

WHAM INC.

Consolidated Financial Statements

December 31st 2016

WHAM INC.  
Consolidated Balance Sheet  
December 31, 2016

**ASSETS**

**Current Assets**

|                             |                 |
|-----------------------------|-----------------|
| Cash                        | \$ 4,606.27     |
| Other Receivables           | 2,068.98        |
| Towers Receivables – Note 5 | 64,000.00       |
| Other Current Assets        | <u>6,772.00</u> |

Total Current Assets 77,447.25

**Property and Equipment**

|                                       |                   |
|---------------------------------------|-------------------|
| Equipment                             | 856.00            |
| Automobiles                           | 38,295.11         |
| Accumulation Depreciation – Equipment | (774.24)          |
| Accumulation Depreciation - Autos     | <u>(2,064.65)</u> |

Total Property and Equipment 36,312.22

**Other Assets**

|                                 |                   |
|---------------------------------|-------------------|
| Investment in Stock - Note 1    | 250,000.00        |
| Investment in Software - Note 2 | <u>226,807.67</u> |
| Total Other Assets              | <u>476,807.67</u> |

**Total Assets** **\$ 590,567.14**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

|                           |                     |
|---------------------------|---------------------|
| Other Current Liabilities | <u>\$ 39,346.79</u> |
|---------------------------|---------------------|

Total Current Liabilities 39,346.79

**Long Term Liabilities**

|                             |                  |
|-----------------------------|------------------|
| Shareholder Loans           | <u>96,576.97</u> |
| Total Long Term Liabilities | <u>96,576.97</u> |
| Total Liabilities           | 135,923.76       |

**Capital**

|                       |                   |
|-----------------------|-------------------|
| Common Stock - Note 3 | 891,946.70        |
| Retained earnings     | (148,493.03)      |
| Net Income            | (288,810.29)      |
| Total Capital         | <u>454,643.38</u> |

**Total Liabilities & Capital** **\$ 590,567.14**

Unaudited - For Management Purposes Only

WHAM INC.  
Consolidated Income Statement  
For the Twelve Months Ended December 31, 2016

|                                | Current Month         |        | Year to Date           | %       |
|--------------------------------|-----------------------|--------|------------------------|---------|
| <b>Revenues</b>                |                       |        |                        |         |
| Other Regular Income           | \$ <u>301,386.94</u>  | 100.00 | \$ <u>898,783.44</u>   | 100.00  |
| Total Revenues                 | <u>301,386.94</u>     | 100.00 | <u>898,783.44</u>      | 100.00  |
| <b>Cost of Sales</b>           |                       |        |                        |         |
| Cost of Sales                  | <u>256,472.00</u>     | 85.10  | <u>654,874.40</u>      | 72.86   |
| Total Cost of Sales            | <u>256,472.00</u>     | 85.10  | <u>654,874.40</u>      | 72.86   |
| <b>Gross Profit</b>            | <u>44,914.94</u>      | 14.90  | <u>243,909.04</u>      | 27.14   |
| <b>Expenses</b>                |                       |        |                        |         |
| Bad Debt Expense               | 15,000.00             | 4.98   | 205,312.42             | 22.84   |
| Bank Charges                   | 383.27                | 0.13   | 2,361.72               | 0.26    |
| Computer Systems               | 1,655.91              | 0.55   | 7,650.90               | 0.85    |
| Corporate fee & other taxes    | 11,921.87             | 3.96   | 25,593.55              | 2.85    |
| Depreciation Expense           | 774.24                | 0.26   | 3,712.42               | 0.41    |
| Insurance Expense              | 3,648.84              | 1.21   | 13,165.56              | 1.46    |
| Legal & Professional Expense   | 10,673.59             | 3.54   | 64,413.06              | 7.17    |
| Marketing Expense              | 842.90                | 0.28   | 11,558.41              | 1.29    |
| Miscellaneous Expense          | 9,664.78              | 3.21   | 29,131.91              | 3.24    |
| Miscellaneous Expense – Towers | 0.00                  | 0.00   | 4,804.00               | 0.53    |
| Office Expense                 | 1,292.67              | 0.43   | 5,332.19               | 0.59    |
| Rent or Lease Expense          | 4,966.28              | 1.65   | 6,366.28               | 0.71    |
| Telephone Expense              | 675.30                | 0.22   | 2,783.85               | 0.31    |
| Travel Expense                 | 0.00                  | 0.00   | 289.20                 | 0.03    |
| Vehicle Expense                | 3,622.13              | 1.20   | 12,721.47              | 1.42    |
| Wages Expense                  | <u>77,782.39</u>      | 25.81  | <u>137,522.39</u>      | 15.30   |
| Total Expense                  | <u>142,904.17</u>     | 47.42  | <u>532,719.33</u>      | 59.27   |
| <b>Net Income</b>              | \$ <u>(97,989.23)</u> | 32.51  | \$ <u>(288,810.29)</u> | (32.13) |

