

Appendix A  
2012 Annual Report  
F3 Technologies Inc.

### F3 Technologies

		<b>A Nature of Offering</b>	<b>B Jurisdiction</b>	<b>C &amp; D Shares Offered &amp; Issued</b>	<b>E Offered Price</b>	<b>E Proceeds</b>	<b>F</b>	<b>G</b>
1/18/2011		<b>Rule 144</b>	Federal/SEC	3,000,000	\$0.0067	\$ 20,000	Free Trading	No
5/5/2011	1	<b>Contractual</b>	NA	2,100,000	NA	\$ -	Restricted	Yes
6/27/2011		<b>Rule 144</b>	Federal/SEC	8,333,332	\$0.0030	\$ 25,000	Free Trading	No
7/27/2011	2	<b>Contractual</b>	NA	7,600,000	NA	\$ -	Restricted	Yes
8/5/2011	3	<b>Rule 144</b>	Federal/SEC	5,000,000	\$0.0020	\$ 10,000	Free Trading	No
8/30/2011		<b>Rule 144</b>	Federal/SEC	15,000,000	\$0.0017	\$ 25,000	Free Trading	No
8/30/2011		<b>Rule 144</b>	Federal/SEC	15,000,000	\$0.0013	\$ 20,000	Free trading	No
8/31/2011		<b>Rule 144</b>	Federal/SEC	13,333,332	\$0.0015	\$ 20,000	Free trading	No
9/19/2011	4	<b>Rule 144</b>	Federal/SEC	12,000,000	\$0.0013	\$ 15,000	Free trading	No
10/6/2011	5	<b>Contractual</b>	NA	3,000,000	NA	\$ -	Restricted	Yes
10/6/2011		<b>Rule 144</b>	Federal/SEC	12,500,000	\$0.0014	\$ 17,500	Free trading	No
10/24/2011	6	<b>Rule 144</b>	Federal/SEC	20,000,000	\$0.0010	\$ 20,000	Free trading	No
11/3/2011	7	<b>Contractual</b>	NA	5,000,000	NA	\$ -	Restricted	Yes
12/9/2011	8	<b>Rule 144</b>	Federal/SEC	29,000,000	\$0.0014	\$ 40,000	Free trading	No
12/12/2011	9	<b>Contractual</b>	NA	25,000,000	NA	\$ -	Restricted	Yes
12/12/2011	10	<b>Contractual</b>	NA	25,000,000	NA	\$ -	Restricted	Yes
12/15/2011		<b>Rule 144</b>	Federal/SEC	10,000,000	\$0.0005	\$ 5,000	Free trading	No
12/15/2011		<b>Rule 144</b>	Federal/SEC	15,000,000	\$0.0005	\$ 7,500	Free trading	No
12/21/2011		<b>Rule 144</b>	Federal/SEC	15,000,000	\$0.0005	\$ 7,500	Free trading	No
12/21/2011		<b>Rule 144</b>	Federal/SEC	10,000,000	\$0.0010	\$ 10,000	Free trading	No
2/14/2012		<b>Rule 144</b>	Federal/SEC	23,776,223	\$0.0006	\$ 15,000	Free trading	No
3/9/2012	11	<b>Rule 144</b>	Federal/SEC	41,000,000	\$0.0009	\$ 35,000	Free trading	No
3/28/2012		<b>Rule 144</b>	Federal/SEC	25,000,000	\$0.0006	\$ 15,000	Free trading	No
3/28/2012		<b>Rule 144</b>	Federal/SEC	25,000,000	\$0.0006	\$ 15,000	Free trading	No
3/28/2012		<b>Rule 144</b>	Federal/SEC	29,150,000	\$0.0006	\$ 17,500	Free trading	No
4/11/2012	12	<b>Rule 144</b>	Federal/SEC	42,500,000	\$0.0006	\$ 25,000	Free trading	No
5/30/2012	13	<b>Contractual</b>	NA	1,000,000	NA	\$ -	Restricted	Yes
6/4/2012	14	<b>Rule 144</b>	Federal/SEC	53,000,000	\$0.0003	\$ 18,000	Free trading	No
7/6/2012	15	<b>Rule 144</b>	Federal/SEC	55,000,000	\$0.0003	\$ 16,000	Free trading	No
7/19/2012	16	<b>Rule 144</b>	Federal/SEC	50,000,000	\$0.0004	\$ 17,500	Free trading	No
7/23/2012		<b>Rule 144</b>	Federal/SEC	49,714,000	\$0.0003	\$ 15,000	Free trading	No
7/23/2012		<b>Rule 144</b>	Federal/SEC	58,000,000	\$0.0003	\$ 17,500	Free trading	No
7/23/2012		<b>Rule 144</b>	Federal/SEC	73,714,000	\$0.0003	\$ 22,500	Free trading	No
9/7/2012	17	<b>Rule 144</b>	Federal/SEC	95,000,000	\$0.0002	\$ 19,000	Free trading	No
10/15/2012	18	<b>Rule 144</b>	Federal/SEC	100,000,000	\$0.0001	\$ 7,500	Free trading	No
10/21/2012		<b>Rule 144</b>	Federal/SEC	67,300,000	\$0.0001	\$ 7,500	Free trading	No
10/23/2012		<b>Rule 144</b>	Federal/SEC	67,300,000	\$0.0001	\$ 7,500	Free trading	No
10/23/2012		<b>Rule 144</b>	Federal/SEC	89,700,000	\$0.0001	\$ 10,000	Free trading	No
11/9/2012	19	<b>Rule 144</b>	Federal/SEC	130,000,000	\$0.0001	\$ 10,000	Free trading	No
12/10/2012	20	<b>Contractual</b>	NA	20,000,000	NA	\$ -	Restricted	Yes

