EARN-A-CAR, INC.

FINANCIAL STATEMENTS

MAY 31, 2015

EARN-A-CAR, INC.

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EARN-A-CAR, INC.
BALANCE SHEETS
31 MAY, 2015 AND FEBRUARY 28, 2015

ASSETS	May 31, 2015	February 28, 2015
Current Assets		
Cash and cash equivalents	$ 40,364	$ 52,195
Receivables, net	174,569	157,292
Total Current Assets	214,933	209,487
Property and equipment, net	17,895	17,555
Revenue-earning vehicles, net	3,102,581	3,756,980
Other Assets		
Loan receivable	20,783	21,796
Deferred Costs	62,286	80,726
Total Other Assets	83,069	102,522
TOTAL ASSETS	$ 3,418,478	$ 4,086,544
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities		
Accounts payable	$ 413,416	$ 457,192
Accrued expenses	29,172	28,338
Deferred Income	443,238	527,686
Current portion of leases payable	761,501	752,406
Current portion of loans payable	356,903	388,702
Total Current Liabilities	2,004,230	2,154,324
Long-term Debt		
Loans from shareholders	0	0
Leases payable	806,059	1,337,837
Loans payable	145,401	224,095
Total Long-term Debt	951,460	1,561,932
Total Liabilities	2,955,690	3,716,256
Stockholders' Equity		
Common stock, $0.0000001 par value, 250,000,000 shares authorized, 112,250,000 shares issued and outstanding	11	11
Additional paid in capital	5,423	5,423
Accumulated other comprehensive (loss)	(494,175)	(463,814)
Retained earnings	951,529	828,668
Total Stockholders' Equity	462,788	370,288
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,418,478	$ 4,086,544

See accompanying notes to financial statements.

EARN-A-CAR, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MAY 31, 2015 AND MAY 31, 2014

	For the Three months ended May 31, 2015	For the Three months ended May 31, 2014
Revenues		
Vehicle rentals	$ 777,500	$ 846,596
Other	8,250	1,489
Total Revenues	785,750	846,085
Expenses		
Direct vehicle and operating	170,190	247,674
Vehicle depreciation	166,107	210,715
Selling, general and administrative	201,126	256,488
Interest expense	90,130	170,664
Total Expenses	627,553	885,541
Operating Income	158,217	(39,456)
Other Income		
Interest income	84	1,465
Gain (Loss) from Asset disposal	(35,441)	(14,934)
Net Income Before Provision for Income Taxes	122,860	(52,925)
Provision for Income Taxes	0	0
Net Income	$ 122,860	$ (52,925)
Earnings per Share	$ 0.001	$ 0.001
Weighted Average Common Shares Outstanding	112,250,000	112,250,000

See accompanying notes to financial statements.

EARN-A-CAR, INC.
STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED MAY 31, 2015 AND MAY 31, 2014

	For the Three months ended 31 May, 2015	For the Three months ended May 31, 2014
Net Income	$ 122,860	$ (59,925)
Foreign Currency Translation		
Change in cumulative translation adjustment	(30,361)	26,856
Total	$ (30,361)	$ 26,856

See accompanying notes to financial statements.

EARN-A-CAR, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
AS OF MAY 31, 2015

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance, February 29, 2012 (Restated)	112,250,000	11	5,423	(29,542)	498,559	474,451
Loss on currency translation	-	-	-	(185,153)	-	(185,153)
Net income for the year ended February 28, 2013	-	-	-	-	524,559	524,559
Balance, February 28, 2013	112,250,000	$ 11	$ 5,423	$ (214,695)	$ 1,023,118	$ 813,857
Gain (loss) on currency translation	-	-	-	(201,029)	-	(201,029)
Net earnings (loss)	-	-	-	-	52,025	52,025
Balance, February 28, 2014	112,250,000	$ 11	$ 5,423	$ (415,724)	$ 1,075,143	$ 664,853
Gain (loss) on currency translation	-	-	-	(48,090)	-	(48,090)
Net earnings (loss)	-	-	-	-	(246,474)	(246,474)
Balance, February 28, 2015	112,250,000	$ 11	$ 5,423	$ (463,814)	$ 828,669	$ 370,289
Gain (loss) on currency translation	-	-	-	(30,361)	-	(30,361)
Net earnings (loss)	-	-	-	-	122,860	122,860
Balance, February 28, 2015	112,250,000	$ 11	$ 5,423	$ (494,175)	$ 951,529	$ 462,788

See accompanying notes to financial statements.

