TPT Global Tech, Inc. and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

As of

June 30, 2015

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TPT Global Tech, Inc.
CONSOLIDATED BALANCE SHEET

ASSETS

	As of June 30, 2015
CURRENT ASSETS	
Cash	$ 101,977
Accounts Receivable	149,639
Other	2,372
Total Current Assets	$ 253,988
NON-CURRENT ASSETS	
Fixed Assets, net	$ 13,215,352
Deposits	51,851
Total Non-Current Assets	$ 13,267,203
TOTAL ASSETS	$ 13,521,191

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 914,642
Bank Line of Credit	2,497,790
Business Loans	199,396
Capital Leases	500,240
Total Current Liabilities	$ 4,112,068
NON-CURRENT LIABILITIES	
Business Loans – Long Term	$ 500,000
Vehicle Loans	27,175
Total Non-Current Liabilities	$ 527,175
Total Liabilities	$ 4,639,243
Commitments and Contingencies	
STOCKHOLDERS' EQUITY	
Preferred Stock, $.001 Par Value 100,000,000 Shares Authorized, 1,000,000 Shares Designated as Series A and 1,545,000 Designated as Series B Issued and Outstanding as of June 30, 2015	$ 2,545
Common Stock, $.001 Par Value, 1,000,000,000 Shares Authorized, 136,753,905 Shares Issued and Outstanding as of June 30, 2015	13,675
Additional Paid-In Capital	9,844,592
Accumulated Deficit	(978,864)
Total Stockholders' Equity	8,881,948
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 13,521,191

See notes to consolidated financial statements.

TPT Global Tech, Inc.
CONSOLIDATED STATEMENT OF OPERATIONS

	For the Six Months Ended June 30, 2015
REVENUES	$ 1,471,838
Cost of Sales	(770,594)
Gross Profit	$ 701,244
Selling, General and Administrative	(1,022,455)
Depreciation	(405,430)
Interest Expense	(52,795)
Net Loss Before Income taxes	(779,436)
Income Taxes	---
NET LOSS	$ (779,436)

See notes to consolidated financial statements.

TPT Global Tech, Inc.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
For the Six Months Ended June 30, 2015

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance: January 1, 2015	—	—	136,013,905	$12,935	$124,114	($199,428)	($62,379)
Issuance to Majority Shareholder – Series A Preferred Stock	1,000,000	$1,000	—	—	($1,000)	—	—
Issuance of Stock in Conjunction with TruCom Acquisition Series B Preferred Stock and Common	1,545,000	$1,545	740,000	$740	$9,721,478	—	$9,723,763
Net Loss	—	—	—	–	—	($779,436)	($779,436)
Balance – June 30, 2015	2,545,000	$2,545	136,753,905	$13,675	$9,844,592	($978,864)	$8,881,948

See notes to consolidated financial statements.

TPT Global Tech, Inc.
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Six Months Ended June 30, 2015
Cash flows from operating activities:	
Net loss	$ (779,436)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	405,430
Decrease in Accounts Receivable	47,279
Increase in Other Current Assets	(2,372)
Decrease in Accounts Payable and Accrued Expenses	(39,346)
Increase in Capital Leases	15,233
Net cash used in operating activities	$ (353,212)
Cash flows from financing activities:	
Increase in Business Loans	454,196
Decrease in Vehicle Loans	(5,128)
Net cash provided by financing activities	$ 449,068
Net increase in Cash	$ 95,856
Cash - beginning of period	$ 6,121
Cash - end of period	$ 101,977

Supplemental disclosure of cash flow information:

During the six months ended June 30, 2015, the Company issued 1,545,000 shares of Series B Convertible Preferred Stock, 740,000 shares of Common Stock and assumed approximately $4,000,000 of debt, capital leases and accounts payable, some of which is convertible into stock of the Company related to the acquisition of 100% of the outstanding stock of Copperhead Digital and Subsidiaries, TruCom, Nevada Utilities and CityNet. See Note 2.

