

# **WORLD MEDIA & TECHNOLOGY CORP.**

**A Nevada Corporation Listed on the OTC Pink Market**  
Current Trading Symbol: WRMT.PK

CUSIP Number: 98149J 104

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## **Annual Report** **For the Twelve Months Ended** **December 31, 2016 and 2015**

**Including Financial Statements and Disclosures**  
**Prescribed by OTC Pink Market for**  
**Alternative Reporting Standards.**

**Filed on May 9, 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.

**World Media & Technology Corp. (December 22, 2014 – present)**  
**Halton Universal Brands, Inc. (May 2014 – December 21, 2014)**

### 2) Address of the issuer's principal executive offices

#### Company Headquarters:

Address 1: 600 Brickell Ave., Suite 1775  
Miami, FL 33131

Phone:

Email: Info@worldmediatech.com

Website(s): www.worldmediatech.com

### 3) Security Information

Trading Symbol: Pinksheets: WRMT

Exact title and class of securities outstanding:

#### Common Stock:

CUSIP: 98149J 104

Par or Stated Value: \$0.001

Total shares authorized: 75,000,000 as of: December 31, 2016

Total shares outstanding: 28,581,000 as of: December 31, 2016

#### Preferred Stock:

Par or Stated Value: \$0.001

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

Total shares outstanding: 0 as of: December 31, 2016

#### Transfer Agent

Name: **ClearTrust, LLC**  
Address 1: 16540 Pointe Village Dr., # 206  
Address 2: Lutz, FL 33558  
Address 3:  
Phone: 813-235-4490  
Web: www.cleartrustonline.com

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.

**During the twelve months ended December 31, 2016, the Company did not issue any shares.**

**During the year ended December 31, 2015, the Company issued a total of 13,361,000 shares of restricted common stock, consisting of the following: On March 25, 2015, the Company sold 12,000,000 shares of the Company's common stock to Mr. Fabio Galdi, the Company's Chief Executive Officer, for \$3,000,000 or \$0.25 per share; On March 31, 2015, the Company issued 1,361,000 shares of the Company's common stock, valued at \$680,500 based on the \$0.50 per share closing price on March 30, 2015, to Anch Holdings, Ltd.**

**During the period from May 2014 (Inception) ended December 31, 2014, the Company issued a total of 8,000,000 shares of its common stock at \$0.25 per share for \$2,000,000 to Power Clouds Inc., the Company's former parent company.**

**Each of the above securities offerings or transactions was 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 financial statements were prepared by outside consultants with sufficient expertise for its twelve months ended December 31, 2016 and 2015, and are attached hereto and incorporated herein as part of the Company's Annual 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. a description of the issuer's business operations;

**World Media & Technology Corp. is a Life Sensing Technology leader, an innovative, connected, wearable device designer and a human, Big Data global provider. It licenses its technologies, designs and brands to approved third parties, who manufacture for its exclusive distribution partner, Wor(l)d Global Network.**

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

**World Media & Technology Corp. (WRMT) was originally incorporated on October 22, 2010 in the State of Nevada.**

**Effective October 29, 2014:**

- 1) Power Clouds Inc. (formerly World Assurance Group, Inc.) (“PWCL”) acquired 7,095,000 shares of WRMT, representing 98% of WRMT’s issued and outstanding share capital, for cash consideration of \$378,000,**
- 2) WRMT discontinued its previously existing brokerage and brand consultancy business, and**
- 3) WRMT acquired the SPACE technology business and related assets from PWCL for consideration of \$557,898 funded by way of debt from PWCL (collectively “the October 29, 2014 transactions”).**

**We accounted for the October 29, 2014 transactions as a reverse merger of PWCL’s SPACE technology business and related assets into WRMT. This reverse merger was accounted for as a reverse capitalization with PWCL’s SPACE technology business, the legally acquired business, being treated as the acquirer of WRMT for accounting and financial reporting purposes. Consequently, the accompanying financial statements reflect the operations of PWCL’s SPACE technology business since Inception (May 2014) and for WRMT for effective date of the reverse merger on October 29, 2014. The purchase of 7,095,000 shares of WRMT by PWCL was retroactively presented in the Statement of Changes in Stockholders’ Deficit and the footnotes to these financial statements to effective as on the date of the inception of PWCL’s SPACE technology business.**

**PWCL’s SPACE technology business were originally formed in May 2014 (“Inception”) as a business division of PWCL to undertake the design, manufacturing and marketing of wearable technology products and services and the provision of Mobile Virtual Network Operator (“MVNO”) wireless services.**

**In November 2014, the board of directors and majority stockholder, PWCL, authorized a name change of the Company from Halton Universal Brands, Inc. to World Media & Technology Corp. The name change went effective with FINRA on December 22, 2014 and the ticker was changed to WRMT as a result of the name change.**

**On March 5, 2015, WRMT incorporated Space Wireless Corp. in Florida, a wholly owned subsidiary of WRMT.**

**In October of 2015, PWCL distributed 14,021,122 of the 15,095,000 shares of WRMT’s common stock held by PWCL, the Company’s former parent company and former majority shareholder. PWCL Shareholders received one (1) share of WRMT common stock for every six (6) PWCL shares of common stock held as of the record date, which was October 1, 2015. In December of 2016, PWCL transferred its remaining 1,073,878 shares of WRMT common stock to World Global Cash Pte. Ltd., a Singapore company owned and controlled by our CEO, Fabio Galdi.**

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

**3571**

D. the issuer’s fiscal year end date;

**December 31<sup>st</sup>**

E. principal products or services, and their markets;

**World Media & Technology Corp. designs and sells connected, next-generation, innovative wearable devices and mobile products.**

## 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 subleases office space for its operations from World Global Network Corp. (formerly named World Global Group, Inc.) on a month-to-month basis; its office is located at 600 Brickell Ave., Suite 1775, Miami, Florida 33131.**

## 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.

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, President, Secretary and Chairman:**

**Fabio Galdi**

**Chief Financial Officer and Director:**

**Alfonso Galdi**

**Director:**

**Alessandro Senatore**

**Control Persons:**

**Fabio Galdi**

**Anch Holdings Ltd.**

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; or

**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**

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.