- 1 Common stock issued to George Hristodol, an employee.
- 2 Common stock issued to Paul Campbell, an employee.
- 3 E Lionheart Associates
- 4 Fairhills Capital Offshore
- 5 Common stock issued Smallcap Support Services, a shareholder relations management provider.
- 6 Fairhills Capital Offshore
- 7 Common stock issued to Jeremy Harrison, a sales and marketing contractor.
- 8 Fairhills Capital Offshore
- 9 Common stock issued to Frank Connor, an employee.
- 10 Common stock issued to James Canouse, an employee.
- 11 Fairhills Capital Offshore
- 12 Fairhills Capital Offshore
- 13 Common stock issued Camile Barbone, an entertainment industry management consultant.
- 14 EMSEG & Co
- 15 EMSEG & Co
- 16 EMSEG & Co
- 17 EMSEG & Co
- 18 EMSEG & Co
- 19 EMSEG & Co
- 20 Common stock issued to Baron Agee, a sales, marketing, and recruiting contractor.

Appendix B  
2012 Annual Report  
F3 Technologies Inc.  
Financial Statements

- 1) Statement Of Financial Position
- 2) Statement of The Results Of Operations
- 3) Statement of Cash Flows
- 4) Statement of Changes In Stockholders' Equity
- 5) Financial Notes

**Annual Report**  
**F3 Technologies, Inc.**  
**Statements of Financial Position**  
**December 31**  
**Unaudited**

	2012	2011
<b>ASSETS</b>		
Current assets		
Cash	\$ 163	\$ 26,218
Accounts receivable	<u>          </u>	<u>19,525</u>
Total current assets	163	45,743
Fixed Assets		
Computer Equipment	5,513	4,718
Accumulated Depreciation	<u>(3,386)</u>	<u>(1,780)</u>
Computer Equipment net of Depreciation	2,127	2,938
Telephone Equipment	1,578	1,578
Accumulated Depreciation	<u>(1,470)</u>	<u>(945)</u>
Telephone Equipment net of Depreciation	108	633
Software Development Costs	588,504	521,289
Accumulated Amortization	<u>(378,633)</u>	<u>(288,208)</u>
Developed Software Net of Amortization	209,871	233,081
Goodwill	180,000	180,000
Accum. Amortization	<u>(168,000)</u>	<u>(132,000)</u>
Goodwill Net of Accumulated Amortization	12,000	48,000
Purchased Software Costs	22,228	22,184
Accumulated Amortization	<u>(20,088)</u>	<u>(15,762)</u>
Purchased Software Net of Amortization	2,140	6,422
Other assets		
Notes Receivable	25,000	30,000
<b>TOTAL ASSETS</b>	<b>\$ <u>251,409</u></b>	<b>\$ <u>366,817</u></b>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable	\$ 18,104	\$ 12,039
Other Current Liabilities	1,000	-
Convertible Notes due in less than one year	400,900	290,000
Deferred Compensation	<u>462,250</u>	<u>462,250</u>
Total Other Current Liabilities	882,254	764,289
Long Term Liabilities		
Convertible Debt Discount - unamortized	(1,000)	(55,575)
Long term convertible notes	0	236,400
Derivative Liability	0	448,487
Interest expense	109,521	72,181
Notes due officers	<u>158,750</u>	<u>158,750</u>
Total Long Term Liabilities	267,271	860,243
<b>Total Liabilities</b>	<b>1,149,525</b>	<b>1,624,532</b>
Equity		
Common Stock ; \$.001 par value; 3,000,000,000 authorized; <b>1,446,999,105</b> outstanding	1,446,999	374,621
Preferred Stock; \$.001 par value; 2,000,000 authorized and outstanding	2,000	2,000
Paid In Capital arising from issuance of common stock and conversion of notes payable	1,583,352	1,623,852
Accumulated deficits	(3,258,188)	(1,835,352)
Net losses	<u>(672,279)</u>	<u>(1,422,836)</u>
Total Equity	(898,116)	(1,257,715)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ <u>251,409</u></b>	<b>\$ <u>366,817</u></b>

