

VIROMENT EQUITY, LLC

FINANCIAL STATEMENTS

December 31, 2020

Together with
Independent Auditors' Report

Viroment Equity, LLC
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INDEPENDENT AUDITORS' REPORT

To the Member
Viroment Equity, LLC

We have audited the accompanying financial statements of Viroment Equity, LLC. (the "Company"), which comprise the balance sheet as of December 31, 2020 and the statements of operations and member's equity, and cash flows for the period from October 30, 2020 ("Inception") to December 31, 2020, and the related notes to the financial statements (collectively referred to as "financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Viroment Equity, LLC as of December 31, 2020 and for the period from Inception to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has yet to commence its intended operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



dbbmckennon
San Diego, California
June 11, 2021

VIROMENT EQUITY, LLC
BALANCE SHEET

	December 31, 2020
Assets	
Current assets	
Cash	\$ -
Total current assets	-
Deferred offering costs	8,197
Total assets	<u>\$ 8,197</u>
Liabilities and Member's Equity	
Current liabilities -	
Accounts payable	\$ -
Total current liabilities	-
Commitments and contingencies	-
Member's equity	8,197
Total member's equity	<u>8,197</u>
Total liabilities and member's equity	<u>\$ 8,197</u>

See accompanying notes to the financial statements.

VIROMENT EQUITY, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY

	Period from October 30, 2020 to December 31, 2020
	<hr/>
Revenues	\$ -
Operating Expenses -	
General and administrative	<hr/> 7,005
Total operating expenses	7,005
Net loss	<hr/> <hr/> \$ (7,005)
Beginning member's equity	\$ -
Member contributions	40,197
Member distributions	(24,995)
Net loss	<hr/> (7,005)
Ending member's equity	<hr/> <hr/> \$ 8,197

See accompanying notes to the financial statements.

VIROMENT EQUITY, LLC
STATEMENT OF CASH FLOWS

	Period from October 30, 2020 to December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (7,005)
Net cash used in operating activities	<u>(7,005)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments for deferred offering costs	(8,197)
Member contributions	40,197
Member distributions	<u>(24,995)</u>
Net cash provided by financing activities	<u>7,005</u>
Change in cash and cash equivalents	-
Cash and cash equivalents, beginning of period	<u>-</u>
Cash and cash equivalents, end of period	<u><u>\$ -</u></u>
Supplemental disclosures of cash flow information:	
Cash paid for interest	<u><u>\$ -</u></u>
Cash paid for income taxes	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

VIROMENT, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Viroment Equity, LLC (the “Company”) is a Delaware limited liability corporation formed on October 30, 2020 (“Inception”). The financial statements of Viroment Equity, LLC (which may be referred to as the “Company”, “we,” “us”, or “our”) included herein are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s operations are expected to be located in the Midwest. The Company will build, own, and lease protein farms.

The Company is 100% owned by Viroment Capital, LLC (the “sole member”), see Note 4 for additional information.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Going Concern and Management Plans

The financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of the date of this filing the Company has yet to commence its intended operations. This factor raises substantial doubt regarding the Company’s ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon obtaining the necessary debt and/or equity financing, as well as generating profitable operations from the Company’s future operations. See Note 5 for disclosure of capital raised subsequent to year end. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Risks and Uncertainties

The Company has a limited operating history and has not yet generated revenue from intended operations. The Company's business and operations are sensitive to general business and economic conditions in the U.S. along with local, state, and federal governmental policy decisions. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, government policy changes, changes to minimum wages and employee benefit requirements, consumer tastes and trends in our product market, negative press, delays in our lease being available or competition from other food and beverage establishments. These adverse conditions could affect the Company's financial condition and the results of its operations.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company’s assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

VIROMENT EQUITY, LLC
NOTES TO THE FINANCIAL STATEMENTS

Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.
Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2020. Fair values for these items were assumed to approximate carrying values because of their short-term nature or they are payable on demand.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Deferred Offering Costs

The Company has deferred certain costs related to an anticipated offering as of year-end. The Company will use those deferred costs to offset additional paid in capital once proceeds are received from the raise. Deferred offering costs will be expensed if the offering is unsuccessful.

