

ITEKNIK HOLDING CORPORATION AND  
SUBSIDIARIES

FINANCIAL STATEMENTS

FOR Q2 FISCAL YEAR 2018

AS OF AND FOR  
THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

ITEKNIK HOLDING CORPORATION AND SUBSIDIARY  
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ITEKNIK HOLDING CORPORATION AND  
SUBSIDIARY CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2018	Mar. 31, 2018
<b>Assets</b>		
<b>Total cash and cash equivalents</b>	69,175	79,545
<b>Cash in Escrow</b>	301,936	301,936
<b>Trade Accounts Receivables</b>	351,491	384,975
<b>Prepaid expenses</b>	51,310	51,607
<b>Other Current Assets</b>	4,100	4,100
<b>Total Current Assets</b>	<b>778,012</b>	<b>822,163</b>
<b>Fixed Assets</b>		
<b>Computer equipment and software</b>	90,632	87,873
<b>Furniture and equipment</b>	38,093	38,093
<b>Accumulated depreciation</b>	-72,253	-64,586
<b>Total Fixed Assets</b>	<b>56,471</b>	<b>61,379</b>
<b>Other Assets</b>		
<b>Good will</b>	5,202,064	5,202,064
<b>Loan receivable</b>	88,392	88,392
<b>Accrued Interest</b>	6,838	5,365
<b>Other Assets</b>	4,927	5,472
<b>Total Assets</b>	<b>6,136,703</b>	<b>6,184,834</b>
<b>Liabilities and Shareholder's Equity</b>		
<b>Payables within 1 year (current liabilities)</b>		
<b>Accounts payable and accrued liabilities</b>	38,361	75,953
<b>Accrued interest</b>	1,275,325	1,052,602
<b>Accrued payroll and taxes</b>	0	0
<b>Notes payable</b>	25,772	25,772
<b>Bank of America credit card</b>	10,755	6,930
<b>Total current liabilities</b>	<b>1,350,213</b>	<b>1,161,256</b>
<b>Payables after 1 year (long term liabilities)</b>		
<b>TCA IB Fees</b>	1,000,000	1,000,000
<b>Notes payable (Disputed TCA Loan. See accompanying notes.)</b>	5,000,000	5,000,000
<b>Total Long-term liabilities</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Total Liabilities</b>	<b>7,350,213</b>	<b>7,161,256</b>

	June 30, 2018	Mar. 31, 2018
<b>Stockholders' Equity</b>		
<b>Series A Convertible preferred shares, \$0.001 par value; 2,000,000 shares authorized - 904,000 issued and outstanding as of June 30, 2018 and 904,000 issued as of March 31, 2018</b>	904	904
<b>Series B Convertible preferred shares, \$0.001 par value; 7,000 shares authorized and 5,501 issued and outstanding as of June 30, 2018 - 7,000 authorized and 5,501 issued as of March 31, 2018.</b>	5.5	5.5
<b>Series C Convertible preferred shares, no par value; 2 shares authorized and issued at June 30, 2018 and 2 shares issued as of March 31, 2018</b>	0	0
<b>Common stock, \$0.0001 par value; 975,000,000 shares authorized and 233,080,275 issued and outstanding as of June 30, 2018 and 233,080,275 shares issued and outstanding, as of March 31, 2018</b>	23,308	23,308
<b>Additional paid in capital</b>	598,947	598,947
<b>Accumulated deficit</b>	-1,836,674	-1,599,587
<b>Total Stockholder's Equity / -Deficit</b>	<b>-1,213,510</b>	<b>-976,423</b>
<b>Total Liabilities and Stockholder's Deficit</b>	<b>6,136,703</b>	<b>6,184,834</b>

(Unaudited)