EARN-A-CAR, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MAY 31, 2015 AND MAY 31, 2014

	For the Three months ended May 31, 2015	For the Three months ended May 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	$ 122,860	$ (52,925)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	166,107	210,715
Net (Gain) losses from disposition of revenue-earning vehicles	35,441	14,934
Change in Assets and Liabilities:		
(Increase) decrease in receivables	(17,277)	(69,594)
(Increase) decrease in deferred costs	18,440	952
Increase (decrease) in accounts payables	(43,776)	(58,195)
Increase (decrease) in accrued expenses	834	3,168
Increase in deferred income	(84,448)	92,942
Net Cash Provided by Operating Activities	198,181	141,997
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of revenue-earning vehicles:	452,511	(409,981)
Purchase of property, equipment and software:	0	0
Loans (extended) principal received	1,013	(59,765)
Net Cash Used by Investing Activities	435,524	(469,746)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional paid in capital, due to merger	0	0
Proceeds from (Payments on) leases payable (net)	(522,683)	282,862
Proceeds from (Payments on) loans payable (net)	(110,493)	(158,383)
Proceeds from (Payments on) shareholder loans (net)	0	0
Net Cash Provided by Financing Activities	(633,175)	124,480
Exchange rate effect on cash and cash equivalents	(30,361)	26,856
Net Increase in Cash and Cash Equivalents	(11,831)	(176,413)
Cash, beginning of period	52,195	318,218
Cash, end of period	$ 40,364	$ 141,805
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 90,130	$ 170,664
Cash paid for income taxes	$ 0	$ 0

See accompanying notes to financial statements.

EARN-A-CAR, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business – Earn-A-Car, Inc. (formerly Victoria Internet Services, Inc.) was incorporated in the State of Nevada on October 9, 2009. The company was organized to operate as an online tax preparation service in the North American market. On December 7, 2011, prior to commencing those operations, the company has opted to change its business focus to the daily rental of vehicles in the South African market.

On December 7, 2011, a simultaneous execution and closing was held under an Agreement and Plan of Reorganization (the Plan"), by and among Victoria Internet Services, Inc. (the "Company" "us" "we"), Leon Golden (our then principal shareholder) ("Golden") and Earn-A-Car (PTY), LTD., a corporation organized under the laws of the Republic of South Africa ("EAC") and Depassez Investments Ltd, a Seychelles corporation ("DPL"), owned by Graeme Hardie (our new principal shareholder) ("Hardie").

Under the Plan DPL acquired 78,500,000 shares of our common stock from Golden for $150,000 and the balance of Golden's 205,000,000 shares were submitted to the transfer agent for cancellation and DPI contributed all of the shares of EAC to the Company so that EAC became a wholly owned subsidiary of the Company and the business of the Company is now the business of EAC. Mr. Golden also resigned as an officer and director of the Company and John Storey ("Storey") and Hardie were elected as directors and Storey was appointed CEO and President with Hardie being appointed Chairman of the board.

On February 10, 2012 the Company filed an amendment with the Secretary of State for Nevada to gain permission to change its name from Victoria Internet Services, Inc. to Earn-A-Car, Inc. In conjunction with the name change the Company also filed to have a new symbol on the Over The Counter Bulletin Board (OTCBB). As of March 8, 2012 the Company was no longer listed with the symbol VRIS, and was listed on the OTCBB as EACR. In February 2014 the Company changed its listing to the OTC Pink.

