Wildlife Trading Company of New Mexico, Inc.
Financial Statements
December 31, 2017 and 2016

REYNOLDS + ROWELLA
ACCOUNTING AND CONSULTING

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Independent Accountant's Review Report

To the Stockholder of
Wildlife Trading Company of New Mexico, Inc.
Southbury, Connecticut

We have reviewed the accompanying financial statements of Wildlife Trading Company of New Mexico, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2017 and the related statements of operations, stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Reynolds & Rowella, LLP

Reynolds & Rowella, LLP

New Canaan, Connecticut
July 19, 2018

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Wildlife Trading Company of New Mexico, Inc.
Balance Sheets
As of December 31, 2017 and 2016

		2017		2016
ASSETS				
Current Assets:				
Cash	$	556,663	$	508,084
Accounts receivable, net		257,227		185,249
Inventory , net		2,385,219		1,939,420
Other current assets		142,869		138,575
Total Current Assets		3,341,978		2,771,328
Property and equipment, net		2,251,996		1,876,432
Other assets		28,108		17,200
Total Assets	$	5,622,082	$	4,664,960
LIABILITIES AND STOCKHOLDER'S EQUITY				
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	$	1,546,202	$	991,692
Line of credit		1,000,000		915,330
Due to affiliates		872,116		763,891
Loans payable		154,772		122,128
Loan payable to stockholder		60,000		65,000
Total Current Liabilities		3,633,090		2,858,041
Loans payable, net of current portion		594,379		312,994
Loans payable to stockholder		1,346,750		1,056,750
Deferred tax liability		-		221,700
Total Liabilities		5,574,219		4,449,485
Stockholder's Equity				
Common stock - 200 shares authorized, issues and outstanding, par value $5 per share		1,000		1,000
Retained earnings		46,863		214,475
Total Stockholder's Equity		47,863		215,475
Total Liabilities and Stockholder's Equity	$	5,622,082	$	4,664,960

See accompanying notes and independent accountant's review report.

Wildlife Trading Company of New Mexico, Inc.
Statements of Operations
For the Years Ended December 31, 2017 and 2016

	2017	2016
Revenues		
Net merchandise sales	$ 16,917,332	$ 16,007,062
Ancillary revenue	1,518,892	1,618,718
Total Revenues	18,436,224	17,625,780
Cost of Goods Sold		
Cost of products	5,987,290	5,633,393
Merchandising and buying	550,995	436,293
Total Cost of Goods Sold	6,538,285	6,069,686
Gross Profit	11,897,939	11,556,094
Selling Expenses:		
Retail stores	4,972,280	5,056,914
Commissions	4,182,099	4,151,092
Total Selling Expenses	9,154,379	9,208,006
General & Administrative Expenses	3,022,858	2,416,048
Operating Loss	(279,298)	(67,960)
Other Expenses		
Interest expense	106,614	84,186
Loss Before Income Taxes	(385,912)	(152,146)
Income tax (benefit) expense	(218,300)	111,538
Net Loss	$ (167,612)	$ (263,684)

See accompanying notes and independent accountant's review report.

Wildlife Trading Company of New Mexico, Inc.
Statements of Stockholder's Equity
For the Years Ended December 31, 2017 and 2016

	Shares		Common Stock		Retained Earnings		Total Stockholder's Equity
January 1, 2016	200	$	1,000	$	478,159	$	479,159
Net Loss	-		-		(263,684)		(263,684)
December 31, 2016	200	$	1,000	$	214,475	$	215,475
Net Loss	-		-		(167,612)		(167,612)
December 31, 2017	200	$	1,000	$	46,863	$	47,863

See accompanying notes and independent accountant's review report.

