

**QUANTUM COMPUTING INC.**  
**(FORMERLY INNOVATIVE BEVERAGE GROUP HOLDINGS, INC.)**

UNAUDITED FINANCIAL STATEMENTS

June 30, 2018 and 2017

**QUANTUM COMPUTING INC.**  
**(Formerly Innovative Beverage Group Holdings, Inc.)**  
Index to the Financial Statements  
(Unaudited)

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**QUANTUM COMPUTING INC.**  
**(Formerly Innovative Beverage Group Holdings, Inc.)**  
Balance Sheets  
(Unaudited)

|  | <b>June 30,</b> | <b>December 31</b> |
|--|-----------------|--------------------|
|  | <b>2018</b>     | <b>2017</b>        |
| <b>ASSETS</b>  |                 |                    |
| Current assets   |                 |                    |
| Cash and cash equivalents  | \$ 305,799      | \$ -               |
| Note receivable  | 100,000         | -                  |
| Prepaid Expenses   | 1,213           | -                  |
| Fixed Assets   | 220,000         | -                  |
| Total assets   | \$ 627,011      | \$ -               |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>  |                 |                    |
| Current liabilities  |                 |                    |
| Accounts payable   | \$ 42,469       | \$ 1,500           |
| Loan from Officer  | 100             | -                  |
| Convertible promissory notes   | 1,225,000       | -                  |
| Total liabilities  | 1,267,569       | 1,500              |
| Stockholders' equity (deficit)   |                 |                    |
| Common stock, \$0.0001 par value, 250,000,000 and 247,000,000 shares authorized;<br>1,093,735 and 943,735 shares issued and outstanding as of June 30, 2018 and<br>December 31, 2017, respectively | 109             | 94                 |
| Additional paid-in capital   | 9,931,165       | 9,871,180          |
| Accumulated deficit  | (10,571,832)    | (9,872,774)        |
| Total stockholders' equity (deficit)   | (640,558)       | (1,500)            |
| Total liabilities and stockholders' equity (deficit)   | \$ 627,011      | \$ -               |

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

**QUANTUM COMPUTING INC.**  
**(Formerly Innovative Beverage Group Holdings, Inc.)**  
Statement of Operations  
(Unaudited)

|   | <b>Six Months Ended</b> |                  | <b>Three Months Ended</b> |                  |
|---|-------------------------|------------------|---------------------------|------------------|
|   | <b>June 30,</b>         |                  | <b>June 30,</b>           |                  |
|   | <b>2018</b>             | <b>2017</b>      | <b>2018</b>               | <b>2017</b>      |
| Total revenue                               | \$ -                    | \$ -             | \$ -                      | \$ -             |
| Cost of revenue                             | -                       | -                | -                         | -                |
| Gross profit                                | -                       | -                | -                         | -                |
| Operating expenses                          | 699,058                 | -                | 400,209                   | -                |
| Loss from Operations                        | (699,058)               | -                | (400,209)                 | -                |
| Other income (expense)                      | -                       | -                | -                         | -                |
| Federal income tax expense                  | -                       | -                | -                         | -                |
| Net loss                                    | <u>\$ (699,058)</u>     | <u>\$ -</u>      | <u>\$ (400,209)</u>       | <u>\$ -</u>      |
| Weighted average shares - basic and diluted | <u>1,093,735</u>        | <u>351,235</u>   | <u>1,093,735</u>          | <u>351,235</u>   |
| Loss per share - basic and diluted          | <u>\$ (0.64)</u>        | <u>\$ (0.00)</u> | <u>\$ (0.37)</u>          | <u>\$ (0.00)</u> |

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

**QUANTUM COMPUTING INC.**  
**(Formerly Innovative Beverage Group Holdings, Inc.)**  
Statement of Stockholders' Deficit  
For the Six Months Ended June 30, 2018  
(Unaudited)

|                                    | Common Stock     |               | Additional<br>Paid<br>in Capital | Accumulated<br>Deficit | Total              |
|------------------------------------|------------------|---------------|----------------------------------|------------------------|--------------------|
|                                    | Shares           | Amount        |                                  |                        |                    |
| <b>BALANCES, December 31, 2017</b> | 943,735          | \$ 94         | \$9,871,180                      | \$ (9,872,774)         | \$ (1,500)         |
| Issuance of shares                 | 150,000          | 15            | 59,985                           | -                      | 60,000             |
| Net Income                         | -                | -             | -                                | (699,058)              | (699,058)          |
| <b>BALANCES, June 30, 2018</b>     | <u>1,093,735</u> | <u>\$ 109</u> | <u>\$9,931,165</u>               | <u>\$ (10,571,832)</u> | <u>\$(640,558)</u> |