Earn-A-Car (Pty) Ltd **-** The wholly owned subsidiary was incorporated in South Africa on July 2, 2005, and is primarily engaged in the business of the daily rental of vehicles to business and leisure customers through company-owned stores in the country of South Africa. On July 18, 2011, its name was changed from “EasyCars Rental and Sales (PTY) Ltd.” to “Earn-A-Car (PTY) Ltd.”.

Earn-A-Car Assets 1 Pty. Ltd. **–** the wholly owned subsidiary Earn-A-Car (Pty) Ltd. purchased a wholly owned subsidiary in June 2012, the name of this purchased entity is Earn-A-Car Assets 1 Pty. Ltd. The function of this entity is to hold title to vehicles that are purchased through financing which requires specific assets to be held as collateral for those loans. All of the assets and liabilities of this entity are consolidated and included in the presented financial statements according to generally accepted accounting principles of the United States.

Earn-A-Car Assets 2 Pty. Ltd. **–** the wholly owned subsidiary Earn-A-Car (Pty) Ltd. purchased a wholly owned subsidiary in March 2013, the name of this purchased entity is Earn-A-Car Assets 2 Pty. Ltd. The function of this entity is to hold title to vehicles that are purchased through financing which requires specific assets to be held as collateral for those loans. All of the assets and liabilities of this entity are consolidated and included in the presented financial statements according to generally accepted accounting principles of the United States.

EARN-A-CAR, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015

Basis of Presentation– The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are presented in U.S. Dollars. In the opinion of management, all adjustments necessary in order for the financial statements to be not misleading have been reflected herein. The Company has selected a February 28 year end.

Estimates – The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ materially from those estimates.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand and on deposit, including highly liquid investments with initial maturities of three months or less. At May 31,2015 and February 28, 2015 the Company had $40,364 and $52,195 in cash and cash equivalents, respectively.

Allowance for Doubtful Accounts – An allowance for doubtful accounts is generally established during the period in which receivables are recorded. The allowance is maintained at a level deemed appropriate based on loss experience and other factors affecting collectability. As of May 31, 2015 and February 28, 2014 the Company had $9,883 and $10,965 in impaired receivables, respectively.

Financing Issue Costs – Financing issue costs related to vehicle debt are deferred and amortized to interest expense over the term of the related debt using the effective interest method.

Receivables and Payables– Trade receivables and payables are measured at initial recognition at fair value, and are subsequently measured using the effective interest rate method of valuation. Appropriate allowances for estimated uncollectible receivable balances are recognized in profit or loss when there is evidence of impairment. Payables includes all accrued cash back liability to clients as adjusted as required for the Company to meet its cash back obligation to its clients. The amount is determined at contract inception and is the approximate amount required to generate a lump sum at end of cash back period sufficient to match the future carrying value of the car at the end of this period. Cash back is accrued for monthly and the accrual is adjusted for regularly as required to ensure no shortfall occurs at the end of the period.

Revenue-Earning Vehicles and Related Vehicle Depreciation Expense – Revenue-earning vehicles are stated at cost, net of related discounts.

The Company must estimate what the residual values of these vehicles will be at the expected time of disposal to determine monthly depreciation rates. The estimation of residual values requires the Company to make assumptions regarding the age and mileage of the car at the time of disposal, as well as the general used vehicle auction market. The Company evaluates estimated residual values periodically, and adjusts depreciation rates accordingly, on a prospective basis.

Differences between actual residual values and those estimated by the Company result in a gain or loss on disposal and are recorded as an adjustment to depreciation expense. Actual timing of disposal either shorter or longer than the life used for depreciation purposes could result in a loss or gain on sale. Generally, the average holding term for vehicles is approximately 7 years.