See accompanying notes to the financial statements

ITEKNIK HOLDING CORPORATION AND  
SUBSIDIARY CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2018	June 30, 2017
<b>Assets</b>		
<b>Total cash and cash equivalents</b>	69,175	64,592
<b>Cash in Escrow</b>	301,936	301,936
<b>Trade Accounts Receivables</b>	351,491	420,586
<b>Prepaid expenses</b>	51,310	129,325
<b>Other Current Assets</b>	4,100	4,100
<b>Total Current Assets</b>	<b>778,012</b>	<b>920,539</b>
<b>Fixed Assets</b>		
<b>Computer equipment and software</b>	90,632	82,395
<b>Furniture and equipment</b>	38,093	38,243
<b>Accumulated depreciation</b>	-72,253	-41,065
<b>Total Fixed Assets</b>	<b>56,471</b>	<b>79,572</b>
<b>Other Assets</b>		
<b>Good will</b>	5,202,064	5,198,064
<b>Loan receivable</b>	88,392	88,392
<b>Accrued Interest</b>	6,838	2,418
<b>Other Assets</b>	4,927	7,492
<b>Total Assets</b>	<b>6,136,703</b>	<b>6,296,478</b>
<b>Liabilities and Shareholder's Equity</b>		
<b>Payables within 1 year (current liabilities)</b>		
<b>Accounts payable and accrued liabilities</b>	38,361	43,034
<b>Accrued interest</b>	1,275,325	377,743
<b>Accrued payroll and taxes</b>	0	0
<b>Notes payable</b>	25,772	35,772
<b>Bank of America credit card</b>	10,755	11,467
<b>Total current liabilities</b>	<b>1,350,213</b>	<b>468,016</b>
<b>Payables after 1 year (long term liabilities)</b>		
<b>TCA IB Fees</b>	1,000,000	1,000,000
<b>Notes payable (Disputed TCA Loan. See accompanying notes.)</b>	5,000,000	5,000,000
<b>Total Long-term liabilities</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>Total Liabilities</b>	<b>7,350,213</b>	<b>6,468,016</b>

ITEKNIK HOLDING CORPORATION AND  
SUBSIDIARY CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 30, 2018	June 30, 2017
<b>Stockholders' Equity</b>		
Series A Convertible preferred shares, \$0.001 par value; 2,000,000 shares authorized - 904,000 issued and outstanding as of June 30, 2018 and 604,000 issued as of June 30, 2017.	904	604
Series B Convertible preferred shares, \$0.001 par value; 7,000 shares authorized and 5,501 issued and outstanding as of June 30, 2018 - 7,000 authorized and 7,000 issued as of June,30 2017.	5.5	7
Series C Convertible preferred shares, no par value; 2 shares authorized and issued at June 30, 2018 and 2 shares issued as of March 31, 2018	0	0
Common stock, \$0.0001 par value; 975,000,000 shares authorized and 233,080,275 issued and outstanding as of June 30, 2018 and 202,262,275 shares issued and outstanding, as of June 20, 2017	23,308	20,262
Additional paid in capital	598,947	549,453
Accumulated deficit	-1,836,674	-741,864
<b>Total Stockholder's Equity / -Deficit</b>	<b>-1,213,510</b>	<b>-171,539</b>
<b>Total Liabilities and Stockholder's Deficit</b>	<b>6,136,703</b>	<b>6,296,478</b>

Note: June 2017 figures have been updated from previous reports.

(Unaudited)

See accompanying notes to the financial statements

ITEKNIK HOLDING CORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended June 30, 2018	Three Months Ended March 31, 2018
<b>Revenues</b>		
<b>Sales</b>	815,880	771,577
<b>Other Income</b>	1,473	0
<b>Total Income</b>	<b>817,354</b>	<b>771,577</b>
<b>Cost of revenues</b>	-402,661	-372,428
<b>Gross profit (loss)</b>	<b>414,693</b>	<b>399,148</b>
<b>As percentage of income</b>	51%	52%
<b>Expenses</b>		
<b>Sales and general administrative</b>	-399,053	-416,958
<b>Depreciation</b>	-7,667	-7,437
<b>Interest expense (Accrued on disputed TCA loan see notes)</b>	-225,325	-225,322
<b>Legal Fees</b>	-20,013	-24,425
<b>Other expense / bad debt</b>	0	-39,007
<b>Stock compensation costs</b>	0	-6,127
<b>Other income / -expense</b>		
<b>Other income / -expense</b>	-475	737
<b>Total other income / expense</b>	<b>-652,532</b>	<b>-718,538</b>
<b>Net income -loss</b>	<b>-237,839</b>	<b>-319,390</b>
<b>Net income / -loss per share</b>		
<b>Basic</b>	0	0
<b>Diluted</b>	0	0
<b>Weighted average shares outstanding</b>		
<b>Basic</b>	233,080,275	233,080,275
<b>Fully Diluted</b>	1,093,363,33	821,237,039

