

ITeknik Holding Corporation
(a Wyoming Corporation)

Parent Company of
Send Global Corp.

Consolidated Financial Statements
For the 3 Months and 6 Months Ended
December 31, 2014

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

ITeknik Holding Corporation
8615 Richardson Road
Walled Lake, MI 48390

We have compiled the accompanying balance sheets of ITeknik Holding Corporation (a corporation) as of December 31, 2014 and 2013, and the related statements of income, cash flow and stockholder's equity for the three months and six months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the owner in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



February 12, 2015

ITeknik Holding Corporation
Balance Sheets
As of December 31, 2014 and 2013

ASSETS

| | <u>December 31, 2014</u> | <u>December 31, 2013</u> |
|-----------------------------------|--------------------------|--------------------------|
| CURRENT ASSETS | | |
| Send Global Checking | \$ 24,397 | \$ 157,321 |
| iTeknik Checking | 17 | 3,245 |
| Accounts Receivable | 12,604 | 10,336 |
| Prepaid State Tax | 1,250 | 0 |
| Prepaid Expenses | <u>12,804</u> | <u>10,799</u> |
| Total Current Assets | <u>51,072</u> | <u>181,701</u> |
| PROPERTY AND EQUIPMENT | | |
| Computer Hardware | 25,438 | 25,438 |
| Computer Software | 50,299 | 50,299 |
| Furniture & Equipment | 386,179 | 385,163 |
| Software Development | 215,746 | 198,586 |
| Accumulated Depreciation | <u>(642,388)</u> | <u>(606,628)</u> |
| Net Property and Equipment | <u>35,274</u> | <u>52,858</u> |
| OTHER ASSETS | | |
| Other Asset | <u>4,000</u> | <u>4,000</u> |
| Total Other Assets | <u>4,000</u> | <u>4,000</u> |
| TOTAL ASSETS | <u>\$ 90,346</u> | <u>\$ 238,559</u> |

See Accountants' Compilation Report
and accompanying notes to the financial statements

ITeknik Holding Corporation
Balance Sheets
As of December 31, 2014 and 2013

LIABILITIES AND STOCKHOLDERS' EQUITY

| | <u>December 31, 2014</u> | <u>December 31, 2013</u> |
|---|--------------------------|--------------------------|
| CURRENT LIABILITIES | | |
| Accounts Payable | 133,425 | 221,627 |
| Commissions Payable | 0 | 6,284 |
| Customer Deposits | 3,940 | 2,813 |
| Deferred Revenue | 72,818 | 169,239 |
| Dell Credit Line | 1,615 | 1,854 |
| Interest Payable | 16,415 | 4,976 |
| Accrued Wages | 9,454 | 8,272 |
| Accrued Payroll Taxes | 851 | 30,213 |
| State Taxes Payable | 0 | 2,748 |
| Short Term Note #7 - Officer | <u>49,501</u> | <u>0</u> |
| Total Current Liabilities | <u>288,019</u> | <u>448,026</u> |
| LONG-TERM LIABILITIES | | |
| Note Payable - Shareholder | 25,500 | 25,500 |
| Note Payable #1 - Officer | 51,135 | 41,135 |
| Note Payable #2 - Officer | <u>95,872</u> | <u>95,872</u> |
| Total Long-Term Liabilities | <u>172,507</u> | <u>162,507</u> |
| Total Liabilities | <u>460,526</u> | <u>610,533</u> |
| STOCKHOLDER S' EQUITY | | |
| Capital Stock | 27,762 | 27,762 |
| Preferred Stock - Class A | 1,235 | 1,235 |
| Additional Paid in Capital | 510,404 | 510,404 |
| Retained Earnings | <u>(909,581)</u> | <u>(911,375)</u> |
| Total Stockholders' Equity | <u>(370,180)</u> | <u>(371,974)</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 90,346</u> | <u>\$ 238,559</u> |

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and accompanying notes to the financial statements

ITeknik Holding Corporation
Statement of Income
For the 3 Months and 6 Months Ended December 31, 2014

