damages may not afford an adequate remedy. Accordingly, in addition to all other rights and remedies that may be available to the non-breaching Party under this Agreement or by law, such Party shall be entitled to seek, in the courts and under the law mutually agreed to in Section 16.1 above, injunctive relief without proof of damages.

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17. Miscellaneous

17.1. Relationship of the Parties. It is hereby agreed and declared between the Parties that they shall act in all respects relating to this Agreement as independent contractors and there neither is nor shall there be any employer-employee or principal-agent relationship or partnership relationship between the Company (or any of its employees) and Yissum. Each Party will be responsible for payment of all salaries and taxes and social welfare benefits and any other payments of any kind in respect of its employees and officers, regardless of the location of the performance of their duties, or the source of the directions for the performance thereof.

17.2. Assignment. No Party may transfer or assign or endorse its rights, duties or obligations pursuant to this Agreement to another, without the prior written consent of the other Parties, which consent shall not be unreasonably denied, conditioned or delayed.

17.3. No waiver. No waiver by any Party, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of such Party's rights under such provisions at any other time or a waiver of such Party's rights under any other provision of this Agreement. The failure or delay of a Party to claim the performance of an obligation of another Party shall not be deemed a waiver of the performance of such obligation or of any future obligations of a similar nature.

17.4. Representation by Legal Counsel. Each Party represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in drafting this Agreement. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption shall exist or be implied against the Party which drafted such terms and provisions.

17.5. Legal Costs. Each Party shall bear its own legal expenses involved in the negotiation and drafting of this Agreement.

17.6. Disclosure of Agreements with Researcher. The Company shall disclose to Yissum any existing agreement or arrangement of any kind with the Researcher and or any representative of the Researcher, and shall not enter into any such agreement or arrangement without the prior written consent of Yissum.

17.7. Taxes. Monetary amounts mentioned in this agreement do not include value added tax ("VAT"), or any duties or other taxes. Each Party shall itself be responsible to pay the taxes for which it is liable under the law.

17.8. Severability. The provisions of this Agreement are severable and, in the event that any one or more of the provisions or part of a provision contained in this Agreement shall, for any reason, be held by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement; but such provision shall be modified as set out below and the balance of this Agreement shall be interpreted as if such provision were so modified. The Parties shall negotiate in good faith in order to agree on the terms of an alternative provision which complies with applicable law and achieves, to the greatest extent possible, the same effect as would have been achieved by the invalid, illegal or unenforceable provision. In the event that the Parties fail to agree within thirty (30) days, the head of the Israeli Bar Association (on his/her own or via a representative that he/she appoints) **("Deciding Expert") will** determine the text of the alternative provision, and each Party shall bear its own costs and the Parties shall equally bear the fees and expenses of the Deciding Expert. Each Party agrees that the determination of the Deciding Expert will be non-appealable, final and binding.

17.9. Force Majeure. Neither Party shall be held liable or responsible to the other Party nor be deemed to have defaulted under or breached the Agreement for failure or delay in fulfilling or performing any term of this Agreement to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party and without fault of such Party, including fires, earthquakes, floods, embargoes, wars, acts of war (whether war is declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances (except of such Party's personnel), acts of God or acts, omissions or delays in acting by any governmental authority provided that the nonperforming Party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch whenever such causes are removed. The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

17.10. Counterparts. This Agreement may be executed in any number of counterparts (including counterparts transmitted by facsimile and by electronic mail), each of which shall be deemed an original, but all of which taken together shall be deemed to constitute one and the same instrument.

17.11. Binding Effect. This Agreement shall be binding upon the Parties once executed by both Parties and shall enter into force and become effective as of the later of the signature dates.

17.12. Entire Agreement. This Agreement constitutes the full and complete agreement between the Parties and supersedes any and all agreements or understandings, whether written or oral, concerning the subject matter of this Agreement, and may only be amended by a document signed by both Parties.

18. Notices

All notices and communications pursuant to this Agreement shall be made in writing and sent by facsimile, electronic mail or by registered mail or served personally at the following addresses:

To Yissum at:

Yissum Research Development Company
of the Hebrew University of Jerusalem Ltd.
P.O. Box 39135, Jerusalem 91390 Israel
Facsimile: 972-2-6586689
Email: bob.trachtenberg@yissum.co.il

To the Company at:

Facsimile: Email: ______________________
____
____

or such other address furnished in writing by one Party to the other. Any notice served personally shall be deemed to have been received on the day of service, any notice sent by registered mail as aforesaid shall be deemed to have been received seven (7) days after being posted by prepaid registered mail. Any notice sent by facsimile or electronic mail shall be deemed to have been received by the next business day after receipt of confirmation of transmission (provided that any notice terminating this Agreement which is sent by electronic mail shall be followed by a notice sent in any other manner provided herein).

