

**Exxe Group, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

US Dollars (Except Share Data)

| ASSETS  | June 30, 2018     | Sep 30, 2018      |
|---|-------------------|-------------------|
| <b>Current Assets:</b>                              |                   |                   |
| Cash  | 203,874           | 150,500           |
| Accounts Receivable                                 | 41,179            | 80,000            |
| <b>Total Current Assets</b>                         | <b>245,053</b>    | <b>230,500</b>    |
| Mortgages Receivable                                | 2,278,575         | 2,278,575         |
| Real Estate Properties                              | 15,504,451        | 15,504,451        |
| Investment Non-Marketable Security                  | 0                 | 1,000,000         |
| Intangible Assets                                   | 500,000           | 500,000           |
| Other Assets  | 0                 | 352,321           |
| <b>Total Assets</b>                                 | <b>18,528,079</b> | <b>19,865,847</b> |
| <br><b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>     |                   |                   |
| <b>Current Liabilities:</b>                         |                   |                   |
| Accounts payable and accrued expenses               | 812,719           | 856,464           |
| Current portion of related party loans payable      | 4,019,343         | 4,029,343         |
| Convertible debt in default                         | 290,771           | 290,771           |
| Convertible debt due within one year                | 5,000             | 5,000             |
| <b>Total Current Liabilities</b>                    | <b>5,127,833</b>  | <b>5,181,578</b>  |
| Long-term portion of related party loans payable    | 5,050,000         | 5,550,000         |
| <b>Total Liabilities</b>                            | <b>10,177,833</b> | <b>10,731,578</b> |
| <b>Stockholders' Equity</b>                         |                   |                   |
| Convertible Preferred stock                         | 65                | 65                |
| Common Stock  | 15,445,458        | 15,552,340        |
| Accumulated Deficit                                 | (15,808,960)      | (15,621,819)      |
| Equity Attributable to Non-controlling Interest     | 8,713,683         | 9,203,683         |
| <b>Total Stockholders' Equity (Deficit)</b>         | <b>8,350,246</b>  | <b>9,134,269</b>  |
| <b>Total Liabilities &amp; Stockholders' equity</b> | <b>18,528,079</b> | <b>19,865,847</b> |

The accompanying notes are an integral part of these financial statements

Exxe Group, Inc.  
Condensed Consolidated Statements of Operations  
(Unaudited)

|   | US Dollars (Except Share Data)   |                                      |
|---|----------------------------------|--------------------------------------|
|   | 12 Months Ended<br>June 30, 2018 | 3 Months Ended<br>September 30, 2018 |
| Revenue:  | <u>348,439</u>                   | <u>448,021</u>                       |
| Expenses:   |                                  |                                      |
| Cost of Goods Sold                                |                                  |                                      |
| Depreciation & Amortization                       |                                  |                                      |
| General & Administrative                          | <u>240,750</u>                   | <u>260,880</u>                       |
| Total Operating Expenses                          | <u>240,750</u>                   | <u>260,880</u>                       |
| Operating Profit                                  | <u>107,689</u>                   | <u>187,141</u>                       |
| Other Income (expense)                            |                                  |                                      |
| Financing Expense, net                            |                                  |                                      |
| Net Income  | <u>107,689</u>                   | <u>187,141</u>                       |
| Basic and diluted per share amounts:              |                                  |                                      |
| Basic and diluted net loss                        | <u>0</u>                         | <u>0</u>                             |
| Weighted avg shares outstanding (basic & diluted) | <u>206,864,680</u>               | <u>340,004,555</u>                   |

