

**ZipZap Inc.**  
**Income Statement**  
**Jan 1st - Dec 31st, 2015**

|                                  |                |
|----------------------------------|----------------|
| Revenue                          | \$ 145,226.39  |
| Web Hosting Income               | \$ 856.35      |
| COGS                             | \$ 10,051.02   |
| Refund                           | \$ 205.00      |
| Gross Profit/(Loss)              | \$ 135,826.72  |
| Operating Expense                |                |
| Selling General & Administrative | \$ 2,605.93    |
| Payroll                          | \$ 99,709.70   |
| Contarctors/Vendors              | \$ 50,242.57   |
| Rent                             | \$ 8,500.00    |
| Telecom                          | \$ 421.38      |
| Duplicating                      | \$ 255.92      |
| Marketing/Advertising            | \$ 2,540.62    |
| Security Verification            | \$ 808.19      |
| Accounting Fees                  | \$ 500.00      |
| Legal Fees & Licenses            | \$ 4,180.64    |
| T&E                              | \$ 11,680.97   |
| Office Expense                   | \$ 802.04      |
| Bank Fees and Charges            | \$ 2,753.36    |
| Payment/Network Fees             | \$ 11,039.54   |
| ADP Payroll Expense              | \$ -           |
| Shipping & Mailing               | \$ 1,796.30    |
| Miscellaneous                    | \$ 9,040.29    |
| Total Operating Expense          | \$ 206,877.45  |
| Net Income/(Loss)                | \$ (71,050.73) |

Note: Unaudited Financial Statement

**ZipZap Inc.**  
**Statement of Financial Position**  
**Year Ended December 31st, 2015**

|  |                          |
|--|--------------------------|
| Assets   |                          |
| Current Assets                                       |                          |
| Cash And Cash Equivalents                            | \$ 57,392.15             |
| Net Receivables                                      | \$ 2,952.00              |
| Inventory  | \$ 23,615.44             |
| Other Current Assets                                 | \$ -                     |
| <b>Total Current Assets</b>                          | <b>\$ 83,959.59</b>      |
| Long Term Investments                                | \$ -                     |
| Fixed Asset  | \$ -                     |
| Goodwill   | \$ -                     |
| Intangible Assets                                    | \$ -                     |
| Accumulated Amortization                             | \$ -                     |
| Other Assets   | \$ -                     |
| Deferred Long Term Asset Charges                     | \$ -                     |
| <b>Total Assets</b>                                  | <b>\$ 83,959.59</b>      |
| Liabilities  |                          |
| Current Liabilities                                  |                          |
| Accounts Payable                                     | \$ -                     |
| Accrued Vacation                                     | \$ -                     |
| Customer Deposits                                    | \$ -                     |
| Accrued Interest on Notes (Convertible Notes 1 year) | \$ 165,548.33            |
| Short Term Debt (Convertible Notes 1 year)           | \$ 2,159,500.00          |
| Other Current Liabilities                            | -                        |
| <b>Total Current Liabilities</b>                     | <b>\$ 2,325,048.33</b>   |
| Long Term Notes Payable (Safahi)                     | \$ 573,545.50            |
| Other Liabilities                                    |                          |
| Deferred Long Term Liability Charges                 | \$ -                     |
| Minority Interest                                    | \$ -                     |
| Negative Goodwill                                    | \$ -                     |
| <b>Total Liabilities</b>                             | <b>\$ 2,898,593.83</b>   |
| Stockholders' Equity                                 |                          |
| Misc Stocks Options Warrants                         | \$ -                     |
| Redeemable Preferred Stock                           | \$ -                     |
| Stock  | \$ 133,269.00            |
| Retained Earnings                                    | \$ (917,283.81)          |
| Treasury Stock                                       | \$ -                     |
| Capital Surplus                                      | \$ -                     |
| Other Stockholder Equity                             | \$ (2,030,619.43)        |
| <b>Total Stockholder Equity</b>                      | <b>\$ (2,814,634.24)</b> |
| <b>Total Liabilities and Share Holder's Equity</b>   | <b>\$ 83,959.59</b>      |

Note: Unaudited Financial Statement

**ZipZap Inc.**  
**Statement of Retained Earnings**  
**Year ended December 31st 2015**

|                                |                 |
|--------------------------------|-----------------|
| Beginning Retained Earnings    | \$ (846,233.08) |
| Add Net Income/(Loss)          | \$ (71,050.73)  |
| Less Dividends                 | \$ -            |
| Ending Retained Earnings- 2014 | \$ (917,283.81) |

Note: Unaudited Financial Statement