



SOCIAL MEDIA GATEWAYS, INC.

FINANCIAL STATEMENTS

For the Calendar year ended December 31, 2020
(Unaudited)

SOCIAL MEDIA GATEWAYS, INC.

Balance Sheets

As of December 31
2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	3,969.00
Prepaid expenses		0.00
Accounts receivable		37,000.00
Intangible assets		342,191.00

TOTAL CURRENT ASSETS	383,160.00
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TOTAL ASSETS	383,160.00
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LIABILITIES AND SHAREHOLDERS EQUITY

CURRENT LIABILITIES

Accounts payable	\$	12,370.00
Long term debt		357,200.00

TOTAL LIABILITIES	369,570.00
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SHAREHOLDERS' EQUITY

Capital Stock (20,000,000 shares authorized, 13,589,869 shares - issued and outstanding. \$0.0010 par value)	13,590.00
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Additional Paid in Capital	-
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TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	383,160.00
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SOCIAL MEDIA GATEWAYS, INC.

Statement of Operations

	<u>2020</u>
ASSETS	
Current Income	
Revenue	\$ 56,300
Cost of Goods Sold	25,000
Gross Profit	31,300
Operating Expenses	
Marketing	\$ 850
Professional Fees & Contract Labor	14,789
Office & Software	43,780
Equipment	2,300
Utilities	7,890
Travel	5,320
Net Income	-43,629

SOCIAL MEDIA GATEWAYS, INC.
Consolidated Statement of Equity

	<u>COMMON STOCK</u>		<u>PREFERRED STOCK</u>		<u>Paid-In Capital</u>	<u>(Accumulated Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Additional							
Retained Earnings							
BEGINNING BALANCE, APRIL 25, 2012 (INCEPTION)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Contributions	10,250,000	10,250	3,339,870	2,784,500			2,794,750
Other comprehensive gain/(loss)	-	-	-	-	-	-	-
Net Income	-	-	-	-	-	(43,629)	(43,629)
ENDING BALANCE, DECEMBER 31, 2020	<u>10,250,000</u>	<u>10,250</u>	<u>3,339,870</u>	<u>2,784,500</u>	-	(43,629)	2,751,121

SOCIAL MEDIA GATEWAYS, INC.

Statement of Cashflows

	<u>2020</u>
Cash Flows From Operating Activities	
Net Income (Loss) for the period	\$ (43,629.00)
Change in prepaid expenses	-
Change in Payables	5,030.00
Net Cash Flows From Operating Activities	(38,599.00)
 Cash Flows From Financing Activities	
Business and personal grants	\$ -
Net Cash Flows From Financing Activities	-
 Cash at Beginning of Period	 \$ 4,266
Net Increase (Decrease) In Cash	8,235
Cash at End of Period	3,969

SOCIAL MEDIA GATEWAYS, INC.

NOTES TO THE FINANCIAL STATEMENTS

Fiscal Years Ended December 31, 2020

1. ORGANIZATION AND PURPOSE

Social Media Gateways, Inc. (the “Company”), is a corporation organized under the laws of the State of Delaware. The Company operates enterprise loyalty, payment, remittance and mobile business software services platforms and derives revenue from advertising, hosting content and fulfillment of information technology services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company’s significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

a) Basis of Accounting

The Company prepares its financial statements on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

b) Calendar Year

The Company operates on a 54-week calendar year ending on December 31.

c) Cash Equivalents

Cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less held in domestic financial institutions. For the financial years ended December 31, 2020, the Company’s cash positions include its operating bank account.

d) Legal Fees

Legal fees consist of legal services provided for the creation of the Company and equity financing.

c) Use of Estimates

The preparation of financial statements requires the management team to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. SUBSEQUENT EVENT

The Company has evaluated events and transactions subsequent to the period. No events require recognition in the financial statements or disclosures of the Company per the definitions and requirements of ASC Section 855-10, Subsequent Events.