**Fabio Galdi**

**Ownership:** Fabio Galdi owns 22,048,157 common shares directly, and 100 shares of Series A Super Voting Preferred Stock held directly, as well as 2,240,545 common shares held by World Global Cash Pte. Ltd., which is controlled indirectly through Mr. Galdi's ownership and dispositive voting and investment control.

**Address:** 600 Brickell Ave., Suite 1775, Miami, Florida 33131

**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:

**Accountant or Auditor**

Firm: Pritchett, Siler & Hardy PC  
Address 1: 1438 North Highway 89, Suite 130,  
Address 2: Farmington, UT 84025  
Phone: +1 801.328.2727  
Email: [info@pinncpas.com](mailto:info@pinncpas.com)

**Other Advisor:** Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: Tali Durant  
Firm: DART Business Services, LLC  
Address 1: 16192 Coastal Highway  
Address 2: Lewes, DE 19958  
Email: [tali@dart-services.com](mailto:tali@dart-services.com)

**10)** I, Fabio Galdi, certify that:

1. I have reviewed this Annual Report of World Media & Technology Corp.;
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.

May 9 2017

/s/ Fabio Galdi

Fabio Galdi

Chief Executive Officer and Chairman of the Board

I, Alfonso Galdi, certify that:

1. I have reviewed this Annual Report of World Media & Technology Corp.;
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.

May 9, 2017

/s/ Alfonso Galdi

Alfonso Galdi

Chief Financial Officer and Director



**WORLD MEDIA & TECHNOLOGY CORP.  
AND SUBSIDIARY**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE TWELVE MONTHS ENDED  
DECEMBER 31, 2016 and 2015**

*wor(l)d*<sup>TM</sup>

—  — *Life Sensing Technology* —

## **WORLD MEDIA & TECHNOLOGY CORP.**

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**WORLD MEDIA & TECHNOLOGY CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited) Restated
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 29,114	\$ 379,955
Accounts receivable	400,000	473,191
Deposits with suppliers	-	98,131
Inventory	-	22,200
Current Assets	429,114	973,477
Amounts due from related parties	444,590	405,198
<b>Total Assets</b>	<b>\$873,703</b>	<b>\$1,378,674</b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u></b>		
<b>Current Liabilities</b>		
Accounts payable and Accrued Liabilities	(10,340)	(1,154)
Total current liabilities	(10,340)	(1,154)
<b>Stockholders' Equity (Deficit)</b>		
Net Common stock, \$0.001 par value; 75,000,000 shares authorized, 28,581,000 shares issued and outstanding as of December 31, 2016 and December 31, 2015.	28,581	28,581
Additional paid in capital	5,651,973	5,651,973
Accumulated (deficit)	(4,796,511)	(4,300,726)
<b>Total Shareholders' Equity (Deficit)</b>	<b>884,043</b>	<b>1,379,828</b>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b>\$873,703</b>	<b>\$1,378,674</b>

See accompanying notes to the financial statements

**WORLD MEDIA & TECHNOLOGY CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Twelve months ending	
	December 31, 2016	December 31, 2015 (Restated)
<b>Revenues</b>		
Products - third party	\$1,185,024	\$348,013
Products - related party	467,640	912,750
Services - third party	219,545	409,365
Licence Fees - third party	400,000	-
<b>TOTAL REVENUES</b>	<b>\$2,272,209</b>	<b>\$1,670,128</b>
<b>Cost of goods sold</b>		
Products - third party	955,262	295,411
Products - related party	456,303	893,389
Services - third party	79,320	451,155
Other	2,802	57,000
<b>Total cost of goods sold</b>	<b>\$1,493,687</b>	<b>\$1,696,955</b>
<b>Gross profit / (loss)</b>	<b>\$778,522</b>	<b>\$(26,827)</b>
<b>Operating expenses:</b>		
Management fees – related party	-	360,000
Sales and general administrative	409,746	508,910
Research & development expenses	852,408	1,401,025
Total operating expenses	1,262,154	2,269,935
<b>Net Operating (Loss)</b>	<b>(483,632)</b>	<b>(2,296,761)</b>
Gain / (Loss) on exchange rate	(12,153)	-
Interest Income	-	10,679
Income (Loss) on equity investments	-	(52,323)
Impairment of Equity Investments	-	(1,376,208)
<b>Net loss</b>	<b>\$(495,785)</b>	<b>\$(3,714,614)</b>
Weighted average shares outstanding	28,581,000	25,520,373
<b>Net loss per share - Basic and fully diluted</b>	<b>(0.02)</b>	<b>(0.15)</b>

See accompanying notes to the financial statements

# WORLD MEDIA & TECHNOLOGY CORP.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT) (Unaudited)

	Common stock issued		Additional paid in Capital	Subscription due from Parent	Accumulated Surplus (deficit)	Total
	Shares	Amount				
<b>Balance at December 31, 2014</b>	<b>15,220,000</b>	<b>\$15,220</b>	<b>\$1,984,834</b>	<b>\$(2,000,000)</b>	<b>\$(586,112)</b>	<b>\$(586,058)</b>
Shares issued for cash	12,000,000	12,000	2,988,000			3,000,000
Cash received from parent for subscription due				2,000,000		2,000,000
Shares issued as partial consideration for equity investment in Paynovi Limited	1,361,000	1,361	679,139			680,500
Net loss for period					(3,714,614)	(3,714,614)
<b>Balance at December 31, 2015</b>	<b>28,581,000</b>	<b>\$28,581</b>	<b>\$5,651,973</b>	<b>\$ -</b>	<b>\$(4,300,726)</b>	<b>\$1,379,828</b>
Net loss for period					(495,785)	(495,785)
<b>Balance at December 31, 2016</b>	<b>28,581,000</b>	<b>\$28,581</b>	<b>\$5,651,973</b>	<b>\$ -</b>	<b>\$(4,796,511)</b>	<b>\$884,043</b>

