

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

	<b>3 MONTHS ENDED 30-Sep-16</b>	<b>3 MONTHS ENDED 30-Sep-15</b>	<b>9 MONTHS ENDED 30-Sep-16</b>	<b>9 MONTHS ENDED 30-Sep-15</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	26,423	19,079	26,423	19,079
Accounts receivable	1,398,686	303,465	1,398,686	303,465
Prepaid Expenses and other assets	4,621	29,376	4,621	29,376
Total Current Assets	1,429,729	351,920	1,429,729	351,920
<b>OTHER ASSETS</b>				
Property and equipment, net	-	(4)	-	(4)
Contract work in progress	59,764	80,858	59,764	80,858
Patents, less accumulated amortization	1,025,087	1,106,531	1,025,087	1,106,531
Deferred Debt Costs	1,090,676	146,950	1,090,676	146,950
Deferred Offering Costs	25,000	-	25,000	-
Security Deposit	100,000	100,000	100,000	100,000
<b>TOTAL ASSETS</b>	<b>3,730,257</b>	<b>1,786,255</b>	<b>3,730,257</b>	<b>1,786,255</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	895,510	2,106,928	895,510	2,106,928
Accounts payable - related party	702,935	474,230	702,935	474,230
Accrued interest	1,043,936	595,152	1,043,936	595,152
Accrued payroll	27,640	36,291	27,640	36,291
Convertible notes - related party	1,195,949	1,006,608	1,195,949	1,006,608
Deferred rent	4,488	(421)	4,488	(421)
Deferred revenue	1,282,351	1,221,298	1,282,351	1,221,298
Total Current Liabilities	5,152,808	5,440,086	5,152,808	5,440,086
<b>LONG-TERM LIABILITIES</b>				
Convertible notes - related party	-	-	-	-
Note payable - related party	629,876	727,074	629,876	727,074
Line of credit - related party	3,951,600	1,240,000	3,951,600	1,240,000
Warrant Liability	-	6,431,248	-	6,431,248
Total Long Term Liabilities	4,581,476	8,398,322	4,581,476	8,398,322
<b>TOTAL LIABILITIES</b>	<b>9,734,284</b>	<b>13,838,408</b>	<b>9,734,284</b>	<b>13,838,408</b>
<b>SHAREHOLDERS' DEFICIENCY:</b>				
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 497 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, 43,223,861 shares	7,274	7,274	7,274	7,274
Treasury Shares	(2,952)	(2,990)	(2,952)	(2,990)
Additional paid-in capital	31,959,106	22,738,183	31,959,106	22,738,183
Retained deficit	(40,904,441)	(37,736,094)	(40,904,441)	(37,736,094)
Total Shareholders' Deficiency	(5,999,538)	(12,052,152)	(5,999,538)	(12,052,152)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>	<b>3,734,745</b>	<b>1,786,255</b>	<b>3,734,745</b>	<b>1,786,255</b>
<b>COMMON SHARES OUTSTANDING (WANS)</b>	<b>43,227,727</b>	<b>42,851,633</b>	<b>43,201,659</b>	<b>42,858,951</b>
<b>NET ASSET VALUE PER SHARE</b>	<b>(0.14)</b>	<b>(0.28)</b>	<b>(0.14)</b>	<b>(0.28)</b>

