

APOLLO ENTERPRISE SOLUTIONS, LTD AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET

	3 MONTHS ENDED 31-Dec-16	3 MONTHS ENDED 31-Dec-15	12 MONTHS ENDED 31-Dec-16	12 MONTHS ENDED 31-Dec-15
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	24,416	412,025	24,416	412,025
Accounts receivable	474,919	205,798	474,919	205,798
Accounts receivable - related party	16,667	6,667	16,667	6,667
Prepaid Expenses and other assets	36,842	55,711	36,842	55,711
Total Current Assets	552,844	680,201	552,844	680,201
<b>OTHER ASSETS</b>				
Contract work in progress	54,491	75,584	54,491	75,584
Patents, less accumulated amortization	998,624	1,104,479	998,624	1,104,479
Deferred Debt Costs	2,794,699	1,016,946	2,794,699	1,016,946
Security Deposit, Deferred offering costs, other assets	125,000	100,000	125,000	100,000
<b>TOTAL ASSETS</b>	<b>4,525,658</b>	<b>2,977,210</b>	<b>4,525,658</b>	<b>2,977,210</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	907,910	1,326,480	907,910	1,326,480
Accounts payable - related party	937,667	570,440	937,667	570,440
Accrued interest	1,203,520	679,954	1,203,520	679,954
Accrued payroll	24,306	20,677	24,306	20,677
Convertible notes - related party	-	1,048,960	-	1,048,960
Warrant Liability	-	7,527,108	-	7,527,108
Deferred revenue	1,259,509	1,290,561	1,259,509	1,290,561
Total Current Liabilities	4,332,912	12,464,180	4,332,912	12,464,180
<b>LONG-TERM LIABILITIES</b>				
Note payable - related party	649,607	578,036	649,607	578,036
Line of credit - related party	5,952,100	2,339,000	5,952,100	2,339,000
Total Long Term Liabilities	6,601,707	2,917,036	6,601,707	2,917,036
<b>TOTAL LIABILITIES</b>	<b>10,934,619</b>	<b>15,381,216</b>	<b>10,934,619</b>	<b>15,381,216</b>
<b>SHAREHOLDERS' DEFICIENCY:</b>				
Class A preferred shares, authorized 4,000,000 shares, issued and outstanding, 96 shares	2,400	2,400	2,400	2,400
Class A-2 preferred shares, authorized 1,200,000 shares, issued and outstanding 497 shares	10,030	10,030	10,030	10,030
Junior preferred shares, authorized 3,500,000 shares, issued and outstanding, 117,762 shares	2,929,044	2,929,044	2,929,044	2,929,044
Common shares, authorized 310,880,000 shares issued and outstanding, 43,204,690 shares	7,274	7,274	7,274	7,274
Treasury Shares	(2,953)	(2,995)	(2,953)	(2,995)
Additional paid-in capital	34,082,249	22,870,217	34,082,249	22,870,217
Retained deficit	(43,437,005)	(38,219,977)	(43,437,005)	(38,219,977)
Total Shareholders' Deficiency	(6,408,961)	(12,404,006)	(6,408,961)	(12,404,006)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>	<b>4,525,658</b>	<b>2,977,210</b>	<b>4,525,658</b>	<b>2,977,210</b>
<b>COMMON SHARES OUTSTANDING (WANS)</b>	<b>43,217,728</b>	<b>42,822,504</b>	<b>43,205,699</b>	<b>42,830,576</b>
<b>NET ASSET VALUE PER SHARE</b>	<b>(0.15)</b>	<b>(0.29)</b>	<b>(0.15)</b>	<b>(0.29)</b>