See accompanying notes to the financial statements

# WORLD MEDIA & TECHNOLOGY CORP.

## CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	For the Twelve Months Ended	
	December 31, 2016	December 31, 2015 (Restated)
<b>Cash Flows from Operating Activities:</b>		
Net profit (loss) for the period	\$ (495,785)	\$ (3,714,614)
<i>Adjustments to reconcile net loss to net cash used in operations</i>		
Loss on equity investments	-	52,323
Impairment of equity investments	-	1,376,208
<i>Changes in assets and liabilities, net of acquisition and disposals:</i>		
Deposit paid to suppliers	98,131	242,095
Accounts receivable	73,191	(473,191)
Inventory	22,200	(22,200)
Accounts payable & accrued liabilities	(9,186)	2,104
<b>Net cash used from operating activities</b>	<b>(311,449)</b>	<b>(2,537,275)</b>
<b>Cash Flows from Investing Activities:</b>		
Cash assumed from reverse merger with HNVB	-	54
<b>Net cash used in investing activities</b>	<b>-</b>	<b>54</b>
<b>Cash Flows From Financing Activities:</b>		
Net amounts advanced to related parties	(39,392)	(2,082,878)
Cash received from parent for subscription due	-	2,000,000
Cash received for the issuance of shares	-	3,000,000
<b>Net cash provided by financing activities</b>	<b>(39,392)</b>	<b>2,917,122</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(350,841)</b>	<b>379,901</b>
Cash and cash equivalents, beginning of the period	379,955	54
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 29,114</b>	<b>\$ 379,955</b>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

See accompanying notes to the financial statements

## **WORLD MEDIA & TECHNOLOGY CORP.**

### **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2016 AND 2015 (Unaudited)**

#### **Note 1 – Organization and Operations**

World Media & Technology Corp. (“the Company”, “WRMT”, “we”, “us” or “our”) was incorporated under the laws of the State of Nevada on October 22, 2010 under the name Halton Universal Brands Inc. (“HNVB”). The Company was originally a brokerage, consulting and marketing firm specializing in brand consulting and new product strategy consulting for emerging brands. The Company focused on natural food products, specialty food products, and mass-market grocery items that were manufactured in North America and sought new market penetration in Eastern Europe. It offered services that fell into three major categories: strategic management consulting, sales brokerage, and marketing. Its main areas of focus were serving manufacturers and distributors in the grocery, specialty food, and health supplement channels.

Effective October 29, 2014:

- 1) Power Clouds Inc. (formerly World Assurance Group, Inc.) (“PWCL”) acquired 7,095,000 shares of World Media & Technology Corp. (formerly Halton Universal Brands Inc.) (“WRMT”), representing 98% of WRMT’s issued and outstanding share capital, for cash consideration of \$378,000,
- 2) WRMT discontinued its previously existing brokerage and brand consultancy business, and
- 3) WRMT acquired the SPACE technology business and related assets from PWCL for consideration of \$557,898 funded by way of debt from PWCL (collectively “the October 29, 2014 transactions”).

We have accounted for the October 29, 2014 transactions as a reverse merger of PWCL’s SPACE technology business and related assets into WRMT. This reverse merger has been accounted for as a reverse capitalization with PWCL’s SPACE technology business, the legally acquired business, being treated as the acquirer of WRMT for accounting and financial reporting purposes. Consequently, the accompanying consolidated financial statements reflect the operations of PWCL’s SPACE technology business since Inception (May 2014) and for WRMT from the effective date of the reverse merger on October 29, 2014. The purchase of 7,095,000 shares of WRMT by PWCL has been retroactively presented in the Statement of Changes in Stockholders’ Equity (Deficit) and the footnotes to these consolidated financial statements to be effective as of the date of the inception of PWCL’s SPACE technology business.

PWCL’s SPACE technology business was originally formed in May 2014 (“Inception”) as a business division of PWCL to undertake the design, manufacturing and marketing of wearable technology products and services and the provision of Mobile Virtual Network Operator (“MVNO”) wireless services.

In November 2014, the board of directors and a majority of the stockholders authorized a name change of the Company from Halton Universal Brands, Inc. to World Media & Technology Corp. The name change

went effective with FINRA on December 22, 2014 and the ticker was changed to WRMT as a result of the name change.

On March 5, 2015, WRMT incorporated Space Wireless Corp. in Florida, a wholly owned subsidiary of WRMT.

In October of 2015, PWCL distributed 14,021,122 of the 15,095,000 shares of WRMT's common stock held by PWCL, the Company's former parent company and former majority shareholder. PWCL Shareholders received one (1) share of WRMT common stock for every six (6) PWCL shares of common stock held as of the record date, which was October 1, 2015.

In December of 2016, PWCL transferred its remaining 1,073,878 shares of WRMT common stock to World Global Cash Pte. Ltd., a Singapore company owned and controlled by our CEO, Fabio Galdi.

#### *Investment in PayNovi Ltd.*

On March 30, 2015, the Company entered into a Common Stock Purchase Agreement (the "SPA") by and among PWCL, PayNovi Ltd., an Irish limited liability company (the "PayNovi") and Anch Holdings Ltd., an Irish limited liability company (the "Seller"). Pursuant to the terms of the SPA, the Seller agreed to sell to the Company, and the Company agreed to purchase from the Seller, 350 shares of PayNovi's common stock, which represents 35% of PayNovi's total issued and outstanding shares as of the Closing Date, for a Purchase Price consisting of 1,361,000 shares of WRMT's common stock, which represents 5% of WRMT's total issued and outstanding shares as of the Closing Date, and 3,937,005 shares of PWCL's common stock, which represents 5% of PWCL's total issued and outstanding shares of the Closing Date, being issued to the Seller.

Paynovi operates in the mobile and online payments market and offers products such as mobile wallet, prepaid cards and online payment programs, as a white label, to its partners. WRMT has taken a minority shareholding in Paynovi to gain a strategic position in the mobile payments space but also as a part of a strategy to ultimately offer mobile wallet capabilities as part its SPACE wireless offerings in order to gain a competitive advantage over other providers.

We are accounting for this investment under the equity method as we own 35% of PayNovi and exercise significant influence over the company.

