

ENZOLYTICS, INC. - SUBSIDIARIES
BALANCE SHEETS
(Unaudited)

	Biogenysis December 31, 2020	Virogenetics December 31, 2020	Holding Company December 31, 2020	Combined Operating Entity December 31, 2020
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 30,546	\$ 184	\$ 529,660	\$ 560,389
A/R Related party - Patten Energy, Inc.				-
Allowance for bad debt				-
Total current assets	<u>30,546</u>	<u>184</u>	<u>529,660</u>	<u>560,389</u>
Property and equipment, net		5,063		5,063
Other assets:				
Intangible assets			2,167,975	2,167,975
Deposits	2,960			2,960
Intercompany Due to / (From)	2,000		(3,726,656)	(3,724,656)
Investment in Subsidiaries	(33,902)	(5,247)	18,794,830	18,755,681
Total other assets	<u>(28,942)</u>	<u>(5,247)</u>	<u>17,236,149</u>	<u>17,201,959</u>
	<u>\$ 1,603</u>	<u>\$ (0)</u>	<u>\$ 17,765,809</u>	<u>\$ 17,767,412</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable	\$ 1,603	\$	\$	\$ 1,603
Accrued expenses and other current liabilities			611,481	611,481
Common stock payable				
Convertible notes, net of discount of \$21,282 and \$30,029 at December 31, 2020 and 2019, respectively				-
Derivative liabilities			8,795,075	8,795,075
Due to related parties:				
Promissory note - Former director and officer				-
Officers, Directors and stockholders				-
License fee payable				
Current liabilities - Discontinued Operations				-
Total current liabilities	<u>1,603</u>	<u>-</u>	<u>9,406,556</u>	<u>9,408,159</u>
Total long term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Shareholders' Equity/(Deficit)				
Preferred stock, Series A \$.0001 par value; 100,000,000 shares authorized, 60,000,000 issued and outstanding at December 31, 2020 and 2019, respectively			6,000	6,000
Preferred stock, Series B \$.0001 par value; 465,000,000 shares authorized, 445,180,000 and 2,000,000 issued and outstanding at December 31, 2020 and 2019, respectively		-	44,518	44,518
Preferred stock, Series C \$.0001 par value; 465,000,000 shares authorized, 941,078 and 0 issued and outstanding at December 31, 2020 and 2019, respectively		-	94	94
Common stock, \$.0001 par value; 3,000,000,000 shares authorized, 2,797,935,953 and 1,066,020,359 issued and outstanding at December 31, 2020 and 2019, respectively		-	279,794	279,794
Additional paid-in-capital			38,931,963	38,931,963
Preferred stock subscribed			5	5
Common stock subscribed		-	12,809	12,809
Additional paid-in-capital subscribed		-	1,122,209	1,122,209
Accumulated Deficit		-	(32,038,139)	(32,038,139)
Total shareholders' equity/(deficit)	<u>-</u>	<u>-</u>	<u>8,359,253</u>	<u>8,359,253</u>
Total liabilities and shareholders' deficit	<u>\$ 1,603</u>	<u>\$ -</u>	<u>\$ 17,765,809</u>	<u>\$ 17,767,412</u>

See accompanying notes to condensed consolidated financial statements.

ENZOLYTICS, INC. - SUBSIDIARIES
BALANCE SHEETS
(Unaudited)