During the six months ended June 30, 2015 the Board of Directors authorized the issuance of, 1,000,000 shares of Series A Preferred Stock to Stephen Thomas, Chairman, CEO and President of the Company. See Note 7.

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company was originally incorporated in 1988 in the state of Florida. In 2014, TPT Global Tech, Inc., a Nevada corporation, merged with Ally Pharma US, Inc., a Florida corporation, ("Ally Pharma", formerly known as Gold Royalty Corporation) in a "reverse merger" wherein Ally Pharma issued 110,000,000 shares of common stock, or 80% ownership, to the owners of TPT Global Tech, Inc. and Ally Pharma agreed to change its name to TPT Global Tech, Inc. (jointly referred to as "the Company" or "TPTG"). In 2014 the Company acquired all the assets of K Telecom and Wireless LLC ("K Telecom") and Global Telecom International LLC ("Global Telecom"). Effective January 31, 2015, TPTG completed its acquisition of 100% of the outstanding stock of Copperhead Digital Holdings, Inc. ("Copperhead Digital") and Subsidiaries, TruCom, LLC ("TruCom"), Nevada Utilities, Inc. ("Nevada Utilities") and CityNet Arizona, LLC ("CityNet"). See Note 2.

We generate revenues primarily through operating as a Competitive Local Exchange Carrier (CLEC) in Arizona and as a distributor of cell phones and telecommunications equipment.

Principles of Consolidation

Our accompanying consolidated financial statements include the accounts of K Telecom and Global Telecom since September 2015 and Copperhead Digital since February 2015. All intercompany accounts and transactions have been eliminated in consolidation (see Notes 2 and 3 to these consolidated financial statements).

Revenue Recognition

The Company recognizes revenue when a sales transaction closes and the product is accepted by the customer.

Share-based Compensation

The Company is required to measure and recognize compensation expense for all share-based payment awards (including stock options) made to employees and directors based on estimated fair value. Compensation expense for equity-classified awards is measured at the grant date based on the fair value of the award and is recognized as an expense in earnings over the requisite service period.

The Company records compensation expense related to non-employees that are awarded stock in conjunction with selling goods or services, and recognizes compensation expenses over the vesting period of such awards.

Income Taxes

We recognize deferred tax liabilities and assets based on the differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. All allowances against deferred income tax assets are recorded in whole or in part, when it is more likely than not those deferred income tax assets will not be realized.

Cash and Cash Equivalents

The company considers all investments with a maturity date of three months or less when purchased to be cash

equivalents. There are no cash equivalents as of June 30, 2015.

Accounts Receivable

We establish an allowance for potential uncollectible accounts receivable. All accounts receivable 60 days past due are considered uncollectible unless there are circumstances that support collectability. Those circumstances are documented. As of June 30, 2015 the allowance for uncollectible accounts receivable was zero.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results will differ, and could differ materially from those estimates.

Recently Adopted Accounting Pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change.

Subsequent Events

In accordance with FASB ASC 855, Subsequent Events, the Company evaluated subsequent events through the October 15, 2015, the date the financial statements were available for issue.

NOTE 2 – ACQUISTIONS

In September 2014, TPT Global Tech, Inc. merged with Ally Pharma in a "reverse merger" wherein Alley Pharma issued 110,000,000 shares of common stock, or 80% ownership, to the owners of TPT Global Tech, Inc. and Alley Pharma agreed to change its name to TPT Global Tech, Inc. (jointly referred to as "the Company" or "TPTG"). In 2014 the Company acquired all the assets of K Telecom and Global Telecom. Effective January 31, 2015, TPTG completed its acquisition of 100% of the outstanding stock of Copperhead Digital and Subsidiaries, TruCom, Nevada Utilities and CityNet.