On September 30, 2015 the Company took an impairment charge of \$1,376,208 to reduce the carrying value of this investment to zero based on the losses incurred by the PayNovi business during the nine months since the investment and the limited activities of PayNovi current business operations.

## **Note 2 – Summary of Significant Accounting Policies**

### *Basis of Presentation*

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### *Basis of consolidation*

The consolidated financial statements for the twelve months ended December 31, 2016 and 2015 include 100% of the assets, liabilities, revenues, expenses and cash flows of World Media & Technology Corp. The



Company also consolidated the financial statements of its wholly owned operating subsidiary Space Wireless 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.

#### Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period.

The Company's significant estimates and assumptions include the fair value of financial instruments; income tax rate, income tax provision and valuation allowance of deferred tax assets; and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

#### Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less to be cash and cash equivalents.

#### Fair value of financial instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements.

To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1 that are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable and accrued expenses, approximate their fair value because of the short maturity of those instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not however practical to determine the fair value of advances from stockholders, if any, due to their related party nature.

*Investment in partnerships, unincorporated joint ventures or limited liability companies*

The Company follows subtopic 323-30 of the FASB Accounting Standards Codification for investments in partnerships, unincorporated joint ventures or limited liability companies.

The Company uses the equity method of accounting for investments in associate companies. An associate is an entity over which the investor has significant influence by owning over 20% of the common stock but less than 50%. A subsidiary is not an associate and an interest in a joint venture is not an associate.

The investment is initially recognized at cost. After the acquisition date, a change in the Company's share of the associate's net assets adjusts the carrying amount of investment. A change in the Company's share of the associate's profit or loss is recognized in the Company's profit or loss while any change in the Company's share of the associate's other comprehensive income is recognized in the Company's other comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

On March 30, 2015, the Company acquired a 35% shareholding in PayNovi Ltd. A limited liability company registered in Ireland. The initial consideration was the issuance of 1,361,000 common shares of the Company and the issuance of 3,937,005 common shares of Power Clouds Inc., our former parent company and former majority shareholder. The Company recorded an initial investment of \$1,428,530 being the market value of the shares issued on the closing date. (See Note 4 below for further details).

For the twelve months ended December 31, 2016 and 2015, we recorded a loss from equity method investments of \$0 and \$52,323, respectively.

During the year ended December 31, 2015, the Company took an impairment charge of \$1,376,208 to reduce the carrying value of this investment to zero based on the losses incurred by the PayNovi business during the year since this investment and the limited activities of PayNovi current business operations.

#### Related parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the Related parties include: (a). affiliates of the Company; (b). entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c). trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d). principal owners of the Company; (e). management of the Company; (f). other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g). other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of financial statements is not required in those statements. The disclosures shall include: (a). the nature of the relationship(s) involved; (b). a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; (c). the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and (d). amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

#### Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time that these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

#### Revenue Recognition

The Company applies paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

During the reporting periods, the Company derived its revenues from sales of products and services to end users via distribution partners, with revenues being generated upon delivery of the products and/or the services to the distribution partners. Persuasive evidence of an arrangement is demonstrated via invoice; service is considered provided when the service is delivered to the customers; and the sales price to the customer is fixed upon acceptance of the purchase order and there are no separate sales rebate, discount, or volume incentives. Additionally, on October 1, 2016, the Company introduced a licensing revenue model, where WRMT provides its Life Sensing Technology, branding and device designs to approved manufacturers who take orders directly from distributors and pay WRMT a fee per Helo shipped.

The Company derives its revenues from three business types that each has specific revenue recognition policies relating to their operations. Revenue recognition for each business type is outlined below.

#### Product Sales:

During the reporting periods, the Company designed and sold its own range of integrated mobile technology products such as SPACE Wireless smartphones and Helo smartbands. These products are manufactured by third party factories in China. They are then shipped directly to distribution partners for onward delivery to end users. Title to the products passes to the distributors on shipment from the factory and sales invoices are issued to the respective distributor at agreed wholesale prices. Distributors are responsible for providing initial warranty support to end users and hold spare unit inventory to service any claims. Distributors have the option to return faulty units once per quarter and the Company issues credit notes once for any returns. Revenues recorded by the Company reflect the net amount of sale less any credits for returns in the period.

#### Airtime:

The Company also provides mobile telecom services ("airtime") to consumers via exclusive sales agreements with regional third party distributors across the world. Services are initially paid for by the Company to its service providers and then billed on to the relevant distributor at an agreed fixed mark-up on the cost of the airtime actually used by end users. Revenues recorded by the Company only include airtime that has already been consumed by end users, has a known sales value, and payment can

reasonably be assured. Revenues do not reflect any prepayments for unused airtime by end customers. Therefore, no accrual for unused minutes or deferred revenues are required by the Company as the distribution partners are responsible for any unused calling plan minutes and there is no obligation on WRMT to deliver minutes beyond actual usage.

#### License Revenues:

Under the current agreement, the preferred Helo manufacturer pays WRMT a once-off, non-refundable fee of four dollars (\$4.00) per Helo Classic and five dollars (\$5.00) per Helo LX shipped from its manufacturing facility.

#### Accounts Receivable

The Company records accounts receivable at the net value of the face amount of customer invoices less any allowance for doubtful accounts. We evaluate our accounts receivable periodically based on specific identification of any accounts receivable for which we deem the net realizable value to be less than the gross amount of accounts receivable recorded; in these cases, we establish an allowance for doubtful accounts for those balances. In determining our need for an allowance for doubtful accounts, we consider historical experience, analysis of past due amounts, client creditworthiness and any other relevant available information. However, our actual experience may vary from our estimates. If the financial condition of our clients were to deteriorate, resulting in their inability or unwillingness to pay our fees, we may need to record additional allowances or write-offs in future periods. The Company mitigates this risk by collecting retainers from our clients prior to performing significant services.

