

**APOLLO ENTERPRISE SOLUTIONS, LTD AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET**

	3 MONTHS ENDED 30-Jun-18	3 MONTHS ENDED 30-Jun-17	6 MONTHS ENDED 30-Jun-18	6 MONTHS ENDED 30-Jun-17
ASSETS				
Current assets:				
Cash	\$ 11,227	\$ 38,670	\$ 11,227	\$ 38,670
Accounts receivable	164,587	253,440	164,587	253,440
Accounts receivable - related party	-	95,079	-	95,079
Prepaid expenses and other assets	9,662	20,708	9,662	20,708
Total current assets	<u>185,476</u>	<u>407,897</u>	<u>185,476</u>	<u>407,897</u>
Contract work in-progress	54,491	54,491	54,491	54,491
Patents, less accumulated amortization	839,259	945,405	839,259	945,405
Deferred debt costs	2,159,971	3,292,583	2,159,971	3,292,583
Deferred offering costs	-	-	-	-
Security deposit	60,000	80,000	60,000	80,000
Total Assets	<u>\$ 3,299,197</u>	<u>\$ 4,780,376</u>	<u>\$ 3,299,197</u>	<u>\$ 4,780,376</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable and accrued expenses	\$ 971,625	\$ 911,927	\$ 971,625	\$ 911,927
Accounts payable - related party	418,463	180	418,463	180
Accrued interest	40,023	32,510	40,023	32,510
Accrued interest - related party	2,545,834	1,539,077	2,545,834	1,539,077
Accrued payroll	-	30,611	-	30,611
Deferred revenue	1,420,590	1,387,856	1,420,590	1,387,856
Total current liabilities	<u>5,396,535</u>	<u>3,902,161</u>	<u>5,396,535</u>	<u>3,902,161</u>
Long-term liabilities:				
Notes payable - related party, net of debt discount	741,566	692,313	741,566	692,313
Line of credit - related party	9,572,058	8,526,588	9,572,058	8,526,588
Total long-term liabilities	<u>10,313,625</u>	<u>9,218,901</u>	<u>10,313,625</u>	<u>9,218,901</u>
Total liabilities	<u>15,710,160</u>	<u>13,121,062</u>	<u>15,710,160</u>	<u>13,121,062</u>
Commitments and contingencies				
Stockholders' deficit				
Class A preferred shares, authorized 4,000,000 shares, issued and outstanding 96 shares	2,400	2,400	2,400	2,400
Class A-2 preferred shares, authorized 1,200,000 shares, issued and outstanding 401 shares	10,030	10,030	10,030	10,030
Junior preferred shares, authorized 3,500,000 shares, issued and outstanding 117,762 shares	2,929,044	2,929,044	2,929,044	2,929,044
Common shares, authorized 310,880,000 shares, issued and outstanding 42,986,773 shares	7,274	7,274	7,274	7,274
Additional paid-in capital	35,791,745	35,607,677	35,791,745	35,607,677
Accumulated deficit	(51,148,480)	(46,894,123)	(51,148,480)	(46,894,123)
Treasury shares	(2,976)	(2,958)	(2,976)	(2,958)
Total stockholders' deficit	<u>(12,410,963)</u>	<u>(8,340,655)</u>	<u>(12,410,963)</u>	<u>(8,340,655)</u>
Total liabilities and stockholders' deficit	<u>\$ 3,299,197</u>	<u>\$ 4,780,407</u>	<u>\$ 3,299,197</u>	<u>\$ 4,780,407</u>

APOLLO ENTERPRISE SOLUTIONS, LTD AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS

	3 MONTHS ENDED 30-Jun-18	3 MONTHS ENDED 30-Jun-17	6 MONTHS ENDED 30-Jun-18	6 MONTHS ENDED 30-Jun-17
Revenues	\$ -	\$ 19,000	\$ -	\$ 25,534
Cost of goods sold	1,713	12,409	9,547	24,519
Gross profit (loss)	(1,713)	6,591	(9,547)	1,015
Selling and general administrative expenses	245,254	1,040,602	647,926	2,282,489
Operating loss	(246,967)	(1,034,011)	(657,473)	(2,281,474)
Other income (expense):				
Other income	-	-	-	-
Foreign exchange gain/loss	23,302	(25,230)	6,595	(32,754)
Interest income	-	-	-	-
Interest expense	(259,788)	(592,181)	(514,969)	(1,142,890)
Total other income (expense)	(236,486)	(617,411)	(508,374)	(1,175,644)
Loss before income taxes	(483,453)	(1,651,422)	(1,165,847)	(3,457,118)
Provision for income taxes	-	-	-	-
Net loss	\$ (483,453)	\$ (1,651,422)	\$ (1,165,847)	\$ (3,457,118)
EARNINGS GAIN/(LOSS) PER SHARE COMMON	\$ (0.01)	\$ (0.04)	\$ (0.03)	\$ (0.08)
Weighted average shares outstanding, basic and diluted	42,983,512	43,209,910	42,980,659	43,209,769

APOLLO ENTERPRISE SOLUTIONS, LTD AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS

	3 MONTHS ENDED 30-Jun-18	3 MONTHS ENDED 30-Jun-17	6 MONTHS ENDED 30-Jun-18	6 MONTHS ENDED 30-Jun-17
Cash flows from operating activities				
Net loss	\$ (483,453)	\$ (1,651,423)	\$ (1,165,847)	\$ (3,457,118)
Adjustments to reconcile net loss to net cash used in operating activities:				
Amortization of patent costs	26,464	26,464	52,637	53,219
Amortization of debt discount	-	399,003	-	774,822
Stock-based compensation expense	-	176,083	-	301,474
Issuance of treasury stock for services	-	-	-	10,000
Write-off of deferred offering costs	-	-	-	25,000
Bad debt expense	-	84,000	-	196,480
Changes in operating assets and liabilities:				
Accounts receivable	100,000	75,469	200,000	24,999
Accounts receivable - related party	-	-	-	(78,412)
Prepaid expenses	(1,026)	14,859	5,998	16,134
Security Deposit	-	-	-	20,000
Accounts payable and accrued expenses	(28,798)	(20,936)	61,103	4,017
Accounts payable - related party	74,106	76,994	151,675	241,471
Accrued interest	259,788	1,870	514,963	3,719
Accrued interest - related party	-	191,308	-	364,348
Accrued payroll	-	3,029	-	6,305
Deferred revenue	-	(19,000)	-	128,347
Net cash used in operating activities	(52,920)	(642,280)	(179,472)	(1,365,195)
Cash flows from investing activities				
Clarien Brokerage	648	-	725	-
Net cash provided by investing activities	648	-	725	-
Cash flows from financing activities				
Proceeds received from line of credit with related party	10,000	676,499	187,000	1,395,500
Proceeds received from issuance of treasury stock	-	-	-	-
Purchases of treasury stock	(284)	(11,448)	(10,344)	(16,051)
Payment of deferred offering costs	-	-	-	-
Net cash provided by financing activities	9,716	665,051	176,656	1,379,449
Net decrease in cash	(42,556)	22,771	(2,091)	14,254
Cash at beginning of period	53,783	15,899	13,318	24,416
Cash at end of period	\$ 11,227	\$ 38,670	\$ 11,227	\$ 38,670