The accompanying notes are an integral part of these financial statements

**Exxe Group, Inc.**  
**Condensed Consolidated Statement of Cash Flows**  
**(Unaudited)**

|  | 3 Months Ended<br>June 30, 2018 | 3 Months<br>Ended<br>September<br>30, 2018 |
|--|---------------------------------|--|
| <b>Cash Flows from Operating Activities:</b>       |                                 |  |
| Net Income   | 107,689                         | 187,141                                    |
| Changes in other working capital item:             | 1,165,867                       | (362,248)                                  |
|  | <u>1,273,556</u>                | <u>(175,107)</u>                           |
| <b>Cash Flows From Investing Activities:</b>       |                                 |  |
| Purchase of Property                               | (15,504,451)                    |  |
| Purchase of Shares                                 |                                 | (1,000,000)                                |
|  | <u>(15,504,451)</u>             | <u>(1,000,000)</u>                         |
| <b>Cash Flows From Financing Activities:</b>       |                                 |  |
| Increase in Related Party Loans                    | 3,931,336                       |  |
| Increase in Notes Payables                         | 6,250,000                       | 4,750,000                                  |
| Decrease in Loans Payable                          |                                 | (14,431,336)                               |
| Increase in Equity Attributed to non control       | 4,250,000                       | 4,750,000                                  |
| Change in Share Equity                             |                                 | 6,053,069                                  |
|  | <u>14,431,336</u>               | <u>1,121,733</u>                           |
| <b>Net increase (decrease) in cash/equivalents</b> | <b>200,441</b>                  | <b>(53,374)</b>                            |
| <b>Balance of cash-beginning of period</b>         | <b>3,433</b>                    | <b>203,874</b>                             |
| <b>Balance of cash-end of period</b>               | <b><u>203,874</u></b>           | <b><u>150,500</u></b>                      |

The accompanying notes are an integral part of these financial statements



**Exxe Group, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2018**  
**(Unaudited)**

**(1) Organization and Business Description**

The accompanying consolidated financial statements include Exxe Group, Inc., formally known as Telecorp, Inc. (“Exxe or “the Company”), its wholly-owned subsidiary Softsmart 2.0 (“Softsmart”) and a majority controlling interest in Myle-One Beteiligungen, AG (“Myle-One”). The Company was reorganized under the laws of the State of Delaware on August 14, 2017. Exxe is a diversified company with its core focus on real estate, financing and software related technology companies. Exxe Group looks to acquire controlling equity interests in undervalued assets, taking an active role by providing both capital and traditional financing, as well as operational management expertise.

**(2) Summary of Significant Accounting Policies**

*Basis of Accounting and Principles of Consolidation*

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All intercompany balances and transactions have been properly eliminated in consolidation.

*Cash and Cash Equivalents*

The Company maintains cash balances in interest and non-interest bearing accounts, and considers investments that can be redeemed on demand to be cash equivalents.

*Fixed Assets*

Fixed assets are stated at cost. Maintenance and repairs are expensed as incurred. Upon sale or disposition of assets, any gain or loss is included in the consolidated statement of income and retained earnings. The cost of fixed assets is depreciated using the straight-line-method over the estimated useful lives of the assets, which range from three to thirty-one and a half years.

*Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses for the periods presented. Actual results could differ from those estimates.

**Exxe Group, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2018**  
**(Unaudited)**

**(3) Mortgages Receivable**

Mortgages receivable of \$2,278,757 at September 30, 2018 is related to three separate residential properties located in Switzerland. These mortgage notes were issued for cash in 2013 by Myle-One and all accrue interest at a rate 10% per annum. Monthly payments range from \$7,000 to \$10,000, including interest, over periods ranging from fifteen to thirty years.

**(4) Real Estate Properties**

Real estate properties consisted of the following at September 30, 2018;

|                               |                     |
|-------------------------------|---------------------|
| Multi-unit residential rental | \$ 8,500,000 (1)    |
| Mixed use storage facility    | <u>7,004,451</u>    |
| Total Fixed Assets            | <u>\$15,504,451</u> |

(1) Construction in progress at September 30, 2018.

**(6) Intangible Assets**

Intangible assets at September 30, 2018 of \$500,000 represents the value of the software owned by the Company's wholly-owned subsidiary Softsmart 2.0.

