Immunotech Laboratories, Inc.

Financial Statements

For the three months and years ending December 31, 2016 and December 31, 2015

(Unaudited)

Immunotech Laboratories, Inc.
(Formally International Technology Systems, Inc.)
Balance Sheets
December 31, 2016 and December 31, 2015
(Unaudited)

	12/31/2016	12/31/2015
Assets		
Current assets:		
Cash	$ 14,293	$ 5,055
Total current assets	$ 14,293	$ 5,055
Plant, Property and Equipment, net	$ 305,007	$ 321,355
Intangible Assets	$ 10,013,860	$ 10,013,860
Investment in Immunotech Laboratories BG	$ 200,000	$ 200,000
Total assets	$ 10,533,160	$ 10,540,270
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 312,200	$ 162,200
Accrued wages	$ 1,344,381	$ 1,055,177
Accrued interest	$ 109,307	$ 86,639
Other current liabilities	$ 1,550,000	$ 1,550,000
Due to shareholders	$ 772,889	$ 761,542
Total current liabilities	$ 4,088,777	$ 3,615,558
Long term debt	$ 1,645,524	$ 1,645,524
Total liabilities	$ 5,734,301	$ 5,261,082
Stockholders' equity		
Series A Preferred stock, $.001 par value; 50,000,000 shares authorized and issued and outstanding at December 31, 2016 and December 31, 2015. Series B Preferred, $.001par value 200,000,000 authorized and issued at December 31, 2016 and December 31, 2015.	$ 260,000	$ 260,000
Common stock, $.001 par value; authorized 800,000,000 and 576,964,967 shares and 564,464,967 shares issued and outstanding at December 31, 2016 and December 31, 2015.	$ 574,965	$ 564,465
Additional paid-in capital	$ 7,964,044	$ 7,961,844
Retained Earnings /(Deficit)	$ (4,000,150)	$ (3,507,121)
Total stockholders 'deficiency	$ 4,798,859	$ 5,279,188
Total liabilities and stockholders' equity	$ 10,533,160	$ 10,540,270

See accompanying notes to financial statements

Immunotech Laboratories, Inc.
(Formally International Technology Systems, Inc.)
Statements of Operations

For the Three and Twelve Months Ended December 31, 2016 and December 31, 2015

(Unaudited)

	Twelve Months Ended		Three Months Ended	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Revenue				
Costs of sales	$ 289,205	$ 289,205	$ 72,301	$ 72,301
Gross profit	$ (289,205)	$ (289,205)	$ (72,301)	$ (72,301)
Expenses:				
General and administrative	$ 164,808	$ 187,647	$ 37,548	$ 54,638
Depreciation	$ 16,348	$ 16,348	$ 4,087	$ 4,087
Total expenses	$ 181,156	$ 203,995	$ 41,635	$ 58,725
Income (loss) from continuing operations before other (income) and expense	$ (470,361)	$ (493,200)	$ (113,936)	$ (131,026)
Interest expense, net of interest income	$ 22,668	$ 22,788	$ 5,667	$ 5,667
Other (income) expense	$	$	$	$
Total other (income) and expense	$ 22,668	$ 22,788	$ 5,667	$ 5,667
Income (loss) from continuing operations before income taxes	$ (493,029)	$ (515,988)	$ (119,603)	$ (136,693)
Income taxes				
Net income (loss)	$ (493,209)	$ (515,988)	$ (119,603)	$ (136,693)

See accompanying notes to financial statements

Immunotech Laboratories, Inc.
(Formally International Technology Systems, Inc.)
Consolidated Statements of Stockholders' Equity
For the Periods Ending December 31, 2013 through December 31, 2015

Item	Preferred Shares A	Par Value .001	Preferred Shares B	Par Value .001	Common Stock	Par Value .001	Additional Paid in Capital	Accumulated Deficit

See separate Landscape version of stockholders equity

See notes to financial statements

Immunotech Laboratories, Inc.
(Formally International Technology Systems, Inc.)
Statement of Cash Flow
For the Twelve Months Ended December 31, 2016 and December 31, 2015

