

INNOVATIV MEDIA GROUP, INC.
FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2016

INNOVATIV MEDIA GROUP, INC.

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SEPTEMBER 30, 2016

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INNOVATIV MEDIA GROUP, INC.
BALANCE SHEETS (UNAUDITED)
AS OF SEPTEMBER 30, 2016 AND SEPTEMBER 30, 2015

	September 30, 2016	September 30, 2015
ASSETS		
Current Assets		
Cash	\$ 28,217	\$ 53,716
Accounts receivable	41,005	11,044
Total Current Assets	69,222	64,760
Property and equipment, net (note 2)	4,724	4,724
Stock Subscription (note 4)	129,350	131,350
Stock held in non-affiliated pubco (note 1)	120,000	120,000
Other Assets		
Unamortized Film and Sports Content Assets (note 3)	2,375,000	2,500,000
	\$	\$
TOTAL ASSETS	<u>2,698,296</u>	<u>2,820,843</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Current Liabilities		
Accounts payable	\$ 19,244	\$ 3,274
Advances	0	2,200
Estimated costs to complete films (note 3)	0	15,000
Note payable – non-affiliate (note 5)	4,509	4,509
Note payable – non-affiliate (note 5)	0	0
Total Current Liabilities	23,753	24,983

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

STOCKHOLDERS' EQUITY

Common stock (250,000,000 and 5,560,000,000 shares authorized; \$.00000001 par value; 144,224,670 and 123,724,670 shares issued and outstanding, respectively) (note 6)	1987	930
Series A Preferred stock (10,000,000 shares authorized; \$.00000001 par value; 5,000,000 shares issued and outstanding) (note 6)	1	1
Paid in capital	242,357	240,357
Series B Preferred stock: \$.000001 par value 10,000,000 authorized, 8,152 Issued and Outstanding (note 6)	1	1
Series C Preferred stock: \$.000001 par value 20,000,000 authorized, 0 Issued and Outstanding (note 6)	1	1
Total Stockholders' Equity	<u>2,674,543</u>	<u>2,795,860</u>
		\$
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,698,296</u>	<u>2,820,843</u>

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

INNOVATIV MEDIA GROUP, INC.
STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE QUARTERS ENDED SEPTEMBER 30, 2016 AND 2015

	Quarter ended September 30, 2016	Quarter ended September 30, 2015
GROSS REVENUES	\$ 40,776	\$ 48,933
OPERATING EXPENSES		
Bank fees	66	109
Technical Services	726	0
Data Feeds	597	0
Compliance and Filing fees	3,000	2,213
General administrative expenses	12,281	12,587
Insurance	906	2,917
Office and Internet expenses	2,218	1,836
Professional fees/Investor Relations	980	2,359
Travel and Entertainment	4,407	3,280
Marketing, Development and Production	6,012	8,924
TOTAL OPERATING EXPENSES	31,193	34,225
INCOME (LOSS) FROM OPERATIONS	9,583	14,708
OTHER INCOME (EXPENSE)		
Interest income	0	10
Amortization of film costs (notes 1,3)	(25,000)	0
TOTAL OTHER INCOME (EXPENSE)	(25,000)	0
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	(15,417)	14,718
(PROVISION) BENEFIT FOR INCOME TAX EXPENSE	0	0
NET INCOME (LOSS)	\$ (15,417)	14,718
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING FOR THE PERIOD	144,224,670	2,741,694,152
NET INCOME (LOSS) PER SHARE (Note 1)	(.0005)	(.000005)

accompanying notes are an integral part of the financial statements.

INNOVATIV MEDIA GROUP, INC.
STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
AS OF SEPTEMBER 30, 2016

	<u>Common Stock</u>		<u>Preferred Stock Series</u>			<u>Additional Paid in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>A</u>	<u>B</u> <u>C</u>			
Balance 6/30/16	123,724,670	1920	5,000,000 Series A 8,239 Series B 20,000,000 Series C	1 1 2		240,357	(313,381)	(311,461)
Net Loss 9/30/16							(15,417)	(15,417)
Issuance of Restricted Common Stock for Investor Relations	5,500,000 (Note 6)	52						
Conversion of Preferred Stock for Common Stock	15,000,000	15						
Balance 9/30/16	<u>144,224,670</u>	<u>1987</u>	<u>5,008,152</u>	<u>5</u>		<u>242,357</u>	<u>(328,798)</u>	

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

INNOVATIV MEDIA GROUP, INC.
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTERS ENDED SEPTEMBER 30, 2016 AND SEPTEMBER 30, 2015