Property and Equipment – Property and equipment are recorded at cost and are depreciated using principally the straight-line method over the estimated useful lives of the related assets. Estimated useful lives generally range from ten to thirty years for buildings and improvements and two to seven

years for furniture and equipment. Leasehold improvements are amortized over the estimated useful lives of the related assets or leases, whichever is shorter. The average useful lives of fixed assets are as follows:

Motor vehicles	6 years
Computer equipment	3 years
Computer software	2 years
Leased assets – motor vehicles	6 years

Long–Lived Assets – The Company reviews the value of long-lived assets, including software, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based upon estimated future cash flows and records an impairment charge, equaling the excess of the carrying value over the estimated fair value, if the carrying value exceeds estimated future cash flows.

Foreign Currency Translation – The Company's functional currency is the South African Rand, however the translation into US dollars is the presentation bases of these financial statements. Foreign assets and liabilities are translated into US$ using the exchange rate in effect at the balance sheet date, and results of operations are translated using an average rate for the period. Translation adjustments are accumulated and reported as a component of accumulated other comprehensive income or loss.

Revenue Recognition – Revenues from vehicle rentals are recognized as earned on a daily basis under the related rental contracts with customers. The upfront administration fee is non refundable. However the company defers its upfront administration fee income received at the inception of the rental contract over the average rental period. Simultaneously the company defers direct, incremental selling costs related to the rental of the vehicle over the same average rental period. This is a change in accounting policy and the new basis has been used to calculate revenue in 2014.

Advertising Costs – Advertising costs are primarily expensed as incurred. During the periods ended 31 May, 2015 and May 31, 2014, the Company incurred advertising expense of $15,158 and $24,685, respectively.

Income Taxes – The Company has provided for income taxes on its separate taxable income or loss and other tax attributes. Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The Company has no tax liability in the United States.

Earnings Per Share – Basic earnings per share ("EPS") is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted EPS is based on the combined weighted average number of common shares and common share equivalents outstanding which include, where appropriate, the assumed exercise of options. There were no such common stock equivalents outstanding at May 31, 2015.

Other Comprehensive Income (Loss) – Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting stockholder's equity that, under GAAP, are excluded from net income (loss), including foreign currency translation adjustments, gains and losses related to certain derivative contracts, and gains or losses, prior service costs or credits, and transition assets or obligations associated with pension or other postretirement benefits that have not been recognized as components of net periodic benefit cost.

Stock-Based Compensation– Stock-based compensation is accounted for at fair value in accordance with SFAS No. 123 and 123 ® (ASC 718). To date, the Company has not adopted a stock option plan and has not granted any stock options.

New Accounting Standards **–** The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

2. REVENUE–EARNING VEHICLES

Revenue-earning vehicles consist of the following:

	May 31, 2015	May 31, 2014
Revenue-earning vehicles	$ 4,470,495	$ 6,426,456
Less accumulated depreciation	(1,367,914)	(1,500,505)
Revenue-earning vehicles, net	$ 3,102,581	$ 4,925,951

3. PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following:

	May 31, 2015	May 31, 2014
Computer equipment	$ 22,817	$ 29,998
Computer software	4,280	7,235
Other fixed assets including signage	7,196	12,282
Subtotal	34,293	49,515
Less accumulated depreciation	(16,398)	(14,551)
Property and equipment, net	$ 17,895	$ 34,964

For the three months ended 31 May, 2015 and 31 May, 2014, the Company recorded depreciation of $166,107 and $210,715 respectively.

4. LOANS RECEIVABLE

At May 31, 2015 and February 28, 2014, the Company has a receivable due under a settlement agreement with a former employee with a balance of $5,383 and $6,240 respectively. This loan is to be repaid with interest of 10% in 48 equal installments of approximately $425; the payments began in March, 2011.