Wildlife Trading Company of New Mexico, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Operating Activities		
Net loss	$ (167,612)	$ (263,684)
Adjustments to reconcile net loss to net cash	-	
provided by operating activities:	-	
Depreciation and amortization	471,957	434,216
Deferred taxes	(221,700)	50,420
Bad debt expense	-	20,000
Inventory valuation allowance	2,635	97,174
Change in operating assets and liabilities:	-	
Accounts receivable	(71,978)	(46,863)
Inventory	(448,432)	35,296
Other current assets	(4,294)	(34,607)
Other assets	(10,908)	5,598
Accounts payable and accrued expenses	554,510	(33,449)
Due to affiliates	108,225	64,923
Net Cash Provided by Operating Activities	212,403	329,024
Investing Activities		
Capital expenditures	(847,522)	(527,896)
Net Cash Used in Investing Activities	(847,522)	(527,896)
Financing Activities		
Proceeds from loans to stockholder	350,000	-
Repayments on loans to stockholder	(65,000)	(60,000)
Net proceeds from line of credit	84,670	335,330
Proceeds from loans payable	424,466	474,179
Payments of loans payable	(110,438)	(355,944)
Net Cash Provided by Financing Activities	683,698	393,565
Net Change for the Year	48,579	194,693
Cash, Beginning of Year	508,084	313,391
Cash, End of Year	$ 556,663	$ 508,084

Supplemental Disclosure of Cash Flow Information

	2017	2016
Cash paid for:		
Interest	$ 99,269	$ 75,979
Income taxes	$ 34,037	$ 31,921

See accompanying notes and independent accountant's review report.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Wildlife Trading Company of New Mexico, Inc. (the "Company") is an attraction-centric retailer of souvenirs operating stores primarily located in zoos and aquariums.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents at December 31, 2017 and 2016.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts based on a periodic review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when cash is received. The Company's allowance for doubtful accounts was $20,000 at December 31, 2017 and 2016.

Inventories

Inventories are stated at the lower of cost or net realized value. Cost is determined by the weighted average method. Inventories are comprised of goods available for resale. The Company's inventory valuation allowance was $126,792 and $124,158 at December 31, 2017 and 2016, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization is calculated using the straight-line method over the estimated useful life of each asset, generally 5 to 39 years.

Leasehold improvements are amortized over the term of the lease after considering the renewal period or over the assets' useful life, whichever is shorter.

Expenditures for maintenance and repairs are charged to expense, and renewals and betterments are capitalized. Upon sale or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in the results of operations.

Impairment of Long-Lived Assets

Property and equipment are reviewed for impairment and written-down to fair value when events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable through undiscounted future cash flows. The amount of the impairment loss is the excess of the carrying amount of the impaired assets over the fair value of the assets calculated using discounted estimated future cash flows. There were no impairment losses recorded for the years ended December 31, 2017 and 2016.

Leases

Operating leases are expensed on a straight-line basis over the lease term.

Revenue

The Company recognizes sales and related cost of sales at the time products are sold. Given the relatively low average sales value of its products and the tourist-related locations it operates in, the Company rarely receives returns of its products from its customers. As a result, the Company has determined that an allowance for expected product returns was not necessary at December 31, 2017 and 2016.

Income Taxes

Income taxes are accounted for under the asset and liability method prescribed by Accounting Standards Codification 740, "Income Taxes". Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The provision for income taxes includes federal and state income taxes currently payable or refundable and the change in the deferred income taxes resulting from differences between the financial statement and tax bases of assets and liabilities during the year.

The Company recognizes the benefits of uncertain tax positions only when the position is "more likely than not" to be sustained in the event of examination by tax authorities. The maximum tax benefit recognized is limited to the amounts that are more than 50% likely to be realized upon ultimate settlement with the taxing authorities.

Management has evaluated the Company's tax positions and concluded that the Company has taken no uncertain tax positions that require adjustment to or disclosures in the financial statements. The Company's 2015 through 2017 tax years are open for examination by federal, state or local tax authorities.

Advertising

The Company expenses advertising costs as incurred. Advertising costs were $22,695 and $29,899 for the years ended December 31, 2017 and 2016, respectively.