(Unaudited)

	Twelve Months Ended 12/31/2016	Twelve Months Ended 12/31/2015
OPERATING ACTIVITIES		
Net Income	$ (493,029)	$ (515,988)
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts Payable	$ 150,000	$ 148,964
Accrued Interest	$ 22,668	$ 22,668
Accrued Wages Payable	$ 289,205	$ 289,206
Net cash provided by Operating Activities	$ (31,156)	$ (55,151)
INVESTING ACTIVITIES		
Accumulated Depreciation	$ 16,348	$ 16,348
Equipment		
Net cash provided by Investing Activities	$ 16,348	$ 16,348
FINANCING ACTIVITIES		
Investor Loans	$ 11,346	$ 29,720
Common Shares Issued	$ 12,700	$ 14,000
Decrease in Long Term Debt		
Net cash provided by Financing Activities	$ 24,046	$ 43,720
	$ 9.238	$ 4,917
Cash at beginning of period	$ 5,055	$ 138
Cash at end of period	$ 14,293	$ 5,055

See accompanying notes to financial statements

Immunotech Laboratories, Inc.
(formerly International Technology Systems, Inc.)
Notes to the Financial Statements
The Year Ended December 31, 2016 and December 31, 2015
(Unaudited)

1. Organization

Immunotech Laboratories, Inc. (the “registrant”, “Company,” “we”, “us”, “our”, or “Immunotech”) (IMMB) is the successor entity to International Technology Systems, Inc. (“ITSY”), a Nevada corporation, which was established in 2000. In 2009 Immunotech Laboratories, Inc. acquired the Company in a reverse merger with Immunotech being the surviving entity. The Company is a calendar year corporation.

From 2000 to 2009 the Company operated as a research and development company in the Telecommunication Industry, primarily with International Telecommunication firms. In 2009 after the reverse merger with Immunotech the Company re-focused its efforts on Research and Development in the Bio-Tech Field as a drug development company committed to the commercialization of its proprietary proteins known as IRREVERSIBLE PEPSIN FRACTION (IPF) ITV-1 for the treatment of debilitating infectious disease such as HIV and Hepatitis Type C. These drugs have not been approved by the FDA but the Company has begun pre-clinical trial testing. The Company has also began the final phase of clinical trials during the period ended March 31, 2016 in Bulgaria through a minority owned entity, Immunotech Laboratories, BG (“ILBG”) which IMMB owns 49%. The Clinical Trials were successfully completed Bulgaria in the fourth quarter of 2016.

In pursuit of this strategy, on December, 2009 Immunotech Laboratories, Inc. Corp. (the “Registrant,” Immunotech,” or the “Company”) entered into a Licensing Agreement (the "Agreement"), with the Zhavilov Trust, a California Trust (“Z Trust” or the “Seller”) and the Trustees of the Z Trust (“Trustees”). Pursuant to the terms of the Agreement, IMMB agreed to pay $1,550,000.00 Licensing fee to the Trust for exclusive rights to the Patent for proteins to be used to develop a drug treatment for HIV. The exclusivity is for a period of 20 years with approximately 12 years remaining.

2. Basis of Presentation

The financial statements as of and for the years ended December 31, 2016 and year ended December 31, 2015 have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for financial reporting. These statements, in the opinion of management, include all adjustments (consisting of normal recurring adjustments and accruals) necessary for a fair statement for the periods presented.

3. Summary of Significant Accounting Policies

In July 2009, the FASB Accounting Standards Codification (the "Codification") officially became the single source of authoritative nongovernmental U.S. GAAP, superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force, and related accounting literature. Going forward, only one level of authoritative GAAP will exist. All other accounting literature will be considered non-authoritative.

Use of Estimates

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

Cash and Cash Equivalents

For financial statement presentation purposes, those short-term, highly liquid investments with original maturities of three months or less are considered to be cash or cash equivalents.