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

**QUANTUM COMPUTING INC.**  
**(Formerly Innovative Beverage Group Holdings, Inc.)**  
Statement of Cash Flows  
(Unaudited)

|   | Six Months Ended<br>June 30, |             |
|---|------------------------------|-------------|
|   | 2018                         | 2017        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                              |             |
| Net loss  | \$ (699,058)                 | \$ -        |
| <b>Adjustments to reconcile net income (loss) to net cash</b> |                              |             |
| Prepaid Expenses  | (1,213)                      | -           |
| Share Based Compensation                                      | 175,000                      | -           |
| Loan from Officer   | 100                          | -           |
| Accounts payable  | 40,969                       | -           |
| <b>CASH USED IN OPERATING ACTIVITIES</b>                      | <b>(484,201)</b>             | <b>-</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                              |             |
| Fixed Assets – Computer Equipment                             | (220,000)                    | -           |
| <b>CASH USED IN INVESTING ACTIVITIES</b>                      | <b>(220,000)</b>             | <b>-</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                              |             |
| Issuance of Convertible Promissory Notes                      | 950,000                      | -           |
| Subscriptions for Stock                                       | 60,000                       | -           |
| <b>CASH PROVIDED BY FINANCING ACTIVITIES</b>                  | <b>1,010,000</b>             | <b>-</b>    |
| <b>Net increase in cash</b>                                   | <b>305,799</b>               | <b>-</b>    |
| <b>Cash, beginning of period</b>                              | <b>-</b>                     | <b>-</b>    |
| <b>Cash, end of period</b>                                    | <b>\$ 305,799</b>            | <b>\$ -</b> |
| <b>SUPPLEMENTAL DISCLOSURES</b>                               |                              |             |
| Cash paid for interest  | \$ -                         | \$ -        |
| Cash paid for income taxes                                    | \$ -                         | \$ -        |
| <b>NON-CASH INVESTING ACTIVITES</b>                           |                              |             |
| Note receivable created from issuance of note payable         | \$ 100,000                   | \$ -        |
| <b>NON-CASH FINANCING ACTIVITES</b>                           |                              |             |
| Note payable issued in exchange for a note receivable         | 100,000                      | -           |
| Convertible Promissory Notes issued as Compensation           | \$ 175,000                   | \$ -        |

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

**QUANTUM COMPUTING INC.**  
**(Formerly Innovative Beverage Group Holdings, Inc.)**  
Notes to the Financial Statements  
(Unaudited)

Note 1 - Organization and Summary of Significant Accounting Policies:

Organization:

Quantum Computing Inc., formerly known as Innovative Beverage Group Holdings, Inc. a Delaware corporation (the “Company”) was the surviving entity as the result of a merger between Ticketcart, Inc. and Innovative Beverage Group, Inc., both Nevada corporations. Innovative Beverage Group, Inc. was the surviving entity as the result of a merger between Kat-A-Tonic Distributing, Inc., a Texas corporation and United European Holdings, Ltd., a Nevada Corporation.

Quantum Computing Inc. had only limited operations as of June 30, 2018 but is in the process of raising capital and recruiting staff to become a software application and quantum computer development company.

Quantum Computing plans to enter the market for high performance computers and software applications, specifically focusing on what are known as “quantum computers”. The Company is assembling a team of experts in super computing technology and quantum mathematics, which will focus on both design and development of a quantum computer simulator (a “quantum annealer”) and several quantum software applications targeting solutions to non-deterministic polynomial applications. During the Six Month Period ended June 30, 2018 the Company recruited five individuals to support the technical team in developing and designing the quantum annealer and related quantum software applications. Much of the time during the fiscal quarter ended June 30, 2018 was spent starting the Company’s business and operations.