**(7) Related Party Loans Payable**

Related party loans payable represent monies owed to various holders that are also shareholders of the Company and consisted of the following at September 30, 2018;

|  |              |
|--|--------------|
| Loan payable related to the multi-unit residential rental property with monthly payments of \$100,000, including interest at 6% per annum. | \$ 4,250,000 |
| Assumption of debt from a related party that was in default that is unsecured with interest at 5% per annum.                               | 2,000,000    |
| Assumption of foreign bank debt that was in default related to the multi-unit residential rental property.                                 | 829,343      |
| Related party loan payable to acquire investment in non-marketable security  | 500,000      |



**Exxe Group, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2018**  
**(Unaudited)**

|  |                     |
|--|---------------------|
| Assumption of debt from a related party that is secured by the mixed use storage facility. | <u>2,000,000</u>    |
|  | \$ 9,579,343        |
| Less: Current portion  | <u>(4,029,343)</u>  |
| Long-term portion  | <u>\$ 5,550,000</u> |

Future maturities of Related Party Loans Payable as of September 30, 2018 for the next five annual periods ended September 30 and thereafter are as follows:

|            |                    |
|------------|--------------------|
| 2019       | \$4,029,343        |
| 2020       | 1,700,000          |
| 2021       | 1,200,000          |
| 2022       | 1,200,000          |
| 2023       | 1,200,000          |
| Thereafter | <u>250,000</u>     |
| Total      | <u>\$9,579,343</u> |

**(8) Convertible Debt**

On December 21, 2013, the Company entered into a 12-Month, 8% Convertible Note in the principal amount of \$60,525. The principal and any accrued unpaid interest can be converted into shares of the Company's common stock at a conversion rate of 0.0001 after the maturity date. In the event of any default, the principal plus any accrued unpaid interest can be converted into shares of the Company's common stock at a par value of 0.00001. On March 28, 2017 the balance of the note was \$40,525 and a \$5000 portion of this note was purchased for \$5000 by a private investor and the company issued 10,000,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$5,000. On March 28, 2017 a \$5000 portion of this note was purchased for \$5000 by an investor and the company issued 10,000,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$5,000. On March 28, 2017 a \$5000 portion of this note was purchased for \$5000 by a private investor and the company issued 10,000,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$5,000. On March 28, 2017 a \$5000 portion of this note was purchased for \$5000 a private investor and the company issued 10,000,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$5,000. As of September 30, 2018, the principal amount of \$20,925 of this Note plus all accrued interest remains unpaid.

On March 5, 2014, the Company entered into a 12-Month, 8% Convertible Note in the principal amount of \$96,579. The debt holder has the option to convert the principal and any accrued, unpaid interest into shares of the Company's common stock at a conversion rate of 0.0001 after the maturity date. In the event of any default, the principal plus any accrued but unpaid interest can be converted into shares of the Company's common stock at 0.00001. As of September 30, 2018, the principal amount of \$96,579 of this Note plus all accrued interest remains unpaid.



**Exxe Group, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2018**  
**(Unaudited)**

On May 8, 2014, the Company entered into an Assignment and Assumption Agreement in the principal amount of \$135,000 pursuant to a July 4, 2010 Convertible Note. On March 28, 2017 the balance on the note was \$85,000 and a \$5000 portion of this note was purchased for \$8,000 by a private investor and the company issued 10,000,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$5,000. As of September 30, 2018, a principal balance of \$80,000 remains outstanding plus all accrued interest remains unpaid on the May 8, 2014 Assignment.