Accounts Receivable

The Company does not have Accounts Receivable at this stage of development of its product but expects at the completion of field testing of the treatments and approval of the FDA and/or the issuance of the permit in Bulgaria will extend credit to its customers in the normal course of business. It is expected that the Company will perform ongoing credit evaluations of its customers, maintaining allowances for potential credit losses which, when realized, have been within management's expectations. The allowance method will be used to account for uncollectible amounts. The evaluation, when prepared, is inherently subjective, and it will require estimates that are susceptible to significant revision as more information becomes available. Allowance for doubtful accounts was $0 for both 12-31-2016 and 12-31-2015.

Revenue Recognition

The Company did not have revenues in the years ending December 31, 2016 and December 31, 2015.

Property, Plant and Equipment

Property and equipment are reported at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Lives for property, plant and equipment are as follows: machinery and equipment—5 to 15 years; furniture and fixtures—3 to 10 years; computer hardware and software 3 to 7 years. Routine maintenance costs are expensed as incurred. Expenditures for renewals and betterments are capitalized. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts and gains or losses are recognized in operations. For the years ending December 31, 2016 and December 31, 2015, the Company recorded $16,348 and $16,348 in depreciation expense, respectively.

Valuation of Intangibles and Other Long Lived Assets

The recoverability of long-lived assets, including equipment and intangible assets, is reviewed when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The primary measure of fair value is based on discounted cash flows. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2016. The respective carrying value of certain on-balance sheet financial instruments approximated their fair values. These financial instruments include cash and cash equivalents, accounts receivable, accounts payable, line of credit, and accrued expenses. Fair values were assumed to approximate carrying values for these financial instruments since they are short-term in nature and their carrying amounts approximate fair values or they are receivable or payable on demand.

Stock Based Compensation

Stock based awards are accounted for according to the provisions of FASB ASC 718. Our primary type of share-based compensation consists of stock options. We use the Black-Scholes option pricing model in valuing options. The inputs for the valuation analysis of the options include the market value of the Company's common stock, the estimated volatility of the Company's common stock, the exercise price of the warrants and the risk free interest rate.

Fair Value Measurements

FASB ASC 820 defines fair value and establishes a framework for measuring fair value and establishes a fair value hierarchy which prioritizes the inputs to the inputs to the valuation techniques. Fair value is the price that would be received to sell an asset or amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

Fair Value Hierarchy

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs), or reflect the Company's own assumptions of market participant valuation (unobservable inputs). In accordance with FASB ASC 820, these two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

FASB ASC 820 requires the use of observable market data if such data is available without undue cost and effort.

The Company measures fair value as an exit price using the procedures described for all assets and liabilities measured at fair value. When available, the Company uses unadjusted quoted market prices to measure fair value and classifies such items within Level 1. If quoted market prices are not available, fair value is based upon internally developed models that use, where possible, current market-based or independently-sourced market parameters such as interest rates and currency rates. Items valued using internally generated models are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be inputs that are readily observable. If quoted market prices are not available, the valuation model used

generally depends on the specific asset or liability being valued. The determination of fair value considers various factors including interest rate yield curves and time value underlying the financial instruments.

Income Taxes

Deferred tax assets and liabilities are recognized for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities. Deferred taxes are recognized for the estimated taxes ultimately payable or recoverable based on enacted tax laws. Allowances are recorded if recovery is uncertain.

Earnings per Common Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Basic and diluted earnings per share are the same as outstanding options are antidilutive. Dilutive common equivalent shares consist of options to purchase common stock (only if those options are exercisable and at prices below the average share price for the period) and shares issuable upon the conversion of the Company's securities.

Impairment

Intangible assets with estimable lives and other long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of intangible assets with estimable lives and other long-lived assets is measured by a comparison of the carrying amount of an asset or asset group to future net undiscounted pretax cash flows expected to be generated by the asset or asset group. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset or asset group exceeds the related estimated fair value. Estimated fair value is based on either discounted future pretax operating cash flows or appraised values, depending on the nature of the asset. Judgment is required to estimate future operating cash flows.