The Company’s technical leadership intends to leverage industry expertise and innovative methods to develop quantum computer application solutions capable of solving increasingly complex problems in a more rapid and thorough manner. The Company is assembling a development team which will initially focus on addressing computational problems in the financial services, defense, heavy manufacturing, and computer security (cyber) market segments. The Company’s development team includes world class mathematicians, high performance computer hardware designers, and software developers.

The Company’s fiscal year end is December 31.

Basis of Presentation:

The accompanying Balance Sheet as of June 30, 2018, which was derived from audited financial statements, and the unaudited interim financial statements of the Company have been prepared in accordance with U.S. GAAP for interim financial information. In the opinion of management, the accompanying unaudited, financial statements contain all adjustments necessary to present fairly the financial position of the Company as of June 30, 2018, and the cash flows and results of operations for the six months then ended. Such adjustments consisted only of normal recurring items. The results of operations for the six months ended June 30 are not necessarily indicative of the results for the full year. Certain information and footnote disclosures normally included in financial statements prepared

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in accordance with generally accepted accounting principles have been condensed or omitted. The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements contained in the Company's 2017 Annual Disclosure, filed with OTCMarkets.com, and it is suggested that these financial statements be read in conjunction therewith.

Use of Estimates:

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of assets and liabilities, and correspondingly revenues and expenses, depends on future events, the preparation of financial statements for any period necessarily involves the use of estimates and assumption an example being assumptions in valuation of stock options. Actual amounts may differ from these estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Property and Equipment

Property and equipment is stated at cost or contributed value. Depreciation of furniture, software and equipment is calculated using the diminishing balance method at a rate of 20% per year, and leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the lease term (which is 5 years). The cost and related accumulated depreciation of equipment retired or sold are removed from the accounts and any differences between the undepreciated amount and the proceeds from the sale are recorded as a gain or loss on sale of equipment.

Net Loss Per Share:

Net loss per share is based on the weighted average number of common shares and common shares equivalents outstanding during the period.

Note 2 – Federal Income Taxes:

The Company has made no provision for income taxes because there have been no operations to date causing income for financial statements or tax purposes.

The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards Number 109 (“SFAS 109”). “Accounting for Income Taxes”, which requires a change from the deferred method to the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of “temporary differences” by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

|                                   | <b>June 30,</b> |             |
|-----------------------------------|-----------------|-------------|
|                                   | <b>2018</b>     | <b>2017</b> |
| Net operating loss carry-forwards | \$ 183,552      | \$ -        |

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|                         |           |      |
|-------------------------|-----------|------|
| Valuation allowance     | (183,552) | -    |
| Net deferred tax assets | \$ -      | \$ - |

At June 30, 2018, the Company had net operating loss carry forwards of approximately \$874,058.

The Company experienced a change in control during the year and therefore no more than an insignificant portion of this net operating allowance will ever be used against future taxable income.

**Note 3 – Going Concern**

The Company’s financial statements have been prepared on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company has earned no revenue from operations in the six month periods ended June 30, 2018 and 2017, and has an accumulated deficit of \$10,571,832 and \$9,872,774 respectively. The Company’s ability to continue as a going concern is dependent upon its ability to develop additional sources of capital or ultimately acquire an entity which the Company hopes will become profitable at some time in the near future. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties. Management is seeking new capital to revitalize the Company.

**Note 4 – Financial Accounting Developments:**

**Recently Issued Accounting Pronouncements**

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

**Note 5 – Note Receivable**

The Company assumed a promissory note from one of the Initial Investors to Convergent in the amount of \$100,000, which is payable by the Initial Investor on or before December 31, 2018. The promissory note was issued in payment for a promissory note from Convergent to the Initial Investor, which has also been assumed by the Company in exchange for a Convertible Promissory Note in the amount of \$100,000, convertible to Company common shares at a conversion price of \$0.10 per share. If the promissory note is paid in full on or before December 31, 2018, the Company’s Convertible Promissory Note will convert and shares will be issued. If the promissory note is not paid in full on or before December 31, 2018, the Company’s Convertible Promissory Note held by this investor will be cancelled, and no shares will be issued.

