

WORLDFLIX, INC.

A Nevada Corporation Listed on the OTC Pink

Market

Current Trading Symbol: Pinksheets: WRFX CUSIP Number:

98137D 101

Quarter 2 Report

For the Period Ended June 30, 2017

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

WorldFlix, Inc. was originally incorporated under the laws of the State of Nevada in December 30, 2006.

2) Address of the issuer's principal executive offices

Company Headquarters:

777 E. Tahquitz Canyon Way Suite 200-141, Palm Springs, CA 92262

Email: worldflix@live.com

Website www.worldflix.co

3) Security Information

Trading Symbol: **OTC PINK: WRFX**

Exact title and class of securities outstanding:

Common Stock:

CUSIP: 98137D 101

Par or Stated Value: \$0.00001

Total shares authorized: 4,000,000,000 as of: December 31, 2016

Total shares outstanding: 3,009,141,039 as of: December 31, 2016

Preferred Stock:

Par or Stated Value: \$0.00001

Total shares authorized: 10,000,000 as of: December 31, 2016

Total shares outstanding: as of: December 31, 2016

Transfer Agent

Name: Pacific Stock Transfer

4045 South Spencer Street Suite 403 Las Vegas, NV 89119

Tel: (702) 361-3033 / (800) 785-PSTC

Fax: (702) 433-1979

Is the Transfer Agent registered under the Exchange Act?* **Yes**

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

NONE.

Describe any trading suspension orders issued by the SEC in the past 12 months.

NONE.

4) Issuance History

Listed below are any events that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period.

1. On October 7, 2015, the Company increased the authorized number of shares from 100,000,000 to 950,000,000. At the same time, they issued Mr. Listermann 400,000,000 shares. Additionally, the Company authorized 20,000,000 shares of Preferred Stock at a par value of .001. No preferred stock has been issued at this time.

2. During the nine months ended September 30, 2014, the Company issued a total of 1,500,000 shares of restricted common stock in exchange for \$10,000 of services rendered.

3. During the twelve months ended December 31, 2013, the Company issued a total of 8,619,350 shares of common stock. Of this amount, 2,050,000 shares of restricted common stock were issued in exchange for services rendered; 6,569,350 shares of unrestricted common stock we reissued for cash received.

4. We have a contract with BlackBridge Capital for 7.5 million via a Regulation A Plus offering. The terms allow for the company to request and receive funds based on need and on average trading volume & average price in a ten day period.

Until the Regulation A + is approved by the SEC and funding, the company may need to create bridge financing that may include more debt conversions and long term notes such as with Apollo Capital.

5. WRFX intends amend its Articles of Incorporation and Corporate Bylaws to create various series of Anti-Dilutive Convertible Preferred Shares to protect its majority stakeholders. These securities will soon become available to the common shareholders. The mandate, moving forward, is to start reorganizing the limited debt on the balance sheet, so that the company is debt free. The next part of the plan is to enhance the Net Stock Holders Equity in the Company by acquiring profitable businesses and or assets, using the Convertible Preferred Stock as currency.

Brad Listermann, CEO of WorldFlix, Inc. says, "This new plan is absolutely necessary in order to attract large investments into WRFX. We will also be able to increase investor confidence, if we

commit ourselves to remove affiliate & non-affiliate debt, and build net stockholders equity on the balance sheet. This is a process that we are committed to forging ahead with, our resolve to complete those tasks is a function of effort, teamwork and time."

He further states, "We have hired a team of very qualified professionals that will implement this strategy and our mandate, moving forward, while we add credible accounting and legal representation to make good on this agenda. Additionally, WRFX will seek to have more of a transparent dialogue with its investors, as to the clarity of implementing those objectives. As we meet certain milestones, the investment community will be made more thoroughly aware through public disclosure and record." <http://finance.yahoo.com/news/worldflix-inc-wrfx-ceo-brad-120000278.html>

Each of the above securities offerings or transactions, or possible future transactions were made by officers and directors of the issuer and was not a registered offering. The offerings relied upon an exemption under Regulation S or Rule 4(2) of the Securities Act of 1933, as amended. The shares in these offerings or transactions were restricted (i.e., not freely tradable), where indicated above; and the certificates evidencing such shares contained a legend (1) stating that the shares have not been registered under the Securities Act of 1933, as amended, and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act of 1933, as amended.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The Company's unaudited financial statements, for its Year Ended December 31, 2016, and are attached hereto and incorporated herein as part of the Company's Interim Report, and filed herewith at the end of this report.

