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# VIIT HEALTH, INC.

## FINANCIAL STATEMENTS FROM INCEPTION (JUNE 15, 2021)

*(Expressed in United States Dollars)*

## INDEX TO FINANCIAL STATEMENTS

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## **INDEPENDENT ACCOUNTANT'S REPORT**

To the Board of Directors of  
ViiT Health, Inc.  
Wilmington, Delaware

### **Opinion**

We have audited the financial statements of ViiT Health, Inc., which comprise the balance sheets as of Inception (June 15, 2021), and the related statements of operations, stockholders' equity, and cash flows as of Inception (June 15, 2021), and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ViiT Health, Inc., as of Inception (June 15, 2021), and the results of its operations and its cash flows for the period from Inception (June 15, 2021) in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ViiT Health, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ViiT Health, Inc.'s ability to continue as a going concern as of June 15, 2021.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 ViiT Health, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ViiT Health, Inc.'s ability to continue as a going concern for a reasonable period of time. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Set Apart FS*

September 6, 2021  
Los Angeles, California

**VIIT HEALTH, INC.**
**BALANCE SHEET**

<b>As of Inception</b> (USD \$ in Dollars)	<b>June 15, 2021</b>			
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash & cash equivalents	\$	-		
Prepaid assets		7,500		
Other current assets		-		
<b>Total current assets</b>		<b>7,500</b>		
<b>Total assets</b>	<b>\$</b>	<b>7,500</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current Liabilities:</b>				
Other current liabilities		-		
Loans, current		-		
<b>Total current liabilities</b>		<b>-</b>		
<b>Non-Current Liabilities:</b>				
Loans		-		
<b>Total liabilities</b>		<b>-</b>		
<b>STOCKHOLDERS' EQUITY</b>				
Common Stock Class, par value \$0.01 15,000,000 shares authorized, 10,200,000 issued and outstanding		102,000		
Subscription Receivable		(94,500)		
Retained earnings/(Accumulated Deficit)		-		
<b>Total stockholders' equity</b>		<b>7,500</b>		
<b>Total liabilities and stockholders' equity</b>	<b>\$</b>	<b>7,500</b>		

*See accompanying notes to financial statements.*

**VIIT HEALTH, INC**  
**STATEMENTS OF OPERATIONS**

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<b>Inception</b>	<b>June 15, 2021</b>
(USD \$ in Dollars)	
Net revenue	\$ -
Cost of goods sold	-
Gross profit	-
Operating expenses	
General and administrative	-
Sales and marketing	-
Research and Development	-
Total operating expenses	-
Operating income/(loss)	-
Interest expense	-
Income/(Loss) before provision for income taxes	-
Provision for income taxes	-
<b>Net income/(Net Loss)</b>	<b>\$ -</b>

*See accompanying notes to financial statements.*

# VITT HEALTH, INC.

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands, \$US)	Common Stock		Preferred Stock		Subscription Receivable	Additional Paid In Capital	Accumulated Deficit	Shareholders' Equity
	Shares	Amount	Shares	Amount				
<b>Inception date (June 15, 2021)</b>	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of common stock	10,200,000	\$ 102,000	-	\$ -	\$ (94,500)	-	-	\$ 7,500
Issuance of preferred stock	-	\$ -	-	\$ -	-	-	-	\$ -
Net income/(loss)	-	\$ -	-	\$ -	-	-	-	\$ -
<b>Balance—June 15, 2021</b>	<b>10,200,000</b>	<b>\$ 102,000</b>	<b>-</b>	<b>\$ -</b>	<b>\$ (94,500)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,500</b>

*See accompanying notes to financial statements.*

**VITT HEALTH, INC.**  
**STATEMENTS OF CASH FLOWS**

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<u>As of Inception</u>		<u>June 15, 2021</u>
(USD \$ in Dollars)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income/(loss)	\$	-
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Prepays assets		(7,500)
Other current liabilities		-
<b>Net cash provided/(used) by operating activities</b>		<b>(7,500)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of common stock		7,500
<b>Net cash provided/(used) by financing activities</b>		<b>7,500</b>
Change in cash		-
Cash—beginning of year		-
<b>Cash—end of year</b>	<b>\$</b>	<b>-</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$	-
Cash paid during the year for income taxes	\$	-
<b>OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES</b>		
Subscription Receivable	\$	94,500.00

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*See accompanying notes to financial statements.*

# VITT HEALTH, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR PERIOD ENDED AS OF INCEPTION (JUNE 15, 2021)

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*All amounts in these Notes are expressed in of United States dollars ("\$" or "US\$"), unless otherwise indicated.*

#### **1. NATURE OF OPERATIONS**

ViiT Health, Inc., was formed on June 15, 2021 in the state of Delaware. The financial statements of ViiT Health, Inc., (which may be referred to as the "Company", "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's headquarters are located in Wilmington, Delaware.

