**DNA DYNAMICS, INC.**
BALANCE SHEETS
(Unaudited)

ASSETS

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| CURRENT ASSETS | $ - | $ - |
| OTHER ASSETS | | |
| Intangible assets, net | 627,865 | 762,408 |
| Goodwill | 64,629 | 64,629 |
| Total Other Assets | 692,494 | 827,037 |
| TOTAL ASSETS | $ 692,494 | $ 827,037 |

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Accounts payable | $ 273,104 | $ 154,539 |
| Accrued expenses | 119,751 | 130,421 |
| Notes payable | 500,929 | 438,683 |
| Total Current Liabilities | 893,784 | 723,643 |
| TOTAL LIABILITIES | 893,784 | 723,643 |
| STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Preferred stock designated, Series A, $0.00001 par value, 10,000,000 shares authorized, 10,000,000 and 10,000,000 shares issued and outstanding, respectively | 100 | 100 |
| Preferred stock designated, Series B, $0.00001 par value, 1,000,000 shares authorized, 1,000,000 and 1,000,000 shares issued and outstanding, respectively | 10 | 10 |
| Common stock, $0.00001 par value; 40,000,000,000 shares authorized, 4,027,220,726 and 27,220,726 shares issued and outstanding, respectively | 40,272 | 272 |
| Additional paid-in capital | 54,169 | 54,169 |
| Accumulated deficit | (295,841) | 48,843 |
| Total Stockholders' Equity (Deficit) | (201,290) | 103,394 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | $ 692,494 | $ 827,037 |

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

**DNA DYNAMICS, INC.**
STATEMENTS OF OPERATIONS
(Unaudited)

| | For the Years Ended December 31, 2015 | For the Years Ended December 31, 2014 |
|---|---|---|
| REVENUES | | |
| Revenues | $ - | $ 85,000 |
| Cost of revenues | - | (65,000) |
| Gross profit | - | 20,000 |
| OPERATING EXPENSES | | |
| General and administrative | - | 5,000 |
| Professional and consulting fees (including stock based compensation of $40,000 and $-0-, respectively) | 158,565 | 169,539 |
| Total Operating Expenses | 158,565 | 174,539 |
| LOSS FROM OPERATIONS | (158,565) | (154,539) |
| OTHER INCOME (EXPENSES) | | |
| Amortization expense | (134,543) | - |
| Interest expense | (51,576) | (130,421) |
| Total Other Income (Expenses) | (186,119) | (130,421) |
| NET INCOME (LOSS) BEFORE INCOME TAXES | (344,684) | (284,960) |
| PROVISION FOR INCOME TAXES | - | - |
| NET INCOME (LOSS) | $ (344,684) | $ (284,960) |

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

**DNA DYNAMICS, INC.**
STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
From January 1, 2014 through December 31, 2015
(Unaudited)

| | Series A Preferred Stock | | Series B Preferred Stock | | Common Stock | | Additional Paid-In | Accumulated | Total Stockholders' |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Capital | Deficit | Equity (Deficit) |
| Balance, January 1, 2014 | 10,000,000 | $ 100 | 1,000,000 | $ 10 | 27,220,726 | $ 272 | $ 54,169 | $ 333,803 | $ 388,354 |
| Net income for the year ended December 31, 2014 | - | - | - | - | - | - | - | (284,960) | (284,960) |
| Balance, December 31, 2014 | 10,000,000 | $ 100 | 1,000,000 | $ 10 | 27,220,726 | $ 272 | $ 54,169 | $ 48,843 | $ 103,394 |
| Common stock issued for services | - | - | - | - | 4,000,000,000 | 40,000 | - | - | 40,000 |
| Net income for the year ended December 31, 2015 | - | - | - | - | - | - | - | (344,684) | (344,684) |
| Balance, December 31, 2015 | 10,000,000 | $ 100 | 1,000,000 | $ 10 | 4,027,220,726 | $ 40,272 | $ 54,169 | $ (295,841) | $ (201,290) |

