

WHAM INC.

Consolidated Financial Statements

September 30th 2016

WHAM INC.
Consolidated Balance Sheet
As of September 30th, 2016

ASSETS

Current Assets

Cash	\$	85,726.57	
Receivable		1,285.92	
Other Receivables – Note 6		<u>64,000.00</u>	
Total Current Assets			151,012.84

Property and Equipment

Automobiles		38,295.11	
Accumulation Depreciation - Autos		<u>(2,064.65)</u>	
Total Property and Equipment			36,230.46

Other Assets

Investment in Stock - Note 1		250,000.00	
Investment in Software - Note 2		223,577.74	
Other Investment – Note 5		<u>15,000.00</u>	
Total Other Assets			<u>488,577.74</u>

<u>Total Assets</u>			<u>\$ 675,820.69</u>
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LIABILITIES AND CAPITAL

Current Liabilities

Other Current Liabilities	\$	<u>46,964.54</u>	
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Unaudited - For Management Purposes Only

Total Current Liabilities		46,964.54
<u>Long Term Liabilities</u>		
Shareholder Loan	<u>74,177.22</u>	
Total Long Term Liabilities		<u>74,177.22</u>
<u>Total Liabilities</u>		121,141.76
<u>Capital</u>		
Common Stock - Note 3	893,993.02	
Retained earnings	(148,493.03)	
Net Income	(190,821.06)	
Total Capital		<u>554,678.93</u>
Total Liabilities & Capital		\$ <u>675,820.69</u>

Unaudited - For Management Purposes Only

WHAM INC.
Consolidated Income Statement
For the Nine Months Ending September 30, 2016

	Year to Date	%
Revenues		
Sales	\$ <u>597,396.50</u>	100.00
Total Revenues	<u>597,396.50</u>	100.00
 Cost of Sales		
Cost of Sales	<u>398,402.40</u>	66.69
Total Cost of Sales	<u>398,402.40</u>	66.69
 Gross Profit	 <u>198,994.10</u>	 33.31
 Expenses		
Bad Debt Expense	190,312.42	31.86
Bank Charges	1,978.45	0.33
Computer Systems	5,994.99	1.00
Corporate fee & other taxes	13,671.68	2.29
Depreciation Expense	2,938.18	0.49
Insurance Expense	9,516.72	1.59
Legal & Professional Expense	53,739.47	9.00
Marketing Expense	10,715.51	1.79
Miscellaneous Expense	19,467.13	3.26
Miscellaneous Expense – Towers	4,804.00	0.80
Office Expense	4,039.52	0.68

Unaudited - For Management Purposes Only

Rent or Lease Expense	1,400.00	0.23
Telephone Expense	2,108.55	0.35
Travel Expense	289.20	0.05
Vehicle Expense	9,099.34	1.52
Wages Expense	<u>59,740.00</u>	10.00
 Total Expense	 <u>389,815.16</u>	 65.25
 Net Income	 (\$ 190,821.06)	 (31.94)

Unaudited - For Management Purposes Only

WHAM INC.

Consolidated Statement of Cash Flow
For the Nine Months Ending September 30, 2016

	Year to Date
Cash Flows from Operating Activities:	
Net Income	(\$ 190,821.06)
Adjustments to reconcile net income to net cash provided by operating activities:	
Accumulation Depreciation – Autos	2,064.65
Receivables	(1,285.92)
Other Receivables – Note 6	(64,000.00)
Notes Receivable – Note 4	190,312.42
Other Current Liabilities	<u>46,964.54</u>
Total Adjustments	<u>174,055.69</u>
Net Cash provided by Operations	<u>(16,765.37)</u>
Cash Flow from investing activities:	
USED FOR -	
Automobiles	(38,295.11)
Other Investment - Note 5	(12,399.01)
Investment in Software – Note 2	<u>(44,719.74)</u>
Net cash used in investing	<u>(95,413.86)</u>
Cash Flow from financing activities:	
PROCEEDS FROM	
Shareholder Loans	26,027.34

Unaudited - For Management Purposes Only

Common Stock – Note 3	185,159.25
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USED FOR	
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Net cash used in financing	<u>211,186.59</u>
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Net increase <decrease> in cash	<u>\$ 99,007.36</u>
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Summary

Cash Balance at End of Period	\$ 85,726.57
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Cash Balance at Beg of Period	<u>(7,296.74)</u>
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<u>Net Increase <Decrease> in Cash</u>	<u>\$ 78,429.83</u>
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Unaudited - For Management Purposes Only

WHAM INC.

Notes to Consolidated Financial Statements

September 30, 2016

1. Investment in Stock - The Company invested \$250,000 into Uponus Technologies, which was required prior to licensing their encryption software. Subsequently, Uponus did not deliver a working and marketable product so our engagement with them ended in 2015. Currently, the company is unable to value its original capital investment other than by cost due to not having all the requested documents.
2. Investment in Software – The Company began developing its own mobile encryption application called WhamSecure, which is available for beta testing in the Google Play Store. Further information regarding WhamSecure can be found on pages 8-10 on the Company's Information Disclosure Statement.
3. Common Stock - In 2015, the company sold its restricted common stock between the prices of \$.0045-\$.12 and in 2016 the company sold its restricted common stock between the prices of \$.008 to \$.035. Further information regarding issuance of stock is on pages 13-14 on the Company's Information Disclosure Statement.
4. Notes Receivable - These notes represent funds used by former corporate officers for personal purposes that were not supported by the actions of the Board of Directors, or any other ascertainable corporate records. These funds have been classified as Notes Receivables, at this point having established the amount owing, but WHAM has reserved the full amount of these notes totaling \$190,312.40. This write off has created the loss on the interim financial statement as of 09/30/16.
5. Other Investment – In prior periods, WHAM invested a total of \$15,000, together with the issuance of restricted stock into previous companies. At this point WHAM is classifying these funds as Other Investment. Further information regarding issuance of stock can be found on page 13 on the Company's Information Disclosure Statement.
6. Other Receivables - These notes represent a total of \$64,000 that was invested into the companies affiliated with the February 2nd 2016 acquisition agreement. On November 2nd 2016 the said acquisition agreement was rescinded in its entirety, and at this point WHAM is classifying these funds as Other Receivables. Further information can be found on pages 6 and 14 on the Company's Information and Disclosure Statement.