

**BioNovelus inc**  
**Balance Sheet**  
As of June 30, 2016

	<u>Quarter Ended</u> <u>March 31, 2016</u>	<u>Quarter Ended</u> <u>Jun 30, 2016</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Checking/Savings		
Cash	4	15,266
<b>Total Checking/Savings</b>	<u>4</u>	<u>15,266</u>
<b>Other Current Assets</b>		
Organizational Costs	0	13,294
Inventory	0	110,000
<b>Total Other Current Assets</b>	<u>0</u>	<u>123,294</u>
<b>Total Current Assets</b>	4	138,560
<b>Fixed Assets</b>		
Accumulated Amortization	-46,708	-58,385
Furniture and Equipment	0	864
Intellectual Property	700,620	700,620
<b>Total Fixed Assets</b>	<u>653,912</u>	<u>643,099</u>
<b>TOTAL ASSETS</b>	<u><u>653,916</u></u>	<u><u>781,659</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
Accounts Payable - Related Parties	9,795	9,795
<b>Total Accounts Payable</b>	<u>9,795</u>	<u>9,795</u>
<b>Other Current Liabilities</b>		
Accrued Interest	37,386	44,885
Accrued Interest - Officers	9,397	11,239
Credit Card Payable	0	477
Loans from Related Parties	74,006	71,177
<b>Total Other Current Liabilities</b>	<u>120,789</u>	<u>127,779</u>
<b>Total Current Liabilities</b>	130,584	137,574
<b>Long Term Liabilities</b>		
Notes Payable to Officers	244,576	247,296
Notes Payable to Related Parties	100,000	100,000
Notes Payable Other	205,845	204,845
<b>Total Long Term Liabilities</b>	<u>550,421</u>	<u>552,141</u>
<b>Total Liabilities</b>	681,005	689,715
<b>Equity</b>		
Common Stock	83,268	90,007
Paid in Capital	666,381	930,642
Preferred Stock	10,000	10,000
Retained Earnings	-786,738	-938,705
<b>Total Equity</b>	<u>-27,089</u>	<u>91,945</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>653,916</u></u>	<u><u>781,659</u></u>

**BioNovelus, Inc.**  
**Footnotes to Financial Statements**  
**For the Quarter Ending June 30, 2016**

NOTE 1 -ORGANIZATION

BioNovelus Inc. (BioNovelus) is an Arizona based biotech company that aims to develop a portfolio of green solutions for many applications. The solutions address major global challenges: food and water safety and supply.

BioNovelus was founded in September 2010 to answer critical environmental problems by replacing harmful chemicals with eco-friendly and profitable technology to aid our planet.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: Information and note disclosures in these financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents: Cash and cash equivalents consists of cash on hand, undeposited funds, amounts on deposit with financial institutions and certificates of deposit available for withdrawal.

Inventory: Inventory consists primarily of goods for resale and are stated at the lower of cost or market, with cost evaluated using the first-in, first-out method.

Intellectual Property - All research and development costs are normally expensed as incurred. Since there was a reverse acquisition/merger in May 2015 with Firstin Wireless Technology, Inc. , those rules change per GAAP. Stock is being issued for the product, the cost of the stock (which is \$0.01 per share) becomes the fair market value based on the number of shares. To calculate the fair market value, the number of shares was multiplied by \$0.01 to come up with the fair market value.

Income Taxes: The company accounts for income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing tax assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income for the years in which those temporary differences are expected to be recovered or settled.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

### NOTE 3 - Concentration of Risk

BioNovelus maintains cash and cash equivalents at various financial institutions. Deposits not to exceed \$250,000 at each financial institution are insured by the Federal Deposit Insurance Corporation. As of June 30, 2016, BioNovelus's bank balances did not exceed this limit.

### NOTE 4 - Organizational Costs

In the Second Quarter, the Company begin the process of creating a wholly owned foreign subsidiary in Costa Rica. Costs for legal fees, travel and orther directly related matters were capitalized in the amount of \$13,294. The subsidiary was legally formed in July 2016 and will be consolidated in future financial statements.

### NOTE 5 - Related Parties Debt

BioNovelus has outstanding notes payable to its President for \$247,296 and others for \$100,000 as of June 30, 2016. There are several unsecured notes but the terms are consistent as follows:

Due on demand with 3% interest

In addition, there are loans payable of \$71,177 to officers and other related parties. These loans are not secured and do not accrue interest. Principal is due on demand.