Unaudited

See accompanying notes to the financial statements

ITEKNIK HOLDING CORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
<b>Revenues</b>		
<b>Sales</b>	1,587,457	1,145,942
<b>Other Income</b>	1473	463,263
<b>Total Income</b>	<b>1,588,930</b>	<b>1,609,205</b>
<b>Cost of revenues</b>	-775,089	-577,655
<b>Gross profit / (loss)</b>	<b>813,841</b>	<b>1,031,550</b>
<b>As percentage of income</b>	51%	64%
<b>Expenses</b>		
<b>Sales and general administrative</b>	-816,010	-727,415
<b>Depreciation</b>	-15,104	-15,884
<b>Interest expense</b>	-450,647	-451,319
<b>Legal Fees</b>	-44,438	-94,223
<b>Other expense / bad debt</b>	-39,007	-39,224
<b>Stock compensation costs</b>	-6,127	0
<b>Other income / -expense</b>	261	-104,040
<b>Total other income / expense</b>	<b>-1,371,071</b>	<b>-1,432,104</b>
<b>Net income -loss</b>	<b>-557,229</b>	<b>-400,554</b>
<b>Net income / -loss per share</b>		
<b>Basic</b>	0	0
<b>Diluted</b>	0	0
<b>Weighted average shares outstanding</b>		
<b>Basic</b>	233,080,275	226,235,275
<b>Fully Diluted</b>	1,093,363,33	991,963,330

Unaudited

See accompanying notes to the financial statements



ITEKNIK HOLDING CORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)  
(Unaudited)

	Preferred stock				Common Stock			Accum. deficit	TOTAL
	Class A Shares \$0.001 par value	Class B Shares \$0.001 par value	Class C Shares \$zero par value	Total \$ Amount of Preferred Stock	Shares	\$ Amount	Addition al paid-in capital		
Balance at 3/31/2018	904,000	5,001	2	\$910	233,080,275	\$23,309	\$598,947	(\$1,599,587)	(\$976,423)
Balance at 6/30/2018	904,000	5,001	2	\$910	233,080,275	\$23,309	\$598,947	(\$1,836,674)	(\$1,213,510)

Unaudited

See accompanying notes to the financial statements

ITEKNIK HOLDING CORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

Three Months Ended  
June 30, 2018

<b>Cash Flows from Operating Activities:</b>	
Net profit / loss	-239,312
<b>Adjustments to reconcile net loss to net cash used in operations</b>	
Share-based Compensation	0
Depreciation	7,667
Bad Debts	0
Interest	222,713
<b>Changes in assets and liabilities, net of acquisition and disposals:</b>	
Accounts Receivable	-216
Prepaid Expense	298
Accounts Payable	-3,264
Other Current Assets and Liabilities	3,859
<b>Net cash (used) generated from operating activities</b>	<b>-8,255</b>
<b>Cash Flows from investing activities:</b>	
Fixed Assets-Computer Equipment	-2,759
401k	545
<b>Net cash used in investing activities</b>	<b>-2,214</b>
<b>Cash flows from financing activities:</b>	
Proceeds from debt/equity	100
Cash provided from TCA loan	0
<b>Net cash provided (used) by financing activities</b>	<b>0</b>
<b>Net increase / -decrease in cash and cash equivalents</b>	<b>-10,369</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>381,481</b>
<b>Cash and cash equivalents, end of period</b>	<b>371,112</b>

Unaudited

See accompanying notes to the financial statements

## **1. Organization and Formation**

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.

On September 16, 2016, the Company formed a new wholly owned Wyoming subsidiary, Big Rhino Corporation. On December 30, 2016 iTeknik acquired the assets of a former Phoenix based advertising agency and hired a staff to run this business as the Big Rhino Corporation. On January 2, 2017 Big Rhino began operations in the traditional and digital marketing, and media business. On Aug 2017 the Company acquired a second Marketing Company, The Blender Corporation, LLC.