| | 3 Months Ended December 31, 2014 | 6 Months Ended December 31, 2014 |
|---------------------------------|---|---|
| Sales | | |
| Sales | \$ <u>1,811,256</u> | \$ <u>3,905,961</u> |
| Total Sales | <u>1,811,256</u> | <u>3,905,961</u> |
| Cost of Goods Sold | | |
| Phone Line Usage Fees | 201,478 | 442,424 |
| Wireless PINS | <u>1,361,293</u> | <u>2,957,427</u> |
| Total Cost of Goods Sold | <u>1,562,771</u> | <u>3,399,851</u> |
| Gross Profit | <u>248,485</u> | <u>506,110</u> |
| Operating Expenses | | |
| Advertising & Promotions | 2,034 | 3,304 |
| Bank Service Charges | 14,531 | 36,178 |
| Commissions | 3,149 | 12,097 |
| Customer Service Fees | 4,803 | 9,122 |
| Depreciation Expense | 6,824 | 13,283 |
| Dues & Subscriptions | 15 | 15 |
| Group Life Insurance | 590 | 1,182 |
| Health/Dental Insurance | 16,984 | 34,133 |
| Interest Expense | 3,104 | 6,122 |
| Legal & Professional Fees | 15,585 | 19,857 |
| Meals & Entertainment | 62 | 62 |
| Office Supplies & Expenses | 2,871 | 6,667 |
| Payroll Taxes | 8,621 | 19,697 |
| Postage | 0 | 30 |
| Rent | 5,400 | 10,800 |
| Taxes | 2,386 | 5,608 |
| Telephone | 3,360 | 7,122 |
| Travel | 1,527 | 1,527 |
| Wages | 139,026 | 287,780 |
| Website Expenses | 393 | 847 |
| Workers Comp Insurance | 356 | 790 |
| Vendor Refunds | <u>0</u> | <u>(6,748)</u> |
| Total Operating Expenses | <u>231,621</u> | <u>469,475</u> |
| Operating Income (Loss) | <u>16,864</u> | <u>36,635</u> |

See Accountants' Compilation Report
and accompanying notes to the financial statements

ITeknik Holding Corporation
Statement of Income
For the 3 Months and 6 Months Ended December 31, 2014

| | 3 Months Ended December 31, 2014 | 6 Months Ended December 31, 2014 |
|-------------------------------------|---|---|
| Net Income (Loss) | <u>\$ 16,864</u> | <u>\$ 36,635</u> |
| Basic Earnings Per Share | 0.0001 | 0.0001 |
| Diluted Earnings Per Share | 0.0000 | 0.0001 |
| Weighted average shares outstanding | | |
| Basic | 277,614,987 | 277,614,987 |
| Diluted | 401,114,987 | 401,114,987 |

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and accompanying notes to the financial statements

ITeknik Holding Corporation
Statement of Income
Comparison to Prior Year
For the 6 Months Ended December 31, 2014

| | 6 Months Ended December 31, 2014 | 6 Months Ended December 31, 2013 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Sales | | |
| Sales | \$ 3,905,961 | \$ 4,909,015 |
| Total Sales | <u>3,905,961</u> | <u>4,909,015</u> |
| Cost of Goods Sold | | |
| Phone Line Usage Fees | 442,424 | 651,998 |
| Wireless PINS | <u>2,957,427</u> | <u>3,654,804</u> |
| Total Cost of Goods Sold | <u>3,399,851</u> | <u>4,306,802</u> |
| Gross Profit | <u>506,110</u> | <u>602,213</u> |
| Operating Expenses | | |
| Advertising & Promotions | 3,304 | 2,700 |
| Bank Service Charges | 36,178 | 35,181 |
| Commissions | 12,097 | 41,478 |
| Customer Service Fees | 9,122 | 7,417 |
| Depreciation Expense | 13,283 | 27,287 |
| Dues & Subscriptions | 15 | 0 |
| Equipment Lease | 0 | 250 |
| Group Life Insurance | 1,182 | 1,180 |
| Health/Dental Insurance | 34,133 | 33,909 |
| Interest Expense | 6,122 | 5,000 |
| Legal & Professional Fees | 19,857 | 15,857 |
| Meals & Entertainment | 62 | 578 |
| Office Supplies & Expenses | 6,667 | 7,655 |
| Payroll Taxes | 19,697 | 19,700 |
| Penalties and Fines | 0 | 346 |
| Postage | 30 | 407 |
| Rent | 10,800 | 21,600 |
| Repairs & Maintenance | 0 | 10,000 |
| Taxes | 5,608 | 10,886 |
| Telephone | 7,122 | 7,044 |
| Travel | 1,527 | 16 |
| Wages | 287,780 | 370,442 |
| Website Expenses | 847 | 1,792 |
| Workers Comp Insurance | 790 | 780 |
| Vendor Refunds | <u>(6,748)</u> | <u>(3,461)</u> |
| Total Operating Expenses | <u>469,475</u> | <u>618,044</u> |
| Operating Income (Loss) | <u>36,635</u> | <u>(15,831)</u> |