	Quarter ended September 30, 2016	Quarter ended September 30, 2015
Cash Flows from Operating Activities:		
Net Income (Loss) for the year	\$ (15,417)	\$ 14,718
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation	0	0
Stock issued for services	0	0
Stock Subscription paid	0	0
Cash gained from acquired business	9,582	38,998
Amortization of film assets	25,000	0
Changes in Assets and Liabilities		
Increase (decrease) in accounts receivable	12,805	11,044
(Increase) decrease in prepaid consulting	0	0
(Increase) decrease in accounts payable	3,754	3,274
Increase (decrease) in accrued interest – related parties	0	0
(Increase) decrease in estimated cost to complete films	2,000	15,000
Net Cash Provided by Operating Activities	<u>37,724</u>	<u>46,486</u>
Cash Flows from Investing Activities:		
Purchase of business assets	0	0
Stock held in non-affiliate	120,000	120,000
Net Cash Used in Investing Activities	<u>120,000</u>	<u>120,000</u>
Cash Flows from Financing Activities:		
Convertible Debt - net	0	0
Conversion of debt to common stock	0	
Redemption of Loan – non-affiliate	0	150,024
Net Cash Provided by Financing Activities	<u>0</u>	<u>150,024</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,370)	40,698
Cash and Cash Equivalents – Beginning	187,906	125,788
Cash and Cash Equivalents – Ending	<u>\$ 170,536</u>	<u>\$ 166,486</u>

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

INNOVATIV MEDIA GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

The Company

Innovativ Media Group, Inc. was incorporated on March 8, 2005 under the laws of the State of Washington. Innovativ Media Group, Inc. is referred to herein as the "Company". The Company operates in the entertainment industry; specifically, in connection with the development, production, marketing or motion pictures, online content and related businesses. In July 2015 the Company closed on its acquisition ("Acquisition") of Wyoming holding corporation Innovativ Media Group, Inc. in exchange for 5,000,000 Series A Preferred Shares and 20,000,000 Series C Preferred Shares and the redemption of certain shares and debt. (In late April 2016 the Series C Preferred Stock was converted into 80,000,000 restricted Common Shares.) The Company changed its name from Global Gaming Network, Inc. and changed management and business focus. Under the Acquisition the Company acquired all right and title to certain film media content including eight (8) completed motion pictures, related active distribution contracts, certain developed but unproduced projects, several developing business methods and concepts, an active online video channel and 18 internet domains. The Company is actively developing its entertainment assets, launched its first premium online subscription channel in the 3rd Quarter 2016 and is actively pursuing the acquisition of additional online entertainment assets.

Basis of Presentation

The accompanying interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"). The Company is transitioning from a cash basis method to an accrual accounting basis so certain adjustments have been made to reflect and present prior accounting periods. In the opinion of management, all adjustments necessary in order for the financial statements to be not misleading have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Use of Estimates

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

Cash Equivalents

For purposes of reporting cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents, however, stock held in a small public entity has been accounted for separately.

Property and Equipment

The capital assets are being depreciated over their estimated useful lives using the straight-line method of depreciation for book purposes.

Revenue Recognition

Revenue consists substantially of fees earned from movies and videos in which we have interests. We recognize revenue from a sale or licensing arrangement of content when all of the following conditions are met: persuasive evidence of a sale or licensing arrangement with a customer exists; the film is complete and, in accordance with the terms of the arrangement, has been delivered or is available for immediate and unconditional delivery; the license period of the arrangement has begun and the customer can begin its exploitation, exhibition, or sale; the arrangement fee is fixed or determinable; and collection of the arrangement fee is reasonably assured. In 2015 the Company received securities with a face, convertible value of \$120,000 for the sale of certain sports fantasy related businesses and assets. The Company intends to recognize the revenues from the sale of the businesses and assets upon the liquidation of the securities.

INNOVATIV MEDIA GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, prepaid consulting, stock in a public company, accounts payable, accrued taxes, accrued interest and a note payable. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Unamortized Film Costs

Under the Acquisition the Company acquired entertainment assets for which it paid restricted stock with a maximum conversion value of \$4,000,000, which was converted in April 2016. The Company, however, is valuing the unamortized portion of the acquired entertainment content assets at \$2,500,000 based upon the selling company's prior investment and the Company's current assessment of the distribution cycles of the content. Unamortized film costs consist of investments in films, online content, unproduced projects and marketing. The costs include all direct production and financing costs and production overhead. Costs of acquiring, producing and marketing films and other content are amortized using the individual forecast method, whereby these costs are amortized and participation and residual costs are accrued in the proportion that current year's revenue bears to management's estimate of ultimate revenue at the beginning of the current year expected to be recognized from the exploitation, exhibition or sale of the film and video content. The Company recognize the full value of any existing contractual obligations or estimated obligation to complete projects on the same basis as accounts payable.

Ultimate revenue includes estimates over a period not to exceed ten years following the date of initial release. The Company is projecting to amortize these assets at a rate of 4% a year for the first 5 years then 16% a year for the following 5 years. Management reserves the right to accelerate this schedule. Unamortized content costs are stated at the lower of amortized cost or estimated fair value on an individual project basis. The valuation of investment in content is reviewed on a title-by-title basis, when an event or changes in circumstances indicates that the fair value of the content is less than its unamortized cost. The fair value of the content is determined using management's future revenue and cost estimates. Additional amortization is recorded in the amount by which the unamortized costs exceed the estimated fair value of the content. Estimates of future revenue involve measurement uncertainty and it is therefore possible that reductions in the carrying value of investment in filmed content may be required as a consequence of changes in management's future revenue estimates. (Also Note 3.)