	Combined Operating Entity December 31, 2020	251 G Spin out entity - ENZO Sub, Inc December 31, 2020	Combined December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 560,389	\$	\$ 560,389
A/R Related party - Patten Energy, Inc.		36,290	36,290
Allowance for bad debt		(36,290)	(36,290)
Total current assets	<u>560,389</u>	<u>-</u>	<u>560,389</u>
Property and equipment, net	5,063		5,063
Other assets:			
Intangible assets	2,167,975		2,167,975
Deposits	2,960		2,960
Intercompany Due to / (From)	(3,724,656)	3,726,656	2,000
Investment in Subsidiaries	18,755,681	4,313	18,759,994
Total other assets	<u>17,201,960</u>	<u>3,730,969</u>	<u>20,932,929</u>
	\$ <u>17,767,412</u>	\$ <u>3,730,969</u>	\$ <u>21,498,381</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable	\$ 1,603	\$ 220,982	\$ 222,585
Accrued expenses and other current liabilities	611,481	1,384,260	1,995,741
Common stock payable		3	3
Convertible notes, net of discount of \$21,282 and \$30,029 at December 31, 2020 and 2019, respectively	-	-	-
Derivative liabilities	8,795,075	396,018	9,191,093
Due to related parties:			
Promissory note - Former director and officer		35,000	35,000
Officers, Directors and stockholders		343,101	343,101
License fee payable			-
Current liabilities - Discontinued Operations		485,153	485,153
Total current liabilities	<u>9,408,159</u>	<u>2,864,517</u>	<u>12,272,676</u>
Total long term liabilities	<u>-</u>	<u>866,452</u>	<u>866,452</u>
Shareholders' Equity/(Deficit)			
Preferred stock, Series A \$.0001 par value; 100,000,000 shares authorized, 60,000,000 issued and outstanding at December 31, 2020 and 2019, respectively	6,000		6,000
Preferred stock, Series B \$.0001 par value; 465,000,000 shares authorized, 445,180,000 and 2,000,000 issued and outstanding at December 31, 2020 and 2019, respectively	44,518	-	44,518
Preferred stock, Series C \$.0001 par value; 465,000,000 shares authorized, 941,078 and 0 issued and outstanding at December 31, 2020 and 2019, respectively	94	-	94
Common stock, \$.0001 par value; 3,000,000,000 shares authorized, 2,797,935,953 and 1,066,020,359 issued and outstanding at December 31, 2020 and 2019, respectively	279,794	-	279,794
Additional paid-in-capital	38,931,963		38,931,963
Preferred stock subscribed	5		5
Common stock subscribed	12,809	-	12,809
Additional paid-in-capital subscribed	1,122,209	-	1,122,209
Accumulated Deficit	(32,038,139)	-	(32,038,139)
Total shareholders' equity/(deficit)	<u>8,359,253</u>	<u>-</u>	<u>8,359,253</u>
Total liabilities and shareholders' deficit	\$ <u>17,767,412</u>	\$ <u>3,730,969</u>	\$ <u>21,498,381</u>

See accompanying notes to condensed consolidated financial statements.

Supplemental disclosure information.

On November 16, 2020 the Company completed a corporate reorganization under 251(g) of the Delaware Corporation Law (“DGCL”) which provides for the formation of a holding company without a vote of the shareholders of the constituent corporations but in our case a majority shareholder /consent was obtained. The existing issuer, Enzolytics, Inc. became ENZC Sub, Inc. The newly formed Delaware Company, Enzolytics, Inc., became the successor issuer and the publicly traded entity.

In accordance with Section 251(g) of the DGCL, Enzolytics Merger Corp. (“Merger Sub”), another newly formed Delaware corporation and, prior to the Holding Company Reorganization, was an indirect, wholly owned subsidiary of the Predecessor, merged with and into the Predecessor, with the Predecessor surviving the merger as a direct, wholly owned subsidiary of the Holding Company (the “Merger”). The Merger was completed pursuant to the terms of an Agreement and Plan of Merger among the Predecessor, the Holding Company and Merger Sub, dated November 16, 2020 (the “Merger Agreement”).

On November 16, 2020 the Company entered into debt exchange agreements with Seacor Capital, Inc., and Sky Direct, LLC whereby the balance of their outstanding convertible notes and accrued interest were exchanged for Preferred Series C shares of ENZC, extinguishing most of the convertible debt obligation with any remaining balance becoming debt owed by Predecessor eliminating any future debt conversions into ENZC shares. The Preferred C designation does allow for conversion into common shares but has pushed the date of the potential conversion out for two years and reduced the number of shares that could have been converted under the convertible notes. As a result of the reorganization, in accordance with Section 251(g) of the DGCL, the remaining convertible and non-convertible debt of ENZC is now debt of the Predecessor and payable by or convertible into shares of the non-public subsidiary ENZC SUB, Inc. The total of this debt including accounts payable, accrued expenses, due to related parties, discontinued operations and the remaining convertible and non-convertible debt now payable or convertible into Predecessor non-public shares is \$3,730,969. In addition, the license fee due to the Trust from the original license of \$1,550,000 has been extinguished bringing the total Debt removed from the public entity to \$5,280,969.