## **2. Summary of Significant Accounting Policies**

### **Basis of presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

### **Basis of consolidation**

Prior to third quarter fiscal year 2017 (beginning January 1, 2017) all of the Company’s consolidated financial statements included 100% of the assets, liabilities, revenues, expenses and cash flows of iTeknik Holding Corporation as well as that of its then wholly owned subsidiary Send Global Corporation (the majority interest in Send Global was divested before July 1, 2017). Since January 2017 the consolidated financial statements of the Company represented 100% of the assets, liabilities, revenues, expenses and cash flows of iTeknik Holding Corporation and the financial statements of its operating subsidiaries Big Rhino Corporation and The Blender Corporation after July 1, 2017. All inter-company 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.

There were no disposals during the period ended June 30, 2018.

### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are adjusted to reflect actual experience when necessary. Significant estimates and assumptions affect many items in the financial statements. These include estimates of fair value of common stock and related impact to stock-based compensation. Actual results may differ from those estimates and assumptions, and such results may affect income, financial position or cash flows.

### **Cash and cash equivalents**

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method (“Indirect method”) as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments.

The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to paragraph 830-230-45-1 of the FASB Accounting Standards Codification .

### **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.

## **Risks and Uncertainties**

The Company's operations are subject to significant risk and uncertainties including financial, operational, technological, and regulatory risks including the potential risk of business failure. Also see Footnote #3 regarding going concern matters.

## **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, however, be adequate to prevent the misappropriation of our proprietary rights or technology.

To date, we do not have any federally registered trademarks.

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.

The Company does own the following URL's: [www.iTeknik.com](http://www.iTeknik.com), [www.bigrhino.agency](http://www.bigrhino.agency), [www.bigrhino.net](http://www.bigrhino.net), and [www.arrowheadadv.com](http://www.arrowheadadv.com), and [www.blendercompany.net](http://www.blendercompany.net)

## **Income Taxes**

In assessing the realization of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical operating results and the uncertainty of the economic conditions, the Company has recorded a full valuation allowance against its deferred tax assets at June 30, 2017, June 30, 2016 and June 30, 2015 where it cannot conclude that it is more likely than not that those assets will be realized. While the deferred tax asset is shown in these footnotes management has not elected to report the deferred tax asset on the financial statements for the periods after June 30, 2015 until such time as the Company again recognizes income from operations where this deferred tax asset may be applied. At that time it will be determined whether, all, part or none of the tax deferred asset can be utilized under tax laws and regulation then in effect and that time

## **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.

Up until the quarter beginning July 1, 2016, the Company derived virtually all of its revenues from prepaid telecom services. Cash received from customers is initially recorded as deferred and subsequently recognized as revenue when minutes used by customers, are appropriately rated for the calls made by customers and deducted from the prepaid funds balance. We were obligated until the divestiture of Send Global Corporation to deliver service to end customers for active accounts until the prepaid balance is used and therefore we accrued unused minute costs for activated cards and active accounts at the end of each period and this is recorded as Deferred Revenue in the financial statements. During those periods, these accounts have been drawn down and or funds returned to customers where applicable leaving a zero balance at the end of the period.

Beginning on January 2, 2017 and on a go forward basis the Company has derived virtually all of its revenue from the sale of advertising, media and related services to its business customers from its Media Companies and recognizes revenue as the services are essentially completed and earned.

### **Stock-Based Compensation**

The Company accounts for stock-based compensation in accordance with ASC 718. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which is the vesting period. The Company elected the modified-prospective method, under which prior periods are not revised for comparative purposes. The valuation provisions of ASC 718 apply to new grants and to grants that were outstanding as of the effective date and subsequently modified. During the quarter ended December 31, 2016 the Company paid for services to outside consultants with 10,210,288 common stock at the market closing price on the day earned and 200,000 preferred Class A shares to its Chairman and CEO at par value. There was no stock based compensation for the three- month period ended December 31, 2017.

### **Employee Stock Plan**

On February 15, 2017, the Board of Directors with the Consent of 90.9% of the eligible votes of the shareholders adopted the “iTeknik Holding Corporation and Subsidiaries 2017 Stock Plan” to incentivize employees and certain independent contractors and vendors. Under the provisions of the plan the Board or a committee of the Board, organized for that purpose, may award common shares of the corporation as the Board or the Committee may deem advisable. These shares would be subject to a “Restricted Stock Agreement” executed between the Company and the recipient governing the terms and conditions of that award. The Board or the Committee may organize the terms of the awards based on different performance criteria, including length of service. On January 1, 2018 a majority of shareholders revised this stock plan.