Recent Accounting Pronouncements

ASU 2010-29. In December 2010, the FASB issued clarification of the accounting guidance related to disclosure of pro forma information for business combinations that occur in the current reporting period. The guidance requires companies to present pro forma information in their comparative financial statements as if the acquisition date for any business combination that occurred in the current reporting period had occurred at the beginning of the prior year reporting period. The Company adopted this guidance effective January 1, 2011. ASU 2010-29 is a disclosure only clarification and its adoption had no impact on the Company's financial condition or results of operation. The Company has included the disclosures required pursuant to this guidance in this Report.

ASU 2011-04. In May 2011, the FASB issued ASU 2011-04, which amends ASC Topic 820, *Fair Value Measurements and Disclosures*, to achieve common fair value measurement and disclosure requirements under GAAP and International Financial Reporting Standards ("IFRS"). This standard gives clarification for the highest and best use valuation concepts. The ASU also provides guidance on fair value measurements relating to instruments classified in stockholders' equity and instruments managed within a portfolio. Further, ASU 2011-04 clarifies disclosures for financial instruments categorized within level 3 of the fair value hierarchy that require companies to provide quantitative information about unobservable inputs used, the sensitivity of the measurement to changes in those inputs, and the valuation processes used by the reporting entity. The Company is currently evaluating the newly prescribed disclosures but does not expect they will have a material impact on the consolidated financial statements.

ASU 2011-05. In June 2011, the FASB issued ASU 2011-05, which amends the guidance in Topic 220, "Comprehensive Income," by eliminating the option to present components of other comprehensive income ("OCI") in the statement of stockholders' equity. Instead, the guidance now requires entities to present all non-owner changes in stockholders' equity either as a single continuous statement of comprehensive income or as two separate but

consecutive statements of income and comprehensive income. The components of OCI have not changed nor has the guidance on when OCI items are reclassified to net income. Similarly, ASU 2011-05 does not change the guidance to disclose OCI components gross or net of the effect of income taxes, provided that the tax effects are presented on the face of the statement in which OCI is presented, or disclosed in the notes to the financial statements. The Company adopted this guidance effective January 1, 2012. The adoption of this guidance is not expected to have an impact on the Company's consolidated financial statements.

ASU 2011-8. In September 2011, the FASB issued ASU 2011-8, which amends ASC 350, *Intangibles-Goodwill and Other.* The amendments in this ASU give companies the option to first perform a qualitative assessment to determine whether it is more likely than not (a likelihood of more than 50.0%) that the fair value of a reporting unit is less than its carrying amount. If a company concludes that this is the case, it must perform the two-step goodwill impairment test. Otherwise, a company is not required to perform this two-step test. Under the amendments in this ASU, an entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. The Company adopted this guidance effective January 1, 2012. The adoption of this guidance is not expected to have an impact on the Company's consolidated financial statements.

ASU 2011-11. In December 2011, the FASB issued ASU 2011-11. The amendments in this ASU require companies to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The ASU is required to be applied retrospectively for all prior periods presented and is effective for annual periods for fiscal years beginning on or after January 1, 2013, and interim periods within those annual fiscal years. The adoption of this guidance is not expected to have an impact on the Company's consolidated financial statements.

4. Long-term debt The Company's long-term debt consisted of the following as of December 31, 2016 and December 31, 2015:

	December 31, 2016	December 31, 2015
Loans from principals	$1,645,274	$ 1,645,274
Total Debt	$1,645,527	$ 1,645,274
Less current portion	0	0
	$1,645,527	$1,645,527

Long-term debt matures as follows:

Years	December 31, 2016 Amount	December 31, 2015 Amount
2015	$0	$0
2016	0	0
2017	0	0
2018	0	0
2019	0	0
Thereafter	$1,645,527	$1,645,527
	$1,645,527	$1,645,527

5. Line of Credit

The Company currently finances its operations through loans form Investors and issuance of restricted common in lieu of cash payments. No new funding source has been obtained for the Company.