The Company records an allowance for doubtful accounts, if any, as a reduction in revenue to the extent the provision relates to fee adjustments and other discretionary pricing adjustments. To the extent the provision relates to a client's inability to make required payments on accounts receivables, the provision is recorded in operating expenses. As of December 31, 2016 and 2015 there was no allowance for doubtful accounts, and we did not record any bad debt expense during the twelve months ended December 31, 2016 and 2015.

#### Deposits with Suppliers

Deposits with suppliers is comprised of advance payments made to third parties, primarily for inventory for which we have not yet taken title. When we take title to inventory for which deposits are made, the related amount is classified as inventory, and then recognized as a cost of revenues upon sale.

#### Sales, Marketing and Advertising

We use a variety of marketing, sales and support activities to generate and cultivate ongoing customer demand for our products and services, acquire new customers. We currently sell exclusively through indirect channels. As a result, our sales support efforts are limited to training the indirect channels on the merits of our products over competitive options. We incur promotional costs by way of distributor conferences and sponsoring distributor events with their downstream retail channels and end customers. We will closely track and monitor customer acquisition costs to assess how we are deploying our marketing, sales and customer support spending. Marketing costs are accounted in operating expenses as they are incurred.

#### Indirect Sales

Our indirect sales channel will operate through a number of direct sales organizations that help broaden the adoption of our products and services without the need for a large direct field sales force.

### Research and Development

The Company follows subtopic 730-10 of the FASB Accounting Standards Codification for research and development costs.

Research and development costs are charged to expense when incurred. Our research and development has been primarily focused on bringing the first product Lumina Glasses to market in 2015. The research and development expenses throughout 2014 included the design, parts sourcing and prototyping of the Lumina Glasses. We expect to continue to outsource the main development activities and use expert consultants where required to ensure consistent iterations of products and related services.

For the twelve months ended December 31, 2016 and 2015 we incurred \$852,408 and \$1,401,025 respectively in research and development costs respectively.

### Intellectual Property

Our success and ability to compete effectively are dependent in part upon our proprietary technology. We rely on a combination of copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual restrictions, to establish and protect our proprietary rights. Employees are required to execute confidentiality and non-use agreements that transfer any rights they may have in copyrightable works or patentable technologies to us. In addition, prior to entering into discussions with potential business partners or customers regarding our business and technologies, we generally require that such parties enter into nondisclosure agreements with us. If these discussions result in a license or other business relationships, we also generally require that the agreement setting forth the parties' respective rights and obligations include provisions for the protection of our intellectual property rights. The steps taken by us may not be adequate to prevent the misappropriation of our proprietary rights or technology.

We do not currently have any patents or patent applications in process. Any future patent applications with respect to our technology may not be granted, and, if granted, patents may be challenged or invalidated. In addition, issued patents may not provide us with any competitive advantages and may be challenged by third parties. Our practice is to affix copyright notices on our product literature in order to assert copyright protection for these works.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to duplicate aspects of our products or to obtain and use information that we regard as proprietary. Our steps to protect our proprietary technology may not be adequate to prevent misappropriation of such technology, and may not preclude competitors from independently developing products with functionality or features similar to our products. If we fail to protect our proprietary technology, our business, financial condition and results of operations could be harmed significantly.

Consumer technology markets have been characterized by substantial litigation regarding patent and other intellectual property rights. Litigation, which could result in substantial cost to and diversion of our efforts, may be necessary to enforce trademarks issued to us or to determine the enforceability, scope and validity of the proprietary rights of others. Adverse determinations in any litigation or interference proceeding could subject us to costs related to changing names and a loss of established brand recognition.

### Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns.

Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. 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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted the provisions of paragraph 740-10-25-13 of the FASB Accounting Standards Codification. Paragraph 740-10-25-13 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under paragraph 740-10-25-13, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Paragraph 740-10-25-13 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

#### Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no unrecognized tax liabilities or benefits in accordance with the provisions of Section 740-10-25 at December 31, 2016 and 2015.

#### Net income (loss) per common share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants.

There were no potentially dilutive shares issued or outstanding during the twelve months ended December 31, 2016 and 2015, respectively.

#### Subsequent events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the consolidated financial statements were issued. Pursuant to ASU 2010-09 of

the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them via OTC Markets Supplemental filings.

*Recently issued accounting pronouncements*

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

**Note 3 – Going Concern**

The financial statements for the twelve months ended December 31, 2016 and 2015 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 \$495,785 and \$3,714,614 for the twelve months December 31, 2016 and 2015, respectively.

We had accumulated stockholder's equity of \$884,043 and \$1,379,828 as at December 31, 2016 and 2015, respectively, and a working capital surplus of \$439,453 and \$974,630 as of December 31, 2016 and 2015, respectively.

Also, as of December 31, 2016 we had \$29,114 of unrestricted cash on hand.

As a result, the accompanying financial statements do not include any adjustments related to recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the company be unable to continue as a going concern.

The Company plans to seek additional funds to finance its immediate and long-term operations and business plan through debt and/or equity financing. The successful outcome of future financing activities cannot be determined at this time and there is no assurance that if achieved, the Company will have sufficient funds to execute its intended business plan.

Ultimately, the company's ability to continue as a going concern is dependent upon its ability to attract new sources of capital, in order to attain a reasonable threshold of operating efficiency and achieve sustained profitable operations.

**Note 4 – Acquisition of Halton Universal Brands Inc. (HNVB)**

During the year ended December 31, 2014, we acquired Halton Universal Brands, Inc. ("HNVB") through a deemed reverse merger and terminated the HNVB business. Through the acquisition of HNVB, we acquired \$54 in fair value of net assets (cash).

Halton Universal Brands, Inc. ("HNVB") was incorporated under the laws of the State of Nevada on October 22, 2010. The Company was a brokerage, consulting and marketing firm specializing in brand consulting and new product strategy consulting for emerging brands. The Company focused on natural food products, specialty food products, and mass-market grocery items that are manufactured in North America and seek new market penetration in Eastern Europe. It offered services that fall into three major categories: strategic management consulting, sales brokerage, and



marketing. Its main areas of focus were serving manufacturers and distributors in the grocery, specialty food, and health supplement channels.