The “iTeknik Holding Corporation and Subsidiaries Stock Plan” (“Stock Plan”) has the following key points:

The shares awarded are restricted from the sale, transfer, or hypothecation until the earlier of:

1) 3 years from the date of the award, 2) a Change of Control as defined by the SEC, or 3) the shares reach and maintain for 30 days a closing price of \$0.75 or better adjusted for any capitalization changes. The recipient forfeits their award if they are no longer employed by or working with the Company at any time before the vesting period expires.

Based on the terms of the Stock Plan the aggregate number of shares collectively issued to participants can change quarter to quarter. The changes whether additions or subtractions occur based on new awards issued under than plan, bonus awards issued under the plan or reduced when participants are terminated under the plan. Following the initial issuance, when the Plan began all shares issued or canceled by the Board of Directors in the future are deemed transacted on the last day of any individual quarter and the price per share is based on the closing price on the last trading day of that quarter.

### **Basic and Diluted Net Earnings (Loss) per Share**

Basic net earnings (loss) per common share is computed by dividing net earnings (loss) applicable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents, consisting of shares that might be issued upon exercise of common stock options. In periods where losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive. The amount of earnings was insignificant when considered as earnings per share calculation.

### **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 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.

### **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.

## **3. Going Concern & Management Discussion and Analysis**

The financial statements for the current period 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.

### **Revenues**

Since the change in corporate focus and the acquisition of certain assets in the Media and Advertising space on December 30, 2016 (Big Rhino Corporation) and the acquisition of The Blender Company in August 2017 (the "Media Companies") the Company derives all of its revenue from its Media Company subsidiaries.

### **Working Capital**

As of June 30, 2018, the Company had cash on hand of \$371,112 which included the \$301,503 reserved in escrow for future acquisitions which is being held by the TCA's attorney. This compares to cash on hand as of March 31, 2018 of \$381,481 of which also included the \$301,936 held by TCA. With the uncertainties of litigation (see the discussion of the Company's litigation with TCA), it is unclear whether or not the Company would ever have ready access to the cash held in escrow. However, when calculating short term working capital the uncertainties of the release of these funds are offset by the accrued but unpaid disputed interest charges to TCA.

While the working capital is sufficient for operations and growth at the present time, management has elected to present the financial statement on a going concern basis due to the uncertainties related to the litigation with TCA. Due to the uncertainties of the litigation with TCA the Company's continued operations may be dependent upon its ability to continue to attract new sources of capital, complete planned acquisitions and exploit the growing cloud communications and mobile payments markets in order to attain a reasonable threshold of operating efficiency and achieve sustained profitable operations.

#### 4. Notes Payable

##### Unsecured Notes Payable

The Company consolidated for reporting all prior accrued interest payable into the gross amount due each note holder and therefore without receiving additional funds the reported face amounts of the notes have increased and the amount of the accrued interest has decreased.

Excluding the Note to TCA as of June 30, 2018 the Company had \$25,772 of principal balance on promissory notes issued and outstanding,

The following table reflects the total debt balances of the Company excluding the note to TCA as of June 30, 2018 and March 31, 2017:

	<b>June 30, 2018 Accrued Interest has not be included in the balance of the note</b>	<b>Mar. 31, 2018 Accrued Interest has not be included in the balance of the note</b>
[Principal balance on Convertible Promissory Notes – third parties	\$0	\$0
Principal Balance on Promissory Notes – related parties	\$0	\$0
Principal balance of unsecured third-party Notes	\$25,772	\$25,772

