



Corporate Headquarters
South Jersey Technology Park
107 Gilbreth Pkwy, Mullica Hill, NJ 08062

February 29, 2020

Dear Equitech Shareholders,

A transition year for Equitech!

This is the best way to describe 2019. We could also refer to the movie 'Against all Odds' because our journey has not been easy. However, we took the time to implement significant changes and lay out a foundation for long-term profitable growth.

I have kept in contact with many of you who call or write with questions, words of encouragement and/or advice. Please continue to do so. This is a semi-private company where most investors are family, friends, and colleagues.

A summary of our achievements during 2019 can be summarized as follows:

Management

During the first half of 2019, we recruited Joe Golba & Bob Barnett to help us manage the innovation, implementation and sales processes. Bob helped us set up a network of sales representatives in North America. After achieving this, he has gone back to enjoy his retirement. Equitech extends Bob a heartfelt appreciation for his contributions. Joe is extremely busy setting up OEM agreements, writing grant applications and helping design the future of our instrument.

We have identified other individuals that can help us advance the company in sales, marketing, engineering and operations. We will be recruiting them after the company is more stable financially.

From the onset, it was important to set up a great Advisory Board. And so, we surrounded ourselves with great lawyers, accountants, scientists, equipment manufacturers, and executives that understand well the state of the company and are committed to helping us shed our rugged past and move forward.

Marketing & Sales

A good website is like a good window that invites customers to enter the store. One of my first tasks was to create a website that would do this job. The current website is the best the company has had. We are not resting on laurels; we have begun a process to update our brand/image and the creation of marketing collateral that our sales representatives and customers can appreciate.

During the past 7 months, we added 16 Manufacturing Sales Representative companies with about 24 people covering North America. We have now begun to establish representatives internationally respecting the Licensing Agreement we have in place with our Licensee. We are already seeing the fruits as our sales pipeline begins to grow with inquires and RFQs.

Finally, thanks to the efforts of Joe Golba and Lewis Baylor and the help of several Advisory Board members, we have now written our first grant proposal and will be submitting to the U.S. government soon. Efforts to write a second proposal are now underway.

Pricing

A very meticulous cost analysis conducted a year ago, showed us that we could offer our products (Made in USA) for a fraction of the "international prices" that our Licensee had previously established. Equitech rolled out new prices that are fair, give our customers excellent payback and ROI, and should help stimulate demand for our technology.



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Operations

One of our first decisions was to re-establish manufacturing back in the USA. There were several motivations for us to do so. But before we could achieve this, we needed to relocate to better facilities that would provide us with the infrastructure and installations conducive to hi-tech manufacturing and long-term growth. As reported before, we moved manufacturing to a Class A brick building in the city of North Augusta, SC with ample room for expansion.

In a similar fashion, Equitech and its wholly owned subsidiary, MIP Technology, had operated from the state of Florida during the past years because our former President and our current Finance Manager resided there. This is no longer the case.

We relocated headquarters to the South Jersey Technology Park @ Rowan University because of a strong relationship with this community. The goal of the SJTP is to lead the economic revitalization of Southern New Jersey through an integrated program of science and technology initiatives. The SJTP provides competitive prices and class A facilities for start-up companies. More than just a building, the SJTP provides access to faculty and students while opening the door for collaboration with other companies and most particularly with the rich and powerful pharmaceutical industry in New Jersey.

Finances

The company spent over 15 years and north of \$10M to develop its technology. During the past 10 years or more, Equitech has installed about 70 instruments in different companies and industries and sold hundreds of probes.

When I took over Equitech in March 2019, I came to rescue the company. I knew it was not going to be an easy task because small companies struggle either for lack of resources (cash and time) or talent. However, and in addition to these hurdles, I encountered that Equitech was dealing with a disgruntled Licensee that obtained a judgment against the company and that has been pressing Equitech for payment of the judgment, and, we think, using this leverage to get out of its obligations assumed when the agreement between the two companies was signed back in 2010. We intend to continue to seek a resolution to this situation. One of these days I will write an article entitled: 'An Impossible Turn Around: How we Saved Equitech'.

As determined by lawyers and despite the fact that we are a publicly traded company, we are not obligated to report financial results. Nonetheless, we want to report to all of you the following:

- We have a little more than 700 shareholders.
- We trade our stock in the over the counter (pink sheets) market.
- The value of our stock can be easily found on the Internet.

Our financials can be summarized in one paragraph. The company owns 5,000 shares of ColVisTec AG, our licensee in Europe. This is the company's major asset worth approximately \$281,000. The company also holds a very small inventory of parts, worth less than \$12,000, equipment that has been fully depreciated, and about \$10M in accumulated net operating losses (NOL). We have about \$2.5M in liabilities mostly loans from friends, family members and employees of which we could convert about \$1.2M to equity. We close 2019 with about \$120K in revenues similar to what we did in 2018.

However, it seems that the foundations we laid down during this past year have begun to bear fruit. Slowly but surely, we are building a pipeline of interested prospects that are attracted by our persistence, determination, great customer service and a technology with excellent ROI.



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Corporate Strategy

Equitech will continue implementing its simple but effective strategy. That is,

- Continue to stabilize company finances
- Resolve current situation with ColVisTec
- Advance sales of its products by
 - Completing and deploying the company's marketing strategy
 - Continuing to set up sales representatives in the Americas and Asia
- Contract with third parties to manufacture its instruments and probes in series and with high degree of quality
- Upgrade the instrument's electronics and software

After one year at the helm, I would like to close by saying that coming back to Equitech has been the experience of a lifetime. I strongly believe the company will turn the page this year as we continue to tap onto a strong network of people with powerful connections in the industry. I exhort you to give us a hand and make Equitech the company we all want it to be.

My best,

Jaime

Footnote

ColVisTec, a German company, licensed Equitech's technology and obtained the rights to manufacture and sell it in Europe & the Middle East. ColVisTec paid the sum of \$225K 10 years ago for such license. ColVisTec is one of Equitech's largest shareholders and Equitech is a principal shareholder in ColVisTec.

ColVisTec, sued the company over a standing liability and obtained a Default Judgement. Equitech has previously acknowledged and continues to acknowledge this liability and would like very much to repay it. We have offered multiple times enough stock for a simple debt-to-equity swap to eliminate this liability and ColVisTec has refused. We have also requested permission to sell the stock Equitech holds in ColVisTec that if liquidated should raise ~\$281K (enough to repay ColVisTec), and ColVisTec has also refused.

ColVisTec has been using the legal process to force Equitech to cancel the Licensing Agreement and, thus, obtain rights to market our technology outside Europe & the Middle East without compensating Equitech in detriment to you, Equitech's shareholders. Equitech retained a top attorney who has been helping the company defend its rights.