## **Note 5 – Stock Purchase Agreement with PayNovi.**

On March 30, 2015, the Company entered into a Common Stock Purchase Agreement (the “SPA”) by and among PWCL, PayNovi Ltd., an Irish limited liability company (the “PayNovi”) and Anch Holdings Ltd., an Irish limited liability company (the “Seller”). Pursuant to the terms of the SPA, the Seller agreed to sell to the Company, and the Company agreed to purchase from the Seller, 350 shares of PayNovi’s common stock, which represents 35% of PayNovi’s total issued and outstanding shares as of the Closing Date, for a Purchase Price consisting of 1,361,000 shares of WRMT’s common stock, which represents 5% of WRMT’s total issued and outstanding shares as of the Closing Date, and 3,937,005 shares of PWCL’s common stock, which represents 5% of PWCL’s total issued and outstanding shares of the Closing Date, being issued to the Seller. The SPA provides for certain additional rights and obligations of the parties, including PayNovi agreeing to certain provisions relating to public disclosure, confidentiality, consents and filings, and transfer and additional issuance restrictions. The closing of the issuance of all of the shares occurred on March 31, 2015. The description of the SPA above is qualified in its entirety by reference to the full text of the SPA filed as an Exhibit hereto.

Paynovi operates in the mobile and online payments market and offers products such as mobile wallet, prepaid cards and online payment programs, as a white label, to its partners. WRMT has taken a minority shareholding in Paynovi to gain a strategic position in the mobile payments space but also as a part of a strategy to ultimately offer mobile wallet capabilities as part its SPACE wireless offerings in order to gain a competitive advantage over other providers.

Consideration for the investment was as follows:

	<b>FAIR MARKET VALUE OF SHARES ISSUED ON DATE OF TRANSACTION EFFECTIVE MARCH 30, 2015</b>
1,316,000 shares of WRMT’s common stock @ \$0.50 per share closing price on March 30, 2015	\$ 680,500
3,937,005 shares of PWCL’s common stock @ \$0.145 per share closing price on March 30, 2015	748,030
Total investment	<u>\$ 1,428,530</u>

In accordance with ASC 323-10, the total initial investment of \$1,428,530 representing the fair market value of the shares issues as consideration for the acquisition of the investment in PayNovi was recorded as an equity method investment.

The Company recorded neither a gain or loss on equity investment during the twelve months ended September 30, 2016 as Paynovi recorded marginal income in the same period. During the period from our initial investment in PayNovi on March 30, 2015 through December 31, 2015, we recognized a loss on equity investments of \$52,323 reflecting 35% of the net loss incurred by Paynovi during the same period.

On September 30, 2015 the Company took an impairment charge of \$1,376,208 to reduce the carrying value of this investment to zero based on the losses incurred by the PayNovi business during the nine months since the investment and the limited activities of PayNovi current business operations.

Therefore the carrying value of our equity method investments in the balance sheet has been reduced to reflect the impact of the loss as outlined below.

	AS AT DECEMBER 31, 2016
Balance as at March 31, 2015	\$ 1,428,530
Loss on equity investment in the period	(30,323)
Balance as at June 30, 2015	\$ 1,398,207
Gain (loss) on equity investment in the period	(22,000)
Impairment of equity method investments	(1,376,207)
Balance as at December 31, 2015	\$ -
Balance as at December 31, 2016	\$ -

## Note 6 - Stockholders' Equity (Deficit)

### Shares Authorized

As of December 31, 2016, the total number of shares of all classes of stock which the Company is authorized to issue is seventy-five million (75,000,000) shares of common stock, par value \$0.001 per share, of which 28,581,000 are issued and outstanding, and ten thousand (10,000) shares of preferred stock, par value \$0.001 per share, of which 0 shares are issued and outstanding.

### Common stock

Effective October 29, 2014:

- 1) Power Clouds, Inc. (formerly World Assurance Group, Inc.) ("PWCL") acquired 7,095,000 shares of World Media & Technology Corp. (formerly Halton Universal Brands Inc.) ("WRMT"), representing 98% of WRMT's issued and outstanding share capital, for cash consideration of \$378,000,
- 2) WRMT discontinued its previously existing brokerage and brand consultancy business, and
- 3) WRMT acquired the SPACE technology business and related assets from PWCL for consideration of \$557,898 funded by way of debt from PWCL (collectively "the October 29, 2014 transactions").

We have accounted for the October 29, 2014 transactions as a reverse merger of PWCL's SPACE technology business and related assets into WRMT. This reverse merger has been accounted for as a reverse capitalization with PWCL's SPACE technology business, the legally acquired business, being treated as the acquirer of WRMT for accounting and financial reporting purposes. Consequently, the accompanying financial statements reflect the operations of PWCL's SPACE technology business since Inception (May 2014) and for WRMT from the effective date of the reverse merger on October 29, 2014. The purchase of 7,095,000 shares of WRMT by PWCL has been retroactively presented in the Statement of Changes in Stockholders' Equity (Deficit) and the footnotes to these financial statements to be effective as of the date of the inception of PWCL's SPACE technology business.

### Recapitalization of WRMT

As at October 29, 2014, 125,000 shares of WRMT's common stock were owned by shareholders who did not sell their stock to PWCL. Under reverse merger accounting, these shares are accounted for as if they had been issued by the existing PWCL technology business as consideration to acquire control of WRMT.

#### *Unregistered Sales of Equity Securities*

On October 29, 2014, the Company sold 8,000,000 shares of its common stock at \$0.25 per share for \$2 million to its parent company, PWCL. During the nine months ended September 30, 2015, the Company received \$2 million in cash due from PWCL for the issuance of 8,000,000 common shares on October 29, 2014. The issuance of Common Stock was made pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Regulation S or Section 4(2) of the Securities Act.

On March 25, 2015, the Company sold 12,000,000 shares of the Company's common stock to Mr. Fabio Galdi, the Company's Chief Executive Officer, for \$3 million or \$0.25 per share. Payment has been received for the sale of these shares. This represents a 44% beneficial ownership interest in the Company held directly by Mr. Fabio Galdi. The issuance of Common Stock was made pursuant to the exemption from the registration requirements of the Securities Act, provided by Section 4(2) of the Securities Act.

