

Ubiquitech Software Corp.

Balance Sheet

August 31, 2016 and 2015

| | 2016 | 2015 |
|--|--------------|------------|
| <u>ASSETS</u> | | |
| Current Assets | | |
| Cash | \$ 132,238 | \$ 60,060 |
| Inventory | 278,201 | 100,952 |
| Software development | 647,373 | |
| | | |
| Total Current Assets | 1,057,812 | 161,012 |
| | | |
| Fixed Assets (net of depreciation) | 32,599 | 73,987 |
| | | |
| Goodwill (net of amortization) | 238,335 | 348,335 |
| Note receivable - Officer | 20,000 | 20,000 |
| | | |
| TOTAL ASSETS | \$ 1,348,746 | \$ 603,334 |
| | | |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| Current Liabilities | | |
| Accounts payable | \$ 15,020 | \$ 1,433 |
| Accrued interest | | 16,983 |
| | | |
| Total Current Liabilities | 15,020 | 18,416 |
| | | |
| Long-term debt | 1,102,116 | 672,266 |
| | | |
| Total Liabilities | 1,117,136 | 690,682 |
| | | |
| Stockholders' Deficit | | |
| Common stock, \$.001 par value; | | |
| Authorized 900,000,000 shares; 94,708,000 and | | |
| 59,558,000 issued and outstanding respectively | 94,708 | 59,558 |
| Preferred stock, \$.001 par value | | |
| authorized 1,000,000 shares; issued and | | |
| outstanding 1,000,000 shares | 1,000 | 1,000 |
| Additional paid in capital | 124,500 | 124,500 |
| Retained earnings (deficit) | 11,402 | (272,406) |
| | | |
| Total Stockholders' Deficit | 231,610 | (87,348) |
| | | |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | \$ 1,348,746 | \$ 603,334 |

Ubiquitech Software Corp.

Statement of Operations

For the Three Months and Nine Months Ended August 31, 2016 and 2015

| | 2016 | | 2015 | |
|-------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 3 Months Ended Aug 31, | 9 Months Ended Aug 31, | 3 Months Ended Aug 31, | 9 Months Ended Aug 31, |
| Revenue | \$ 906,352 | \$ 2,268,098 | \$ 725,202 | \$ 1,772,965 |
| Cost of goods sold | <u>421,318</u> | <u>1,061,205</u> | <u>371,407</u> | <u>945,419</u> |
| Gross profit | 485,034 | 1,206,893 | 353,795 | 827,546 |
| Operating Expenses | | | | |
| Advertising and marketing | 108,346 | 279,694 | 198,000 | 331,811 |
| Amortization | 27,500 | 82,500 | 27,500 | 82,500 |
| Automobile expense | 1,491 | 4,967 | 1,302 | 4,568 |
| Bank charges | 420 | 1,271 | 325 | 1,050 |
| Computer and internet | 5,673 | 15,693 | 4,832 | 17,955 |
| Consulting | 62,000 | 114,500 | 23,500 | 79,750 |
| Depreciation | 10,347 | 31,041 | 10,347 | 31,041 |
| Office supplies | 1,271 | 2,628 | 297 | 1,380 |
| Postage and delivery | 418 | 1,120 | 262 | 691 |
| Professional fees | 16,200 | 45,960 | 15,300 | 45,500 |
| Rent | 7,500 | 22,500 | 7,500 | 22,500 |
| Research & development | 48,907 | 97,554 | | |
| Salaries | 89,677 | 256,242 | 69,201 | 205,289 |
| Telephone | 1,934 | 5,732 | 1,842 | 5,616 |
| Travel & Entertainment | 0 | 0 | 0 | 0 |
| Utilities | <u>1,782</u> | <u>5,119</u> | <u>1,488</u> | <u>4,287</u> |
| Total Expenses | <u>383,466</u> | <u>966,521</u> | <u>361,696</u> | <u>833,938</u> |
| (Loss) From Operations | 101,568 | 240,372 | (7,901) | (6,392) |
| Other Income and (Expense) | | | | |
| Interest expense | <u>20,244</u> | <u>53,766</u> | <u>16,983</u> | <u>51,159</u> |
| Total Other Income and (Expense) | <u>20,244</u> | <u>53,766</u> | <u>16,983</u> | <u>51,159</u> |
| Net Income (Loss) | \$ <u>81,324</u> | \$ <u>186,606</u> | \$ <u>(24,884)</u> | \$ <u>(57,551)</u> |
| Loss per share - basic and diluted | \$ <u>0.0010</u> | \$ <u>0.0026</u> | \$ <u>(0.0004)</u> | \$ <u>(0.0011)</u> |
| Weighted Average Shares Outstanding | <u>85,158,000</u> | <u>70,980,222</u> | <u>56,823,333</u> | <u>51,339,889</u> |

Ubiquitech Software Corp.