### NOTE 6 - Notes Payable

BioNovelus has outstanding notes payable of \$204,845 as of June 30, 2016. The terms of the notes are as follows:

Unsecured demand notes at 3% interest per annum	\$50,000
Convertible notes 1t 11% interest with various due dates in 2016	\$154,845

**BioNovelus inc**  
**Statement of Cash Flows**  
January through June 2016

	Second Quarter	Year to Date
	Apr - Jun 16	Jan - Jun 16
	<u>                    </u>	<u>                    </u>
<b>OPERATING ACTIVITIES</b>		
Net Net Income	-151,967	-177,362
Adj: Adjustments to reconcile Net Income		
to n to net cash provided by operations:		
Accumulated Amortization	11,677	23,354
Organizational Costs	-13,294	-13,294
Inventory	-110,000	-110,000
Accounts Payable Related Parties	0	495
Accrued Interest	7,500	15,017
Accrued Interest - Officers	1,841	3,657
Credit Card Payable	477	477
Loan from Related Parties	-2,829	-2,829
Net cash provided by Operating Activities	<u>-256,594</u>	<u>-260,485</u>
<b>INVESTING ACTIVITIES</b>		
Furniture and Equipment	-864	-864
Net cash provided by Investing Activities	<u>-864</u>	<u>-864</u>
<b>FINANCING ACTIVITIES</b>		
Notes Payable to Officers	2,720	6,480
Notes Payable Related Parties	-1,000	-1,000
Common Stock	6,739	6,739
Paid in Capital	264,261	264,261
Net cash provided by Financing Activities	<u>272,720</u>	<u>276,480</u>
Net cash increase for period	<u>15,262</u>	<u>15,132</u>
Cash at beginning of period	<u>4</u>	<u>134</u>
Cash at end of period	<u><u>15,266</u></u>	<u><u>15,266</u></u>

BioNovelus Inc  
Statement of Stockholders' Equity  
For the six months ending June 30, 2016

	Preferred Stock		Common Stock		Additional Paid in Capital	Retained Earnings Accumulated deficit	Total
	# of Shares	Amount	# of Shares	Amount			
<b>Balance, December 31, 2015</b>	<b>10,000,000</b>	<b>10,000</b>	<b>83,267,969</b>	<b>83,268</b>	<b>666,381</b>	<b>(761,343)</b>	<b>(1,685)</b>
Net Loss for the three months ended March 31, 2016	-	-	-	-	-	(25,395)	(25,395)
<b>Balance, March 31, 2016</b>	<b>10,000,000</b>	<b>10,000</b>	<b>83,267,969</b>	<b>83,268</b>	<b>666,381</b>	<b>(786,738)</b>	<b>(27,089)</b>
Common Shares Sold for Services	-	0	2,200,000	2,200	107,800	0	110,000
Common Shares Sold for Notes Payable	-	0	400,000	400	3,600	0	4,000
Common Shares Sold for Cash	-	0	4,039,335	4,139	152,861	0	157,000
Net Loss for the three months ended June 30, 2016	-	0	0	0	0	(151,967)	(151,967)
<b>Balance, 6/30/16</b>	<b>10,000,000</b>	<b>10,000</b>	<b>89,907,304</b>	<b>90,007</b>	<b>930,642</b>	<b>(938,705)</b>	<b>91,945</b>

**BioNovelus Inc**  
**Profit Loss**  
For the Six Month Period Ending June 2016

	Second Quarter Apr - Jun 16	Year to Date Jan - Jun 16
Ordinary Income/Expense		
Expense		
Consulting	112,488	112,488
Amortization Expense	11,677	23,354
Interest Expense	9,354	18,686
SCC & OTC Filing	6,915	7,215
Travel	1,135	3,123
Accounting	2,789	2,789
Telephone Expense	978	2,034
Public Relations	1,396	1,396
Meals and Entertainment	708	1,112
Office Supplies	1,045	1,068
Rent Expense	821	821
Stock Management	621	621
Other Expenses	2,040	2,656
<b>Total Expense</b>	<b>151,967</b>	<b>177,362</b>
Net Ordinary Income	-151,967	-177,362
Net Income	<b>-151,967</b>	<b>-177,362</b>