##### Secured Notes Payable

##### History of the disputed Note with TCA (TCA Global Master Credit Fund, LP “TCA”)

On December 30, 2016, the company closed on a \$15 million revolving debenture credit line with TCA. Under the terms of which the Company has access to funds up to the \$15 million limit at any time within the later of 20 months of December 30th, 2016 or 20 months from the date of the latest draw down subject to: 1) The Company being compliant in its reporting to TCA, 2) there has been no instance of default, 3) all payments under any outstanding tranches have been made timely, and 4) TCA approves the Company’s plan of repayment. As a debenture facility, every advance will have a monthly amortization schedule that will include principal and interest and TCA will take payments under that schedule directly from the Company’s designated bank account on the agreed date each month. From the initial funding of each tranche TCA will deduct legal fees, certain closing costs and 4 points on the amount of the tranche being drawn down. There is no commitment fee paid on the entirety of the line, only on the amount of each funding as it is disbursed. TCA charges 18% annual interest on the outstanding funds under this facility based on a 360-day banking year. This note is secured against all of the assets of the Company now or hereafter acquired both tangible and intangible and guaranteed by the wholly owned subsidiary, Big Rhino Corporation. Further the Company pledged its minority (48%) interest in Send Global Corporation which asset the Company had previously determined had no value.

On December 30, 2016, the Company drew down its first tranche of \$5 million dollars from TCA under this debenture line. Since the Company was using the vast majority of the funds to acquire assets from TCA, TCA made a one-time accommodation on the points to be paid from disbursement and the company was charged 4 points of \$500,000 of the tranche (\$20,000). After closing costs, the Company netted \$4,919,120. (For the use of funds see Arrowhead Assets Acquisition). Repayment of this tranche under the debenture agreement calls for payments beginning on January 31, 2017 with a payment of \$75,000 (which represents interest only) continuing on the last day of each month for 18 additional months at the rate of \$175,000 per month which was to include principal and interest. On the 20th month the Company would have a balloon payment of \$2,995,328 which can either be refinanced with TCA or a third party or TCA can convert the balance to stock for repayment. At conversion, which can only occur at the end of term, or upon an uncured event of default, TCA has the right to convert stock at a 15% discount to market subject to TCA never becoming a holder of more than 4.99% of the outstanding common stock of the Company at any one time. The conversion has a “make whole” provision that allows TCA to sell the stock on the open market after conversion and subject to Rule 144 as promulgated by the United States Securities and Exchange Commission and required the Company to issue additional shares to TCA until they are sold and TCA is made whole. To protect our shareholders from undue dilution TCA is limited in its ability to sell shares by; 1) it can only convert after an uncured default, 2) TCA can never have more than 4.99% of the Company’s common shares at any one time, and 3) sales are subject to a leak out provision whereby TCA’s stock sales can never represent more than 20% of the weekly stock sales volume in any given week.

### **The Company Defaulted TCA and initiated a lawsuit against TCA.**

After making one \$75,000 payment of January 31, 2017, the Company defaulted TCA as indicated in section marked Litigation and made no further payments but rather accrued the payment on its balance sheet and expensed the interest each month. For more details see footnote 6 under Litigation regarding the dispute with TCA of the note payable related to the acquisition of the assets acquisition agreement referenced above.

## **5. Acquisitions**

### **Acquisition of the Arrowhead Assets**

On December 30, 2016, the Company acquired the assets formerly known as Arrowhead Advertising from TCA Master Global Credit Fund. LP for the sum of \$5,189,064 (“purchase price”). The Company paid for this acquisition with cash of \$4,189,064 and a long-term convertible note for Investment Banking (IB) Fees for \$1 million dollars. The cash component of the purchase price was paid for from the first \$5 million dollar advance the Company took on its revolving debenture facility with TCA (see Secured Notes Payable Above). The proceeds from that advance (tranche) were disbursed as follows:

-Cash Component of the Purchase Price	\$ 4,198,064
- Closing costs paid in cash	\$ 80,880
- A/P to Transfer Online	\$ 4,011
- Cash deposited in the Company’s account	\$ 415,109
- Cash reserved in Escrow for future acquisitions	<u>\$ 301,936</u>
- TOTAL	\$ 5,000,000

In addition to the above, the Company incurred expenses for professional services to third party(s) related to the acquisition in the amount of \$79,189. The Company paid \$9,189.00 of that balance through the issuance of 10,210,288 shares of the Company’s common stock and a cash payment of \$70,000.