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ITeknik Holding Corporation
Statement of Income
Comparison to Prior Year
For the 6 Months Ended December 31, 2014

| | 6 Months Ended December 31, 2014 | 6 Months Ended December 31, 2013 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Other Income (Expenses) | | |
| Interest Income | 0 | 215 |
| Provision for Taxes - State | <u>0</u> | <u>(3,503)</u> |
| Total Other Income (Loss) | <u>0</u> | <u>(3,288)</u> |
| Net Income (Loss) | <u>\$ 36,635</u> | <u>\$ (19,119)</u> |
| | | |
| Basic Earnings per Share | 0.0001 | (0.0001) |
| Diluted Earnings per Share | 0.0001 | 0.0000 |
| | | |
| Weighted average shares | | |
| Basic | 277,614,987 | 277,614,987 |
| Diluted | 401,114,987 | 401,114,987 |

See Accountants' Compilation Report
and accompanying notes to the financial statements

ITeknik Holding Corporation
Statements of Cash Flows
For the 3 Months and 6 Months Ended December 31, 2014

| | For the Quarter Ended <u>December 31, 2014</u> | For the Year to Date Ended <u>December 31, 2014</u> |
|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Income (Loss) | \$ 16,864 | \$ 36,635 |
| Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities | | |
| Depreciation | 6,824 | 13,283 |
| Decrease (increase) in Accounts Receivable | (1,940) | (4,788) |
| Decrease (increase) in Prepaid Expenses | 5,378 | (2,104) |
| Increase (decrease) in Accounts Payable | (107,134) | (118,382) |
| Increase (decrease) in Customer Deposits | 411 | 311 |
| Increase (decrease) in Commissions Payable | 0 | (5,000) |
| Increase (decrease) in Deferred Revenue | (27,729) | (54,497) |
| Increase (decrease) in Credit Cards Payable | (168) | (318) |
| Increase (decrease) in Interest Payable | 3,104 | 6,122 |
| Increase (decrease) in Accrued Wages | 9,454 | 2,364 |
| Increase (decrease) in Insurance Payable | (321) | 0 |
| Increase (decrease) in Accrued Payroll Taxes | (4,738) | 201 |
| Increase (decrease) in Short Term Notes - Officer | <u>28,486</u> | <u>29,725</u> |
| Total Adjustments | <u>(88,374)</u> | <u>(133,082)</u> |
| Net Cash Provided By (Used in) Operating Activities | (71,510) | (96,447) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Increase) in Property and Equipment | <u>(15,000)</u> | <u>(15,000)</u> |
| Net Cash Provided by (Used in) Investing Activities | (15,000) | (15,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in (repayment of) Loans from Officer | <u>0</u> | <u>5,000</u> |
| Net Cash Provided by (Used in) Financing Activities | <u>0</u> | <u>5,000</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (86,510) | (106,447) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>110,926</u> | <u>130,861</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u><u>\$ 24,414</u></u> | <u><u>\$ 24,414</u></u> |

See Accountants' Compilation Report
and accompanying notes to the financial statements

iTeknik Holding Corporation
Statement of Stockholders' Equity
For the 6 Months Ended December 31, 2014

| | <u>Common Stock at Par Value of \$.0001</u> | <u>Number of Common Shares Outstanding</u> | <u>Preferred Stock Class A at Par Value of \$.001</u> | <u>Number of Preferred Class A Shares Outstanding</u> | <u>Number of Preferred Class C Shares Outstanding \$0 Par Value</u> | <u>Additional Paid in Capital</u> | <u>Accumulated Deficit</u> |
|--|---|--|---|---|---|---|--------------------------------|
| Balance, June 30, 2014 | \$27,762 | 277,614,987 | \$1,235 | 1,235,000 | 2 | \$510,404 | (\$946,218) |
| <u>Net Income (loss) for the quarter</u> | | | | | | | <u>19,773</u> |
| Balance, September 30, 2014 | \$27,762 | 277,614,987 | \$1,235 | 1,235,000 | 2 | \$510,404 | (\$926,445) |
| <u>Net Income (loss) for the quarter</u> | | | | | | | <u>16,864</u> |
| Balance, December 31, 2014 | \$27,762 | 277,614,987 | \$1,235 | 1,235,000 | 2 | \$510,404 | (\$909,581) |

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 (UNAUDITED)

NOTE 1 – ORGANIZATION AND DESCRIPTION

iTeknik Holding Corporation (“The Company”) was organized under the laws of the State of Nevada on January 12, 2007. On December 22, 2010, the Company changed its state of organization to Wyoming by filing the applicable legal documents with both Nevada and Wyoming. The Company has one subsidiary, Send Global Corporation. The Company provides wholesale and retail telecommunications services and products.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements included herein include the consolidated accounts of iTeknik Holding Corporation and its wholly-owned subsidiary Send Global, Inc. prepared in conformity with generally accepted accounting principles. All material inter-company accounts, transactions and profits have been eliminated in consolidation.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Company considers liquid investments with an original maturity of three months or less to be cash equivalents.