The financial statements requested pursuant to this item were prepared in accordance with US GAAP by persons with sufficient financial skills.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. Description of the issuer's business operations;

Company Overview

The WORLDFLIX FAMILY OF COMPANIES consists of:

1. APP FARM- finding and growing App software for mobile and tablet devices. Apps are a multi-billion dollar industry growing at an incredible rate. App Farm understands the importance of profitable apps, which is why the company plans to acquire various profitable mobile apps through acquisition (buying them outright) or through our contests to find the best new Apps. Seeking APPs of all types: <http://appfarm.launchrock.com/>

APP FARM is currently developing two software programs, used in the mobile app industry;

1. Drobbits

Drobbits is a browser based game creator that requires no coding skills at all. Just sign up and start using Drobbits with any of the modern web browsers. Work at home or on the go with almost any device from PCs to mobile phones.

Drobbits features a familiar windowed interface where you drag and drop elements and commands to build your game. Make a game and publish it with a click of a button across all major mobile and desktop platforms plus the web.

2. Swantry

Swantry, a development of App Farm, which is a wholly owned subsidiary of WorldFlix, Inc. (OTC: WRFX), is an innovative, ultra-secure, enhanced encryption, mobile security app that could help combat cyberbullying for parents and children.

According to a recent survey, 42% of children have been cyber bullied and 35% have been threatened online. Because peer approval is so important to kids, frequently the situation will continue to deteriorate without ever being reported, resulting in damaging consequences. This is where WRFX may find a niche market demand for an app that can help prevent and catch cyber bullying before it gets too far.

SWANTRY is a "Launcher," which means, it takes over the phone and all other apps and software that control location, data transfer and communication, are forced to run through it.

The app is designed to operate on a foundation of trust and dialogue, children are enabled to discover and utilize digital services and smart devices responsibly, while incorporating revolutionary military-grade technology that provides a level of security unparalleled in the industry.

SWANTRY was developed in response to the dangers children face in today's world. This disruptive technology is going to be a "Must Have" for all concerned parents and monitors throughout the world. The Company has currently been in beta testing mode, and now may be ready to announcement movement forward on launching this app sometime by start of upcoming school season setting the stage for an interesting September for traders.

Swantry's Primary Features Include:

- 1. Safe socialization:** Set a list of trusted contacts together with your child and you don't need to worry about who they chat with or who can contact them. Children's privacy is Swantry's top priority, so parents naturally can't see the messages between their children and their trusted friends.
- 2. Limit app usage:** Set a variation of time limits for the respective apps, and block certain apps completely. You can also set different time profiles, which means there's no playing when it's time for homework or bedtime.
- 3. Internet filter:** featuring a spectrum of powerful Parental Control filters for the Internet. Based on the age of your child, if required, web-browsing can be blocked completely.
- 4. Chats:** This capability enables group chats with the potential to incorporate the whole family, with video capability of up to 4 people.
- 5. Geo-fencing:** This indispensable feature enables the instant location of a missing device or child on a map, empowering parents to set boundaries for children where they can travel safely and how far they shouldn't go.
- 6. Curfew:** This traditional and important condition meets simplified accountability, as both the parent and the child can exercise notification options when the appointed time approaches.
- 7. Integrated Design:** Following installation, a device can be set on "Child mode" enabling children to utilize it freely. Swantry's safety nets deliver reassurance and peace of mind.

Swantry Teaser video:

<https://youtu.be/OtXxTMYI3v4>

Website: www.swantry.com

3. WORLDFLIX ENTERTAINMENT MANAGEMENT - WEM. WorldFlix Entertainment Management (WEM) understands we live in an 'Ideas World' where the Creative is at the very center of any film endeavor.

WEM is a global enterprise managing film artists' worldwide from India, North America, US and Europe as a result there are no boundaries. We are a collective forum of unique thinkers ranging from producers; directors; actors; writers; composers; director of photography; production designers; editors and costume designers we embrace inspired thought and pioneering movies.

WEM understands the international marketplace, having developed diverse projects in China, India, UAE, Scandinavia, Malaysian, US and North American markets. Therefore our belief system is simple: develop award winning and unique stories for a diverse international market place, packaging visionary award winning filmmakers with bankable foreign sales markets. As a result we are a film and television management agency dedicated to developing the careers of filmmaker's both in front and behind the camera.