6. Stockholders' Equity

Capital Structure

The Company is also authorized to issue 800 million shares of preferred stock. As of December 31, 2016 and December 31, 2015, there were 577,964,967 and 564,464,967 shares of common stock issued and outstanding, respectively. As of December 31, 2016 and December 31, 2015, there were 50,000,000 shares of Preferred Series A and 200,000,000 shares of Preferred Series B shares issued and outstanding at both periods..

Common Stock Issuances

Issued in Acquisition

There were no shares issued for acquisition in the years ending December 31, 2016 and December 31, 2015.

Issued for Services

On February 16, 2016, the Company issued 3,000,000 to Baja Trip & Associates for consulting services. The Company issued 5,000,000 shares on March 29, 2016 for consulting services in association with the development of its website to K. Lliev.

On November 9, 2015 Luchezar Ivanov and Kamelya Tsoklinova were each issued 2,500,000 shares for consulting services. There were no shares issued for services during the three month period ending March 31,2016 or the year ending December 31, 2015.

Issued for Cash

During the three month period ending March 31, 2016 M. Matseva and L. Matseva were issued 1,000,000 shares under two separate subscription agreements for a total of $4,200 on March 29, 2016 and Dow Jones Link was issued 500,000 shares in exchange for a direct payment to the Company's vendor of $500.00 on the same date.

On September 30, 2015 the Company issued 3,500,000 shares under a subscription agreements to Denicia Gadgeva for $3,000. On December 15, 2015, the Company issued 5,500,000 shares to Bryan Andrew Davis for $5,000. under a subscription agreement.

7. Stock Based Compensation

There was no stock based compensation in the periods ended September 30, 2016 or December 31, 2015.

8. Earnings Per Share ("EPS")

The following table sets forth the computation of basic and diluted income per share for the periods ended September 30, 2016 and December 31, 2015. Basic earnings per common share is calculated by dividing net income available to common shareholders by the weighted average number of shares of common stock outstanding during the period.

	For the periods ending	
	December 31, 2016	December 31, 2015
Basic (Loss) Earnings Per Share		
Undistributed net (loss) income	($493,029)	($515,988)
Less: Dividends declared	-	-
Basic undistributed net (loss) income –attributable to common shares	($493,029)	($515,988)
Denominator:		
Basic weighted average shares outstanding	572,704,693	551,752,638
Basic (Loss) Earnings Per Share — attributable to common shares	$ (0.00)	$ (0.00)

9. Income taxes

The Company has experienced net losses for the years ended December 31, 2016 and December 31, 2015 and no tax liability has been reported.

Uncertain Tax Positions

The Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes" ("FIN No. 48") which was effective for the Company on January 1, 2007. FIN No. 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN No. 48, the Company may 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. The tax benefits recognized in the financial statements from such position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FIN No. 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure requirements. The company has not had a tax audit for its open tax years 2008 through 2016.

10. Related Party Transactions

The President of IMMB, Harry H. Zhabilov, is the guarantor on the lease for the facility in which the Company operates.

During the quarter ended March 31, 2016 the Company repaid $3,000.00 on the outstanding balance of Loans from Harry Zhabilov.

For the year ended December 31, 2015 Harry Zhabilov loans to the Company increased by $12,720.00. There were no other material related party transactions.

11. Concentrations and Risk

There is no concentration of clients. The Company operates in a highly regulated industry and there is no guarantee that the Patented Treatment will gain regulatory approval.

12. Commitments and Contingencies

Legal Proceedings

The Company is currently not a party in any legal matters arising from its ordinary course of operations.

13. Subsequent Events

The Company's treatments entered into Phase Three Clinical Trials in Bulgaria for 150 patients. The final results from the successful Phase Three Clinical Trials were received in the fourth quarter of 2016. These results showed significant improvement to all salvage patients receiving the treatment, with approximately 80% showing undetectable viral loads of the HIV/Aids virus in subsequent blood test as well as marked improvement to the Immune System with increased CD 4 and T Cell counts in over 67% of the patients receiving the treatment. Based on the successful compilation of the Clinical Trials IMMB BG has applied for the permit for manufacturing and sale of the Treatment in Bulgaria in the fourth quarter of 2016.