APOLLO ENTERPRISE SOLUTIONS, LTD AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF OPERATIONS

	3 MONTHS ENDED 31-Dec-16	3 MONTHS ENDED 31-Dec-15	12 MONTHS ENDED 31-Dec-16	12 MONTHS ENDED 31-Dec-15
REVENUES	61,000	611,537	1,040,549	2,440,686
COST OF GOODS SOLD	17,881	120,801	231,449	443,483
GROSS PROFIT	43,119	490,736	809,100	1,997,203
OPERATING EXPENSES:				
Selling and general administrative	1,318,989	794,194	4,248,810	3,565,966
Operating gain/loss	(1,275,870)	(303,458)	(3,439,710)	(1,568,763)
OTHER (INCOME) EXPENSE				
Sublease income	-	-	396	56,153
Foreign exchange gain/loss	29,407	14,301	138,900	35,500
Interest income	0	9,002	4	9,012
Interest expense	(498,421)	(407,337)	(1,355,328)	(1,474,864)
Change in Warrant Liability	-	203,050	(561,289)	2,936,954
Total other expense	(469,014)	(180,985)	(1,777,318)	1,562,755
INCOME GAIN/(LOSS) before income taxes	(1,744,883)	(484,443)	(5,217,028)	(6,008)
Provision for income taxes			-	-
NET GAIN/(LOSS)	(1,744,883)	(484,443)	(5,217,028)	(6,008)
COMMON SHARES OUTSTANDING (WANS)	43,217,728	42,822,504	43,205,699	42,830,576
EARNINGS GAIN/(LOSS) PER SHARE COMMON	(0.04)	(0.01)	(0.12)	(0.00)

APOLLO ENTERPRISE SOLUTIONS, LTD AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS

	3 MONTHS ENDED 31-Dec-16	3 MONTHS ENDED 31-Dec-15	12 MONTHS ENDED 31-Dec-16	12 MONTHS ENDED 31-Dec-15
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net Gain/(Loss)	(1,744,883)	(484,443)	(5,217,028)	(6,008)
<b>Adjustments to Reconcile Net Gain/(Loss) to Net Cash Used in Operating Activities</b>				
Amortization of Patent Costs	26,464	2,052	105,855	106,146
Amortization of Debt Discount	338,836	(869,996)	831,762	1,136,165
Depreciation Expense	-	-	-	868
Stock-Based Compensation Expense	163,501	-	552,448	559,343
Warrants Issued for Services	-	-	13,283	-
Change in warrant liability	-	1,095,860	561,289	(2,936,954)
<b>Changes in Operating Assets and Liabilities</b>				
Accounts Receivable	108,333	91,000	(474,919)	486,078
Accounts Receivable Related Party	6,667	-	195,798	7,994
Prepaid Expenses	(7,733)	(26,339)	18,869	(3,243)
Security Deposit	-	-	-	(100,000)
Contract Work In Progress	5,273	5,273	21,093	21,093
Other Assets	-	-	-	-
Accounts Payable	5,490	93,322	(418,570)	(221,743)
Accounts Payable Related Party	234,732	-	367,227	115,382
Accrued Interest	159,584	84,802	523,566	335,551
Accrued Payroll	(3,334)	(15,614)	3,629	(18,239)
Other Accrued Expenses	-	(777,560)	-	-
Deferred Rent	-	421	-	(38,645)
Deferred Revenue	(36,000)	69,263	(31,053)	(172,947)
<b>Net Cash Used in Operating Activities</b>	<b>(743,070)</b>	<b>(731,958)</b>	<b>(2,946,751)</b>	<b>(729,159)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds Received From Issuance of Convertible Notes to Related Party	-	42,352	-	-
Proceeds Received From Loan With Related Party	-	(149,038)	-	-
Proceeds Received From Line of Credit With Related Party	748,000	1,099,000	2,360,600	1,099,000
Proceeds Received From Issuance of Treasury Shares and Warrants	-	-	267,717	12,593
Additional Paid in Capital	-	132,035	-	-
Payment of Deferred Offering Costs	-	-	-	-
Retained Earnings	-	560	(25,000)	-
Purchase of Treasury Shares	(6,937)	(6)	(44,175)	(68,192)
Proceeds Received From Exercise of Warrants	-	-	-	47,520
<b>Net Cash Used in Financing Activities</b>	<b>741,063</b>	<b>1,124,903</b>	<b>2,559,142</b>	<b>1,090,921</b>
<b>Net Increase/Decrease in Cash</b>	<b>(2,007)</b>	<b>392,945</b>	<b>(387,609)</b>	<b>361,762</b>
<b>Cash, Beginning of Period</b>	<b>26,423</b>	<b>19,079</b>	<b>412,025</b>	<b>50,263</b>
<b>Cash, End of Period</b>	<b>24,416</b>	<b>412,025</b>	<b>24,416</b>	<b>412,025</b>