Shipping and Handling

Shipping and handling fees charged to customers and the related costs are included in retail store expenses. Shipping and handling fees charged to customers were $46,565 and $50,165 for the years ended December 31, 2017 and 2016, respectively.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Events Occurring After Reporting Date

The Company has evaluated events and transactions occurring between December 31, 2017 and July 19, 2018, which is the date the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (ASU 2014-09), which is a new comprehensive revenue recognition standard on the financial reporting requirements for revenue from contracts entered into with customers. The FASB deferred this ASU's effective date, to interim and annual periods beginning after December 15, 2018. The deferral allows early adoption at the original effective date. During 2016, the FASB issued ASU 2016-12, which amended certain aspects of the new revenue recognition standard pursuant to ASU 2014-09. ASU 2014-09 allows for the use of either the retrospective or modified retrospective adoption method. The Company is currently evaluating the impact that the standard will have on its financial statements upon adoption.

In February 2016, the FASB issued ASU 2016-02, Leases (ASU 2016-02), which requires lessees to include most operating leases on the balance sheet. ASU 2016-02 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the impact that the standard will have on its financial statements upon adoption.

In November 2015, the FASB issued ASU 2015-17, Income Taxes (ASU 2015-17), which requires that deferred tax liabilities and assets be classified as noncurrent in the classified statement of financial position. ASU 2015-17 is effective for fiscal years beginning after December 15, 2017 (and interim reporting periods within annual periods) beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the impact that the standard will have on its financial statements upon adoption.

2. Property and Equipment

Property and equipment consisted of the following at December 31, 2017 and 2016:

	2017	2016
Furniture and fixtures	$ 189,010	$ 188,315
Software	959,424	410,908
Equipment	1,141,517	1,084,456
Leasehold improvements	2,835,737	2,638,468
Construction in progress	43,975	-
Total property and equipment	5,169,663	4,322,147
Accumulated depreciation and amortization	(2,917,667)	(2,445,715)
Property and equipment, net	$ 2,251,996	$ 1,876,432

Depreciation and amortization expense was $471,957 and $434,216 for the years ended December 31, 2017 and 2016, respectively.

3. Line of Credit

On August 26, 2016, the Company established a $1,000,000 revolving line of credit ("LOC") with a bank. Interest is variable and based on the Prime Rate, as defined in the LOC, plus forty-five hundredths of one percent (0.45%) per annum. The weighted average interest rate on the LOC was 4.20% and 3.86% for the years ended December 31, 2017 and 2016, respectively. The LOC automatically renews on an annual basis, is secured by all deposits and other property of the Company and is guaranteed by the Company's stockholder. Borrowings outstanding under the LOC were $1,000,000 and $915,330 at December 31, 2017 and 2016, respectively.

The Company failed to comply with the clean-up provision associated with its LOC in 2017. The clean-up provision required the Company to reduce its outstanding borrowings on the LOC to no greater than 50% of the LOC's maximum availability for the period of thirty (30) consecutive days during each twelve-month period commencing from the closing date which was August 16, 2016. The Company obtained a waiver from the bank.

At December 31, 2017 and 2016, the Company was in compliance with the financial covenants relating to the LOC.

On January 29, 2018, the LOC was refinanced with a new $1,473,000 revolving line of credit (the "Revolver"). Interest is variable and based on the Prime Rate, as defined in the Revolver, plus forty-five hundredths of one percent (0.45%) per annum. Advances under the Revolver are subject to a monthly borrowing base formula. The Revolver automatically renews on an annual basis, is secured by all deposits and other property of the Company and a security interest in certain assets owned by the Company's stockholder. The Revolver is guaranteed by the Company's stockholder.

4. Loans Payable

On August 26, 2016, the Company entered into a five-year loan agreement (the "Five-Year Loan") with a bank. The Five-Year Loan accrues interest at a rate of 4.30% per annum. Principal payments on the Five-Year Loan commenced on September 26, 2016 and are due monthly. Borrowings under the Five-Year Loan are secured by all of the Company's assets and is personally guaranteed by the Company's stockholder. The Five-Year Loan matures on August 26, 2021.