The executive officers and board of directors of the Holding Company are the same as those of the Predecessor in effect immediately prior to the Holding Company Reorganization.

Pursuant to the terms of the Business Combination Agreement, on November 24, 2020, the Company formed two new Texas corporations as wholly-owned subsidiaries for the purpose of licensing certain patented technologies: Biogenysis, Inc. and Virogenetics, Inc. On November 30, 2020, Enzolytics, Inc. (the “Company”) entered into a Business Combination Agreement with Bioclonetics Immunotherapeutics, Inc., (“Bioclonetics”) a Texas Corporation controlled by Charles S. Cotropia, who was appointed CEO and Chairman of the Company on October 22, 2020. On November 30, 2020 the Company’s operating subsidiaries consisted of Biogenysis, Inc., Virogenetics, Inc. and the BioClonetics Immunotherapeutics, Inc. entities, all 100% owned by the Parent Enzolytics, Inc

The Balance Sheet included in the Supplemental Information labeled Combined Operating Entity December 31, 2020 reflects the year end balances of these operating entities.

The Balance Sheet labeled ENZO Sub, Inc. is the 100% owned subsidiary organized and established as part of the 251(g) reorganization and reflects all of the debt that was transferred from the public entity to the wholly owned private entity. The convertible debt is no longer convertible into ENZC shares but are convertible into ENZO Sub private entity shares.

The Balance Sheet labeled Combined December 31, 2020 is the Balance Sheet filed with the OTC Report for the Annual Year End December 31, 2020.

The investment representing 49% ownership of IMMB BG is reflected in the Investment in Subsidiaries on the Holding Company balance sheet. The investment is carried at cost. With the cancellation in February 2021 of the Sub-License agreement and termination of all other contractual ties to IMMB BG, the Company will begin reviewing the value of the investment at the end of future reporting periods and write it down to Market value, which may be zero as IMMB BG appears to have no operations, Intellectual Property or other assets of value. IMMB BG's sub-license and distribution agreement from the Company has been cancelled. IMMB BG has never had any rights to the Intellectual Property or Manufacturing rights to the treatment, only a distribution and licensing agreement for certain territories. The President of IMMB BG is not and has never been an officer of the Company or IMMB from which the ITV-1 treatment and 49% ownership of IMMB BG was acquired.

As consideration for the Business Combination, and in exchange for 100% of the issued and outstanding stock of BioClonetics and licensing of the fully human monoclonal antibodies (mAbs) technology of BioClonetics, the Company agreed to issue a total of 204,430,000 newly issued shares of Series B Preferred Stock to Charles S. Cotropia, and others Bioclonetics Designees and 90,570,000 shares of newly issued Series B Preferred Stock to Harry Zhabilov, the Company's Chief Science and Financial Officer for his agreement to transfer his Common and Series A shares Ownership to Charles Cotropia and other Bioclonetics Designees and the Trust cancellation of the unpaid licensing fee of 1,550,000 and arranging the Licensing of the Immunotherapy Technology from the Zhabilov Trust. These shares were issued on December 7, 2020.

In addition, on November 30, 2020, the Zhabilov Trust, the Company's Controlling Shareholder, and Harry Zhabilov entered into a Control Block Transfer Agreement, under which the Zhabilov Trust and Harry Zhabilov agreed to transfer 35,100,000 shares of Series A Preferred Stock and 231,000,000 shares of Common Stock (together the "Control Block") to Charles S. Cotropia and other BioClonetics Designees. This reallocation of shares was completed on December 31, 2020. As a result of this transfer of the Control Block Harry Zhabilov transferred all of his ENZC Common and Series A preferred ownership and the Zhabilov Trust transferred 31,100,000 Series A Preferred Shares and 181,000,000 shares of the Company's Common Stock to facilitate the Business Combination Agreement with BioClonetics for the benefit of all the Company Shareholders. No officer or director has sold any Common Shares since the Control Block Transfer was completed.

