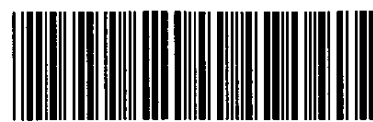


**PHASOR, INC.  
and Subsidiary**

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A20 26/10/2019 #331  
COMPANIES HOUSE

**Consolidated Balance Sheets  
December 31,**

	2018	2017
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 5,205,394	\$ 7,860,001
Accounts receivable	3,386	273,004
Corporate tax receivable	2,171,553	1,612,810
Prepaid expenses	561,705	125,580
Other receivables	274,813	250,237
<b>Total current assets</b>	<u>8,216,851</u>	<u>10,121,632</u>
<b>Property and equipment, net</b>	1,097,697	863,280
<b>Other assets:</b>		
Intangibles, net	247,349	297,624
Deposits	230,745	266,247
<b>Total assets</b>	<u>\$ 9,792,642</u>	<u>\$ 11,548,783</u>
<b>Liabilities and Stockholders' Deficit</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,243,135	\$ 1,015,547
Accrued expenses	589,830	1,451,986
Interest payable	279,721	282,719
<b>Total current liabilities</b>	<u>2,112,686</u>	<u>2,750,252</u>
<b>Long-term liabilities:</b>		
Convertible notes payable	6,986,529	6,793,857
Derivative liability	12,788,565	3,116,294
Deferred revenue	994,281	864,128
Deferred rent	427,650	151,965
<b>Total long-term liabilities</b>	<u>21,197,025</u>	<u>10,926,244</u>
<b>Stockholders' deficit:</b>		
Preferred stock, \$.0001 par value:		
12,900,000 shares authorized, 4,474,852 in 2018 and		
3,296,345 in 2017 issued and outstanding	447	330
Additional paid in capital	19,866,989	12,316,226
Common stock, \$.0001 par value:		
24,000,000 shares authorized, 6,116,348 in 2018 and		
5,940,273 in 2017 issued and outstanding	611	594
Additional paid in capital	15,898,929	14,793,283
Additional paid in capital - other	8,312,115	7,506,263
Accumulated deficit	(60,305,631)	(37,688,904)
Accumulated other comprehensive income	2,709,471	944,495
<b>Total stockholders' deficit</b>	<u>(13,517,069)</u>	<u>(2,127,713)</u>
<b>Total liabilities and stockholders' deficit</b>	<u>\$ 9,792,642</u>	<u>\$ 11,548,783</u>

The accompanying notes are an integral part of these financial statements.

**PHASOR INC.  
and Subsidiary**

**Consolidated Statements of Comprehensive Loss  
For the Years Ended December 31,**

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>	\$ 174,574	\$ 1,621,800
<b>Operating expenses</b>	<u>15,157,220</u>	<u>9,303,308</u>
<b>Loss from operations</b>	(14,982,646)	(7,681,508)
<b>Other income (expense):</b>		
Interest income	39,584	-
Interest expense	(217,370)	(539,624)
Loss on derivative liability	<u>(9,672,271)</u>	<u>-</u>
<b>Loss before income taxes</b>	(24,832,703)	(8,221,132)
<b>Income tax benefit</b>	<u>(2,215,976)</u>	<u>(1,821,507)</u>
<b>Net loss</b>	(22,616,727)	(6,399,625)
<b>Other comprehensive income (loss):</b>		
Foreign currency translation adjustments	<u>1,764,976</u>	<u>(1,281,655)</u>
<b>Total comprehensive loss</b>	<u>\$ (20,851,751)</u>	<u>\$ (7,681,280)</u>