Statement of Stockholders' Equity (Deficit)

For the Nine Months Ended August 31, 2016 and 2015

| | Common Shares Issued | Preferred Shares Stock | Common Stock | Preferred Shares | Additional Paid-in Capital | Retained Earnings (Deficit) | Total Stockholders' Equity |
|---|----------------------------|------------------------------|-----------------|---------------------|----------------------------------|-----------------------------------|----------------------------------|
| Balance Nov 30, 2015 | 59,558,000 | 1,000,000 | 59,558 | 1,000 | 124,500 | (175,204) | 9,854 |
| Stock issued in exchange of note | 35,150,000 | | 35,150 | | | | 35,150 |
| Net income (loss) for the nine months ended Aug 31, 2016 | | | | | | 186,606 | 186,606 |
| Balance August 31, 2016 | <u>94,708,000</u> | <u>1,000,000</u> | <u>94,708</u> | <u>1,000</u> | <u>124,500</u> | <u>11,402</u> | <u>231,610</u> |

| | Common Shares Issued | Preferred Shares Stock | Common Stock | Preferred Shares | Additional Paid-in Capital | Accumulated Deficit | Total Stockholders' Deficit |
|---|----------------------------|------------------------------|-----------------|---------------------|----------------------------------|------------------------|-----------------------------------|
| Balance Nov 30, 2014 | 48,308,000 | 1000000 | 48,308 | 1,000 | 124,500 | (214,855) | (41,047) |
| Stock issued in exchange of note | 11,250,000 | | 11,250 | | | | 11,250 |
| Net income (loss) for the nine months ended Aug 31, 2015 | | | | | | (57,551) | (57,551) |
| Balance August 31, 2015 | <u>59,558,000</u> | <u>1,000,000</u> | <u>59,558</u> | <u>1,000</u> | <u>124,500</u> | <u>(272,406)</u> | <u>(87,348)</u> |

Ubiquitech Software Corp.

Statement of Cash Flows

For the Three Months and Nine Months Ended August 31, 2016 and 2015

| | 2016 | | 2015 | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 3 Months Ended Aug 31, | 9 Months Ended Aug 31, | 3 Months Ended Aug 31, | 9 Months Ended Aug 31, |
| <u>Cash Flows Provided by (Used for) Operating Activities</u> | | | | |
| Net Income (Loss) | \$ 81,324 | \$ 186,606 | \$ (24,884) | \$ (57,551) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | | |
| Depreciation expense | 10,347 | 31,041 | 10,347 | 31,041 |
| Amortization expense | 27,500 | 82,500 | 27,500 | 82,500 |
| Amortization of management contract | - | - | - | 56,250 |
| (Increase) decrease in inventory | (27,888) | (65,365) | (34,461) | (100,952) |
| Increase (decrease) accounts payable | 6,724 | 7,756 | (807) | (7,106) |
| Increase (decrease) accrued interest | (50,505) | (33,744) | 16,983 | (4) |
| Net Cash Provided by (Used for) Operating Activities | 47,502 | 208,794 | (5,322) | 4,178 |
| <u>Cash Flows Provided by/(used for) Investing Activities</u> | | | | |
| Software development | (468,944) | (647,373) | - | - |
| Net Cash Provided by (Used for) Investing Activities | (468,944) | (647,373) | 0 | 0 |
| <u>Cash Flows Provided by (Used for) Financing activities</u> | | | | |
| Aquistion of long-term debt | 465,000 | 465,000 | - | - |
| Net Cash Provided by (Used for) Financing Activities | 465,000 | 465,000 | 0 | 0 |
| Net Increase (Decrease) in Cash | \$ 43,558 | \$ 26,421 | \$ (5,322) | \$ 4,178 |
| Beginning Cash Balance | 88,680 | 105,817 | 65,382 | 55,882 |
| Ending Cash Balance | \$ 132,238 | \$ 132,238 | \$ 60,060 | \$ 60,060 |