

Defentect Group, Inc

Balance Sheet Comparison

As of December 31, 2020

	TOTAL	
	AS OF DEC 31, 2020	AS OF DEC 31, 2019 (PY)
ASSETS		
Current Assets		
Bank Accounts	\$2,991.56	\$4,018.38
Accounts Receivable	\$0.00	\$0.00
Other Current Assets	\$0.00	\$0.00
Total Current Assets	\$2,991.56	\$4,018.38
Fixed Assets		
1400 P & E	0.00	0.00
1411 Office Furniture-Asset	13,350.04	13,350.04
1413 Production Equipment	17,101.52	17,101.52
Total 1411 Office Furniture-Asset	30,451.56	30,451.56
1420 Depreciation	-30,451.56	-30,451.56
Total 1400 P & E	0.00	0.00
Total Fixed Assets	\$0.00	\$0.00
Other Assets	\$0.00	\$0.00
TOTAL ASSETS	\$2,991.56	\$4,018.38
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities	\$202,211.79	\$202,211.79
Long-Term Liabilities		
2150 Deferred Revenue	0.00	0.00
2160 Loan Payable	2,355,895.22	2,223,550.92
2201 Deferred Rent	0.00	0.00
2202 Accrued Warrant Liability	0.00	0.00
2203 Accrued Option Exp	0.00	0.00
Total Long-Term Liabilities	\$2,355,895.22	\$2,223,550.92
Total Liabilities	\$2,558,107.01	\$2,425,762.71
Equity		
3000 Common Stock	83,937.38	83,937.38
3100 Paid In Capital	9,778,478.75	9,778,478.75
3120 Paid-In Capital or Surplus	85,090.66	85,090.66
9001 Opening Bal Equity	0.00	0.00
9002 Retained Earnings	-12,364,982.96	-12,237,962.86
Net Income	-137,639.28	-131,288.26
Total Equity	\$ -2,555,115.45	\$ -2,421,744.33
TOTAL LIABILITIES AND EQUITY	\$2,991.56	\$4,018.38

Defentect Group, Inc

Profit and Loss Comparison

January - December 2020

	TOTAL	
	JAN - DEC 2020	JAN - DEC 2019 (PY)
Income		
Sales of Product Income	33,134.30	27,173.15
Total Income	\$33,134.30	\$27,173.15
Cost of Goods Sold		
Cost of Goods Sold	0.00	-27.47
Merchant Processing Fees	0.00	1.43
Total Cost of Goods Sold	\$0.00	\$ -26.04
GROSS PROFIT	\$33,134.30	\$27,199.19
Expenses		
S G & A	0.00	0.00
Software	459.48	459.48
Utilities	0.00	0.00
Internet	688.44	653.88
Telephone	3,120.24	3,581.30
Total Utilities	3,808.68	4,235.18
Total S G & A	4,268.16	4,694.66
Total Expenses	\$4,268.16	\$4,694.66
NET OPERATING INCOME	\$28,866.14	\$22,504.53
Other Expenses		
Shareholder Loan Interest	166,505.42	153,792.79
Total Other Expenses	\$166,505.42	\$153,792.79
NET OTHER INCOME	\$ -166,505.42	\$ -153,792.79
NET INCOME	\$ -137,639.28	\$ -131,288.26

Defentect Group, Inc

Statement of Cash Flows

January - December 2020

	TOTAL
OPERATING ACTIVITIES	
Net Income	-137,639.28
Adjustments to reconcile Net Income to Net Cash provided by operations:	0.00
Net cash provided by operating activities	\$ -137,639.28
FINANCING ACTIVITIES	
21611 Loan Payable:TMF Loan:TMF Accrued Interest Payable	16,738.80
2162 Loan Payable:JCA Loan Payable	-34,161.12
21621 Loan Payable:JCA Loan Payable:JCA Accrued Interest Payable	114,227.85
21641 Loan Payable:E Resor Loan Payable:E Resor Accrued Interest Payable	1,057.61
21651 Loan Payable:J Gould Loan Payable:J Gould Accrued Interest Payable	34,481.16
9002 Retained Earnings	4,268.16
Net cash provided by financing activities	\$136,612.46
NET CASH INCREASE FOR PERIOD	\$ -1,026.82
Cash at beginning of period	4,018.38
CASH AT END OF PERIOD	\$2,991.56

Defentect Group, Inc

Statement of changes in Equity

For the period ending December 31, 2020

Capital Accounts	Change	Balance
Common Stock		\$83,937
Issuance	\$0	\$0
Paid In Capital	\$0	\$9,778,479
Paid in Surplus		\$85,091
Equity		
Retained Earnings		-\$12,364,982
Net Income		-\$137,639
Total Equity		-\$2,555,115

Defentect Group. Inc

Notes to financial statements

December 31, 2020

1. HISTORY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Defentect Group, Inc., formerly known as Splinternet Holdings, Inc. (the "Company") is the parent company of Splinternet Communications, Inc., originally a provider of Internet Telephony services, which entered the security market in 2007, and Vidiation, Inc., a security sales and marketing company which was acquired on April 30, 2008.