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

**DNA DYNAMICS, INC.**

STATEMENTS OF CASH FLOWS

(Unaudited)

| | | For the Years Ended December 31, 2015 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) | $ | (344,684) |
| Adjustments to reconcile net loss to net cash used by operating activities: | | |
| Amortization expense | | 134,543 |
| Shares issued for services | | 40,000 |
| Changes in operating assets and liabilities: | | |
| Accounts payable | | 118,565 |
| Accrued expenses | | 51,576 |
| Net Cash Provided by Operating Activities | | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | - |
| CHANGE IN CASH AND CASH EQUIVALENTS | | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | | - |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $ | - |
| Non-cash financing activities: | | |
| Convert accrued interest into promissory notes | $ | 62,246 |

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

DNA DYNAMICS, INC.
Notes to the Financial Statements
December 31, 2015 and 2014

Note 1 – Organization and Description of Business

DNA Dynamics, Inc. (the "Company") develops and publishes a portfolio of action/adventure and casual games designed to appeal to a broad cross section of the users of smartphones and tablet devices who purchase our games through direct-to-consumer digital storefronts as well as users of feature phones served by wireless carriers and other distributors. We create games based on our own original brands and intellectual property as well as third-party licensed brands. Our original games based on our own intellectual property include Margot's Word Games, Jigsawium, Chess Crusades, and Legacy: Mystery Mansion. We currently have one game being published by a third party, Codermasters, Software Ltd based on their intellectual property, Dizzy: POTY (Prince of the Yolk Folk). Our licensed games include Warheads Medieval Tales and, Naked Gun: ICUP. Our work for hire team recently produced a major iPad Port from an internationally recognized brand.

Note 2 – Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who are responsible for their integrity and objectivity. The following policies are considered to be significant.

Accounting Method

The Company recognizes income and expenses based on the accrual method of accounting. The Company has elected a calendar year-end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments purchased with original maturities of three months or less. Cash and cash equivalents at December 31, 2015 and 2014 were $-0-.

Revenue Recognition

Product sales were solely derived from the sale of games developed by the Company. The Company recognizes revenue using four basic criteria that must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured, which is typically after receipt of payment and delivery, net of any credit card charge-backs and refunds. Determination of criteria (3) and (4) are based on management's judgment regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

Advertising Costs

Advertising costs, which were not material for the periods presented, are expensed as incurred.

Stock Based Compensation

The Company accounts for its stock based compensation using the fair value based method. Under this method, compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. This guidance establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments.

Income Taxes

The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

Note 3 - Going Concern

As shown in the accompanying financial statements, the Company has incurred continuous losses from operations, has an accumulated deficit of $295,841, has a negative working capital of $893,784 and has cash on hand of $-0- as of December 31, 2015, and has generated minimal revenues to date. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management is currently seeking additional sources of capital to fund short term operations through debt or equity investments. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful, therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 – Intangible Assets

Intangible assets consist of intellectual property on the games and technology developed by the Company. These are all games that are released for the Android or the Apple platforms. The original values of the intangible assets of $896,950 are being amortized at a rate of 15% per year. During the year ended December 31, 2015, the Company recorded amortization expense of $134,543. As of December 31, 2015, the Company had recorded a total of $269,085 in accumulated amortization.

Note 5 – Goodwill

On April 12, 2011, the Company acquired Slam Productions Limited ("Slam"). Slam creates games and apps for mobile devices and handheld consoles using a proprietary Rapid Application Development tool. Slam has created over 15 games across 7 platforms in 3 years including some large TV brands and IP. Upon the acquisition of Slam, the Company recorded goodwill in the amount of $64,629. The Company analyzes goodwill at each reporting period to determine if an adjustment should be made for impairment.

