

**BIONOVELUS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2017 AND DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 53,586	\$ 17,234
Inventory	107,250	107,250
Other receivable	600	1,620
	161,436	126,104
<b>TOTAL CURRENT ASSETS</b>	161,436	126,104
 Property and equipment, net of accumulated depreciation	 1,741	 1,888
 Other assets		
Intellectual property, net of accumulated amortization	607,204	618,881
	607,204	618,881
<b>TOTAL ASSETS</b>	<b>770,381</b>	<b>746,873</b>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	16,124	13,991
Accrued officers' salaries	37,500	-
Accrued interest, related parties	16,630	14,979
Accrued interest, unrelated parties	66,284	60,070
Credit card payable	60	422
Loans payable to related parties	72,797	72,797
Deposit for distribution rights	-	5,000
Notes payable to unrelated parties	304,845	304,845
	514,240	472,104
<b>TOTAL CURRENT LIABILITIES</b>	514,240	472,104
 <b>LONG TERM LIABILITIES</b>		
Notes payable to related parties	195,152	223,152
	195,152	223,152
 <b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.001 par value		
15,000,000 shares authorized		
10,000,000 shares issued and outstanding	10,000	10,000
Common stock, \$0.001 par value		
500,000,000 shares authorized		
100,445,687 shares issued and outstanding	100,446	91,838
Paid in capital	1,584,639	1,423,801
Accumulated deficit	(1,634,096)	(1,474,022)
	60,989	51,617
<b>TOTAL STOCKHOLDERS' EQUITY</b>	60,989	51,617
 <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 770,381</b>	<b>\$ 746,873</b>

**BIONOVELUS, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

**NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

BioNovelus Inc. (BioNovelus) is an Arizona based biotech company that aims to develop a portfolio of green solutions for various applications. The solutions address major global challenges for food and water safety and supply. The Company is replacing harmful chemicals with their eco-friendly, cost effective green technologies in respect to our planet.

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.

BioNovelus CR. Sociedad Anonima (BioNovelus Costa Rica) was formed as a 100% wholly owned subsidiary. The Company began operations in July 27, 2016 in Costa Rica as a separate company to manufacture, market and sell various biotech products for the Central American markets.

BioNovelus Guatemala, Sociedad Anonima (BioNovelus Guatemala) was formed as a 100% wholly owned subsidiary. The Company was formed on December 8, 2016 as a separate company to manufacture, market and sell various biotech products for the Central American markets. There were no operations as of March 31, 2017.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of BioNovelus, Inc. and its wholly-owned subsidiary BioNovelus Costa Rica. Both entities have common year ends of December 31, 2016. All activity from foreign operations is converted to US dollars.

All inter-company accounts and transactions have been eliminated.

Foreign Currency Translation

The financial statements of BioNovelus Costa Rica uses the Colon as the functional currently. Assets, liabilities, and equity accounts are translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average rates of exchange in effect during the year. The resulting cumulative translation adjustments are recorded as a separate component of stockholders' equity. The financial statements are presented in United States of America dollars. There was no adjustment as of March 31, 2017 or 2016.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the companies consider unrestricted currency, demand deposits, money market accounts, and all highly liquid debt instruments purchased with original maturities of ninety days or less to be cash equivalents.

**BIONOVELUS, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Revenue Recognition

Sales are recorded as income when the products are shipped to the customers.

Inventory

Inventory is stated at the lower of cost (determined by the first-in, first-out method) or net realizable value. Inventories are adjusted for obsolescence and are written down to net realizable value based upon estimates of future demand, technology developments, and market conditions.

Property and Equipment

Property and equipment are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs, which do not improve or extend the lives of respective assets, are expensed. At the time property and equipment are retired or otherwise disposed of, the assets and related depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

The Company depreciates its property and equipment for financial reporting purposes using the straight-line method based upon the following useful lives of the assets:

Furniture	5 Years
Equipment	3 Years

Common Stock Issued for Non-Cash Transactions

It is the Company's policy to value stock issued for non-cash transactions, such as services, at the fair market value of the goods or services received, or the consideration granted, whichever is more readily determinable, at the date the transaction is negotiated.

**BIONOVELUS, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

**NOTE 2 - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS**

The company estimates that the fair value of financial instruments at March 31, 2017, as defined in ASC 825, "Disclosures About Fair Value of Financial Instruments," does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying consolidated balance sheet. The estimated fair value amounts have been determined by using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amount that could be realized in a current market exchange.

**NOTE 3 - PROPERTY AND EQUIPMENT**

As of March 31, 2017 and December 31, 2016 property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Furniture and Equipment	\$ 864	\$ 864
Equipment	<u>1,249</u>	<u>1,249</u>
	2,113	2,113
Accumulated Depreciation	<u>(372)</u>	<u>(225)</u>
Total	<u>\$ 1,741</u>	<u>\$ 1,888</u>

Depreciation expense for the three months ended March 31, 2017 and 2016 was \$147 and \$0, respectively.