Income Taxes

The Company is a Limited Liability Corporation ("LLC"). Under these provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the shareholders are liable for individual federal and state income taxes on their respective share of the Company's taxable income. The Company may pay minimum state franchise taxes at reduced rates. The Company has yet to file a tax return and thus are not currently subject to tax examination by the Internal Revenue Service or state regulatory agencies. The Company has elected to use a December 31st year end.

Recent Accounting Pronouncements

The Financial Accounting Standards Board issues Accounting Standards Updates ("ASU") to amend the authoritative literature in Accounting Standards Codification. Management believes that those issued to date are either already included in the Company's accounting or (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

Legal

The Company is not currently involved with, and does not know of any, pending or threatened litigation against the Company or any of its officers.

NOTE 4 – MEMBER'S EQUITY

Authorized and Issued

The Company is authorized to issue 14,000,000 Common units ("Common") and 1,500,000 Class A Preferred units ("Class A").

During the period ended December 31, 2020, the sole member contributed \$25,000 in exchange for 13,500,000 Common units. During the period ended December 31, 2020, the sole member contributed an additional \$15,197 for operating capital. During the period ended December 31, 2020, the Company distributed \$24,995 to the sole member.

VIROMENT EQUITY, LLC
NOTES TO THE FINANCIAL STATEMENTS

Allocation of Profits and Losses, Distributions and Liquidation

With respect to a Common member, the percentage equal to (a) 90 multiplied by (b) a fraction, (i) the numerator of which is the number of Common units held by such member, and (ii) the denominator of which is the aggregate number of Common units held by all members. For clarification, a holder of 13,500,000 Common units would have a common percentage interest of 86.79%, if there are an aggregate of 14,000,000 Common units outstanding and 650,000 Class A units outstanding

With respect to a Class A member, the number of Class A units held by such member multiplied by 0.000006666. For clarification, a holder of 300,000 Class A units would have a Class A percentage interest of 2.00%.

Voting

The Common have one vote for each unit held. The Class A units do not have voting rights.

Anti-Dilution

The Class A units are not subject to equity dilution; provided that up to 1,500,000, Class A units may be issued. For clarification, if 1,500,000 Class A units are issued and outstanding, the collective Class A percentage interests will equal 10%, which percentage interest shall not be subject to dilution upon issuance by the Company of additional Common units or units of a new class or series.

Repurchase

The Company retains various provisions, some at their option, related to repurchasing, or the right of first refusal for any transfer of units, of the Class A units.

Regulation CF Offering

During the period ended December 31, 2020, the Company launched a Regulation CF offering attempting to raise up to \$625,000 in equity financing through the sale of up to 625,000 Class A non-voting units. The offering can be raised based upon management's discretion. In connection with the capital raise, the Company entered into a series of agreements for processing, transfer agent and other services. Under these agreements the Company is to pay a fee of 6.75% of the proceeds raised for the offering services. In connection with the transfer agent fees, the Company will pay annual maximum of \$1,000. See Note 5 for amounts received subsequent to year end.

The Company engaged a lead investor to make voting decisions on behalf of the Class A unit holders. The Company will pay an amount equal to 10% of all distributions made to the Class A unit holders for a period of three years to the lead investor as compensation. The distributions will be from amounts to be distributed to the Class A unit holders.

NOTE 5 – SUBSEQUENT EVENTS

Subsequent to December 31, 2020, the Company sold approximately 829,000 Class A units for gross proceeds of approximately \$829,000 under the Regulation CF offering disclosed in Note 4 and a concurrent Regulation D offering.

Subsequent to December 31, 2020, the Company paid \$300,000 to a related party as a down payment on equipment to be used in the Company's operations. The total purchase price of the equipment is \$550,000.

Management has evaluated subsequent events through June 11, 2021, the date on which the financial statements were available to be issued.