As part of our company's foundation were are now acquiring and adapting literary properties and original published works for the big and small screen.

Based in Palm Springs and Los Angeles, California, WEM develops finances and produces feature films and television productions for both the domestic and the international marketplaces.

Another major component of WEM is to connect Hollywood with technology by partnering with technology clients and connecting Startups with Hollywood.

Website: <http://www.wem-group.co>

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(Unaudited)

B. Date and State (or Jurisdiction) of Incorporation:

WorldFlix, Inc. (WRFX) was originally incorporated under the laws of the State of Nevada on December 30th, 2006.

C. the issuer's primary and secondary SIC Codes;

**7375 - Information retrieval
Secondary SIC code is unknown**

D. the issuer's fiscal year end date;

December 31st

E. principal products or services, and their markets;

Technology and entertainment dynamically combined: See APP FARM, and WORLDFLIX WEM.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer. In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of Their leases.

The Company maintains a executive office address at: **777 E. Tahquitz Canyon Way, Suite 200-141, Palm Springs, CA 92262**, and additionally the Company has an additional leased office located in Palm Springs CA for Mr. Brad Listermann that contain approximately 500 square feet, for which the Company pays \$1,200 per month as part of remuneration to Brad Listermann.

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

WORLDFLIX INC.
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(Unaudited)

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Chief Executive Officer and Chairman: Brad Listermann

Directors: Sean Teague, Todd Myers, Derrick DeRoos, Kevin Mills as also Secretary.

Control Person: Mr. Brad Listermann holds 50,212,500 common shares representing and Zero shares of Class A Preferred.

Other holders over 5%:

Scott Eppinga	12.5% - 6,252 shares (.01%)
Derrick DeRoos	6.25% - 3,255 shares (0%)
Stacey DeRoos	6.25% - 3,000 shares (0%)

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated;

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

No

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C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Shareholder:	Ownership:	Address:
Brad Listermann	425,000,000	777. E. Tahquitz CY Way #200-141, PS, 92262
Scott Eppinga	12,500,000	1901 S. Sertoma Ave, Sious Falls, SD 57106

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Corporate Legal Counsel; - **No Change**

Name: Kevin Mills

Firm: Kaye and Mills

Address

Accountant or Auditor – No Changes

Name: **None**

Firm: **None**

Investor Relations Consultant – No Changes

WORLDFLIX INC.
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10) I Brad Listermann Certify:

1. I have reviewed this Interim Report of WorldFlix, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 30, 2017

/s/ Brad Listermann

Brad Listermann
Chief Executive Officer

WORLDFLIX INC.
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(Unaudited)

WORLDFLIX INC.				
CONSOLIDATED BALANCE SHEETS				
				30-Jun-17
ASSETS				
Current Assets				
		Cash		1,628
		Accounts Rec		7,451
		Total Checking/Savings		9,079
		Total Current Assets		9,079
Fixed Assets				
		IT Equipment		2,275
		Total Fixed Assets		2,275
TOTAL ASSETS				11,355
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
		Other Current Liabilities		
		Accounts Payable		8,486
		Notes payable		160,807
		Notes payable - related party		36,700
		Total Other Current Liabilities		205,993
		Total Current Liabilities		205,993
Long Term Liabilities				
		Subscriptions Payable		458,087
		Total Long Term Liabilities		458,087
		Total Liabilities		664,079
Equity				
		Additional paid in capital		1,430,752
		Common stock		69,584
		Retained earnings		-1,761,839
		Net Income		-391,222
		Total Equity		-652,725
TOTAL LIABILITIES & EQUITY				11,355

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WORLDFLIX INC.			
CONSOLIDATED STATEMENTS OF OPERATIONS			
			For the Period Ended June 30, 2017
	Income		
		REVENUES	0
	Total Income		0
Gross Profit			0
	Expense		
		Accounting	500
		Auto Expense	4,583
		Bank Service Charges	10,814
		Delivery & Freight	3,945
		General & Admin	211,871
		Internet & Cable	859
		Marketing	13,486
		Production Cost	6,200
		Consultancy	25,254
		Research & Development	33,721
		Telephone	1,983
		Loan and Receivables	17,748
		Travel	17,002
		Utilities & Entertainment	35,902
		Legal & Insurance	7,353
	Total Expense		391,222
Net Income			-391,222

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WORLDFLIX INC.				
CONSOLIDATED STATEMENT OF CASH FLOWS				
				For the Period Ended June 30, 2017
Cash flows from Operating Activities:				
	Net Income			-391,222
	Adjustments to reconcile Net Income			
	to net cash provided by operations:			
		Accumulated Depreciation		322
		Net cash provided by Operating Activities		-390,900
Cash flows from Investing Activities:				
	Notes payable			382,125
		Net cash provided by Investing Activities		382,125
		Net cash increase for period		-8,775
		Cash at beginning of period		10,403

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1. Organization and Formation

The Company has elected a calendar accounting period beginning on January 1st and ending on December 31st of each year.