TCA as the senior secured creditor had foreclosed on the assets of Arrowhead Advertising on September 8th, 2016, the effect of which was to extinguish the unsecured and junior debtor claims on any of the assets on a go forward basis (eliminated \$12 million in junior and unsecured debt). During the period of September 9, 2016 until acquired by the Company, TCA maintained the assets for the benefit of creditors (TCA). The Company acquired the assets including accounts receivable (\$828,593 of which \$289,090 in disputed receivables so management recorded only \$539,505 on our balance sheet) equipment (\$57,082), furniture and production equipment (\$24,841) and a library of creative product and relationships that the Company believed had value but which could not be adequately valued and this resulted in an application of good will of \$4,345,849. The equipment, furniture and production equipment was valued by a third party based on a percentage of market value consistent with the category of asset being recorded. The assets were placed into the Company’s wholly owned subsidiary, Big Rhino Corporation, as an asset.

### **Acquisition of The Blender Company, LLC.**

Acquisition of Blender, LLC. (“Blender”) On Aug. 21, 2017 the Company completed the acquisition of Blender in an equity swap agreement whereby the members of Blender exchanged their equity interests for 2 million newly issued restricted common stock of the Company and Blender became a wholly owned subsidiary of the Company. Blender had only one obligation to a media outlet of \$6,000 which obligation the Company agreed to continue to pay through its new subsidiary, Blender. With the exception of the employment contract with the founder of Blender, David Sandoval the Company did not acquire any other employees. Sandoval entered into a two year contract that paid him a signing bonus of \$6,000.

Blender is a small, minority focused full service media and advertising agency based in Arizona and having contracts with the State and local governments in Arizona.



## **6. Commitments and Contingencies. Litigation and settlements.**

### **Litigation**

#### **TCA**

On April 4, 2017, the Company filed suit in the Arizona Superior Court (case No. CV2017-003585) against the TCA Global Master Credit Fund, L.P. due to TCA's uncured default for inducing the Company into the transaction by misrepresentation, and omissions related to the Asset Purchase Agreement Dated December 30, 2016 and related documents.

Under advice of corporate and litigation counsel on April 4, 2017 the Company filed for relief in the Arizona Superior Court against the TCA Global Master Credit Fund, L.P. for among other things inducing us into the transaction by misrepresentation and omissions more specifically as defined as: failure to release escrow, misleading financial projections and undisclosed debts related to the assets among other things. Our litigators chose to bring the action in Arizona because the assets are and have always been located in Arizona and the foreclosure that TCA had previously completed to take title to the assets, prior to selling them to us occurred in Arizona under Arizona statutes. We had previously offered TCA an opportunity to discuss the open items to come to an amicable solution that involved the payment by TCA of their expenses that we incurred, the immediate release of the funds still held in escrow for us, and an alteration in the repayment plan and or a reduction in the purchase price. Instead, TCA responded to our notice of default to TCA and attempts to amicably negotiate and on March 29, 2017 by sending us a notice of default with a 10-day notice to cure by paying all fees TCA claims without offset of the monies the company has claimed is owed to us by TCA. Under advice of counsel we elected to file suit first to preserve or rights for the benefit of our shareholders.

On February 27, 2018 the presiding Judge in the Arizona Superior Court Case ruled that the proper venue for the Company's complaint should be Broward County, Florida. On April 20, 2018 the Company filed a motion in in the Arizona Superior Court to reconsider the ruling on the venue jurisdiction. On August 2, 2018 the motion for reconsideration was granted and the dismissal has been vacated. The Company is cleared to continue the case against TCA in Arizona. While the Company was waiting to see the results of the motion to reconsider the venue verdict, the Parties have been working toward an amicable settlement.

While there can be no certainty regarding the outcome of litigation the Company is confident in a favorable outcome for the Company.

#### **No Other litigation**

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

In the ordinary course of business, we are from time to time involved in various pending or threatened legal actions. The litigation process is inherently uncertain and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, other than as set forth herein, matters currently pending or threatened against us are not expected to have a material adverse effect on our financial position or results of operations.

#### **Settlements**

There were no settlements related to any debt or other matter during the period and other than the litigation with TCA there are no disagreements or contentions against the Company at this time.

## **7. Shareholder's Equity**

### **Common Stock**

As of June 30, 2018 there were 975,000,000 total shares of common stock, par value \$0.0001 per share authorized and 233,080,275 shares were outstanding. There are no special voting or economic rights or privileges related to common shares (for special rights see preferred stock below). Dividends may be paid on the outstanding shares as declared by our board of directors. Each share of common stock is entitled to one vote.