The Company will commercialize a non-invasive glucometer that uses Near-Infrared Spectroscopy (NIR) and utilities computer software to measure an individual's glucose level.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation**

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("US GAAP").

##### **Use of Estimates**

The preparation of financial statements in conformity with United States 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

Cash and cash equivalents include all cash in banks. The Company's cash are deposited in demand accounts at financial institutions that management believes are creditworthy.

##### **Subscription Receivable**

The Company records stock issuances at the effective date. If the subscription is not funded upon issuance, the Company records a subscription receivable as an asset on a balance sheet. When subscription receivables are not received prior to the issuance of financial statements at a reporting date in satisfaction of the requirements under FASB ASC 505-10-45-2, the subscription is reclassified as a contra account to stockholders' equity on the balance sheet.

##### **Revenue Recognition**

The Company recognizes revenues in accordance with FASB ASC 606, Revenue From Contracts with Customers, when delivery of goods as delivery is the sole performance obligation in its contracts with customers. The Company typically

# VITT HEALTH, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR PERIOD ENDED AS OF INCEPTION (JUNE 15, 2021)

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collects payment upon sale and recognizes the revenue when the item has shipped and has fulfilled their sole performance obligation.

Revenue is recognized when performance obligations under the terms of the contracts with our customers are satisfied. The Company will generate revenues by selling glucometers. The Company's payments are generally collected upfront. For period ending June 15, 2021, the Company recognized nil in revenue, respectively.

#### **Income Taxes**

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and Delaware state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all periods since Inception. The Company has recently commenced operations and is not currently under examination by any tax authority.

#### *Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

#### **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**—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

**Level 2**—Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

# VITT HEALTH, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR PERIOD ENDED AS OF INCEPTION (JUNE 15, 2021)

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**Level 3**—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

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 March 10, 2021. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values.

#### **Subsequent Events**

The Company considers events or transactions that occur after the balance sheets date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through September 6, 2021, which is the date the financial statements were issued.

#### **Recently Issued and Adopted Accounting Pronouncements**

In February 2019, FASB issued ASU No. 2019-02, Leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact our financial statements.

# VITT HEALTH, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR PERIOD ENDED AS OF INCEPTION (JUNE 15, 2021)

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### 3. DEBT

The company currently has no debt.

### 4. SHAREHOLDERS' EQUITY

#### Common Stock

We have authorized the issuance of 15,000,000 shares of our common stock, \$0.01 par value. As of June 15, 2021, 10,200,000 of Class A Common Shares have been issued and outstanding.

### 5. RELATED PARTIES

There are no related party transactions.

### 6. COMMITMENTS AND CONTINGENCIES

#### Commitments and Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations.

The Company is currently in contract with an accelerator of start-ups, based in Monaco. This accelerator will provide the Company with valuable contracts and market leads to support the business development and expansion of the Company. In exchange for these business development services, the Company issued the accelerator 750,000 shares of common stock, at par value. Part of the contract includes the issuance of up to an additional 750,000 shares of stock, if certain capital is raised as a result of the accelerator.

#### Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of June 15, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

### 7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through September 6, 2021 the date the financial statements were available to be issued.

The Company is in the process of issuing 1,500,000 shares of common stock to Solex Vintel Alto Impacto S.A.P.I. de C.V., in exchange for the intellectual property rights to the non-invasive glucometer and \$0.01 per share.

**VITT HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR PERIOD ENDED AS OF INCEPTION (JUNE 15, 2021)**

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The Company will create its 2021 Equity Plan (the Plan). The Plan is shareholder approved and permits the grant of share options and shares to its employees, advisors and subcontractors for up to 1,500,000 shares of common stock. The Company believes that such awards better align the interests of its employees, advisors and subcontractors with those of its shareholders. Option awards are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant; those option awards generally vest based on four years of continuous service and have 10-year contractual terms. Share awards generally vest over four years. Certain option and share awards provide for accelerated vesting if there is a change in control, as defined in the Plan. No shares have been issued under the Plan.

The Company is offering (the "Crowdfunded Offering") up to \$2,000,000 in Simple Agreements for Future Equity (SAFEs). The Company is attempting to raise a minimum amount of \$50,000 in this offering and up to \$2,000,000 maximum. The Company must receive commitments from investors totaling the minimum amount by the offering deadline listed in the Form C, as amended in order to receive any funds.

The Crowdfunded Offering is being made through WeFunder Portal LLC (the "Intermediary" aka "WeFunder"). The Intermediary will be entitled to receive a 7.5% commission fee.

There have been no other events or transactions during this time which would have a material effect on these financial statements.