APOLLO ENTERPRISE SOLUTIONS, LTD AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF OPERATIONS

	3 MONTHS ENDED 30-Sep-16	3 MONTHS ENDED 30-Sep-15	9 MONTHS ENDED 30-Sep-16	9 MONTHS ENDED 30-Sep-15
REVENUES	626,758	654,759	1,570,308	1,829,149
COST OF GOODS SOLD	17,381	116,567	213,569	322,683
GROSS PROFIT	609,377	538,192	1,356,739	1,506,466
OPERATING EXPENSES:				
Selling and general administrative	823,426	1,082,832	2,750,503	2,771,773
Operating gain/loss	(214,049)	(544,640)	(1,393,764)	(1,265,307)
OTHER (INCOME) EXPENSE				
Sublease income	-	8,471	-	56,153
Foreign exchange gain/loss	1,566	15,054	109,493	21,200
Interest income	4,501	2	18,004	10
Interest expense	(338,234)	(381,020)	(856,907)	(1,067,526)
Change in Warrant Liability	-	2,750,582	(561,289)	2,733,904
Total other expense	(332,167)	2,393,089	(1,290,700)	1,743,740
INCOME GAIN/(LOSS) before income taxes	(546,217)	1,848,449	(2,684,464)	478,433
Provision for income taxes	-	-	-	-
NET GAIN/(LOSS)	(546,217)	1,848,449	(2,684,464)	478,433
COMMON SHARES OUTSTANDING (WANS)	43,227,727	42,851,633	43,201,659	42,858,951
EARNINGS GAIN/(LOSS) PER SHARE COMMON	(0.01)	0.04	(0.06)	0.01

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

	3 MONTHS ENDED 30-Sep-16	3 MONTHS ENDED 30-Sep-15	9 MONTHS ENDED 30-Sep-16	9 MONTHS ENDED 30-Sep-15
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net Gain/(Loss)	(546,217)	1,848,450	(2,684,464)	478,434
<b>Adjustments to Reconcile Net Gain/(Loss) to Net Cash Used in Operating Activities</b>				
Patent costs amortization	26,464	2,052	79,392	104,094
Amortization of debt discount and deferred debt costs	196,452	145,370	492,927	431,369
Depreciation expense	-	4	-	872
Stock based compensation	123,276	-	388,946	-
Issuance of warrants for services	-	-	13,283	-
Change in warrant liability	-	(2,750,582)	561,289	(2,750,582)
<b>Changes in Operating Assets and Liabilities</b>				
Accounts Receivable	-	319,509	-	403,071
Accounts Receivable Related Party	(540,521)	-	(1,186,221)	-
Prepaid Expenses	11,478	(11,335)	51,090	23,091
Security Deposit	-	(100,000)	-	(100,000)
Contract Work In Progress	5,274	5,273	15,820	15,821
Accounts Payable	526,354	(92,776)	271,964	(220,683)
Accounts Payable Related Party	(637,760)	-	(570,440)	-
Accrued Interest	141,784	84,501	363,982	250,749
Accrued Payroll	1,308	(5,731)	6,963	(2,625)
Other Accrued Expenses	-	345,186	-	798,559
Deferred Rent	-	(6,472)	-	(39,066)
Deferred Revenue	(80,737)	(80,737)	(8,211)	(242,210)
<b>Net Cash Used in Operating Activities</b>	<b>(772,845)</b>	<b>(297,290)</b>	<b>(2,203,680)</b>	<b>(849,105)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds Received from Issuance of Convertible Notes to Related Party	-	39,855	-	110,082
Proceeds Received from Loan with Related Party	-	109,610	-	272,487
Proceeds Received from Line of Credit Withdrawal from Related Party	762,600	-	1,612,600	-
Proceeds Received from Issuance of Treasury Stocks	-	148,645	-	435,906
Proceeds Received from Issuance of Treasury Stocks and Warrants	217	-	267,717	-
Retained Earnings	-	(186)	-	(559)
Payment of deferred offering costs	-	-	(25,000)	-
Purchases of Treasury Stock	(6,149)	(2)	(37,239)	6
<b>Net Cash Used in Financing Activities</b>	<b>756,668</b>	<b>297,922</b>	<b>1,818,078</b>	<b>817,921</b>
<b>Net Increase/Decrease in Cash</b>	<b>(16,177)</b>	<b>631</b>	<b>(385,601)</b>	<b>(31,184)</b>
<b>Cash, Beginning of Period</b>	<b>42,600</b>	<b>18,448</b>	<b>412,025</b>	<b>50,263</b>
<b>Cash, End of Period</b>	<b>26,423</b>	<b>19,079</b>	<b>26,423</b>	<b>19,079</b>