2. Basis of Presentation

The accompanying financial statements have been prepared by us, without audit and in accordance with US GAAP. The balance sheet of WORLDFLIX, INC has been prepared on the accrual basis of accounting. Under this method, certain revenues are recognized when earned and certain expenses and purchases of assets are recognized when the obligation is incurred.

Use of Estimates:

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

Early adoption of FASB ASU 2014-10 - Development-Stage Companies:

In June 2014, the FASB issued ASU 2014-10, "Development Stage Entities". The amendments in this update remove the definition of a development stage entity from the Master Glossary of the ASC thereby removing the financial reporting distinction between development stage entities and other reporting entities from U.S. GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The amendments in this update are applied retrospectively. The Company elected early adoption of ASU 2014-10. The adoption of ASU 2014-10 removed the development stage entity financial reporting requirements from the Company.

Basis of Consolidation:

The consolidated financial statements include 100% of the assets, liabilities, revenues, expenses and cash flows of WORLDFLIX, INC. All intercompany accounts and transactions have been eliminated in consolidation. The results of subsidiaries acquired or disposed of during the respective periods are included in the consolidated statements of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Property and equipment:

Property and equipment are recorded at cost and depreciated under straight-line methods over each item's estimated useful life, generally seven years for furniture and fixtures and five years for office equipment.

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3. Going Concern

The financial statements at December 31, 2016 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of our business. As reflected in the accompanying financial statements, we had a net loss of \$214,848 for the Year Ended December 31, 2016. Also, as of December 31, 2016, we had very limited liquid and capital resources. We are currently highly dependent upon obtaining sufficient short and long term financing in order to continue running operations and there can be no guarantee that such financing will become available.

The foregoing factors raise substantial doubt about our ability to continue as a going concern. Ultimately, our ability to continue as a going concern is dependent upon our ability to attract new sources of capital, to attain a reasonable threshold of operating efficiency and achieve sustainable profitable operations. This cannot be guaranteed given the current lack of operating capital. The financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. Given our lack of operating capital and current

Inability to issue additional shares, no guarantee can be given that we will reach any successful conclusion with debt holders.

4. Convertible Promissory Notes

Debt Schedule:

As of December 31, 2016 we had (taking into consideration the calculation of debt discounts).

The following table sets forth the summary schedule of the cash payments required to be made by us, broken down by the type of loan :

Notes Payable: WorldFlix as of December 31, 2016

1. In 2008, the Company entered into two loan agreements with Cesilie Klaeboe for \$10,000 and \$17,000, respectively.
2. In 2010, the Company entered into a loan with Joann Deichman for \$20,000.
3. In 2012, the Company entered into a loan with Joann Deichman for \$5,000.
4. In 2012, the Company entered into a consulting agreement & note for \$40,000 with Todd Myers.

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5. Nov 3rd 2014 the company entered into an installment promissory Note in the amount of \$15,000. The note is in lieu of a marketing consulting agreement with Jaymee Swain. The note was purchased by Apollo Capital Corp on Nov 24th 2015 and Amended and restated by the company.
6. In 2014, the Company entered into a consulting agreement with Tareef Talala, for \$19,680.
7. In August 2015, the Company entered into a consulting agreement with B&K Enterprise of Santa Rosa, for \$12,000 with interest of 10% annually thereon, due on before August 15, 2016.
8. On Oct 9th 2015 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$25,000 the note carries an interest rate of 12%
9. On Oct 28th 2015 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$10,000 the note carries an interest rate of 12%
10. On Dec 22nd 2015 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$12,500 the note carries an interest rate of 12%
11. On Nov 3rd 2014 the company entered into an installment promissory Note in the amount of \$15,000. The note is in lieu of a marketing consulting agreement balance due with Jaymee Swain. The note was purchased by Apollo Capital Corp on Nov 24th 2015 and Amended and restated by the company.
12. On Oct 9th 2015 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$25,000 the note carries an interest rate of 12%
13. On Oct 28th 2015 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$10,000 the note carries an interest rate of 12%
14. On Dec 22nd 2015 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$12,500 the note carries an interest rate of 12%
15. On Jan 12th 2016 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$15,000 the note carries an interest rate of 12%
16. On Feb 9th 2016 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$10,000 the note carries an interest rate of 12%
17. On Feb 25th 2016 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$35,000 the note carries an interest rate of 12%
18. On April 13, 2016 the Company entered into a convertible promissory note with Apollo capital Corp in the amount of \$76,900 the note carries an interest rate of 12%

