



South Jersey Technology Center
107 Gilbreth Pkwy
Mullica Hill, NJ 08062
Telephone: (706)364-6060
<https://equitechintl.com>

Dear Shareholders,

Third quarter 2020 will be remembered as a turning point in the history of the company!

In March of 2019 we began a methodical campaign to turn the company around. We have paid off several vendors and converted about \$1.2M debt into equity. In addition, Equitech paid off the amount due to our Licensee, ColVisTec, and obtained a Satisfaction of Judgment from the Court. Equitech intends to enforce the License Agreement against any violation of its terms, especially any violation of the agreement's territorial restrictions.

To top it off, our most important achievement for the quarter was the establishment of strategic alliances with Optoniks, CompSol USA and M&M Technology of Charlotte, NC. These alliances bring Equitech resources in optical and electronics engineering and in high-level software development that the company did not have before. We are now working on an upgrade of current hardware and software packages and looking at co-development of new products with our partners.

At the end of the quarter, we established another strategic alliance, this time, with the Polymer Center of Excellence, also in Charlotte, NC. The [Polymer Center](#) will allow us to bring customers in for dedicated testing when for lack of capacity or time, customers cannot test our technology in their own facilities. The Polymer Center has single- and twin-screw extruders and can handle a variety of materials (pellets, powders, fibers, granules, flakes and liquids).

We were quite busy in the marketing front as well. We designed and completed a new corporate brochure, and a dozen of new application-oriented sheets for our new marketing campaign commencing the first week of October. We gave a virtual presentation at the first-ever Plastics Forum, a new event put together by Training Institute for Rubber and Plastics (ICIPC) in Colombia and the Society of Plastics Engineers (SPE). We are planning several more presentations for QIV and next year.

Quarter three was also very positive for testing and expanding the use of our technology. We conducted a very successful trial in the food industry that could lead to multiple-units purchase. We have 3 more trials with different companies (all in the Plastics Industry) scheduled for QIV. In addition, we have quoted several instruments, and have the sale of one of them pending.

The following table summarizes our Financial Results for QIII-2020 and shows our YTD-2020. We contrast them with QIII-2019 and YTD-2019. During QIII we nearly tripled sales from last year's third quarter. Most importantly, our YTD shows an improvement in total income of over 75%.

	QIII-2020	Q-III2019	YTD-2020	YTD-2019
Total Income	\$87,029.27	\$32,022.94	\$164,851.19	\$93,185.41
Total COGS	\$82,763.94	\$18,258.45	\$134,850.42	\$46,735.64
Gross Profit	\$4,265.33	\$13,764.49	\$30,000.77	\$46,449.77
Total Expenses	\$22,265.34	\$13,903.68	\$43,721.87	\$42,081.00
Net Income	\$-17,967.56	\$-139.19	\$-13,688.65	\$4,368.77



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As reported before, despite the situation with Covid-19, we have been steadily building a sales pipeline. We continue to manage our expenses carefully and have kept them to a bare minimum. Our COGS is substantially higher for a good reason. Some customers are demanding rapid trials, a few for long periods of time. Thus, our large negative Net Income for QIII is the result of purchasing parts for inventory and the payment of interest on the now-resolved Judgment. Thus, our investment in inventory has increased in anticipation of an increase in accounts receivable in the near term.

As stated in QII report, we received encouraging news from the government regarding a grant application, which will be submitted in October.

We commissioned a marketing study by a third-party research organization. This was, without a doubt, a very enlightening study and an eye-opener that corroborated what we have believed all along; the In-line, UV-Vis spectroscopy market is a very large market with a great potential. The current pandemic and Industry 4.0 efforts have done nothing but increase the interest in our technology. Armed with the data from this study and the learnings accumulated over the years from interaction with our first licensee, we are ready to expand to other geographies. With the help of friends and strategic partners, Equitech is now exploring licensing Equitech's technology in additional areas of the world.

Finally, we have begun the process to restore Equitech to full trading status with the OTC and SEC. This effort is no small task and it will require that we spend resources to follow protocols regarding shares, shareholders, proper accounting reports, and regular audits. We have begun work towards this objective and estimate we will achieve it by the end of QI-2021. We encourage all current shareholders to email our CFO Anh Nguyen (anguyen@equitechintl.com) with your current contact information.

We are all very excited about Equitech's future!

My best!

A handwritten signature in blue ink that reads 'Jaime'.

Jaime A. Gómez, PhD
President & CEO