**NOTE 4 - INTELLECTUAL PROPERTY**

The Company entered into a reverse acquisition/merger in May 2015 with First in Wireless Technology, Inc. The Company issued 70,062,000 shares of common stock valued at \$700,620 for the intellectual property rights acquired.

Intellectual property consisted of the following at March 31, 2017 and December 31, 2016:

	<u>2017</u>	<u>2016</u>
Cost	\$ 700,620	\$ 700,620
Accumulated Amortization	<u>(93,416)</u>	<u>(81,739)</u>
Total	<u>\$ 607,204</u>	<u>\$ 618,881</u>

Amortization expense for the three months ended March 31, 2017 and 2016 was \$11,677 and \$11,677, respectively.

**BIONOVELUS, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

**NOTE 5 - LOANS PAYABLE TO RELATED PARTIES**

The Company has loans payable to officers and other related parties of \$72,797 at March 31, 2017 and December 31, 2016. These loans are unsecured, do not accrue interest and are due on demand.

**NOTE 6 - DEPOSIT FOR DISTRIBUTION RIGHTS**

In December 2016, the Company received a \$5,000 deposit to be held while negotiating a distribution agreement. In February of 2017, the discussions to finalize the distribution agreement halted and the \$5,000 deposit was returned to the distributor.

**NOTE 7 - NOTES PAYABLE TO RELATED PARTIES**

BioNovelus has outstanding notes payable to officers and other related parties. These notes are unsecured, accrue interest at 3% annually, and are due on December 31, 2019. The balances at March 31, 2017 and December 31, 2016 were \$195,152 and \$223,152 respectively.

Accrued interest on the notes payable to the related parties was \$16,630 and \$14,979 as of March 31, 2017 and December 31, 2016, respectively.

**NOTE 8 - NOTES PAYABLE TO UNRELATED PARTIES**

BioNovelus has convertible notes payable with unrelated parties in the amount of \$304,845 at March 31, 2017 and December 31, 2016. The notes are unsecured and accrue interest ranging from 3% - 18% per annum and are due on demand. The notes are convertible into common stock at a value between \$0.001 (par value) and a ceiling of \$0.20 per share based on the market rate on the date of the conversion.

Accrued interest on the notes payable to the unrelated parties at March 31, 2017 and December 31, 2016 was \$66,284 and \$60,070, respectively.

**BIONOVELUS, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

**NOTE 9 - PREFERRED STOCK**

The Company has preferred stock with the following rights and preferences:

Class "B" preferred stock is non-voting and non-participating, with a monthly non-cumulative dividend of 1%, and is redeemable at the paid in capital amount.

Class "C" preferred stock is non-voting and non-participating, with a monthly non-cumulative dividend of 8%, and is redeemable at the paid in capital amount.

Class "D" preferred stock is non-voting and non-participating, with a monthly non-cumulative dividend of 8%, and is redeemable at the paid in capital amount.

**NOTE 10 - INCOME TAXES**

The Company has the following losses by location as of March 31, 2017 and 2016:

(Loss)	<u>2017</u>	<u>2016</u>
United States of America	\$(157,754)	\$ ( 25,395)
Costa Rica	<u>(2,320)</u>	<u>0</u>
Total	<u><u>\$(160,074)</u></u>	<u><u>\$ ( 25,395)</u></u>

Income Tax Provision

The provision for income taxes for the years ended March 31, 2017 and December 31, 2016 consist of the following:

Current	<u>2017</u>	<u>2016</u>
United States of America	\$ 0	\$ 0
Costa Rica	0	0
Deferred		
United States of America	0	0
Costa Rica	<u>0</u>	<u>0</u>
Total	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Deferred Tax Components

Significant components of the Company's deferred tax assets are as follows at March 31, 2017 and December 31, 2016:

**BIONOVELUS, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Net operating loss carryforwards	\$ 345,909	\$ 292,273
Less valuation allowance	<u>(345,909)</u>	<u>(292,273)</u>
Total	<u>\$ 0</u>	<u>\$ 0</u>

Summary of valuation allowance:

	<u>2017</u>	<u>2016</u>
Balance, beginning of period	\$ 292,273	\$ 52,091
Increase for the period	<u>53,636</u>	<u>240,182</u>
Balance, end of period	<u>\$ 345,909</u>	<u>\$ 292,273</u>

In assessing the realizability of deferred assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment

Net Operating Loss Carryforwards

United States Corporation Income Taxes

<u>Year of Loss</u>	<u>Amount</u>	<u>Expiration Date</u>
December 31, 2013	\$ 2,693	December 31, 2033
December 31, 2014	27,857	December 31, 2034
December 31, 2015	122,658	December 31, 2035
December 31, 2016	706,417	December 31, 2036
March 31, 2017	<u>157,754</u>	March 31, 2037
Total	<u>\$1,017,379</u>	

Costa Rica has a net operating loss of \$2,320 and \$0 for the three months ended March 31, 2017 and 2016, respectively.