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19. On October 19, 2016 the Company entered into a convertible promissory note (Amendment) with Apollo capital Corp in the amount of \$29,050 the note carries an interest rate of 12%
20. Company entered into a securities purchase agreement with Blackbridge Capital, LLC. As part of the securities purchase agreement the Company issued a Commitment Fee of a Convertible Promissory Note in the amount of \$200,000. The convertible promissory note accrues interest at 5% per annum. The note may be converted into common stock of the Company at a 20% discount to the lowest trading price of the Company's common stock for the preceding twenty trading days.

5. Stockholder's Equity

Common Shares:

On October 7, 2015, the Company increased the authorized number of shares from 100,000,000 to 950,000,000. At the same time, they issued Mr. Listermann 400,000,000 shares.

As of September 30, 2015, 100,000,000 of common stock, par value \$0.001 per share, were authorized and 69,583,500 were issued and outstanding. There is no special voting or economic rights or privileges. Each share of common stock in the Company has full voting rights and privileges, is non-assessable, has the same rights and privileges, is not subject to the payment of corporate debts, is not entitled to preemptive rights, and is entitled to one non-cumulative vote per share on all matters on which shareholders may vote. The holders of the common stock have equal ratable rights to dividends from funds legally available, if and when declared by the Board of Directors.

During the twelve months ended December 31, 2013, the Company issued a total of 8,619,350 shares of Common stock. Of this amount, 2,050,000 shares of restricted common stock were issued in exchange for Services rendered; 6,569,350 shares of unrestricted common stock were issued for cash received.

Preferred Shares:

As of October 7, 2015, 20,000,000 of preferred stock, par value \$0.001 per share, were authorized. The Stock has been designated to Mr. Brad Listermann.

6. Earnings (Loss) Per Share

We report Basic and Diluted Earnings per Share (EPS) as follows: Basic EPS is computed as net income (loss) divided by the weighted average number of common shares outstanding for the period. Diluted EPS

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reflects the potential dilution that could occur from common shares issuable through stock options, warrants and other convertible securities. Common equivalent shares are excluded from the computation of net loss per share if their effect is anti-dilutive.

7. Commitments and Contingencies

Litigation

The Company is not currently involved in any litigation that it believes could have a material adverse effect on its financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of the Company or any of its subsidiaries, threatened against or affecting the Company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Subsequent Important Events

1. In August 2016 the Company converted \$25,000 of Debt, related to Joann Deichman.
2. The results of ongoing and lengthy negotiations and contract changes with our Finland partners has resulted in the following disclosure: The group consisting of WorldFlix, Lauri Tunnela and Johannes Maliranta (Finnish Partners) formed an agreement to be part of the coming LLC (to be Named at a later date and to be managed by WorldFlix). The goal of the group was to continue to make proprietary apps and software that specialize in security and privacy with emphasis on prevention of hacking and security breaches. Additionally, the group will continue to develop and launch SWANTRY (launcher app) and Drobbits (Cloud Based, Game platform) and are developing additional technologies for future apps. WorldFlix is providing the main financing of the development and launching while the Finnish Partners provide technology and graphical design. The Finish Partners have agreed to bring all new technologies and ideas to WorldFlix for possible development. The Finnish partners may also be compensated in shares of stock in WorldFlix to be determined at a later date.

SOME APPS/SOFTWARE, SUCH AS SWANTRY AND DROBBITS, ARE A PARTNERSHIP WITH OUR FINNISH PARTNERS WHERE-IN THE PROFITS AND INTELLECTUAL PROPERTY ARE SPLIT 50/50, WHILE THE MANAGEMENT CONTROL STAYS WITH WORLDFLIX [under WorldFlix's 51% controlling ownership interest](#).