In October 2015, the Company acquired the assets of Port2Port Inc. ("Port2Port"), a wholesale telecommunications company, for 200,000 shares of the Company's Series B Preferred Stock, $10,000 in cash and the commitment to spend $50,000 in funds to expand the wholesale network. Also in October 2015, the Company acquired the assets of Digithrive Inc. ("Digithrive"), a California company, for 250,000 shares of the Company's Series B Preferred Stock. See Note 9.

NOTE 3 – GOING CONCERN

Cash flows generated from operating activities were not enough to support all working capital requirements for the year ended June 30, 2015. Subsequent financing activities described below, have helped with working capital and other capital requirements. We incurred $779,436 in losses, and we used $353,212 in cash for operations for the six months ended June 30, 2015.

In conjunction with the acquisition of Copperhead Digital, some of the previous controlling shareholders of Copperhead Digital agreed to certain financing arrangements as part of the acquisition which amounted to $798,058 in convertible debt being contributed to the Company. See Note 5. These financing arrangements were exchanged for common stock subsequent to June 30, 2015.

In order for us to continue as a going concern, we hope to obtain additional debt or equity financing, and look for companies with operations that we can acquire. There can be no assurance that we will be able to secure additional debt or equity financing, that we will be able to acquire cash flow positive operations, or that, if we are successful in any of those actions, those actions will produce adequate cash flow to enable us to meet all our future obligations. Except for certain portions of our capital lease arrangements and portions of recent financing arrangements with shareholders, most of our existing financing arrangements are short-term. If we are unable to obtain additional debt or equity financing, we may be required to significantly reduce or cease operations.

NOTE 4 – FIXED ASSETS

The acquisition of Copperhead Digital, effective January 31, 2015, (See Note 2), added significantly to the fixed assets of the Company. The net value assigned to fixed assets, based on an independent appraisal of the underlying fixed assets of Copperhead Digital, is approximately $13,100,000. This amount was recorded to fixed assets and will be depreciated over the estimated remaining life of the underlying fixed assets acquired in the acquisition of 20 years.

Fixed assets for the Company and related accumulated depreciation as of June 30, 2015 is as follows:

Fixed Assets	$16,124,100
Accumulated Depreciation	(2,908,748)
	$13,215,352

NOTE 5 – FINANCING ARRANGEMENTS

Summary of Debt as of June 30, 2015 is as follows:

	Debt
Commercial Promissory Notes (1)	$220,000
Convertible Promissory Notes (2)	$250,000
Unsecured Commercial Promissory Notes (3)	$174,196
Other Promissory Notes (4)	55,200
Bank Line of Credit, secured by assets of Company (5)	2,497,790
TOTAL	$3,197,186

(1) In conjunction with the acquisition of Copperhead Digital, the former shareholders of Copperhead Digital agreed to bring accounts payable current for which they would receive promissory notes. As such, they funded a total of $220,000 of Commercial Promissory Notes. The Commercial Promissory Notes do not bear interest, except under default which then would be at the lessor of 12% per annum or the maximum allowable rate under applicable law. Due dates are from December 16, 2016 to January 28, 2017. The Commercial Promissory Notes are convertible at $0.50 per share and are unsecured. Subsequent to June 30, 2015, all Commercial Promissory Notes were exchanged for common shares.

(2) The Convertible Promissory Notes are due to a shareholder, are due three years from the date of issuance, between May 16, 2018 and April 28, 2018, bear interest at 8% per annum, except under default which then would be at the lessor of 12% per annum or the maximum allowable rate under applicable law, and are convertible at $0.25 to $0.50 per share. The Convertible Promissory Notes are unsecured. Subsequent to June 30, 2015, all Convertible Promissory Notes were exchanged for common shares.

(3) In July and August 2015, the Company through a private offering issued Unsecured Commercial Promissory Notes to the former shareholders of Copperhead Digital. The Unsecured Commercial Promissory Notes are due as the holder designates in writing, do not bear an interest rate, except under default which then would be at the lessor of 12% per annum or the maximum allowable rate under applicable law. The unsecured Commercial Promissory Notes are convertible at $0.20 to $0.25 per share. Subsequent to June 30, 2015, another $153,862 was advanced to the Company in Commercial promissory Notes with the same terms. Subsequent to June 30, 2015, all Unsecured Commercial Promissory Notes were exchanged for common shares.

