

ZYDUS NOVELTECH INC.

Balance Sheet

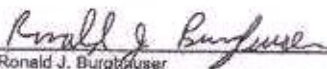
(STANDALONE)

December 31, 2017

(Unaudited)

Assets	December 31, 2017
Current Assets:	
Cash	\$602,701
Accounts receivable - related party	\$550,000
Prepaid expenses	\$30,564
Deferred tax asset	\$3,556,025
Employee advances	\$615
Total current assets	<u>\$4,539,904</u>
Property and equipment, net	\$2,349
Capital work-in-progress	\$0
Collateral Pledge	\$219,324
Rent deposit	\$11,354
Non-current investments	\$100,100
I/C note receivable	\$27,120,000
Total assets	<u>\$31,993,031</u>
Liabilities and Stockholders' Equity	
Current liabilities	
Accounts payable - other	\$3,880
Accounts payable - unvouchered	\$145,908
Short term provisions	\$159,215
Accrued expenses	\$37,890
Total current liabilities	<u>\$344,892</u>
Long term liabilities	
Bank Loan	\$29,200,000
Deferred tax liability	\$38,980
Valuation allowance	\$3,317,045
Total long term liabilities	<u>\$32,556,025</u>
Total liabilities	<u>\$32,900,917</u>
Stockholders' Equity	
Common stock, no par value	
1500 shares authorized,	
1000 shares issued and outstanding	\$3,000,000
Additional paid-in capital	\$2,000,000
Surplus (Deficit) accumulated during development stage	(\$5,907,887)
Total stockholders' equity	<u>(\$907,887)</u>
Total liabilities and stockholders' equity	<u>\$31,993,031</u>

Reviewed & Approved by

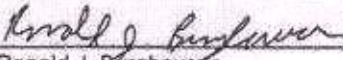

 Ronald J. Burgfuser
 CFO

ZYDUS NOVELTECH INC.
Statement of Operations
(STANDALONE)

For the period from January 1, 2017 through December 31, 2017
(Unaudited)

	January 1, 2017 through December 31, 2017
Revenue	\$ 1,705,675
Operating expenses	
General and administrative	\$ 1,550,896
Depreciation and amortization	\$ 1,742
	<u>\$ 1,552,638</u>
Profit (Loss) from operations	\$ 153,037
Other Income (expense)	
Other income	\$ -
Interest income	\$ 12
Interest expense	\$ -
Total other income (expense)	<u>\$ 12</u>
Profit (Loss) before state income taxes	\$ 153,049
Provision for state income taxes	\$ 1,050
Net Profit (Loss)	<u>\$ 151,999</u>

Reviewed & Approved by


Ronald J. Burghauer
CFO

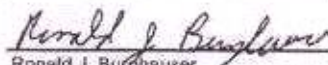
ZYDUS NOVELTECH INC.
Statement of Cash Flows

(STANDALONE)

For the period from January 1, 2017 through December 31, 2017
(Unaudited)

	January 1, 2017 through December 31, 2017
Cash flows from operating activities:	
Net profit (loss)	\$ 151,999
Adjustments to reconcile net loss to cash used in operating activities:	
Depreciation and amortization	\$ 1,742
Changes in operating assets and liabilities:	
Prepaid expenses	\$ 22,017
Deferred tax asset	\$ (3,356,025)
Receivable - related party	\$ (206,984)
Accounts receivable - unvouchered	\$ 28
Accounts payable - other	\$ (33,095)
Accounts payable - unvouchered	\$ 46,930
Employee advances (other)	\$ (280)
Disputed amount pending redressal	\$ -
State income tax payable	\$ 1,050
Short term provisions	\$ -
Accrued expenses	\$ (3,108)
Deferred taxes	\$ 38,980
Valuation allowance	\$ 3,317,045
Net cash provided by operating activities	\$ (19,703)
Cash flows from investing activities:	
Purchases of property and equipment	\$ -
Pledged collateral	\$ -
Capital work in progress	\$ -
I/C note receivable	\$ (5,436,000)
Net cash used in investing activities	\$ (5,436,000)
Cash flows from financing activities:	
Loan - related party	\$ -
Bank Loan	\$ 5,600,000
Net cash provided by financing activities	\$ 5,600,000
Net increase in cash	\$ 144,297
Cash, beginning of period	\$ 458,403
Cash, end of period	\$ 602,701

Reviewed & Approved by

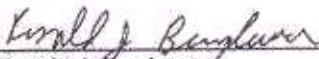

Ronald J. Bughauser
CFO

ZYDUS NOVELTECH INC.
Schedule of General and Administrative Expenses
(STANDALONE)

For the period from January 1, 2017 through December 31, 2017
(Unaudited)

	January 1, 2017 through December 31, 2017
Payroll and payroll related	\$ 1,115,425
Legal and other professional services	\$ 23,083
Travel	\$ 198,434
Rent	\$ 70,490
Employee Benefits and training	\$ 87,300
General	\$ 33,162
Telephone, internet and videoconferencing	\$ 10,371
Computer, network and copier	\$ 12,631
	<u>\$ 1,550,896</u>

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Ronald J. Burghauer
CFO