On March 31, 2015, the Company issued 1,361,000 shares of the Company's common stock, valued at \$680,500 based on the \$0.50 per share closing price on March 30, 2015, to Anch Holdings, Ltd. as partial consideration for a 35% equity ownership interest in PayNovi (See Note 4 above for more details). The issuance of Common Stock was made pursuant to the exemption from the registration requirements of the Securities Act, provided by Section 4(2) of the Securities Act.

#### *Common Share Dividend by Power Clouds Inc. (PWCL)*

In October of 2015, PWCL distributed 14,021,122 of the 15,095,000 shares of WRMT's common stock held by PWCL, the Company's former parent company and former majority shareholder. PWCL Shareholders received one (1) share of WRMT common stock for every six (6) PWCL shares of common stock held as of the record date, which was October 1, 2015.

#### *Preferred Stock*

On April 20, 2016, our Board of Directors adopted a resolution to amend our Articles of Incorporation which will alter our authorized share capital to authorize the issuance of up to Ten Thousand (10,000) shares of preferred stock, par value of \$0.001 per share (the "Preferred Shares"), for which the board of directors may fix and determine the designations, rights, preferences or other variations of each class or series within each class of the Preferred Shares. Such action is described in more detail in the attached Information Statement. On or about April 21, 2016, the holders of approximately 96% of our common stock approved the Amendment by written consent. The Amendment became effective with the Secretary of State of the State of Nevada on the close of business on May 12, 2016.

In January of 2017, 100 shares of Series A Super Voting Preferred Stock was issued; See Subsequent Events Footnote for more details.

### **Note 7 – Related Party Transactions**

Wor(l)d Global Network Pte. Ltd., a Singapore Company, is WRMT's exclusive distribution partner. World Global Network Pte. Ltd. is owned and controlled by our CEO and majority shareholder, Fabio Galdi.

The Company subleases facilities with World Global Network Corp. ("WGN"), a Florida company, and under its real estate sublease with WGN will be recharged rent and a cost allocation for the property at a fixed rate of \$5,000 per month. WGN is controlled by Fabio Galdi, our CEO and majority shareholder. The terms and conditions of the sublease from WGN to the Company remain in full force and effect. The

Company recognized \$60,000 of rental expense in respect of this lease during the twelve months ended December 31, 2016 and 2015, respectively.

On March 25, 2015, the Company sold 12,000,000 shares of the Company's common stock to Mr. Fabio Galdi, the Company's Chairman and Chief Executive Officer, for \$3 million or \$0.25 per share. Payment has been received for the sale of these shares.

At the time of the following transactions with Power Clouds, Inc. (PWCL), over 50% of PWCL was beneficially owned by Fabio Galdi, our CEO. As of December 28, 2016, Fabio Galdi no longer has any ownership interest in PWCL and PWCL is no longer a related party.

On October 29, 2014, the Company issued 8,000,000 shares of the Company's restricted common stock to our former parent company, Power Clouds Inc. (PWCL) in exchange for \$2,000,000.

During March 2015, PWCL, our former parent company, issued 200,000 common shares of PWCL's to Awaysim Limited, a third party, for services related to the setup of the airtime offerings of the Company. The fair market value of the PWCL common shares issued was \$38,000.

On March 31, 2015, PWCL, our former parent company, issued 3,937,005 shares of its common stock to Anch Holdings Ltd., an Irish limited liability company (the "Seller") pursuant a Common Stock Purchase Agreement (the "SPA") by and among the Company, PWCL, PayNovi Ltd., an Irish limited liability company (the "PayNovi") and Anch Holdings Ltd., an Irish limited liability company (the "Seller"). Pursuant to the terms of the SPA, the Seller agreed to sell to the Company, and the Company agreed to purchase from the Seller, 350 shares of PayNovi's common stock, which represents 35% of PayNovi's total issued and outstanding shares as of the Closing Date, for a Purchase Price consisting of 1,361,000 shares of WRMT's common stock, which represents 5% of WRMT's total issued and outstanding shares as of the Closing Date, and 3,937,005 shares of PWCL's common stock, which represents 5% of PWCL's total issued and outstanding shares of the Closing Date, being issued to the Seller. The \$748,030 reflecting the fair market value of the shares issued by PWCL on March 31, 2015 is included in the amounts due to related parties balance of as at December 31, 2015.

In October of 2015, PWCL distributed 14,021,122 of the 15,095,000 shares of WRMT's common stock held by PWCL, the Company's former parent company and former majority shareholder. PWCL Shareholders received one (1) share of WRMT common stock for every six (6) PWCL shares of common stock held as of the record date, which was October 1, 2015.

In December of 2016, PWCL transferred its remaining 1,073,878 shares of WRMT common stock to World Global Cash Pte. Ltd., a Singapore company owned and controlled by our CEO, Fabio Galdi.

#### Payable to Related Parties

Amounts due to related party as at December 31, 2016 and 2015 are as follows:

	December 31,	
	2016	2015
World Global Assets Pte Ltd (WGA) – owned by our CEO	-	770,100
World Global Network Corp. (WGN) – controlled by our CEO	-	-
Due to directors and officers	250,000	360,000
Total due to related parties	<u>\$ 250,000</u>	<u>\$ 1,130,100</u>

Amounts are payable on demand, carry no terms and accrue no interest.

*Balance with World Global Assets Pte Ltd. (“WGA”)*

Amounts due to WGA as at December 31, 2016 and 2015 are as follows:

	<b>AS AT DECEMBER 31, 2016</b>
Balance as at December 31, 2014	\$ 915,388
Working capital provided in the payment of Company operating expenses	830,997
Payments made on behalf of WGA in the period	(2,544,416)
Transfer of balance due to WGN	(649,011)
Balance as at December 31, 2015	\$ -
Balance as at December 31, 2016	\$ -

*Balance due to World Global Network Corp. (“WGN”)*

The balance at December 31, 2014 represented \$10,000 payable under a sublease with WGN for our corporate offices at 600 Brickell Ave., Suite 1775, Miami, Florida. Under the terms of the sublease with WGN, the Company will be recharged rent and a cost allocation for the property at a fixed rate of \$5,000 per month. We had no amounts due to WGN as at December 31, 2016 and 2015.