Note 6 – Notes Payable

Notes payable consist of the following at December 31, 2015 and 2014 respectively:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Issued to David Lovatt, originated February 18, 2011, unsecured $14,970 convertible promissory note, which carries a 9% interest rate and is due on demand. The principal and interest is convertible into shares of common stock at the discretion of the note holder at a price equal to fifty-eight percent (58%) of the lowest closing price of the Company's common stock for the ten (10) trading days prior to the conversion date. | $ 14,970 | $ 14,970 |
| Issued to David Lovatt, originated March 9, 2011, unsecured $4,975 convertible promissory note, which carries a 9% interest rate and is due on demand. The principal and interest is convertible into shares of common stock at the discretion of the note holder at a price equal to fifty-eight percent (58%) of the lowest closing price of the Company's common stock for the ten (10) trading days prior to the conversion date. | 4,975 | 4,975 |
| Issued to David Lovatt, originated August 23, 2011, unsecured $20,000 convertible promissory note, which carries a 9% interest rate and is due on demand. The principal and interest is convertible into shares of common stock at the discretion of the note holder at a price equal to fifty-eight percent (58%) of the lowest closing price of the Company's common stock for the ten (10) trading days prior to the conversion date. | 20,000 | 20,000 |
| Issued to David Lovatt, originated October 13, 2011, unsecured $37,238 convertible promissory note, which carries a 9% interest rate and is due on demand. The principal and interest is convertible into shares of common stock at the discretion of the note holder at a price equal to fifty-eight percent (58%) of the lowest closing price of the Company's common stock for the ten (10) trading days prior to the conversion date. | 37,238 | 37,238 |
| Issued to Steven Mellner, originated November 7, 2011, unsecured $14,000 promissory note, which carries a 9% interest rate and matures on March 31, 2012. | 14,000 | 14,000 |
| Issued to Louis Wolcowitz, originated November 17, 2011, unsecured $25,000 promissory note, which carries a 9% interest rate and matures on March 31, 2012. | 25,000 | 25,000 |
| Issued to Lawrence Kolodny, originated December 1, 2011, unsecured $61,000 promissory note, which carries a 9% interest rate and matures on March 31, 2012. | 61,000 | 61,000 |
| Issued to David Lovatt, originated April 16, 2012, unsecured $26,500 convertible promissory note, which carries a 9% interest rate and is due on demand. The principal and interest is convertible into shares of common stock at the discretion of the note holder at a price equal to fifty-eight percent (58%) of the lowest closing price of the Company's common stock for the ten (10) trading days prior to the conversion date. | 26,500 | 26,500 |
| Issued to Elliott Polatoff, originated January 1, 2015, unsecured $77,702 convertible promissory note, which carries a 9% interest rate and is due on demand. The principal and interest is convertible into shares of common stock at the discretion of the note holder at a price equal to fifty-eight percent (58%) of the lowest closing price of the Company's common stock for the ten (10) trading days prior to the conversion date. | 77,702 | 60,000 |

| | | |
|---|---|---|
| Issued to John D. Thomas, P.C., originated January 1, 2015, unsecured $219,544 convertible promissory note, which carries a 9% interest rate and is due on demand. The principal and interest is convertible into shares of common stock at the discretion of the note holder at a price equal to fifty-eight percent (58%) of the lowest closing price of the Company's common stock for the ten (10) trading days prior to the conversion date. | 219,544 | 175,000 |
| Notes Payable | 500,929 | 438,683 |
| Less: current maturities of notes payable | (500,929) | (438,683) |
| Long term convertible debenture | $ - | $ - |

The Company recognized interest expense in the amount of $51,576 and $47,319 for the years ended December 31, 2015 and 2014, respectively, related to the notes payable above.

## Note 7 – Changes in Stockholders' Equity (Deficit)

Authorized Shares, Common Stock
The Company is authorized to issue 40,000,000,000 shares of $0.00001 par value common stock. As of December 31, 2015, 4,027,220,726 shares were issued and outstanding.

Authorized Shares, Preferred Stock
The Company is authorized to issue 10,000,000 shares of its Series A Preferred Stock. As of December 31, 2015, 10,000,000 shares were issued and outstanding.

The Company is also authorized to issue 1,000,000 shares of its Series B Preferred Stock. As of December 31, 2015, 1,000,000 shares were issued and outstanding.

Common Stock Issuances, for the Period Ending December 31, 2014
During the year ended December 31, 2014, there were no common stock issuances by the Company.

Common Stock Issuances, for the Period Ending December 31, 2015
During the year ended December 31, 2015, the Company issued 4,000,000,000 shares of common stock for consulting services. The fair value of the common stock was $40,000 based on the estimated market price of the Company's common stock on the date of grant.

## Note 8 – Subsequent Events

The Company has evaluated subsequent events for the period of December 31, 2015 through the date the financial statements were issued, and concluded there were no other events or transactions occurring during this period that required recognition or disclosure in its financial statements.