

Frontera Investment, Inc. (formerly Bidnow.com, Inc.) and Subsidiaries
An Arizona Corporation
Unaudited Pro Forma Condensed Consolidated Balance Sheets

		As of December 31,	
		2007	2006
ASSETS			
Current Assets			
Cash		\$ 605,873	\$ 545,551
Receivables		96,120	76,749
Inventories		220,281	8,543
Other Current Assets		54,126	25,151
Total Current Assets		976,400	655,994
Total Net Fixed Assets		530,871	259,128
Other Assets			
Deposits		100,799	6,017
Deferred Tax Assets		700,000	-
Goodwill and Other		599,822	29,154
Total Other Assets		1,400,621	35,171
TOTAL ASSETS		\$ 2,907,892	\$ 950,293
LIABILITIES & STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable		\$ 667,221	\$ 331,529
Accrued Expenses		13,749	65,727
ACH Clearing		81,739	51,947
Notes Payable		191,000	250,000
Long-Term Debt - Current Portion		52,608	-
Total Current Liabilities		1,006,317	699,203
Long-Term Debt - Net of Current Portion		558,913	350,000
Total Liabilities		1,565,230	1,049,203
Stockholders' Equity			
Series A - Preferred Stock, \$1.00 Par Value; 4,000,000 Shares Authorized		-	-
Series B - Preferred Stock, \$1.00 Par Value; 6,000,000 Shares Authorized		-	-
Common Stock, No Par; 100,000,000 Shares Authorized; 51,007,977 and 24,034,559 Shares Issued and Outstanding as of December 31, 2007 and 2006, respectively		11,941,278	10,969,426
Retained Deficit		(10,598,616)	(11,068,336)
Total Stockholders' Equity		1,342,662	(98,910)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY		\$ 2,907,892	\$ 950,293

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

Frontera Investment, Inc. (formerly Bidnow.com, Inc.) and Subsidiaries
An Arizona Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Operations

	<u>Year Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
Revenues:		
Proceeds from Disposition of Merchandise	\$ 3,406,214	\$ -
Fees for Services	829,836	464,968
Total Revenues	<u>4,236,050</u>	<u>464,968</u>
Disposition of Merchandise	3,308,967	-
Direct Cost of Services	<u>34,425</u>	<u>27,468</u>
Gross Profit	892,658	437,500
Expenses:		
Store Operating Expenses	647,140	479,146
Bad debts	16,346	36,109
Store Rents	81,631	29,743
Store Depreciation	<u>84,309</u>	<u>52,679</u>
Total Store Expenses	<u>829,426</u>	<u>597,677</u>
Net Store Profit (Loss)	63,232	(160,177)
Corporate Expenses	<u>359,209</u>	<u>376,451</u>
Ordinary Income (Loss)	(295,977)	(536,628)
Other Income (Expense):		
Non-recurring items	139,101	(19,173)
Interest Expense	<u>(70,103)</u>	<u>(59,929)</u>
Net Loss before Income Taxes	(226,979)	(615,730)
Income Tax (Expense) Benefit	<u>696,698</u>	<u>(1,674)</u>
Net Income (Loss)	<u>\$ 469,719</u>	<u>\$ (617,404)</u>
Basic and Diluted Net Income (Loss) Per Share	<u>\$ 0.013</u>	<u>\$ (0.017)</u>
Shares used in computation	36,260,879	36,260,879

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

Frontera Investment, Inc. (formerly Bidnow.com, Inc.) and Subsidiaries
An Arizona Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Stockholders' Equity

	Common Stock		Retained Deficit	Stockholders' Equity
	Shares	Amount		
Balance, December 31, 2005	14,398,891	\$ 10,535,418	\$ (10,450,933)	\$ 84,485
Issuance of Common Stock	9,635,668	434,008	-	434,008
Net Loss	-	-	(617,403)	(617,403)
Balance, December 31, 2006	24,034,559	\$ 10,969,426	\$ (11,068,336)	\$ (98,910)
Issuance of Common Stock	26,973,418	971,852	-	971,852
Net Income	-	-	469,719	469,719
Balance, December 31, 2007	51,007,977	\$ 11,941,278	\$ (10,598,616)	\$ 1,342,662