Unaudited - For Management Purposes Only

WHAM INC.  
Consolidated Statement of Cash Flow  
For the Twelve Months Ended December 31, 2016

|  | Current Month         | Year to Date         |
|--|-----------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>                                      |                       |                      |
| Net Income   | \$ (97,989.23)        | \$ (288,810.29)      |
| Adjustments to reconcile net income to net cash provided by operating activities |                       |                      |
| Accumulation Depreciation – Equipment  | 774.24                | 774.24               |
| Accumulation Depreciation – Autos  | 0.00                  | 2,064.65             |
| Other Receivables  | (783.06)              | (2,068.98)           |
| Towers Receivables – Note 5  | 0.00                  | (64,000.00)          |
| Notes Receivable – Note 4  | 0.00                  | 190,312.42           |
| Other Current Assets   | (6,772.00)            | (6,772.00)           |
| Other Current Liabilities  | <u>(7,617.75)</u>     | <u>39,346.79</u>     |
| Total Adjustments  | <u>(14,398.57)</u>    | <u>159,657.12</u>    |
| Net Cash provided by Operations  | <u>(112,387.80)</u>   | <u>(129,153.17)</u>  |
| <b>Cash Flow from investing activities</b>                                       |                       |                      |
| Used For   |                       |                      |
| Equipment  | (856.00)              | (856.00)             |
| Automobiles  | 0.00                  | (38,295.11)          |
| Bad Debt – Note 6  | 0.00                  | (12,399.01)          |
| Investment in Software – Note 2  | (3,229.93)            | (47,949.67)          |
| Net cash used in investing   | <u>(4,085.93)</u>     | <u>(99,499.79)</u>   |
| <b>Cash Flow from financing activities</b>                                       |                       |                      |
| Proceeds From  |                       |                      |
| Shareholder Loans  | 22,399.75             | 48,427.09            |
| Common Stock – Note 3  | 0.00                  | 185,159.25           |
| Used For   |                       |                      |
| Common Stock – Note 3  | <u>(2,046.32)</u>     | <u>(2,046.32)</u>    |
| Net cash used in financing   | <u>20,353.43</u>      | <u>231,540.02</u>    |
| Net increase <decrease> in cash  | <u>\$ (96,120.30)</u> | <u>\$ 2,887.06</u>   |
| <b>Summary</b>   |                       |                      |
| Cash Balance at End of Period  | \$ 4,606.27           | \$ 4,606.27          |
| Cash Balance at Beg of Period  | <u>(85,726.57)</u>    | <u>(7,296.74)</u>    |
| Net Increase <Decrease> in Cash  | <u>\$ (81,120.30)</u> | <u>\$ (2,690.47)</u> |

Unaudited – For Management Purposes Only



WHAM INC.  
Notes to Consolidated Financial Statements  
December 31, 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 or marketable product and in 2015 the engagement with them was rescinded. Currently, the company is unable to value its original capital investment other than by cost due to not having all the requested documents. The investment in Stock is noted on page 8-9 of the company's Informational Disclosure Statement located on the OTCMarkets at <http://www.otcmarkets.com/stock/WFMC/filings>.
2. Investment in Software – The Company began developing its own mobile encryption application, beta name WhamSecure, and is currently available for beta testing in the Google Play Store. Research and development is underway for the application, and as the company moves forward it will keep the market abreast on all new developments. Further information regarding WhamSecure is noted on pages 8-10 of the company's Informational Disclosure Statement located on the OTCMarkets at <http://www.otcmarkets.com/stock/WFMC/filings>.
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. At this point, these funds have been classified as Notes Receivables, having established the amount owing totaling \$190,312.40. This write off has created the loss on the interim financial statement as of 12/31/16.
5. Towers Receivables - These notes represent a total of \$64,000.00 that was invested into the companies purchased with the February 2nd 2016 acquisition agreement between WHAM INC. and the New York Post Publishing, Inc. On November 2nd 2016 the said agreement was rescinded in its entirety, and at this point, these investment funds are being classified as Towers Receivables. Further information is noted on pages 6 and 14 of the Company's Information and Disclosure Statement located on the OTCMarkets at <http://www.otcmarkets.com/stock/WFMC/filings>.
6. Bad Debt – In prior periods, the company invested a total of \$15,000, together with the issuance of restricted stock into previous companies. At this point, the company has classified these funds as bad debt and is writing off this investment.