**NOTE 11 - REAL ESTATE LEASES**

The Company entered into a lease agreement for office space in Phoenix, Arizona on June 1, 2016 and expiring on May 31, 2018. The minimum monthly lease payments range from \$51 to \$548. Total rent expense for the three months ended March 31, 2017 and 2016 was \$1,545 and \$0, respectively. Future minimum lease payments are as follows for the year ending December 31:

	<u>2017</u>
2017	\$ 4,851
2018	<u>2,740</u>
Total	<u>\$ 7,591</u>

**BIONOVELUS, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

**NOTE 12 - INTEREST EXPENSE**

The Company's interest expense consists of the following for the three months ended March 31:

	<u>2017</u>	<u>2016</u>
Related	\$ 2,133	\$ 1,815
Unrelated	<u>5,748</u>	<u>7,517</u>
Total	<u>\$ 7,881</u>	<u>\$ 9,332</u>

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 9, 2017, the date which the financial statements were available for issue. There were no subsequent events related to these financial statements.

**BIONOVELUS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

	<b>For the Three Months Ended March 31, 2017</b>	<b>For the Three Months Ended March 31, 2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)	\$ (160,074)	\$ (25,395)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:		
Amortization expense	11,677	11,677
Depreciation expense	147	-
Common stock issued for services	29,448	-
Changes in operating assets and liabilities:		
Other receivable	1,020	-
Accounts payable	2,133	494
Accrued officers' salaries	37,500	-
Accrued interest	7,865	9,334
Credit card payable	(362)	-
Deposit on distribution rights	(5,000)	-
Net cash (used) by operating activities	(75,646)	(3,890)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable to related parties	-	3,760
Payments on notes payable to related parties	(28,000)	-
Common stock sold for cash	139,998	-
Net cash provided by financing activities	111,998	3,760
<b>NET INCREASE (DECREASE) IN CASH</b>	36,352	(130)
<b>CASH, BEGINNING OF THE YEAR</b>	17,234	134
<b>CASH, END OF THE YEAR</b>	\$ 53,586	\$ 4
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -
<b>NON-CASH FINANCING ACTIVITIES</b>		
Common stock issued for services	\$ 29,448	\$ -

**BIONOVELUS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE MONTHS ENDED MARCH 31 2017 AND 2016**

	<b>For The Three Months Ended March 31, 2017</b>	<b>For The Three Months Ended March 31, 2016</b>
	<u>                    </u>	<u>                    </u>
<b>SALES</b>	\$ -	\$ -
<b>COST OF GOODS SOLD</b>	<u>-</u>	<u>-</u>
<b>GROSS PROFIT</b>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>		
Salaries, officers	37,500	-
Consulting	14,040	-
Amortization expense	11,677	11,677
Travel expense	16,371	2,392
Professional fees	41,105	-
Computer and internet expenses	259	12
SCC & OTC filing	2,576	300
Licenses and permits	3,000	-
Accounting	4,960	-
Other general and administrative	20,705	1,682
<b>TOTAL OPERATING EXPENSES</b>	<u>152,193</u>	<u>16,063</u>
<b>(LOSS) BEFORE OTHER EXPENSE</b>	(152,193)	(16,063)
<b>OTHER (EXPENSE)</b>		
Interest expense	<u>(7,881)</u>	<u>(9,332)</u>
<b>NET (LOSS)</b>	<u>\$ (160,074)</u>	<u>\$ (25,395)</u>

**BIONOVELUS, INC.**  
**CONSOLIDATED STATEMENT OF ACCUMULATED DEFICIT**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND THE YEAR ENDED DECEMBER 31, 2016**

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total
	# of Shares Issued	Amount	# of Shares Issued	Amount			
Balance, December 31, 2015	10,000,000	\$ 10,000	83,267,969	\$ 83,268	\$ 666,381	\$ (761,343)	\$ (1,694)
Common stock issued for services	-	-	2,915,000	2,915	452,494	-	455,409
Common stock issued for notes payable	-	-	150,000	150	3,600	-	3,750
Common stock sold for cash	-	-	5,504,730	5,505	301,326	-	306,831
Net (loss) for the year ended December 31, 2016	-	-	-	-	-	(712,679)	(712,679)
Balance, December 31, 2016	10,000,000	\$ 10,000	91,837,699	\$ 91,838	\$ 1,423,801	\$ (1,474,022)	\$ 51,617
Common stock issued for services	-	-	6,097,789	6,098	23,350	-	29,448
Common stock sold for cash	-	-	2,510,199	2,510	137,488	-	139,998
Net (loss) for the three months ended March 31, 2017	-	-	-	-	-	(160,074)	(160,074)
Balance, March 31, 2017	10,000,000	\$ 10,000	100,445,687	\$ 100,446	\$ 1,584,639	\$ (1,634,096)	\$ 60,989