

FORGE LIFE SCIENCE, LLC
Confidential Unaudited Financial Statements
STATEMENT OF INCOME

	For the six months ended June 30,	
	<u>2018</u>	<u>2017</u>
Revenues		
Revenue from government grants	\$ 224,064	\$ 159,183
Research contracts and tax credits	\$ 1,939	\$ 22,839
Total Revenue	<u>\$ 226,003</u>	<u>\$ 182,022</u>
 Operating Expenses		
Research and Development	\$ 793,010	\$ 746,393
General and Administrative	\$ 274,667	\$ 510,976
Total Operating Expenses	<u>\$ 1,067,677</u>	<u>\$ 1,257,370</u>
 Net Income (Loss)	<u>\$ (841,673)</u>	<u>\$ (1,075,347)</u>

FORGE LIFE SCIENCE, LLC
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STATEMENT OF FINANCIAL POSITION

	June 30, 2018	December 31, 2017
Assets		
Cash	\$ 1,566,164	\$ 524,591
Accounts Receivable	\$ 118	\$ 1,504,908
Prepaid services *	\$ 160,478	\$ 639,025
Total current assets	\$ 1,726,760	\$ 2,668,524
Property and equipment	\$ -	\$ -
Total Assets	\$ 1,726,760	\$ 2,668,524
 Liabilities and members' equity		
Current Liabilities		
Accounts Payable and accrued expenses	\$ 7,966	\$ 77,181
Other Current Liabilities	\$ 64,415	\$ 95,316
Total Current Liabilities	\$ 72,382	\$ 172,497
Total Long-term obligations	\$ -	\$ -
Total Liabilities	\$ 72,382	\$ 172,497
Members' Equity		
Common Stock	\$ 144	\$ 142
Preferred Stock	\$ 841,318	\$ 2,938,092
Prepaid Warrants	\$ 1,654,590	\$ 1,654,590
Net Income	\$ (841,673)	\$ (2,096,797)
Total Member's equity (deficit)	\$ 1,654,379	\$ 2,496,027
Total Liabilities and members' equity (deficit)	\$ 1,726,760	\$ 2,668,524

* Prepaid services reference services in exchange for equity investment in FORGE Life Science. This will be drawn down as the services are completed

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STATEMENT CASH FLOWS

	For the 6 months ended June 30,	
	2018	2017
OPERATING ACTIVITIES		
Net Income	\$ (841,673)	\$ (1,075,347)
Adjustments to		
Prepaid Expenses	\$ 478,547	\$ (676,272)
Security Deposits		\$ (230)
Accounts Receivable	\$ 1,504,790	\$ 110,620
Accounts Payable & Current Liability	\$ (100,116)	\$ 35,398
Net cash provided by Operating Activities	\$ 1,041,548	\$ (1,605,831)
INVESTING ACTIVITIES		
Capital Expenditures		
FINANCING ACTIVITIES		
Proceeds from employee stock purchase	\$ 25	\$ 1,376,908
Net cash provided by Financing Activities	\$ 25	\$ 1,376,908
Net cash increase	\$ 1,041,573	\$ (228,923)
Cash at beginning of period	\$ 524,591	\$ 425,235
Cash at end of period	<u>\$ 1,566,164</u>	<u>\$ 196,312</u>

FORGE Life Science, LLC
Summary Capitalization Table
CONFIDENTIAL

6/30/18

Shares

Primary

Class 1 Stock	5,940,000
Class 2 Stock	<u>1,025,760</u>
Total	<u><u>6,965,760</u></u>

Fully Diluted

Class 1 Stock	5,940,000
Class 2 Stock	1,025,760
Class A Convertible Preferred Stock	4,500,000
Class A-1 Convertible Preferred Stock	4,360,141
Warrants Pfd A-1	<u>1,591,976</u>
Total A-1	5,952,117
Class 3 Stock	
Warrants	45,977
Stock Options	<u>109,500</u>
Total	<u><u>17,573,354</u></u>