5. DEBT AND OTHER OBLIGATIONS

Debt and other obligations consist of the following:

	May 31, 2015	February 28, 2015
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	$ 16,472	$ 17,275
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	8,236	8,637
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	41,181	43,186
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	0	1,943
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	16,171	20,846
Loan payable – bank – secured by assets of the company, bearing interest of JIBAR plus 5% per annum, repayable in monthly installments beginning 30 September 2012	356,903	471,452
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	15,497	624
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	20,344	21,334
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	27,500	27,500
Total	$ 502,304	$ 612,797
Current portion of loans payable	356,903	388,702
Long-term portion of loans payable	$ 145,401	$ 224,095

5. DEBT AND OTHER OBLIGATIONS (CONTINUED)

Expected maturities of debt and other obligations outstanding at May 31, 2015 are as follows:

	Loan Amounts	Lease Amounts	Total
Year ending May 31, 2015	$ 356,903	$ 761,501	$ 1,118,404
Year ending May 31, 2016	$ 27,500	$ 605,963	$ 633,463
Year ending May 31, 2017	$ 0	$ 149,161	$ 149,161
Year ending May 31, 2018	$ 0	$ 33,065	$ 33,065
Year ending May 31, 2019	$ 0	$ 17,870	$ 17,870
Thereafter	$ 117,901	$ 0	$ 117,901
Total	$ 502,304	$ 1,567,560	$ 2,069,864

Installment sales and lease contracts are secured by finance lease agreements over revenue generating vehicles, having carrying values of $1,54,655 and $2,621,063 at 31 May 2015 and 2014 respectively. These lease contracts are repayable in monthly installments for 31 May 2015 and 31 May 2014 of $69,802 and $90,684 respectively.

6. PROVISION FOR INCOME TAXES

The Company has no obligation for any federal or state income taxes in the United States. Further, no provision has been made for taxes in South Africa, which has a corporate income tax rate of 28%, for the years ended February 28, 2015 and February 28, 2014 because our taxable losses and loss carryovers exceed the income in those years. At May 31, 2015 and February 28, 2015, respectively, the Company had net losses of approximately $631,475 and $754,335 available in South Africa that can be carried forward to offset future taxable income. Due to the uncertainty of future taxable income, the Company has recorded a valuation allowance of 100% of the deferred tax asset, so that our deferred tax asset at both 31 May, 2015 and February 28, 2015 was $0.

7. EQUITY

On November 14, 2011 the Company filed a certificate of amendment to the articles of incorporation which caused a 50 for 1 forward common stock split and an increase in authorized common shares to 250,000,000.

On January 19, 2012 the Company cancelled 121,500,000 shares of common stock that were held by Leon Golden, the former owner of Victoria Internet Services, Inc.

As of February 28, 2014 and February 28, 2013 there were 112,250,000 and 112,250,000 common shares outstanding, respectively.

The Company is authorized to issue 20,000,000 preferred shares of stock. As of February 28, 2014 and February 28, 2013 there were no (0) shares outstanding.

8. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company operates from various leased premises under operating leases with terms up to 5 years. Some of the leases contain renewal options. No contingent rent is payable.

Expenses incurred under operating leases for the period were as follows:

	May 31, 2015	May 31, 2014
Operating leases:		
Premises	$ 8,803	$ 0
	$ 8,803	$ 0

Future minimum rentals and fees under non-cancelable operating leases for the 12 month periods are presented in the following table:

May 31, 2016	$ 35,211
May 31, 2017	$ 35,211
May 31, 2018	$ 35,211
May 31, 2019	$ 35,211
May 31, 2020	$ 35,211

At May 31, 2015, the Company had no outstanding vehicle purchase commitments over the next twelve months.

9. RELATED PARTY TRANSACTIONS

The Company engages in activities with parties who hold ownership in the Company. The Company borrows funds from related parties and pays consulting fees to related parties. The related party transactions are as follows:

	May 31, 2015	May 31, 2014
Compensation paid to directors		
G. Hardie	$ 1,000	$ 4,000
John Storey	0	0
Total compensation paid to directors	$ 1,000	$ 4,000

10. SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to 31 May, 2015 through the date these financial statements were issued, and has determined that it does not have any material subsequent events to disclose.