**Note 6 – Property and Equipment**

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| <b>Classification</b>                | <b>June 30,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|--------------------------------------|--------------------------|------------------------------|
| Hardware & Equipment                 | \$ 64,780                | \$ -                         |
| Software                             | 155,220                  | -                            |
| Total cost of property and equipment | 220,000                  | -                            |
| Accumulated depreciation             | 0                        | -                            |
| Property and equipment, net          | <u>\$ 220,000</u>        | <u>\$ -</u>                  |

The Company had Property and Equipment acquisitions of \$220,000 for the six months ended June 30, 2018. The Company has no depreciation expense recorded because the software and equipment, acquired in June, has not been installed or turned on as of June 30, 2018.

Note 7 - Convertible Promissory Notes

On May 24, 2018 the Board authorized a private placement of convertible promissory notes in the aggregate amount up to \$15,000,000 at a conversion price of \$1.00 per share (the "Convertible Note Offering"). The Notes accrue interest at eight percent (8%) per annum and are convertible into common stock of the Company at any time prior to or at the Maturity Date, twelve months from the Issuance Date. In connection with the Convertible Note Offering, the Company has received funds of \$950,000 as of June 30, 2018, but has not yet issued shares of common stock. The Company plans to issue shares of common stock now that FINRA has approved the 1:200 reverse stock split in accordance with the terms and conditions of the Convertible Note Offering.

Note 8 – Capital Stock:

On March 1, 2018 the Board authorized the Company to raise up to \$500,000 of equity capital at price of \$0.40 per share of common stock (the "Initial Raise"). In connection with the Initial Raise, the Company has to date received subscriptions for \$70,000, of which \$60,000 was received during the six months ended June 30, 2018, but has not yet issued shares of common stock pursuant to the Subscription Agreements. The Company plans to issue shares of its common stock now that FINRA has approved the 1:200 reverse stock split in accordance with the terms and conditions of the Subscription Agreements.

On April 13, 2018, The Company's board of directors authorized a 1:200 reverse stock split on the shares of the Company's common stock. Accordingly, all references to numbers of common shares and per-share data in the accompanying financial statements have been adjusted to reflect the stock split on a retroactive basis. The Board and the majority stockholder also amended the Company's Articles of Incorporation to increase the authorized capital of the company to 260,000,000 shares, consisting of 250,000,000 shares of common stock and 10,000,000 shares of preferred stock.

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Note 9 - Related Party Transactions

Convergent Risk Group, LLC

To finance the acquisition of the control block of shares in IBGH, an investor group (the "Initial Investors."), loaned Convergent Risk Group, LLC (Convergent) \$275,000, in exchange for Promissory Notes from Convergent (the "Promissory Notes") in the total amount of \$275,000. Convergent, a Virginia limited liability company, is owned 100% by Mr. Robert Liscouski, who is the CEO and currently the majority shareholder of the Company. To induce Mr. Liscouski to serve as CEO of the Company, the Company assumed the "Promissory Notes" in the total amount of \$275,000 and certain liabilities (the "Liabilities"). The Liabilities and the Promissory Notes are collectively the "Convergent Liabilities." The Convergent Liabilities assumed by the Company were exchanged for Convertible Promissory Notes issued by the Company for \$275,000 (the same amount that Convergent had issued them for). The Convertible Promissory Notes accrue interest at eight percent (8%) per annum and are convertible into common stock of the Company at a conversion price of \$0.10 per share at any time prior to or at August 10, 2019. The Company also assumed a promissory note from one of the Initial Investors to Convergent in the amount of \$100,000, which is payable on or before December 31, 2018. While the conversion of the Convertible Promissory Notes is mandatory prior to August 10, 2019, the election to convert is at the option of the Initial Investor. The Company has no obligation to repay the Initial Investors in cash. However, the conversion of the Convertible Promissory Notes will result in dilution of other shareholders once the Initial Investors convert their notes into the Company's common stock.

Note 10 – Subsequent Events:

On July 2, 2018 the Financial Industry Regulatory Authority (FINRA) approved the Company's request to change its name to Quantum Computing Inc., to change its official domicile from Nevada to Delaware, and to implement a 1:200 reverse stock split. The name and domicile change and reverse stock split took effect on July 3, 2018. FINRA also approved a new Ticker Symbol for the Company, "QUBT".

There are no other events of a subsequent nature that in management's opinion are reportable.