

**QUINTEL CAYMAN, LTD. AND SUBSIDIARIES**

**CONSOLIDATING BALANCE SHEET  
AS OF DECEMBER 31, 2019**

	Quintel Cayman, Inc.	Quintel Technology, Ltd.	Quintel USA, Inc.	Telecom Quintel Mauritius, Ltd.	Top Side Adj./ Eliminations	Consolidated
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash	\$ 3,380	\$ -	\$ 428,034	\$ -	\$ -	\$ 431,414
Accounts receivable, net	-	-	1,708,886	-	-	1,708,886
Current portion of loans to employee	-	-	300,000	-	-	300,000
Inventory, net	-	-	9,284,191	-	-	9,284,191
Right-of-use assets	-	-	315,328	-	-	315,328
Intercompany receivable	533,905	2,520,827	-	-	(3,054,732)	-
Prepaid expenses and other current assets	-	-	117,080	-	-	117,080
Total current assets	537,285	2,520,827	12,153,519	-	(3,054,732)	12,156,899
PROPERTY AND EQUIPMENT, net	-	-	289,711	-	-	289,711
LOANS TO EMPLOYEE, net of current portion	-	-	600,000	-	-	600,000
CAPITALIZED DEVELOPMENT COSTS	-	-	-	-	3,184,544	3,184,544
INTERCOMPANY NOTES RECEIVABLE	9,770,180	-	-	-	(9,770,180)	-
DEPOSITS	-	-	44,400	-	-	44,400
	<u>\$ 10,307,465</u>	<u>\$ 2,520,827</u>	<u>\$ 13,087,630</u>	<u>\$ -</u>	<u>\$ (9,640,368)</u>	<u>\$ 16,275,554</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$ -	\$ -	\$ 530,804	\$ -	\$ -	\$ 530,804
Accounts payable - due to Cirtek & Caytron	-	-	22,125,910	-	(10,000,000)	12,125,910
Accrued expenses	-	2,520,827	914,720	-	-	3,435,547
Lease liability	-	-	315,328	-	-	315,328
Intercompany payable	-	-	3,054,732	-	(3,054,732)	-
Current portion of long-term debt	-	-	180,000	-	-	180,000
Total current liabilities	-	2,520,827	27,121,494	-	(13,054,732)	16,587,589
DEFERRED GRANT PROCEEDS	-	-	-	-	-	-
INTERCOMPANY NOTES PAYABLE	-	-	9,770,180	-	(9,770,180)	-
LONG-TERM DEBT, RELATED PARTY	-	-	-	-	10,000,000	10,000,000
LONG-TERM DEBT, net of current portion	-	-	360,000	-	-	360,000
Total liabilities	-	2,520,827	37,251,674	-	(12,824,912)	26,947,589
<b>STOCKHOLDER'S EQUITY:</b>						
Preferred stock	14,958	-	-	-	-	14,958
Common stock	4,876	-	10	-	-	4,886
Additional paid-in-capital	103,877,367	-	5,000,000	-	-	108,877,367
Retained earnings (accumulated deficit)	(96,921,460)	-	(29,164,054)	-	3,184,544	(122,900,970)
Accumulated other comprehensive gain (loss)	3,331,724	-	-	-	-	3,331,724
Total stockholder's equity	10,307,465	-	(24,164,044)	-	3,184,544	(10,672,035)
	<u>\$ 10,307,465</u>	<u>\$ 2,520,827</u>	<u>\$ 13,087,630</u>	<u>\$ -</u>	<u>\$ (9,640,368)</u>	<u>\$ 16,275,554</u>

See Independent Auditor's Report to the Group Auditor on the Audit of Financial Information for Group Audit Purposes

**CONSOLIDATING STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Quintel Cayman, Inc.	Quintel Technology, Ltd.	Quintel USA, Inc.	Telecom Quintel Mauritius, Ltd.	Top Side Adj./ Eliminations	Consolidated
<b>REVENUES:</b>						
Product sales	\$ -	\$ -	25,232,854	\$ -	\$ -	\$ 25,232,854
Intercompany sales	-	-	-	-	-	-
Total revenues	-	-	25,232,854	-	-	25,232,854
<b>COST OF SALES</b>						
	-	-	(15,965,840)	-	(2,351,085)	(18,316,925)
Gross profit	-	-	9,267,014	-	(2,351,085)	6,915,929
<b>OPERATING EXPENSES:</b>						
General and administrative	26,246	-	5,871,628	-	(2,351,085)	3,546,789
Research and development	-	-	3,139,421	-	(1,580,926)	1,558,495
Sales and marketing	-	-	2,034,035	-	-	2,034,035
Total operating expenses	26,246	-	11,045,084	-	(3,932,011)	7,139,319
Income (loss) from operations	(26,246)	-	(1,778,070)	-	1,580,926	(223,390)
<b>OTHER INCOME (EXPENSE):</b>						
Other income	-	-	27,404	-	-	27,404
Interest expense, net	78,240	-	(147,296)	-	-	(69,056)
Foreign currency gain / (loss), net	26,676	-	-	-	-	26,676
Loan forgiveness	-	-	-	-	-	-
Total other expense, net	104,916	-	(119,892)	-	-	(14,976)
Income (loss) before benefit from income tax	78,670	-	(1,897,962)	-	1,580,926	(238,366)
(PROVISION FOR) BENEFIT FROM INCOME TAXES	(27,093)	-	(1,842)	-	-	(28,935)
DISCONTINUED OPERATIONS	(75,409,908)	84,067,184	13,113,458	168,791	(8,209,439)	13,730,086
NET INCOME (LOSS)	\$ (75,358,331)	\$ 84,067,184	\$ 11,213,654	\$ 168,791	\$ (6,628,513)	\$ 13,462,785