Management’s Use of Estimates - The preparation of consolidated 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, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments – Management believes that the carrying values of financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities, approximate fair value as a result of the short-term maturities of these instruments.

Income Taxes – Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the consolidated financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled as prescribed in FASB ASC 740. As changes in tax laws or rate are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. A valuation allowance is established when management is unable to conclude that it is more likely than not that some portion, or all, of the deferred tax asset will ultimately be realized.

Earnings (Loss) Per Share - The Company reports earnings (loss) per share in accordance with U.S. GAAP. This requires dual presentation of basic and diluted earnings (loss) with a reconciliation of the numerator and denominator of the loss per share computations. Basic earnings per share amounts are based on the weighted average shares of common outstanding. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Accordingly, this presentation has been adopted for the periods presented. There were no adjustments required to net income for the period presented in the computation of diluted earnings per share. Diluted earnings per share reflect the assumed conversion of the outstanding preferred stock class A..

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 (UNAUDITED)

Fixed Assets – Fixed assets are recorded at cost and include expenditures that substantially increase the productive lives of the existing assets. Maintenance and repair costs are expensed as incurred. Depreciation is provided using the straight-line method. Depreciation of property and equipment is calculated over management prescribed recovery periods, which range from 3 years for computer equipment and software to 10 years for furniture and fixtures. When a fixed asset is disposed of, its cost and related accumulated depreciation are removed from the accounts. The difference between net book value and proceeds from disposition is recorded as a gain or loss.

Advertising Costs - Advertising costs are expensed as incurred. The Company does not incur any direct-response advertising costs.

Revenue Recognition - Deferred Income represents unbilled credits remaining on end user accounts that the Company has collected money for but has not yet paid its carriers.

Long-Lived Assets - The Company reviews and evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, including those noted above, the Company compares the assets' carrying amounts against the estimated undiscounted cash flows to be generated by those assets over their estimated useful lives. If the carrying amounts are greater than the undiscounted cash flows, the fair values of those assets are estimated by discounting the projected cash flows. Any excess of the carrying amounts over the fair values are recorded as impairments in that fiscal period.

NOTE 3 – DEBT

As of December 31, 2014, iTeknik Holding Corporation had the following outstanding debt:

Short-term-

\$49,501 payable to a corporate officer. The note accrues interest at an annual rate of 6%. The note is due on demand.

Long-term-

\$25,500 payable to a shareholder. The note is not interest bearing. This debt is convertible into common stock at par value. The note is due on demand.

\$51,135 payable to a corporate officer. The note accrues interest at an annual rate of 6% with interest only payments each month. The note is due on demand.

\$95,872 due to a corporate officer. The note accrues interest at an annual rate of 6% with interest only payments each month. The note is due on demand.

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 (UNAUDITED)

NOTE 4 – INCOME TAXES

As of June 30, 2014, the Company had a consolidated federal net operating loss carryover amounting to approximately \$3,200,000. The majority of this net operating loss, if not utilized, will expire in 2030.

For the 6 months ended December 31, 2014, the Company reported net income. Below is a reconciliation of the estimated federal income tax provision at applicable statutory rates to the amount actually reflected in the financial statements :

| | 6 Months December 31, 2014 |
|---|-------------------------------|
| Federal at statutory rate | \$ 6,700. |
| Less benefit from utilization of NOL | (6,700) |
| Tax provision per financials | \$ 0. |

The components of deferred tax assets/liabilities are as follows:

| | |
|--|-------------|
| Deferred tax assets: | |
| NOL carryforward: June 30, 2014 | \$ 997,000. |
| Less estimated current year utilization | (6,700) |
| | \$ 990,300. |
| Deferred tax asset – Depreciation | 5,200. |
| Net deferred tax asset before valuation allowance | 995,500. |
| Less: Valuation allowance | (995,500) |
| Net deferred tax assets | \$ 0. |

As of June 30, 2014, the Company had a consolidated Michigan CIT loss carryforward of approximately \$53,000.

iTeknik Holding Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 (UNAUDITED)

NOTE 4 INCOME TAXES (continued)

The Company implemented the accounting guidance for uncertainty in income taxes using the provisions of FASB ASC 740. Using that guidance, tax provisions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities.

As of December 31, 2014, the Company had no uncertain tax positions, or interest and penalties, that qualify for either recognition or disclosure in the financial statements.

CERTIFICATION

We, Fredrick Wicks, Chairman, and Jeffrey Lauzon, President, of iTeknik Holding Corporation hereby certify that the unaudited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of iTeknik Holding Corporation and the results of its operations and cash flows as of and for the three months ended December 31, 2014, in conformity with accounting principles generally accepted in the United States, consistently applied.

February 12, 2015

By: /s/ Fredrick Wicks

/s/ Jeffrey Lauzon

iTeknik Holding Corporation