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

Frontera Investment, Inc. (formerly Bidnow.com, Inc.) and Subsidiaries
An Arizona Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2007	2006
Net Income (Loss):	\$ 469,719	\$ (617,404)
Adjustments to reconcile Net Income (Loss)		
to net cash provided by operations:		
Change in Deferred Tax Assets	(700,000)	-
Depreciation and Amortization	98,023	53,028
Change in Other Operating Assets and Liabilities:		
Receivables	(19,371)	57,128
Inventories	(211,737)	(8,548)
Accounts Payable	335,692	47,419
Other Assets and Liabilities	(51,161)	65,668
Net cash used in Operating Activities	(78,835)	(402,709)
Investing Activities:		
Purchase of Fixed Assets	(369,768)	(75,310)
Increase in Deposits	(94,783)	-
Increase in Goodwill and Acquisition Related Costs	(570,668)	(31,745)
Net cash used in Investing Activities	(1,035,219)	(107,055)
Financing Activities:		
Repayment of Notes Payable, Net	(284,006)	-
Repayment of Long-Term Debt	(82,856)	(150,000)
Proceeds from Long-Term Debt	569,386	-
Proceeds from Sale of Common Stock	971,852	434,008
Net cash provided by Financing Activities	1,174,376	284,008
Net increase (decrease) in cash	60,322	(225,756)
Cash, Beginning of Period	545,551	771,307
Cash, End of Period	\$ 605,873	\$ 545,551

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

Frontera Investment, Inc. (formerly Bidnow.com, Inc.) and Subsidiaries
Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES:

Organization and Nature of Operations

On March 16, 2008 Frontera Investment, Inc., and its subsidiaries (the "Company"), which provides check cashing, pawn, money transfer, payday advances, tax preparation and related products and services, merged its business operations and assets into Bidnow.com, Inc. ("the Reverse Merger"). On April 10, 2008, Bidnow.com, Inc.'s name was changed to Frontera Investment, Inc. On April 15, 2008 the Company announced a new ticker symbol of "FRNV" which is traded over the counter on NASDAQ.

Basis of Presentation

Provided the overall material nature and timing of the Reverse Merger, the Unaudited Pro Forma Condensed Consolidated Balance Sheets as of December 31, 2006 and 2007, and the Condensed Consolidated Statement of Operations, Stockholders' Equity and Cash Flows for the years ended December 31, 2007 and 2006, are presented "as if" the Reverse Merger occurred at the beginning of the periods presented (the "Financials"). In addition to conversion of all Preferred Shares and a one for fifteen reverse stock split that was approved in March 2008.

The Financials have been internally prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, they do not include all of the information and footnotes required by GAAP for complete financial statements but include only those deemed by management to be material to the reader of the financial statements. All material intercompany balances and transactions have been eliminated.

The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. In the opinion of management, the accompanying financial statements include all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial condition, results of operations and cash flows for the periods presented. The accompanying financial statements are not necessarily indicative of what the actual financial position or results of operations of the combined companies would have been as of the date or for the periods indicated, nor do they purport to represent the financial position or results of operations of the combined companies as of or for any future period.

Cash and Cash Equivalents

Cash and cash equivalents represents cash at the Company's stores and in general operating bank accounts. No amounts are restricted.

Inventories

Inventories, consisted primarily of mass transit tickets for a local governmentally run enterprise fund as of December 31, 2007, and are stated at cost. The Company purchases and sells the

mass transit tickets for one of its locations, which are typically paid for in advance at each month end, and sold through within a 30 day period. Any resulting loss of inventory or “shrink” is not material and expensed as incurred.

Cumulative Losses

The Company has incurred cumulative losses since inception of \$1.7 million through December 31, 2007, excluding the benefit from a \$700,000 tax benefit from these losses (excluding losses incurred by Bidnow.com, Inc.), and has a working capital deficiency of \$29,917. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern. Management is currently planning to raise funds to pay for future working capital needs and new store acquisitions and has raised approximately \$575,000 in both equity and debt securities subsequent to year-end through April 15, 2008.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (the “FASB”) issued “SFAS No. 157, *Fair Value Measurements*.” SFAS No. 157 prescribes a single definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company does not believe the adoption of SFAS No. 157 will have a material impact on its financial condition or results of operations. SFAS No. 157 is effective for the Company’s interim reporting period beginning January 1, 2008.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company does not believe the adoption of SFAS No. 159 will have a material impact on its financial condition or results of operations. SFAS No. 159 is effective for the Company’s interim reporting period beginning January 1, 2008.

Fair Value of Financial Instruments

Pursuant to SFAS No. 107, “Disclosures about Fair Value of Financial Instruments,” the Company is required to estimate the fair value of all financial instruments included on its balance sheet. As of December 31, 2007 and 2006, the financial instruments consisted of cash and cash equivalents, accounts receivable accounts payable, and inventories. The Company considers these items to approximate the amounts presented due to their relatively short term duration.

Revenue Recognition

The Company’s revenue is primarily generated through products and services offered at its locations, which is primarily conducted with cash or cash equivalents. Pawn and Payday Loan revenue and related inventories and related valuations were not material for, or during, any of the periods presented.