On August 17, 2016, the Company entered into a promissory note payable agreement (the "Note") with an equipment financing company. The Note accrues interest at a rate of 4.19% per annum. Principal payments on the Note commenced on September 30, 2016 and are due monthly. Borrowings under the Note are secured primarily by certain information technology and related equipment. The Note matures on August 31, 2019.

On December 29, 2017, the Company entered into a multi-advance term loan agreement (the "SBA MA Term Loan") with a bank as Lender and the U.S. Small Business Administration (the "SBA") as Guarantor. The SBA MA Term Loan provides up to $335,000 in advances for investments in the Company's information systems. The advance period expires nine months from the execution date of the SBA MA Term Loan, or September 29, 2018 at which time the balance on the SBA MA Loan becomes payable on a monthly basis until its maturity on September 29, 2024. The SBA MA Term Loan accrues interest at a rate of 4.50% per annum and interest only is due during the advance period. At December 31, 2017 $328,874 had been advanced to the Company under the SBA MA Term Loan. Advances are secured by all of the Company's assets and are personally guaranteed by the Company's stockholder. Borrowings outstanding under the SBA MA Term Loan were $328,874 at December 31, 2017.

On December 29, 2017, the Company entered into a six -year term loan agreement (the "SBA Term Loan") with a bank as Lender and the SBA as Guarantor. The SBA Term Loan accrues interest at a rate of 4.50% per annum. Principal payments on the SBA Term Loan commenced on January 29, 2018 and are due monthly. Borrowings under the SBA Term Loan are secured by all of the Company's assets and are personally guaranteed by the Company's stockholder. The SBA Term Loan matures on December 29, 2023. Borrowings outstanding under the SBA Term Loan were $103,500 at December 31, 2017.

Future minimum annual payments on loans payable are as follows:

2018	$	154,772
2019		169,228
2020		117,032
2021		108,827
2022		74,972
Thereafter		124,320
	$	749,151

At December 31, 2017, the Company was in compliance with the financial covenants relating to its loans payable.

5. Loans Payable to Stockholder

On January 1, 2011, the Company entered into a loan agreement with its stockholder ("Stockholder Loan #1"). Stockholder Loan #1 is an interest-only loan and accrues interest at a rate of 3.75% per annum. Principal payments on Stockholder Loan #1 ceased on May 5, 2011 and no minimum annual payments are required. Stockholder Loan #1 has no maturity date. The balance outstanding on the Stockholder Loan #1 was $926,750 at December 31, 2017 and 2016.

On April 1, 2015, the Company entered into a second loan agreement with its stockholder ("Stockholder Loan #2"). Stockholder Loan #2 accrues interest at a rate of 3.75% per annum. Principal payments on Stockholder Loan #2 commenced on April 1, 2015 and are due monthly. Borrowings under Stockholder Loan #2 are unsecured. Stockholder Loan #2 matures on February 1, 2020. The balance outstanding on Stockholder Loan #2 was $130,000 and 195,000 at December 31, 2017 and 2016, respectively.

On February 3, 2017, the Company received an additional Loan from Stockholder of $350,000 ("Stockholder Loan #3"). Interest on the Stockholder Loan #3 is variable and the weighted average interest rate 4.06% for the year ended December 31, 2017. Stockholder Loan #3 is payable upon demand and no minimum annual payments are required.

Future minimum annual payments on loans payable to stockholder are as follows:

2018	$	60,000
2019		60,000
2020		10,000
Total	$	130,000

6. Income Taxes

The Company had net operating loss carryforwards for federal income tax purposes of $1,209,881 and $631,983 at December 31, 2017 and 2016, respectively.