(4) The Other Promissory Notes are loans made to the Company that do not bare interest and are being paid to the lenders as verbally agreed or as cash is available.

(5) The Bank Line of Credit, which is secured by all the assets of the company, is due May 15, 2016, after the latest extension granted in August 2015. It bears a variable interest rate based on the 1 Month LIBOR plus 2.0% for amounts up to and including $1,250,000 or plus 3.5% for amounts above $1,250,000 , is payable monthly, and is secured by funds deposited by a shareholder. In relation to the security, the Company has an agreement, entered into with the acquisition of Copperhead Digital, with a specific shareholder whereby the Company will raise funds through debt or equity, and assume the security of the Bank Line of Credit. 1,000,000 shares of common stock of the Company have been reserved to accomplish raising the funds.

NOTE 6 - INCOME TAXES

We recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been included in its financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that are not expected to be realized based on available evidence.

Temporary differences between the financial statement and tax basis of our assets result primarily from differing depreciation, provision for doubtful accounts, net operating loss carry forwards and the recognition of certain expenses for financial statement purposes and not for tax purposes. These differences were not material for the six months ended June 30, 2014 and primarily resulted from the net operating loss in the current year. Copperhead Digital has approximately $8,700,000 of net operating loss carry forwards, which expire in varying amounts, if unused. Because of the change in ownership of more than 50% of Copperhead Digital in accordance with Section 382 of the IRS Code, these net operating loss carry forwards may be limited to use in future periods.

We adopted the provision of the Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting of Uncertainty in Income Taxes-An Interpretation of FASB Statement No. 109. Under FIN 48, we must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. We measure the tax benefits recognized in the consolidated financial statements from such a position based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The application of income tax law is inherently complex. Laws and regulation in this area are voluminous and are often ambiguous. As such, we are required to make many subjective assumptions and judgments regarding our income tax exposures. Interpretations of and guidance surrounding income tax law and regulation change over time and may result in changes to our subjective assumptions and judgments which can materially affect amounts recognized in our consolidated financial statements. The result of the assessment of our tax positions in accordance with FIN 48 did not have a material impact on our consolidated financial statements.

It is our policy to record costs associated with interest and penalties related to tax in the selling, general and administrative line of the consolidated statements of operations. The federal and state tax returns for Copperhead Digital have not been filed for the years ended December 2014 and 2013.

NOTE 7 - STOCKHOLDERS' EQUITY (DEFICIT)

Preferred Stock

As of June 30, 2015, we had authorized 100,000,000 shares of Preferred Stock, of which certain shares had been designated as Series A Preferred Stock and Series B Preferred Stock.

Series A Preferred Stock

As of June 30, 2015, there were 1,000,000 shares of Preferred Stock designated as Series A Preferred Stock. During the six months ended June 30, 2015, the Board of Directors authorized the issuance of 1,000,000 shares of Series A Preferred Stock to Stephen Thomas, Chairman, CEO and President of the Company.

The Series A Preferred Stock has a par value of $.001, is senior to any other class or series of outstanding Preferred Stock or Common Stock and does not bear dividends. The Series A Preferred Stock has a liquidation preference immediately after any Senior Securities, as defined, and of an amount equal to $100 per share. Holders of the Series A Preferred Stock shall, collectively have the right to convert all of their Series A Preferred Stock when conversion is elected into that number of shares of Common Stock of the Company, determined by the following formula: 60% of the issued and outstanding common shares as computed immediately after the transaction for conversion. The Series A Preferred Stock, collectively, shall have the right to vote as if converted prior to the vote to an amount of shares equal to 60% of the outstanding Common Stock of the Company.

Series B Preferred Stock

As of June 30, 2015, there were 3,000,000 shares of Preferred Stock designated as Series B Preferred Stock.