*Due to Directors and Officers*

As at December 31, 2016 and 2015 the Company owed \$250,000 and \$360,000 to Fabio Galdi, its CEO. These amounts represent unpaid management services provided and expenses incurred on behalf of the Company in the respective period. The amounts due at September 30, 2015 were waived by the Mr. Galdi on December 31, 2015. Subsequently, the amounts due at December 31, 2016 were exchanged for Series A Super Voting Preferred Stock; See Subsequent Events Footnote for more details.

*Receivable from Related Parties*

*Balance due from World Global Network Pte Ltd. (“WGNpte”)*

On December 10, 2015, the Board approved a loan of \$1,500,000 to WGNpte, and WGNpte issued to WRMT a \$1,500,000 promissory note, accruing 5% annual interest and having a term of 3 months, which was subsequently extended to December 31, 2016 and again extended indefinitely.

Amounts due from WGN as at December 31, 2016 are as follows:

	<b>AS AT DECEMBER 31, 2016</b>
Balance as at January 1, 2015	\$ -
Net working capital provided	(85,791)
Loan made to WGN Pte	1,500,000
Transfer of balance from WGA	(649,011)
Balance as at December 31, 2015	\$ 765,197
Net working capital provided in the payment of Company operating expenses	60,000
Net cash movement on intercompany account during period	(130,607)
Balance as at December 31, 2016	\$ 694,590

### *Family Relationships*

There are no family relationships among our officers and directors, other than Fabio Galdi and Alfonso Galdi, who are brothers.

We have not entered into any transactions with our officers, directors, persons nominated for these positions, beneficial owners of 5% or more of our common stock, or family members of these persons wherein the amount involved in the transaction or a series of similar transactions exceeded \$60,000.

Our management is involved in other business activities and may, in the future become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between our business and their other business interests. In the event that a conflict of interest arises at a meeting of our directors, a director who has such a conflict will disclose his interest in a proposed transaction and will abstain from voting for or against the approval of such transaction.

## **Note 8 – Income Tax**

### Deferred Tax Assets

At December 31, 2016, the Company had net operating loss (“NOL”) carry-forwards for Federal income tax purposes of approximately \$4,796,511 that may be offset against future taxable income through 2036. No tax benefit has been reported with respect to these net operating loss carry-forwards in the accompanying consolidated financial statements because the Company believes that the realization of the Company’s net deferred tax assets of approximately \$1,149,270, based on an effective federal tax rate of 35%, was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are fully offset by a valuation allowance.

Components of deferred tax assets at December 31, 2016 and 2015 are as follows:

	<b>For the Year Ended December 31, 2016</b>	<b>For the Year Ended December 31, 2015</b>
Net deferred tax assets:		
Expected income tax benefit from NOL carry forwards	1,678,779	1,149,270
Less valuation allowances	(1,678,779)	(1,149,270)
Deferred tax assets, net of valuation allowance	<u>\$ -</u>	<u>\$ -</u>

Deferred tax assets consist primarily of the tax effect of NOL carry-forwards. The Company has provided a full valuation allowance on the deferred tax assets because of the uncertainty regarding its realization. The valuation allowance increased approximately \$529,509 and \$949,989 for the fiscal years ended December 31, 2016 and 2015, respectively.

### Income Tax Provision in the Statements of Operations

A reconciliation of the federal statutory income tax rate and the effective income tax rate as a percentage of income before income taxes is as follows:

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
Federal statutory income tax rate	35%	35%
Change in valuation allowance on net operating loss carry-forwards	(35%)	(35%)
Effective income tax rate	0.0%	0.0%

### **Note 9 - Subsequent Events**

The Company has evaluated all events that occurred after the balance sheet date through the date when the consolidated financial statements were issued on May 9, 2017 to determine if they must be reported. The Management of the Company determined that the following reportable subsequent events are to be disclosed:

#### *Series A Super Voting Preferred Stock:*

On January 6, 2017, the Board of Directors approved the authorization and issuance of 100 shares of Series A Super Voting Preferred Stock (“Series A Super Voting Preferred Stock”) to the Company’s CEO, Fabio Galdi, in exchange for the cancellation of \$250,000 currently owed to Mr. Galdi by the Company. The features of the Series A Super Voting Preferred Stock as set forth in the Certificate of Designation are disclosed in the Company’s Supplemental Report filed on January 12, 2017.

#### *Common Stock:*

On March 31, 2017, the Company issued a total of 81,994 shares of restricted common stock to 4 accredited investors in exchange for a total of \$655,952, or \$8.00 per share. The cash payments for the shares have been received by the Company. The issuances of Common Stock were made pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), provided by Regulation S or Section 4(2) of the Securities Act.

#### *Entry into a Material Definitive Agreement:*

On April 10, 2017, the Company and Giner Inc., a Massachusetts company (the “Giner”) entered into an Exclusive License Agreement (the “ELA”). Pursuant to the terms of the ELA, Giner has agreed to incorporate its miniaturized transdermal alcohol sensor (“TAS”) into WRMT’s Helo product and give WRMT an exclusive license to use, market, sell and distribute the integrated Helo product in the consumer self-monitoring market. In exchange, WRMT has agreed to fund Giner’s non-recurring engineering (“NRE”) costs related to the work, as set forth in more detail in the ELA. In addition, Giner has agreed to build a mobile software application for WRMT with certain advanced features using TAS and other Helo data. The parties have also agreed to certain per unit pricing and annual minimum purchase volumes of the TAS units over the next five years. The ELA provides for certain additional rights and obligations of the parties, including each party agreeing to certain provisions relating to confidentiality, intellectual property rights, representations and warranties, indemnification and limitation of liability. The description of the ELA above is qualified in its entirety by reference to the full text (partially redacted due to confidentiality) of the ELA filed as an Exhibit to the Company’s Supplemental Report on April 26, 2017.