The Company develops and markets technologies for the security and risk management industry. Our products react to the detection of chemical, biological, radiological or nuclear threats and notify responders and key administrators immediately. The Company's unique response technology can be easily integrated with other manufacturers' sensors, and serve many different markets. The Company has more recently entered the market for personal security solutions, tied to our DefenCall Smartphone application; this service leverages our unique response technology. DefenCall enables our customers to communicate location and personal information required to facilitate a timely and informed response to any event of consequence. The Company receives all its current revenues from its telephony service and is pursuing new customers and partners in the security market.

The Company was incorporated in the State of Delaware on March 22, 2006 under the name Splinternet Holdings, Inc. On April 3, 2006, the Company conducted a share for share exchange of securities with Splinternet Communications, Inc., as a result of which Splinternet Communications, Inc. became a wholly owned subsidiary of the Company.

Splinternet Communications, Inc. was incorporated in the State of Connecticut on January 12, 2000. Since inception, we have been a developer of products, services, and marketing strategies centered around opportunities in Internet communications. From 2000 through 2007 our approach was to develop products and services that would capitalize on the shift in telecommunications technologies from traditional telephony to Internet telephony. In 2008 our research and development was focused on developing an Internet Protocol (IP) based management, monitoring and messaging system which interfaced with our radiation detection devices and other third-party sensors. In 2009 we successfully completed several pilot programs which utilized our management, monitoring and messaging system and sensors.

Vidiation, Inc. was a security sales and marketing company incorporated in the State of Delaware on December 10, 2007, which acquired certain assets from Vidiation LLC. Vidiation LLC was a radiation detection technology development company which had extensive sales and marketing experience in the surveillance and security market space and was actively engaged in that space. The progress Vidiation, Inc. had been making in that business was desired by the Company and precipitated the above-referenced transaction.

Defencall, Inc. was incorporated in the State of Delaware in February of 2013 as a wholly owned subsidiary of the company. Subsequently, Defencall sold \$410,000 of Preferred A shares to private investors. Those preferred A shares are convertible on demand into shares of Defentect Group, Inc. at a 15% discount to the current market for Defentect's shares.

The Company does not conduct any business or own any assets other than all of the issued and outstanding shares of Splinternet Communications, Inc., Vidiation, Inc. and Defencall, Inc.

2. BASIS OF PREPARATION

Pursuant to the rules and regulations of the Securities and Exchange Commission for Form 10-K, the financial statements, footnote disclosures and other information normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed. The financial statements contained in this report are unaudited and have not been reviewed by an independent public accountant as required by Regulation S-X but, in the opinion of the Company, reflect all adjustments, consisting of only normal recurring adjustments necessary as of December 31, 2020 and the results of operations and cash flows for the interim periods ended December 31, 2020 and 2019, to fairly represent the financial position presented herein. The results of operations for any interim period are not necessarily indicative of results for the full year. The balance sheet at December 31, 2020 has been derived from previously audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

The preparation of 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 disclosure 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 could differ from those estimates.

All preexisting Warrants and Options have expired, and there are no others issued at this time.

All current assets are carried at their cost and current liabilities are recorded at their contract amount, which approximates fair value because of their short term nature. The carrying value of short-term financing arrangements and notes receivable approximates fair value because interest rates over the relative term of these instruments approximate current market interest rates.

As of December 31, 2020, the Company had approximately \$3,000 in cash and current liabilities of approximately \$202,000. The Company's net cash provided by operating activities for the twelve months ended December 31, 2020 was approximately \$33,000; yet, the Company will require additional funding in order to be adequately funded for the foreseeable future, because expenses have been cut back to a level which does not support growth.

The Company has a history of substantial operating losses and an accumulated deficit of \$12,237,962.86 as of December 31, 2020.

3. TAXES

Effective January 1, 2007, the Company adopted the accounting standard on accounting for uncertainty in income taxes. This standard provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption and in subsequent periods. Upon the adoption, the Company had no unrecognized tax benefits. During the twelve months ended December 31, 2020 and 2019, the Company recognized no adjustments for uncertain tax benefits.

5. STOCKHOLDERS EQUITY

During the twelve months ended December 31, 2020 the Company issued no shares and borrowed no new funds.

6. STOCK OPTION PLAN

There is no Incentive Stock Option Plan in place as of December 31, 2020.

7. SEGMENT INFORMATION

Effective January 1, 2010 management determined that it would cease the separate reporting of two separate businesses and focus the entire organization on the development and sale of software and services. All of the company's products are based on the same basic software system. In support of the Company's new focus, the Company changed its name to Defentect Group, Inc.

8. LOANS FROM OFFICERS

Mr. James C. Ackerly, the Chief Executive Officer and director, and other early investors in Splinternet Communications, Inc. have made loans in the aggregate of \$859,453 to the Company since December 31, 2009. The loans are demand loans that are secured by all the assets of the Company and accrue interest at the rate of 8%. The Company has accrued \$1,492,528 in interest charges due to loans payable to that group through December 31, 2020.

9. CONTINGENCY

There are no contingencies requiring accounting adjustments at this time.

10. SUBSEQUENT EVENTS

As of September 2, 2021, the Company signed a Letter of Intent with Hammer Fiber Optic Holdings (HMMR) in which it is contemplated that the Company would acquire substantially all the operating assets of HMMR in a transaction that does not require additional financing, not does it trigger a change of control for Defentect Group, Inc. (DFTC).