### **Preferred Stock**

Preferred Series A: As of June 30, 2018, 2,000,000 shares of Series A Preferred Stock, par value \$0.001 per share, were authorized, and 904,000 Series A were issued. Each Series A shares have a conversion rate of 1 for 100, with voting rights based on the number of shares of common stock that could be converted. These Class A Preferred shares are convertible to a total of 90,400,000 additional common shares

Preferred Series B: As of June 30, 2018, 7,000 shares of Series B Preferred Stock, par value \$0.001 per share, were authorized, and 5,501 were issued. Each share of Series B Preferred Stock is convertible into 0.00034% of the Corporation's common stock on a fully diluted basis as of the date of conversion; See the filed Certificate of Designation of Series B filed as an exhibit to the Company's Supplemental Report filed with the OTC Markets on June 8, 2015 and on Wyoming Article 10 amendment dated August 4, 2017 for more details. No additional preferred series B shares were issued during the current period.

Preferred Series C: As of June 30, 2018 two shares of Series C Preferred Stock were authorized, no par value, 2 shares was issued and outstanding. Each Series C share has a conversion rate of 1,000,000,000 votes per share with no par value.

Preferred Series D: As of June 30, 2018 100 shares of Series D Preferred stock were authorized. Each Series D has a par value of \$0.001 and is convertible into the common stock of the Company at a value on date of conversion of \$50,000 per share. As of March 31, 2018 there were no Preferred Series D shares issued or outstanding.

### **Warrants**

Company had no outstanding warrants allowing employees or other individuals or groups to purchase common shares.

## **8. Earnings (Loss) Per Share**

In accordance with accounting guidance now codified as FASB ASC Topic 260, "Earnings per Share," basic earnings (loss) per share is computed by dividing net income (loss) by weighted average number of shares of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

Since the Company has not reported a profit for the 12 month period ending June 30, 2017 (former fiscal year end), and the net loss when calculated against the shares outstanding exceeds .0001 we have not prepared a separate computation of diluted earnings (loss) per share.

	<b>For the three months ended June 30, 2018</b>	<b>For the three months ended Mar 31, 2018</b>
Net income / -loss	-\$237,839	-\$362,775
Net earnings / -loss per share; basic and diluted	\$0	\$0
Weighted average number of shares outstanding – basic	233,080,275	225,711,415

## **9. Related Party Transactions**

During the 3 months ended June 30, 2018 our Chairman transferred 1,000 shares of his Preferred B Preferred Shares and 1 share of his Preferred C Shares to The Tiger Prodigy Irrevocable Trust.

## **10. Management and Board of Directors Changes**

Fredrick W. Wicks remains as the Company's Chairman of the Board and CEO, (sole board member and officer).

## **11. Income taxes**

The Company has not filed its tax returns for the years ended June 30, 2015, 2016 and 2017 and anticipates no tax liability is due because of continued losses. The Company is currently in the process of filing these tax returns.

## **12. Subsequent Events**

In accordance with ASC 855, Subsequent Events, we have evaluated subsequent events through June 30, 2018, the date of assembly of the information for the issuance of these un-audited financial statements. During this period, other than as listed below and under Litigation herein above we did not have any materially recognizable subsequent events, other than as indicated in the affected area in this report.

## **13. Other Information**

The financial statements for the period ended June 30th, 2016 were prepared by Management from records available to Fredrick Wicks as the books of original entry were unavailable. Since the Company had little or no activity during the 3 and 6 months ending September 30, 2016 Management relied upon the 3rd quarter financials (period ended March 2016), and the known changes for the following two 3-month periods in order to prepare those reports. Beginning January 1, 2017 management has relied upon the books of original entry.

On April 20, 2018, the Internal Revenue Service granted the Company a change in its fiscal year from June 30 to December 31.

### **Management's Certification**

I, Fredrick Wicks, Chief Executive Officer, Chairman of the Board and Acting Chief Financial Officer, of iTeknik Holding Corporation hereby certify to the best of my knowledge and belief 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 3 month period ended June 30, 2018, in conformity with accounting principles generally accepted in the United States, consistently applied.

6-30-2018

By: /s/ Fredrick Wicks