The following is a summary of the Security information reported on the OTC Disclosure Statements pursuant to the Pink Basic Disclosure Guidelines for September 30, 2020 and December 31, 2020 for the Common shares Authorized, Issued and in the public float which was verified with the Company's transfer agent Nevada Agency and Transfer Company which was opined to by the Company's SEC counsel Morgan E. Petitti, ESQ. on the date of the Opinion Letter.

	September 30, 2020	December 30, 2020
Authorized	3,000,000,000	3,000,000,000
Issued	2,438,670,097	2,797,935,953
Shares in Float	1,670,830,512	1,670,830,517

Updated information was provided to OTC by the Transfer Agent as of March 28, 2021.

Authorized	3,000,000,000
Issued	2,797,935,953
Held at DTC	1,873,381,548
"This is equivalent to the Float"	
Restricted Shares	698,839,585
Unrestricted	2,099,096,368
Restricted and unrestricted shares total	2,797,935,593

Unrestricted minus Float is	428,265,856
-----------------------------	-------------

Which represents shares that have had the restrictions removed in accordance with 144 regulations but have not been deposited at DTC so they are not included in the reported public float number but could be deposited by the owners at any time.

In summary, there have been no new issuances since 12-31-2020 through 3-28-2021. Public Float has increased between 12-30-2020 and March 3-28-2021 by 202,551,036 from unrestricted shares being deposited at DTC but none are from new issuances or conversions as there is no convertible debt after the 251(g) reorganization that can be converted into ENZC common shares. There are still 428,265,856 unrestricted shares owned by non-officer and directors that could be deposited with DTC and recognized as an increase in Public Float in the future. These shares are not new issues and would not be considered dilution. From September 30, 2020 until March 28th all shares deposited into CEDE had been relieved of the restrictive legends under an Opinion letter of Counsel to the Company and its Transfer Agent describing which 144 regulation had been satisfied resulting in the previously restricted shares to become unrestricted and eligible for deposit with CEDE. Any shares that will be eligible for having the restrictions removed from the certificate will have been issued at least one year ago to be eligible for 144 regulations. An exception to the 1-year hold period is when a court rules that the shares are free trading such as the Federal Court ruling on the Livingston Asset Management settlement agreement with the Company associated with the 3(a)10 program. The settlement and the associated fairness hearing were ruled on and approved in the Federal Court in Maryland. This settlement was fulfilled in October of 2020 and has no impact on the float in future periods.

The daily volume of traded shares from October 1st through April 4th indicates that the float has

traded almost six times with 9,799,937,061 total shares traded during this period. The quickest turn of the float occurred between October 1st and October 9th, 2020 (9 days) when the stock price ranged from \$.0047 and \$.0217. The slowest turn of the float was between February 18th and April 4th, 2021 (38 days) when the stock price ranged between \$.1510 and \$.9580.

In all OTC filings, the Company has described itself as a Drug Development Company seeking to commercialize its proprietary products. The Company discovers new products, patents/license the technology, test the products, permits the product and then sales the technology or markets the products itself or through distributors. Until a permit is issued by a government regulatory agency for the Company's product, revenues will not be recognized but with each new discovery and patent filing, value is created for the Shareholders.

The Company's policy is to be transparent with its Press Releases. Each step of development of a new product is a material event to a pre-revenue entity. The Company choses to announce the advancement of each step of commercialization of the discovery and the subsequent patenting of each new development. Included in this chronicle, the Company discloses the innovative and successful use of Artificial Intelligence and cutting-edge research application as well as the use of other professional organizations for clinical testing and manufacturing to keep the public and stakeholders informed of the progress being made and the state-of-the-art technology being used in the process so they can value the efforts and accomplishments of the Company and its Scientist. Since November 30, 2020 the Company has identified 8 new conserved sites on the HIV-1 virus and 11 conserved sites on the SARS-CoV-2 (Corona Virus), filed a preliminary Patent for the treatment of Multiple Sclerosis using a spinal cord nuclear protein (SPNP) isolated from calf spinal cord and completed an *in vitro* study of the Company's ITV-1/IPF peptide treatment that demonstrated the broad efficacy with low toxicity. The Company's ITV-1 peptide was tested against human corona virus 229E Strain (HCoV-229E) and exhibited comparable efficacy but with a 20-fold lower toxicity than the widely used anti-influenza medicine Tamiflu®.

