

REVIEWED FINANCIAL STATEMENTS

Thrivelab Co

Years Ended December 31, 2021 and 2020

With Independent Accountant's Review Report

Thrivelab Co
Financial Statements

Years Ended December 31, 2021 and 2020

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Fiona Hamza, CPA
Email: fhamzacpa@outlook.com
Ph: 502 396 1855

Accounting Services

Independent Accountant's Review Report

The Board of Directors
ThriveLab Co
San Clemente, CA

I have reviewed the accompanying financial statements of ThriveLab Co, which comprises of the balance sheets as of December 31, 2021 and 2020, and the related statements of income, changes in stockholders' equity, and cash flows for the year ended December 31, 2021 and the period from July 23, 2020 ("Inception) to December 31, 2020, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for our conclusion.

We are required to be independent of ThriveLab Co, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Fiona Hamza, CPA



Plano, Texas
December 2, 2022

Thrivelab Co

Balance Sheets

	December 31,	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (<i>note 1</i>)	\$ 127,796	\$ 74,833
Accounts receivables (<i>note 1</i>)	4,917	-
Inventory (<i>note 1</i>)	27,958	11,593
Prepaid expenses	2,687	-
Total current assets	163,358	86,426
Fixed Assets		
Office and medical equipment (<i>note 1</i>)	15,289	4,633
Less: Accumulated depreciation	(2,547)	(385)
Net fixed assets	12,742	4,248
Other assets		
Deferred tax asset (<i>note 2</i>)	-	-
Patent (<i>note 3</i>)	200	-
Total assets	\$ 176,300	\$ 90,674
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	14,833	-
Accrued expenses	15,255	-
Interest payable	22187	-
Payroll tax advance (<i>note 4</i>)	28,713	-
Total current liabilities	80,988	-
Notes payable- long-term (<i>note 5</i>)	900,000	50,000
Total liabilities	980,988	50,000
Stockholders' equity (deficit):		
Class A Common Stock, no par value (<i>note 6</i>)		
Authorized shares, 10,000		
Issued and outstanding shares, 2,000	171,380	65,619
Retained deficit	(976,068)	(24,945)
Total stockholders' equity (deficit)	(804,688)	40,674
Total liabilities and stockholders' equity	\$ 176,300	\$ 90,674

See Independent Accountant's Review Report.

Thrivelab Co

Statements of Operations

	December 31, 2021	Period from July 23, 2020 (inception) to December 31, 2020
Revenue, net of revenue	\$ 193,662	\$ -
Less: Cost of goods sold	(94,591)	(1,410)
Gross Margin	99,071	(1,410)
Expenses:		
Advertising and marketing fee	448,571	908
Bad debt expense	230	-
Bank charges	3,184	-
Depreciation	2162	385
Insurance	9,650	-
Office expenses	26,199	-
Payroll expenses-management	173,911	7,798
Payroll expenses	159,283	4,851
Payroll taxes and benefits	35,971	2,472
Samples		
Taxes and Licenses	1,343	1,234
Telecommunications	7,338	28
Travel	5,306	6
Website and Software development	167,271	5,853
Total operating expenses	1,040,419	23,535
Operating loss	(941,348)	(24,945)
Other income / (expense)		
Exchange rate gain or loss	(33)	-
Miscellaneous income	12,445	-
Interest expense	(22,187)	-
Total other expense	(9,775)	-
Net loss	\$ (951,123)	\$ (24,945)

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Statements of Changes in Stockholders' Equity (Deficit)

	Common Stock <i>(no par)</i>	Retained Equity	Total
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Loss	-	(24,945)	(24,945)
Shareholder's contribution	65,619	-	65,619
Balance at December 31, 2020	<u>\$ 65,619</u>	<u>\$ (24,945)</u>	<u>\$ 40,674</u>
Net Loss	-	(951,123)	(951,123)
Shareholder's contributions	105,761	-	105,761
Balance at December 31, 2021	<u>\$ 171,380</u>	<u>\$ (976,068)</u>	<u>\$ (804,688)</u>