During the six months ended June 30, 2015, 1,545,000 of Series B Preferred Stock were issued in conjunction with the acquisition of Copperhead Digital. In conjunction with this acquisition, the Company issued 1,545,000 shares of Series B Convertible Preferred Stock, 440,000 shares of Common Stock and assumed approximately $4,000,000 of debt, capital leases and accounts payable, some of which is convertible into stock of the Company. See Note 5.

The Series B Preferred Stock has a par value of $.001, is senior to any other class or series of outstanding Preferred Stock, except the Series A Preferred Stock, or Common Stock and does not bear dividends. The Series B Preferred Stock has a liquidation preference immediately after any Senior Securities, as defined and currently the Series A Preferred Stock, and of an amount equal to $2.00 per share. Holders of the Series B Preferred Stock have a right to convert all or any part of the Series B Preferred Shares at the conversion price of $2.00 per share. The Series B Preferred Stock holders have a right to vote on any matter with holders of common stock and shall have a number of votes equal to that number of common shares on a one to one basis.

Common Stock

As of June 30, 2015, we had authorized 1,000,000,000 shares of Common Stock. During the six months ended June 30, 2015 the company acquired 100% of the outstanding stock of Copperhead Digital and TruCom, a subsidiary. In conjunction with this acquisition, the Company issued 1,545,000 shares of Series B Convertible Preferred Stock, 440,000 shares of Common Stock and assumed approximately $4,000,000 of debt, capital leases and accounts payable, some of which is convertible into stock of the Company. See Note 5.

Stock Options

We do not have a formal stock option plan. However, we have reserved 2,000,000 shares of common stock of the Company to grant to certain consultants as consideration for services rendered and that will be rendered to the Company.

Warrants

We do not have any warrants outstanding as of June 30, 2015.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Operating Leases

Future minimum lease payments for the current fiscal year and forward are as follows:

	Delinquent	2015	2016	2017	Thereafter	Total
Leased Facilities		$67,560	$70,750	$71,040	$233,620	$442,970
Equipment Finance Lease (1)	$301,997	$120,199	$74,038	$25,737	$1,903	$523,874
Vehicles-Operating Lease		$12,156	$3,039			$15,195
Vehicles-Capital Lease		$13,837	$9,318			$23,155
Total	$301,997	$213,752	$157,145	$96,777	$235,523	$1,005,194

(1) The Equipment Finance Lease is with an entity owned and controlled by shareholders of the Company. The Company is in the process of negotiating revised lease terms.

Other Commitments and Contingencies

As part of the acquisition of Copperhead Digital, the Company assumed a settlement agreement with Century Link entered into with Nevada Utilities and CityNet. The agreement called for Nevada Utilities and CityNet to pay 180,000 in installments through November 2015. As of the end of July 2015, all but $45,000 of the $180,000 has been paid through financing arrangements from shareholders of Copperhead Digital.

Also in conjunction with the acquisition of Copperhead Digital, the Company has been negotiating with third party vendors and landlords to settle disputes regarding amounts owed. Ongoing negotiations continue but as of June 30, 2015, the Company has accrued $120,000 in the consolidated financial statements for estimated amounts owing on this disputes, outside of amounts already included in accounts payable of Copperhead Digital. This is the best estimate available and made by management given all the facts and circumstances available at the time.

There are other debt, capital leases, accounts payable or accrued liabilities that the Company assumed in conjunction with the acquisition of Copperhead Digital. All of these have been accounted for on the books and records of the Company as of June 30, 2015. See Note 2.

NOTE 9 – SUBSEQUENT EVENTS

In October 2015, the Company acquired the assets of Port2Port, a wholesale telecommunications company, for 200,000 shares of the Company's Series B Preferred Stock, $10,000 in cash and the commitment to spend $50,000 in funds to expand the wholesale network. Also in October 2015, the Company acquired the assets of Digithrive, a California company, for 250,000 shares of the Company's Series B Preferred Stock. See Note 2.