As the Company generally receives payments during the month in which services are provided, the allowance account is typically not significant in comparison to total revenues and does not have a material impact on the presentation of the financial condition or results of operations or cash flows. Activity in the allowance for uncollectible accounts for the years ended December 31, 2007 and 2006, respectively, is summarized below:

	<u>2007</u>	<u>2006</u>
Allowances, beginning of year	\$ -	\$ -
Amounts charged to expense	36,109	16,346
Write-offs of uncollectible receivables	<u>(36,109)</u>	<u>(16,346)</u>
Allowances, end of year	<u>\$ -</u>	<u>\$ -</u>

2. Commitments

The Company and its subsidiaries lease office and store facilities and various equipment under non-cancelable operating leases which may contain escalation provisions. The rental expense related to these leases is recorded on a straight-line basis over the lease term, including rent holidays. Rent expense was \$122,606 and \$74,793 for the years ended December 31, 2007 and 2006, respectively. Annual non-cancelable minimum lease payments are as follows:

2008	\$ 94,111
2009	79,111
2010	64,111
2011	49,095
2012, thereafter	-
Total	<u>\$ 286,428</u>

3. Stock Based Compensation

The Company adopted FASB Statement of Financial Accounting Standards No. 123 (revised 2004), "Share Based Payment," or SFAS 123R, using the modified-prospective transition method. Under this method, compensation cost is recognized for awards granted and for awards modified, repurchased or cancelled in the period after adoption. Compensation cost is also recognized for the unvested portion of awards granted prior to adoption. Prior year financial statements are not restated. The fair value of the Company's employee share options and similar instruments are estimated using the Black-Scholes option-pricing model. That cost is recognized over the period during which an employee is required to provide service in exchange for the award. Additionally, upon adoption of SFAS 123R, excess tax benefits related to stock compensation are presented as a cash inflow from financing activities.

4. Income Taxes

In June 2006, the FASB issued FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statements No. 109*" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on derecognition, interest and penalties, accounting in

interim periods, disclosure, and transition. FIN 48 was adopted by the Company effective January 1, 2007.

The Company files income tax returns in the U.S. Federal jurisdiction and various state jurisdictions. The periods from 2003 to 2007 remain open to examination by the IRS and state jurisdictions. The Company believes it is not subject to any significant tax risk. As of the date of adoption of FIN No. 48, the Company did not have any accrued interest or penalties associated with any unrecognized tax benefits, nor was any interest expense recognized for the periods presented.

Initial analyses indicate that the adoption of this statement will not likely have a material effect on the Company's future reported financial position or results of operations. As a result of the implementation of FIN 48, the Company did not recognize a change in its tax liabilities or assets for the periods presented.

5. Notes Payable

Notes Payable consists of the following at December 31:

	<u>2007</u>	<u>2006</u>
\$250,000, Prime +1.0%, Revolving Line of Credit, Due 10/07	\$ -	\$ 250,000
\$150,000, 8% per annum, Payable Quarterly, Unsecured Promissory Note with Warrants, Due 10/08	150,000	-
\$41,000, 0%, Unsecured Note Payable (Related Party)	41,000	-
Total	<u>\$ 191,000</u>	<u>\$ 250,000</u>

6. Debt

Debt consists of the following at December 31:

	<u>2007</u>	<u>2006</u>
\$200,000, 8% per annum, Payable Quarterly, Convertible Secured Promissory Note (Related Party), Due 9/07	\$ -	\$ 200,000
\$150,000, 8% per annum, Payable Quarterly, Unsecured Promissory Note with Warrants, Due 10/08	-	150,000
\$200,000, Prime +1%, Payable Monthly, Secured Term Loan, Due 4/17	199,416	-
\$207,500, Prime +2.5%, Payable Monthly, Secured Term Loan, Due 10/08	193,340	-
\$125,000, 10% per annum, Payable Monthly, Secured Promissory Note, Due 6/09	125,000	-
Leases, various	93,765	-
Total Debt	<u>611,521</u>	<u>350,000</u>
Less current maturities	<u>(52,608)</u>	<u>-</u>
Long-term debt	<u>558,913</u>	<u>350,000</u>

7. Acquisitions

The Company acquired a store location effective January 17, 2007 and converted the location to its current operating model. The purchase price was for \$525,000. The Company has paid \$400,000 in cash and related transaction costs and entered into a promissory note with the seller of \$125,000, 8% per annum, payable monthly, and is due June 30, 2009. The total purchase price was allocated \$47,000 to equipment and \$478,000 to Goodwill.

The Company acquired a store location effective August 8, 2007 and converted the location to its current operating model. The purchase price was for \$75,000 in cash. The Company has paid the \$75,000 in cash and related transaction costs. The total purchase price was allocated to Goodwill.

8. Subsequent Events

Subsequent to year end, the Company acquired a store location effective March 26, 2008 and is in the process of converting the location to its current operating model. The purchase price was for \$403,000. The total purchase price was allocated to Goodwill.

Subsequent to year end, the Company has entered in to an agreement to acquire a store location for approximately \$572,500. Of which, \$50,000 was deposited in escrow in December 2007. The Company will convert the store location its current operating model upon assumption. The Company currently anticipates closing this acquisition before June 30, 2008.