Income Taxes

The Company uses the asset and liability method of accounting of income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized.

Comprehensive Income

The Company established standards for reporting and display of comprehensive income, its components and accumulated balances. When applicable, the Company would disclose this information on its Statement of Stockholder's Equity. Comprehensive income comprises equity except those resulting from investments by owners and distributions to owners. The Company has not had any transactions that are required to be reported in other comprehensive income. Interest income that is not material in a given period is offset by bank charges and not recognized.

INNOVATIVE MEDIA GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic and Diluted Income (Loss) Per Share

Basic earnings (loss) per common share is computed by dividing net income or (loss) available to common stockholders by the weighted average number of common shares outstanding and are calculated to a maximum of .000000 percent.. Diluted earnings per common share is computed similar to basic earnings per common 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. At September 30, 2016 the Company had no stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the results of its operations, financial position or cash flow.

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of September 30, 2016 and September 30, 2015:

	September 30, 2016	September 30, 2015
		\$
Furniture and fixtures	\$ 4,724	4,724
Less accumulated depreciation	(0)	(0)
		\$
Property and equipment, net	<u>\$ 4,724</u>	<u>4,724</u>

NOTE 3: UNAMORTIZED FILM COSTS AND SPORTS BUSINESSES WRITE DOWN

Unamortized Film Costs included the following titles:

Night of the Living Dead 3D,
Nightmares in Red, White and Blue , American Grindhouse
Area 51: The Alien Interview film assets
The Alien Interview Channel/HPLovecraft.TV
Distribution contracts
Unproduced projects, Mountains of Madness web series
Film Finance Project
Films of Fury
Gameplay
Money for Nothing
Night of the Living Dead 3D: Reanimation
ModRock audio visual
Program Search Engine Project
Various other content related assets

INNOVATIV MEDIA GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3: UNAMORTIZED FILM COSTS AND SPORTS BUSINESSES WRITE DOWN (CON'T)

The Company is amortizing its film content assets at 4% annually for the first 5 years and then 16% annually for the next 5 years. For the Quarter ended September 30, 2016, the Company amortized 1% for a total of \$25,000. Upon the acquisition of the Innovative Media assets the Company fully wrote off all remaining sports business assets except for its interest in StreamTrack, Inc.

NOTE 4: STOCK SUBSCRIPTION

The Company on June 15, 2012 entered into a Stock Purchase Agreement with Wilshire Capital Ltd. ("Wilshire") whereby Wilshire has agreed to purchase for an aggregate subscription price of \$300,000 a certain number of shares of common stock of the Company. The Shares shall be purchased in installments of not less than \$10,000 ("Installments") of Wilshire's sole choosing at any time during a ninety (90) day period commencing on the date hereof and terminating on December 31, 2012 ("Conversion Period"). The price for the Shares, at each installment purchase and conversion, shall be equal to an amount of Shares calculated at a rate equal to 75% of the OTC market price of the Company's Common Stock based on a 10 day trailing average of the lowest bid for the Company Common Stock ("Conversion Rate") at the date of notice of purchase and conversion and the payment of the portion of the Subscription Price to Company.

The parties mutually agreed to extend the Agreement until December 31, 2016.

NOTE 5: NOTE PAYABLE – NON-AFFILIATE

As of September 30, 2016 the Company had a non-material outstanding note payable to a former officer of the Company. The note is payable on demand.

NOTE 6: STOCKHOLDERS' EQUITY

The Company has four (4) classifications of stock with four (4) designations. The classes are Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

The Company as of September 30, 2016 had 10,000,000 shares of Series A Preferred Stock authorized of which 5,000,000 are issued and outstanding. 5,000,000 Series A Preferred shares were issued during 2015 in connection with the Acquisition and 3 Series A Preferred shares were redeemed. The Series A Stock is not convertible to Common Stock but it does entitle the holder to super voting rights representing 80% voting control of the Company.

The Company as of September 30, 2016 had 11,139 shares of Series B Preferred Stock authorized and 8,152 issued and outstanding as 3 were converted into 15,000,000 Common Shares the Quarter. The Series B Preferred Stock is convertible into Common Stock on a basis of 1 Preferred share to 2,500,000 Common shares and is non-dilutive as to stock splits.

The Company as of September 30, 2016 has 20,000,000 shares of Series C Preferred Stock authorized. The Series C Preferred Stock is convertible into Common Stock at the election of the holder at \$.20 per share and also has preferential liquidation rights. During the Quarter no Series C Preferred Stock was issued.

The Company had 250,000,000 shares of Common Stock authorized and 144,224,670 issued and outstanding as of September 30, 2016.

INNOVATIV MEDIA GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Company neither owns nor leases any real or personal property. An officer has provided office facilities and services without charge. There is no obligation for this arrangement to continue. Such costs are immaterial to the financial statements and accordingly are not reflected herein.

NOTE 8 – SUBSEQUENT EVENTS

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to November 8, 2016 the date these financial statements were issued, and has determined that it does not have any other material subsequent events to disclose in these financial statements other than the events discussed above.