The Company's net operating loss carryforwards will begin expiring 2031. Deferred tax assets and (liabilities) consisted of the following components at December 31, 2017 and 2016:

	2017	2016
Long-term deferred tax assets (liabilities)		
NOL carryforward	$ 326,668	$ 276,785
Depreciation	(200,117)	(239,532)
Foreign tax credit carryforward	17,832	17,832
Total long-term deferred tax assets	144,383	55,085
Valuation Allowance	(144,383)	(276,785)
Net long-term deferred tax liabilities	$ -	$ (221,700)
Current deferred tax assets		
Accounts receivable allowance	$ -	$ 8,200
Total current deferred tax asset	-	8,200
Valuation Allowance	-	(8,200)
Net current deferred tax asset	$ -	$ -

Income tax (benefit) expense charged to operations for the years ended December 31, 2017 and 2016 consisted of the following:

	2017	2016
Current	$ 3,400	$ 111,538
Deferred	(366,083)	(71,560)
Income tax (benefit) expense before valuation allowance	(362,683)	39,978
Increase in valuation allowance	144,383	71,560
Income tax (benefit) expense	$ (218,300)	$ 111,538

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Act") was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a federal corporate tax rate decrease from 35% to 21%, effective January 1, 2018.

As a result of the decrease in the federal tax rate from 35% to 21% effective January 1, 2018, the 21% federal tax rate will apply to the Company's 2018 financial statements and each year thereafter. The Company must remeasure its deferred tax assets and liabilities using the federal tax rate that will apply when the related temporary differences are expected to reverse. The re-measurement of certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future resulted in a deferred tax benefit before valuation allowance of $366,083 instead of a deferred tax benefit of $431,702.

7. Retirement Plan

The Company maintains a 401K retirement plan for its employees. The Company can make profit-sharing contributions to the plan. No contributions were made to the plan by the Company for the years ended December 31, 2017 and 2016.

8. Related Party Transactions

The Company purchases certain products and services from companies owned, in part, by the Company's sole stockholder (the "Affiliates"). The Company also shares certain expenses with an affiliate. The Company purchased $1,149,049 and $1,022,802 of merchandise from Affiliates during the years ended December 31, 2017 and 2016, respectively and $126,000 and $203,779 in consulting services from Affiliates during the years ended December 31, 2017 and 2016, respectively.

The Company owed $872,116 and $763,891 to Affiliates at December 31, 2017 and 2016, respectively.

The Company leases its corporate headquarters and warehouse from a company owned by certain of the stockholder's children who are also actively involved in Company operations.

9. Operating Leases

The Company leases its facilities under non-cancelable operating lease agreements from related parties with expiration dates of July 31, 2035 for its warehouse, May 31, 2036 for its corporate headquarters and July 31, 2036 for its merchandising and operations office. The Company shares rent for its corporate headquarters and warehouse with a related party. The Company's portion of this rent is used to calculate future minimum annual payments for these leases.

Future minimum annual payments on these leases are as follows:

2018	$	146,206
2019		146,206
2020		146,206
2021		146,206
2022		146,206
Thereafter		1,949,638
Total	$	2,680,669

Rent expense for the years ended December 31, 2017 and 2016 were $149,818 and $192,902, respectively.

10. Concentration Risks

The Company operates retail stores in 12 states, Canada and the Caribbean. Approximately 49% of the Company's sales in 2016 were from four states all in different parts of the U.S.

In September 2017, several of the Company's stores in Florida and the Caribbean were closed due to damage from two hurricanes. The Company estimates that its lost profits from these closures were between $100,000 and $150,000 in the year ended December 31, 2017. Some of these locations continue to experience lower sales and profitability in 2018 because of reduced tourism in affected areas, particularly in the Caribbean. The Company is currently working to mitigate its losses in these locations and expects most of its operating losses to be offset by Insurance proceeds.

The Company maintains its cash in financial institutions which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts and believes there is little or no exposure to any significant credit risk.

11. Risks and Uncertainties

The Company can be a party to lawsuits arising in the ordinary course of business. Management believes the Company has adequate insurance to reduce its risk of loss. The Company accrues for loss contingencies when the matter becomes known, is deemed a probable loss and can be reasonably estimated. No accrual for loss contingency was considered necessary at December 31, 2017 and 2016.