See accompanying notes to financial statements

# Annual Report

## F3 Technologies Inc.

### Statement of Operations

#### Unaudited

	<b>2012</b>	<b>2011</b>
Revenue		
Consulting Services	\$ 50,500	\$ 110,641
Software Sales	15,552	27,378
Other Income	6	265
Total Revenue	<u>66,058</u>	<u>138,284</u>
Expense		
Administrative Expenses		
Marketing	20,603	23,128
Office Expense	7,108	10,320
Payroll Expense	110,514	359,539
Professional Services	14,435	25,179
State & Local Taxes	2,719	2,909
Travel & Entertainment	4,265	17,649
Bank and CC Processing Fees	3,806	4,572
Brokerage Fees	1,070	1,435
Bad debts	9,675	-
Communications	5,145	3,211
Depreciation and Amortization	132,882	134,849
Discounts & Allowances	0	6,714
Dues and Subscriptions	2,445	413
Information processing expense	36,872	31,946
Insurance Expense	0	2,938
Interest Expense	379,508	950,239
Licenses & Permits	705	1,252
Other Operating Expenses	7,734	246
Total Expense	<u>739,486</u>	<u>1,576,539</u>
Net Loss	<u>\$ (673,428)</u>	<u>\$ (1,438,255)</u>
Other Comprehensive Income		
Gain on Sale of Stock	1,149	15,418
Comprehensive loss	<u>\$ (672,279)</u>	<u>\$ (1,422,837)</u>
Net income (loss) per share - basic	\$ (0.00)	\$ (0.01)
Net income (loss) per share - fully diluted	N/A	N/A
Weighted average number of common shares outstanding - basic	771,993,051	132,483,423
Weighted average number of common shares outstanding - fully diluted	226,485,097,651	58,663,819,939

See accompanying notes to financial statements

Annual Report  
F3 Technologies Inc.  
Statements of Cashflows

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Net loss from operations	\$ (672,279)	\$ (1,422,837)
Depreciation & Amortization	132,882	134,849
Changes in working capital items		
Accounts payable	6,066	(21,944)
Accounts receivable	19,525	(18,596)
Deferred compensation	-	(63,000)
Notes due officers	-	158,750
Other current liabilities	1,000	-
Prepaid services	-	(23,883)
Interest expense payable	37,339	45,595
Cashflow from operating activities	<u>(475,467)</u>	<u>(1,211,066)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to equipment	(795)	(3,223)
Software development	(67,215)	(94,675)
Purchased software	(44)	(3,150)
Cashflow from Investing	<u>(68,054)</u>	<u>(101,048)</u>
<b>FINANCING ACTIVITIES</b>		
Notes Issued net of note retired	(125,500)	73,900
Changes in derivative liabilities	(393,912)	888,930
Reduction in Notes receivable	5,000	32,000
Common stock issued	1,031,878	340,113
Cashflow from financing	<u>517,466</u>	<u>1,334,943</u>
Net change in cash	(26,055)	22,829
Beginning cash	26,218	3,389
Ending Cash	<u>\$ 163</u>	<u>26,218</u>

See accompanying notes to financial statements

Annual Report  
F3 Technologies Inc.  
Statement of Changes In Shareholders Equity  
Unaudited

	<b>Common Stock</b>		<b>Preferred Stock</b>		<b>Paid In</b>	<b>Accumulated</b>	<b>Shareholders'</b>
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	<b>Capital</b>	<b>(Deficit)</b>	<b>Equity</b>
Balance 12/31/2009	<u>68,535,704</u>	<u>68,536</u>	<u>2,000,000</u>	<u>2,000</u>	<u>641,442</u>	<u>(888,925)</u>	<u>(176,947)</u>
Net Operating Loss						(946,427)	(946,427)
Common Stock Issued	<u>31,442,514</u>	<u>31,442</u>			<u>324,663</u>		<u>356,105</u>
Balance 12/31/2010	<u>99,978,218</u>	<u>99,978</u>	<u>2,000,000</u>	<u>2,000</u>	<u>966,105</u>	<u>(1,835,352)</u>	<u>(767,269)</u>
Net Operating Loss						(1,422,837)	(1,422,837)
Common Stock Issued	<u>250,866,664</u>	<u>250,867</u>			<u>657,747</u>		<u>908,614</u>
Balance 12/31/2011	<u>350,844,882</u>	<u>\$ 350,845</u>	<u>2,000,000</u>	<u>\$ 2,000</u>	<u>\$ 1,623,852</u>	<u>\$ (3,258,189)</u>	<u>\$ (1,281,492)</u>
Net Operating Loss						(672,279)	(672,279)
Common Stock Issued	<u>1,096,154,223</u>	<u>1,096,154</u>			<u>(40,500)</u>		<u>1,055,654</u>
Balance 12/31/2012	<u>1,446,999,105</u>	<u>\$ 1,446,999</u>	<u>2,000,000</u>	<u>\$ 2,000</u>	<u>1,583,352</u>	<u>(3,930,468)</u>	<u>\$ (898,117)</u>

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