Currently the Company has a reserve of cash and commitments from its new Bulgarian partners to take the products through the next phase of development. The executives of ENZC have stated that their fundraising efforts have been successful to date and the final determination of pending NIH Grant applications will not impact the progress of the current process but would give the Company non-dilutive funds freeing up the funds currently committed to its projects.

With the new partnership with International Medical Partners, Ltd. in Bulgaria for the EMA clinical testing being developed with the Clinical Research Organization, Clinical Design, and negotiations being finalized with a new Contract Manufacturer Organization ("CMO"), also located in Bulgaria, the ITV-1 Immunotherapy treatment appears to be the front runner of the ENZC pipeline of products being brought to market. ITV-1 had been successfully tested under Bulgarian Drug Administration ("BDA") Guidelines in 2016 (See Final report from Sofia Hospital on the Company Website) and was poised to receive a permit from the BDA but the failure of the prior CMO to produce an acceptable validation order of 10,000 vials led to the need for the new Clinical trials under European Medicine Agency guidelines and the potential to gain FDA approval under the Recognition Treaty between the EMA and FDA. The treatment was patented by Harry Zhabilov, as evidenced on the US Patent Office website, and ownership was transferred to the Zhabilov Trust. The Trust has exclusively licensed the Patent to Enzolytics on a worldwide basis

and no other entity has any claim or use of the immunotherapy technology or manufacturing process.

The Company has entered into an agreement with Pro Wave Ad Product (“PWA”), another Bulgarian Company, to provide raw materials to produce a Nutraceutical Immune Enhancer Spray, with rights being owned by the Zhabilov Trust. to be distributed in India. This contract is valued more than \$50 million to PWA. This is the only approved use of this technology as a nutraceutical. The FDA issued a nutraceutical number to Harry Zhabilov on October 12, 2018. The first delivery under this agreement with PWA is expected to be in late spring 2021. The value to the Company is yet to be determined. The Company hopes to be able to leverage the PWA relationships in India and other regions for ITV-1 and future products including the Multiple Sclerosis treatment and anti-HIV and anti-Coronavirus Monoclonal Antibodies currently under development.

The Company has not been notified by any regulatory agency of any new or ongoing investigations of the Company or any of its Officers or Directors. As part of the Company’s ongoing self-policing efforts, periodic calls are made to agencies inquiring as to whether or not any formal complaints have been lodged with these agencies or any investigations opened. To date, the Company has not been informed of any. All issues involving the Directors and Officers of the Company associated with other entities have been satisfactorily resolved and no further actions were taken by the regulatory agencies. In addition, the Company is currently not a party to any lawsuits.

The Company continues to recruit some of the best and most recognized members of the scientific and medical field in the industry with the recent addition of Dr. Ronald Moss to our Medical Advisory Board and our partnering arrangement with IMBL, PWA and Genscript Labs, as well as several other well-known Universities and professional organizations.

The Company has filed its Annual Report using the Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines. On January 11, 2021 the Company accepted a proposal to engage the PCAOB auditing firm of MaloneBailey, LLC to perform audits of the year ended 12-31-2020 and 2019. Audit work began after the Company completed the interview process with MaloneBailey in early February of 2021. It is still the Company's plan to complete the two-year audit as quickly as possible but will continue to file pursuant to the OTC Markets Pink Basic Disclosure Guidelines to allow time to complete the two-year audits and remain current with our filings. The ENZO Sub, Inc. is also being audited separately as part of the Company’s strategy to cleanup legacy issues addressed in the 251(g) reorganization. The Company believes that the Audit will be completed before the due date of the first quarter report of May 15th but the Company will also have to complete the Form 10 filing to apply for the OTCQB and planned resolution of ENZO Sub, Inc. which may result in the First quarter being filed under the OTC Markets Pink Basic Disclosure Guidelines one last time.