On May 8, 2014, the Company entered into a 12-Month, 8% Convertible Note in the principal amount of \$50,000. The Company may prepay the Note for a net payment of \$75,000 at any time prior to August 8, 2014. If the \$75,000 is not prepaid by this date, the note-holder has the right to refuse any further payments and choose to convert the Note upon Maturity Date or any time thereafter. On March 20, 2017, the Company issued 5,000,000 free-trading shares of common stock to the debt holder upon the conversion of the principal amount of \$5,000. On November 28, 2016 a \$7,500 portion of this note was purchased for \$7500 by a private investor and the company issued 7,500,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$7,500. On November 29, 2016 a \$7,500 portion of this note was purchased for \$7500 by a private investor and the Company issued 7,500,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$7,500. On December 1, 2016 a \$7,500 portion of this note was purchased for \$7500 by a private investor and the Company issued 7,500,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$7,500. On December 5, 2016 a \$7,500 portion of this note was purchased for \$7500 by a private investor and the company issued 7,500,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$7,500. On December 23, 2016 a \$7,500 portion of this note was purchased for \$7500 by a private investor and the company issued 7,500,000 shares of the common stock of the Company to said investor upon conversion of the principal amount of \$7,500. On December 21, 2016, the debt holder converted \$5,333 of their note into 5,333,000 free trading shares. On March 21, 2017, the debt holder converted \$5,000 of their note into 5000000 free trading shares. As of September 30, 2018, a principal balance of \$2,167 remains outstanding plus all accrued interest remains unpaid.

On December 8, 2016, the Company received net proceeds of \$ 10,450 from an investor for the issuance of an Original Issue Discount Convertible Promissory Note (the "Note"). The Note, which is due on December 8, 2017, bears interest at the rate of 10% per annum. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of eighteen percent (18%) per annum from the due date thereof until the same is paid ("Default Interest"). The Holder shall have the right from time to time, and at any time during the period beginning on the date which is three hundred sixty six (366) days following the date of this Note to convert all or any part of the outstanding and unpaid principal amount of this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the Borrower into which such Common Stock shall hereafter be changed or reclassified at the conversion price (the "Conversion Price") determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that



**Exxe Group, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2018**  
**(Unaudited)**

portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock. As of September 30, 2018, the Company has not repaid this Note.

On December 16, 2016, the Company received net proceeds of \$ 5,150 from an investor for the issuance of an Original Issue Discount Convertible Promissory Note (the "Note"). The Note, which is due on December 16, 2017, bears interest at the rate of 10% per annum. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of twelve percent (18%) per annum from the due date thereof until the same is paid ("Default Interest"). The Holder shall have the right from time to time, and at any time during the period beginning on the date which is three hundred sixty six (366) days following the date of this Note to convert all or any part of the outstanding and unpaid principal amount of this Note into fully paid and nonassessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the Borrower into which such Common Stock shall hereafter be changed or reclassified at the conversion price (the "Conversion Price") determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock. As of September 30, 2018, the Company has not repaid this Note.

On February 27 2018 an investor paid \$ 5,000 for a convertible note with the 1 year maturity term and 8% interest per annum. The default amount on the note is \$10,000 or shares of common stock issued at par value.

**(9) Capital Stock**

Convertible Preferred Stock Series A, par value \$0.0001 per share, 4 shares authorized; 1 share issued and outstanding.

Convertible Preferred Stock Series B, par value \$2.50 per share, 10,000,000 shares authorized, 557,574 shares issued and outstanding.

Convertible Preferred Stock Series C, par value \$2.00 per share, 5,000,000 shares authorized, 86,813 shares issued and outstanding.



**Exxe Group, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2018**  
**(Unaudited)**

Common Stock, par value \$.00001, 500,000,000 shares authorized, 308,900,556 shares issued and outstanding.

On November 9, 2016, the Company acquired a 100% equity interest in Softsmart, by issuing 50,000,000 restricted shares of common stock pursuant to a share exchange agreement.

On September 19, 2017, the Company issued 26,046,400 shares to the former Chief Executive Officer, President and Director of the Company as a result of an amendment to the original shares exchange agreement before he stepped down in 2016.

On January 20 2018, an investor paid \$5,000.00 as part of a private placement subscription for 20,000,000 restricted shares of common stock.

**(10) Concentration of Credit Risk**

The Company maintains cash balances in interest and non-interest bearing bank accounts, and considers investments that can be redeemed on demand to be cash equivalents, none of which exceeded federally insured limits as of September 30, 2018.

**(11) Subsequent Events**

Management has evaluated subsequent events and has determined that there are no events that would require an adjustment to, or disclosure in, the consolidated financial statements as of September 30, 2018.