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Statements of Cash Flows

	December 31, 2021	Period from July 23, 2020 (inception) to December 31, 2020
Operating activities		
Net loss	\$ (951,123)	\$ (24,945)
Add: depreciation expense	2,162	385
Increase in accounts receivable	(4,917)	-
Increase in inventory	(16,365)	(11,593)
Increase in prepaid expenses	(2,687)	-
Increase in accounts payable	14,833	-
Increase in accrued expenses	15,255	-
Increase in interest payable	22,187	-
Increase in payroll tax advance	28,713	-
Net cash used (provided) by operating activities	(891,942)	(36,153)
Investing activities		
Patent	(200)	-
Fixed assets	(10,656)	(4,633)
Net cash used in investing activities	(10,856)	(4,633)
Financing activities		
Proceeds from long-term note payable	850,000	50,000
Proceeds from capital contribution	105,761	65,619
Net cash provided by financing activities	955,761	115,619
Net (decrease) increase in cash and cash equivalents	52,963	74,833
Cash and cash equivalents at beginning of year	74,833	-
Cash and cash equivalents at end of year	\$ 127,796	\$ 74,833

Supplemental disclosures of cash flow information:

Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

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Thrivelab Co

Notes to Financial Statements December 31, 2021

1. Business and Summary of Significant Accounting Policies

Description of Business and Basis of Presentation

Thrivelab Co, (the Company), a development stage entity was formed on July 23, 2020 (“Inception”) in the State of California. The financial statements of Thrivelab Co, (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 San Clemente, CA.

Thrivelab (TL) is a health-tech start up that combines lab diagnostics, telemedicine and antiaging therapies into an online platform. The Company is on a mission to make hormone health accessible and affordable nationwide. TL’s core product, Thrive Optum is a subscription-based hormone optimization program that offers inexpensive diagnostics (\$45), a proprietary network of specialized providers, convenient telehealth appointments and monthly plans that alleviate the symptoms of hormone imbalance for a fraction of the market rate cost.

Thrivelab’s hormone health program includes a patent pending blend of treatment protocols, nutraceuticals & technology to resolve hormone imbalance. The company has built AI and ML tools to compress the time to treatment and improve diagnostics which has driven best in class retention and outcomes and led rapid nationwide expansion. The company has a product / program roadmap with 12 additional line extensions and 4 brand extensions focused on anti-aging, regenerative medicine, aesthetics, energy management, sexual health and wellness. The executive leadership have extensive clinical, technology and operational experience scaling best in class organizations. Clinical providers go through extensive training and credentialing to deliver exceptional patient outcomes. The in-house technology team consists of front-end, dev-ops, back-end, interoperability, data science, robotics process automation and UI/UX in strategic nearshore and offshore teams that operate on an agile based software development life cycle (SDLC) in version 1.3 of its ecosystem.

Risks and Uncertainties

The Company's business and operations are sensitive to general business and economic conditions in the U.S and worldwide 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: public health epidemics or outbreaks, recession, downturn or otherwise, government policies. These adverse conditions could affect the Company's financial condition and the results of its operations.

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Notes to Financial Statements (continued) December 31, 2021

In addition, more established companies that currently have products on the market and/or in development may succeed in developing and marketing competing equivalent services earlier than us, or superior service than those developed by us. Our patent may not be granted or could be unenforceable or ineffective.

During the next 12 months, the Company intends to operate (for payroll, marketing and sales, executive management team acquisition and expansion of its territory) largely with funding from founders, equity offerings, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition, and operating results. The balance sheet does not include any adjustments that might result from these uncertainties.

Use of estimates

The preparation of financial statements is in conformity with the accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. It is reasonably possible that changes in estimates will occur in the near term.

Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses that are applicable to future periods are presented as deferred income or prepaid expenses on the accompanying balance sheets.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company places its cash with high quality banking institutions. The Company did not have cash balances in excess of the Federal Deposit Insurance Corporation limit as of December 31, 2021 and 2020, respectively.

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Notes to Financial Statements (continued) December 31, 2021

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.

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, 2016 and 2015. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values.

Recent Accounting Pronouncements

The Company has evaluated Recent Accounting Pronouncements and has determined that all such pronouncements either do not apply or their impact is insignificant to the financial statements.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

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Notes to Financial Statements (continued) December 31, 2021

Accounts Receivables

Accounts receivable are recorded at invoiced amount and generally do not bear interest. At December 31, 2021 and 2020, respectively, an allowance for doubtful accounts was not set up due to lack of historical collection experience, and 99% of accounts receivable were deemed collectible.

Inventory

Inventories are valued at the lower of cost or market value, adjusted for the value of the inventory that is estimated to be excess, obsolete or otherwise unsaleable.