IN WITNESS WHEREOF THE PARTIES HAVE SET THEIR HANDS

YLSSUM	THE COMPANY
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________
Date: ______________________	Date: ______________________

I the undersigned, Prof. Shlomo Magadassi, have reviewed, am familiar with and agree to all of the above terms and conditions. I hereby undertake to cooperate fully with Yissum in order to ensure its ability to fulfill its obligations hereunder, as set forth herein.

____

Appendix A

LICENSED PATENTS

KNOW-HOW

YISSUM	THE COMPANY
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

Appendix C

THE DEVELOPMENT PLAN

[To be provided by the Company]

YISSUM		THE COMPANY	
By:		By:	
Name:		Name:	
Title:		Title:	
Date:		Date:	

Appendix C

Cannabis Powder project — Development plan outlines

Stage	Detailed content
1	Research: 1. Scientific breakthrough, producing solid particles of Cannabis oil 2. Integrating a prelaminar laboratory production process 3. Reaching a physico-Chemical stable particle 4. Reproducible, uniform particles 5. Developing validated analytical methods for the developed product 6. Developing basic delivery systems using the cannabis powder
2	Biological evaluation: 1. Identifying suitable Animal-Model 2. Conducting pharmacokinetic pre-clinical studies using different delivery systems 3. Examining the influence of different concentrations on the kinetics and dynamics of preparations 4. Comparative studies of the new product Vs traditional delivery system 5. Delivery system of choice
3	Up-Scaling: 1. Locate an existing production site 2. Cannabis regulation and permits 3. Production line planning 4. Equipment acquire and assembly 5. Production process development 6. Analysis 7. GMP regulation and validation
4	Clinical study preparations: 1. GLP toxicology 2. Phase I study plan 3. Ethics considerations 4. Recruiting 5. Validated production
5	Start Phase I clinical study

Appendix D

JOINT PATENT ASSIGNMENT LETTER

ASSIGNMENT AGREEMENT
Made as a Deed

This ASSIGNMENT AGREEMENT (the "Agreement") is made this _ day of______, 20_, by and

between Yissum Research Development Company of the Hebrew University of Jerusalem Ltd., Hi-Tech Park, Edmond J. Safra Campus, Givat Ram, Jerusalem, Israel on the one hand ("Yissum")

and ____, on the other hand(the "Company"). Yissum and the Company shall be referred each as a "Party", and together as the "Parties".

WHEREAS, on_________, 20_, the Parties signed a Research and License Agreement (the "R&L Agreement"), according to which the Company received, among other things, a License to the Licensed Patents; and

WHEREAS, pursuant to the R&L Agreement, certain inventions have been or shall/may be registered jointly in the name of Yissum and the Company and shall be regarded as Joint Patents; and

WHEREAS, the Parties have agreed that, upon the occurrence of certain Events (as defined below), the Company shall assign and transfer to Yissum its title and ownership in and to the Joint Patents and thereafter Yissum shall become the sole and exclusive owner of such Joint Patents; all in accordance with the terms and conditions of this Agreement;

NOW THEREFORE THE PARTIES DO HEREBY AGREE AS FOLLOWS: 1.

Preamble

1.1 The recitals hereto constitute an integral part hereof.

1.2 The headings of the sections in this Agreement are for the sake of convenience only and shall not serve in the interpretation of the Agreement.

1.3 All capitalized terms not defined herein shall have the meaning ascribed to such terms in the R&L Agreement.

1.4 In this Agreement the following expressions shall have the meanings appearing alongside them, unless the context otherwise requires:

"Effective Date" shall mean the date of occurrence of the earliest of the Events.

"Event(s)" shall mean a situation in which: (i) the Company passes a resolution for voluntary winding up or a winding up application is made against it and not set aside within sixty (60) days; or (ii) a receiver or liquidator is appointed for the Company; or (iii) the Company enters into winding up or insolvency or bankruptcy proceedings; or (iv) the Company ceases operations; or (v) a Joint Patent has become a Relinquished Patent.

"Intellectual Property Rights" shall mean any and all rights relating to intellectual property, including without limitation, all inventions, patents and patent applications, including all re-issuances, continuations, continuations-in-part, divisions, revisions, extensions and re-examinations thereof.

"Relinquished Patent" shall mean a Joint Patent for which the Company fails to pay the expenses of the filing, prosecution, maintenance or any activity required by the patent office, relating thereto.