Fixed Assets

The Company capitalizes assets with an expected useful life of one year or more, and an original purchase price of \$1,000 or more. Depreciation is computed using a straight-line mid-month convention method over the estimated useful lives of the assets, which for office and medical most computer equipment ranges primarily from three to five years. Repairs and maintenance performed on equipment or software are expensed as incurred.

2. Income Taxes

The Company files income tax returns for U.S. federal income tax purposes and in the state of California. All income tax returns filed by the Company are subject to examination by taxing authorities.

There is no income tax provision or benefit recorded for the years ended December 31, 2021 and 2020, as the company decided to set up an allowance account. The Company has approximately \$966,622 and \$954,808 of federal and state net operating loss carryforwards, respectively, that may be used to offset future taxable income. Federal net operating Losses (NOLs) carryforwards under Tax Cut and Jobs Act do not expire while state NOLs expires in twenty years.

	Federal		State	
	2021	2020	2021	2020
NOL Carryover	\$ 937,429	\$ 29,193	\$ 929,553	\$ 25,255
Deferred tax asset related to NOL	196,860	6,131	82,172	2,233
Less: valuation allowance	(196,860)	(6,131)	(82,172)	(2,233)
	\$ -	\$ -	\$ -	\$ -

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Notes to Financial Statements (continued) December 31, 2021

3. Patent

TL has a patent pending (application 63332337) for its core product ThriveOptum that covers its proprietary artificial intelligence engine for diagnostics and product recommendation for initial plan creation and ongoing case management. It also covers Thrivelab's proprietary hormonal supplement named "Longevity Blend" that includes 31 materials.

4. Payroll Tax advance

This advance was a short-term and is paid off in 2022 as of the date of the issuance of the financials.

5. Note Payable

A convertible note-payable dated October 12, 2021, in the amount of \$1,000,000 is owed to John Nocher, at 10% per annum, based on a 365-day year. Of \$1 million, 900k was received by December 31, 2021 and \$100k was received in 2022.

The Loan Balance on this Note shall become fully due and payable on the earlier of: (i) the three-year anniversary of the date of this Note (the "Maturity Date"); (ii) an Event of Default (as defined in the agreement), or (iii) unless the Holder elects, in writing, to convert the outstanding Loan Balance into Common Stock in connection with, the consummation of a merger, acquisition, divestiture, or other sale of all or substantially all of the equity, business or assets of the Company (such event, a "Liquidation Event") (of which event the Company has provided Holder at least twenty (20) days' prior written notice); provided, however, that, notwithstanding anything in this Note to the contrary, (x) at the Maturity Date or in the event of a Non-Qualifying Financing, the Holder shall have the right to elect to convert the then-outstanding unpaid Principal Amount into Common Stock of the Company in accordance with conversion terms noted in the agreement, providing written notice to the Company of its election to so convert at least one (1) business day prior to either the Maturity Date or the initial closing of the Non-Qualifying Financing, as applicable, and the Note shall automatically convert into shares of Common Stock in connection with a Qualifying Financing, as set forth in the agreement.

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Notes to Financial Statements (continued) December 31, 2021

6. Common Stock

The relative rights, powers, preferences, qualifications, limitations, and restrictions of the Common Stock, are as follow:

Each share of Common Stock is entitled to one vote.

7. Commitments and Contingencies

As of the date of issuance of financials December 2, 2022, the company has no commitments or contingencies.

8. Going Concern

During the years ended December 31, 2021 and 2020, the Company had net losses of approximately \$931,153 and \$24,945, respectively, due to developing and launching new products as well as expanding service coverage in new states. The Company continues to grow its customer base, develop its sales force and enhance its marketing capabilities, with additional funding required to accelerate customer acquisition and improve its product offering. Whether and when the Company can attain profitability and consistently achieve positive cash flows is uncertain and is contingent upon several factors, including ongoing capital required for expansion, customer acquisition costs and customer retention rates. These uncertainties may cast doubt upon the Company's ability to continue as a going concern.

The Company has raised and will continue to raise additional capital through equity offerings in 2022 to expand to new markets and increase recurring revenue. Additionally, the Company believes it will continue to be supported by its existing shareholders, and potentially by new investors as well.

9. Subsequent Events

Management has evaluated subsequent events through December 2, 2022, the date on which the financial statements were available to be issued and determined that there have been no events that have occurred which would have a material effect on these financial statements, except for the transaction described below.

In 2022, the Company borrowed additional \$2,000,000 from John Noscher at 12% per annum, rest of the terms same as in note 5.

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