2. Assignment of Joint Patents.

2.1 Upon the Effective Date, the Company shall assign, convey and transfer to Yissum,, its

successors and assigns, the entire right, title and interest in and to any Joint Patent(s), including all Intellectual Property Rights therein, and all rights and benefits under any applicable law, treaty or convention. Notwithstanding the foregoing, in case the Event relates solely to a Relinquished Patent, the aforementioned assignment shall relate only to such Relinquished Patent.

2.2 Subsequent to an assignment pursuant to this Agreement, the Company or its successors,

legal representatives or assigns shall notify Yissum, its successors, legal representatives and assigns, of any facts known to it regarding said Joint Patents, testify in any legal proceeding, sign all lawful papers, execute all divisional, continuing, reissue and foreign applications, make all rightful oaths, and generally do everything possible to assist Yissum, its successors, legal representatives and assigns, to obtain and enforce proper protection, full ownership and rights of use for said Joint Patents in all countries.

2.3 In the event the Company, its successors, legal representatives or assigns fail to execute

and deliver such documents and instruments promptly upon Yissum's request, Yissum is hereby authorized and appointed attorney-in-fact of and for the Company to make, execute and deliver any and all such documents and instruments.

3. Governing Law and Jurisdiction. The provisions of this Agreement and everything concerning the relationship between the Parties in accordance with this Agreement shall be governed by the laws of the State of Israel and exclusive jurisdiction shall be granted to the appropriate courts in Jerusalem, Israel.

4. Miscellaneous. This Agreement supersedes any prior understanding, agreement, practice or contract, oral or written, between the Parties with respect to the matters covered by this Agreement. This Agreement may not be modified except by written instrument signed by all Parties hereto. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. This Agreement shall be binding upon the Parties' heirs, executors, administrators, successors, and assigns. The invalidity of any provision of this Agreement shall not result in the invalidity of the entire Agreement.

AS WITNESS THE HANDS OF THE PARTIES:

[Company Name] [Full Address]	**Yissum Research Development Company** **of the Hebrew University of Jerusalem Ltd.** Hi-Tech Park, Edmond J. Safra Campus, Givat Ram, P.0.13 39135, Jerusalem 91390, Israel
By: ____________________	By: ____________________
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________
Date: ____________________	Date: ____________________

Appendix E

Stages For Cannabis Powder project — Mile stones

Stage	Missions	Duration (Months)
1	Research	24
2	Evaluation in biological systems	12
3	Pre-industrial	12
4	Developing GMP'ed small scale production	18
5	GLP Toxicology	12
6	Ethics, preparations and recruitment for Phase I	18
7	First in human	

EXHIBIT 31.1

CERTIFICATION

I, Liron Carmel, certify that:

1. I have reviewed this registration statement on Form 10 (the "Registration Statement") of Smart Energy Solutions, Inc.;

2. Based on my knowledge, this Registration Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Registration Statement;

3. Based on my knowledge, the financial statements, and other financial information included in this Registration Statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Registration Statement;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as 4efined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Registration Statement is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this Registration Statement our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Registration Statement based on such evaluation; and

(d) Disclosed in this Registration Statement any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 30, 2018

/s/ Liron Carmel

Name: Liron Carmel
Title: CEO

EXHIBIT 31.2

CERTIFICATION

I, Oded Gilboa, certify that:

1. I have reviewed this registration statement on Form 10 (the "Registration Statement") of Smart Energy Solutions, Inc.;

2. Based on my knowledge, this Registration Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Registration Statement;

3. Based on my knowledge, the financial statements, and other financial information included in this Registration Statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Registration Statement;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as 4efined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Registration Statement is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this Registration Statement our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Registration Statement based on such evaluation; and

(d) Disclosed in this Registration Statement any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 30, 2018

/s/ Oded Gilboa
Name: Oded Gilboa
Title: CFO

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the registration statement of Smart Energy Solutions, Inc. (the “Company”) on Form 10 under the Securities Exchange Act of 1934, as amended (the “Registration Statement”), as filed with the Securities and Exchange Commission on the date hereof, I, Liron Carmel, CEO of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Registration Statement fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Registration Statement fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Liron Carmel

Name: Liron Carmel
Title: CEO

Dated: April 30, 2018

A signed original of this written statement required by Section 906 has been provided to Smart Energy Solutions, Inc. and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the registration statement of Smart Energy Solutions, Inc. (the “Company”) on Form 10 under the Securities Exchange Act of 1934, as amended (the “Registration Statement”), as filed with the Securities and Exchange Commission on the date hereof, I, Oded Gilboa, CFO of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Registration Statement fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Registration Statement fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Oded Gilboa

Name: Oded Gilboa
Title: CFO

Dated: April 30, 2018

A signed original of this written statement required by Section 906 has been provided to Smart Energy Solutions, Inc. and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.