

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Helo Corp.

3401 N Miami Ave, Suite #202, Miami, FL 33127

(650) 646 -2193

www.helocorp.com

info@helocorp.com

SIC Code 7373

Annual Report

For the period ending December 31, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

86,752,302 as of February 6, 2026. *(Current Reporting Period Date or More Recent Date)*

86,752,302 as of December 31, 2024. *(Most Recent Completed Fiscal Year End)*

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred during this reporting period:

Yes: No:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and any names used by predecessor entities, along with the dates of the name changes.

Helo Corp. (October 31, 2018 – present)

World Technology Corp. (November 30, 2017 – October 30, 2018)

World Media & Technology Corp. (December 1, 2014 – November 29, 2017)

Halton Universal Brands, Inc. (October 22, 2010 – November 30, 2014)

Current State and Date of Incorporation or Registration: Incorporated on October 22, 2010 in the State of Nevada

Standing in this jurisdiction: (e.g. active, default, inactive): Currently active and in good standing in Nevada

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

3401 N Miami Ave, Suite #202, Miami, FL 33127

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: ClearTrust, LLC

Phone: (813) 235-4490

Email: inbox@cleartrusttransfer.com

Address: 16540 Pointe Village Drive Suite 205, Lutz, Florida 33558

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: HLOC

Exact title and class of securities outstanding: Common Stock
CUSIP: 42349A 109
Par or stated value: \$0.001
Total shares authorized: 400,000,000 as of date: December 31, 2024
Total shares outstanding: 86,752,302 as of date: December 31, 2024
Total number of shareholders of record: 14,560 as of date: December 31, 2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer:

None

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of securities outstanding: Series A Super Voting Preferred Stock
CUSIP: n/a
Par or stated value: \$0.001
Total shares authorized: 100 as of date: December 31, 2024
Total shares outstanding (if applicable): 100 as of date: December 31, 2024
Total number of shareholders of record (if applicable): 3 as of date: December 31, 2024

Exact title and class of securities outstanding: Series B Convertible Preferred Stock
CUSIP: n/a
Par or stated value: \$0.001
Total shares authorized: 2,000,000 as of date: December 31, 2024
Total shares outstanding (if applicable): 2,000,000 as of date: December 31, 2024
Total number of shareholders of record (if applicable): 3 as of date: December 31, 2024

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

None

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

- Entitled to one vote for each share of Common Stock

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Series A Super Voting Preferred Stock:

- Not convertible
- Entitled to vote with the common shares as a single class at a super voting ratio of 1:1,000,000
- Not entitled to receive dividends paid on our common stock
- No liquidation preference

Series B Convertible Preferred Stock:

- Convertible at any time into common stock at a ratio of 1:100

Shares Outstanding on Date of This Report:	
Ending Balance:	
Date: <u>December 31, 2025</u>	
Common: <u>86,752,302</u>	
Preferred A: <u>100</u>	
Preferred B: <u>2,000,000</u>	

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

No: Yes: (If yes, you must complete the table below)

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

For information regarding the Company's current business operations, see Note 1 and Note 14 to Consolidated Financial Statements accompanying this Disclosure Statement and incorporated herein by reference.

B. List any subsidiaries, parent company, or affiliated companies.

Subsidiaries:

Vyvo AI Corp., Delaware (established December 2025)

Helo Health Ltd., Ireland

Helo IP Ltd., Ireland

Helo Technology HK Ltd. (fka Vyvo Technology HK Ltd.), Hong Kong

Helo Technology (Shenzhen) Co. Ltd. (fka Shenzhen Vyvo Information Technology Co Ltd.), Mainland China

Vyvo Wear Pte. Ltd., Singapore (acquired in November 2024)

C. Describe the issuers' principal products or services.

For information regarding the Company's principal products and services, see Note 1 to Consolidated Financial Statements accompanying this Disclosure Statement and incorporated herein by reference.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company subleases mailing and other facilities for its operations on a month-to-month basis. The Company's address is 3401 N Miami Ave, Suite #202, Miami, FL 33127.

In February 2018, Helo Corp., known at the time as World Technology Corp., entered into an agreement for technology hosting services with a third party. This agreement expired and Helo Corp.'s continuing agreement for hosting services with the same supplier is currently on a month-to-month basis.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Sean McVeigh</u>	<u>Chairman, CEO, President</u>	<u>Dublin, Ireland</u>	<u>3,731,244</u>	<u>Common</u>	<u>4.3%</u>	<u>Includes 2,600,501 Common shares held by Anch Holdings Ltd., which is controlled by Mr. McVeigh</u>
			<u>16</u>	<u>Pref A</u>	<u>16%</u>	
			<u>320,000</u>	<u>Pref B</u>	<u>16%</u>	
<u>Alessandro Senatore</u>	<u>Director</u>	<u>Singapore, Singapore</u>	<u>7,814,125</u>	<u>Common</u>	<u>9.0%</u>	<u>Includes 13,750 Common shares held by Mr. Senatore's wife</u>
			<u>32</u>	<u>Pref A</u>	<u>32%</u>	
			<u>640,000</u>	<u>Pref B</u>	<u>32%</u>	
<u>Fabio Galdi</u>	<u>Director, CVO</u>	<u>Miami, Florida, USA</u>	<u>17,719,673</u>	<u>Common</u>	<u>20.4%</u>	<u>Includes 14,945,593 Common shares held by Vanilla Sky Pte Ltd, which is controlled by Fabio Galdi</u>
			<u>52</u>	<u>Pref A</u>	<u>52%</u>	

			<u>1,040,000</u>	<u>Pref B</u>	<u>52%</u>	
<u>David Ufheil</u>	<u>CFO</u>	<u>Medina, Minnesota, USA</u>	<u>0</u>	<u>Common</u>	<u>0%</u>	
Alfonso Galdi	<u>Control Person</u>	<u>Singapore, Singapore</u>	<u>8,174,233</u>	<u>Common</u>	<u>9.4%</u>	<u>Includes 103,750 Common shares held by family members in Alfonso Galdi's household</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years, been the subject of:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a

description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

For information regarding material pending legal proceedings, see Note 7 to Consolidated Financial Statements accompanying this Disclosure Statement and incorporated herein by reference.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Taliesin Durant, Esq.
Firm: DART Business Services, LLC
Address 1: 16192 Coastal Highway
Address 2: Lewes, DE 19958
Phone: 207-530-2345
Email: tali@dart-services.com

Name: Peter Campitiello
Firm: Lucosky Brookman LLP
Address 1: 101 Wood Avenue South
Address 2: Woodbridge, NJ 08830
Phone: 732-395-4400
Email: pcampitiello@lucbro.com

Accountant or Auditor

Name: Benjamin Chung, CPA
Firm: BCRG Group CPA PC
Address 1: 200 Spectrum Center Drive, Suite 300
Address 2: Irvine, CA 92618
Phone: 714-234-5980
Email: bjc@bcrpcpas.com

Investor Relations

None

All other means of Investor Communication:

None

Other Service Providers

Provide the name of any other service provider(s) that assisted, advised, prepared, or provided information with respect to this disclosure statement. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

None

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: David Ufheil
Title: Chief Financial Officer
Relationship to Issuer: Consultant

A. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

B. The following financial statements were prepared by (name of individual):

Name: David Ufheil
Title: Chief Financial Officer
Relationship to Issuer: Consultant

Describe the qualifications of the person or persons who prepared the financial statements: Mr. Ufheil holds an active CPA license in the state of Minnesota, has consulted on the application of US GAAP and financial reporting for over 30 years, and is CFO of another privately-held company which prepares US GAAP financial statements.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Sean McVeigh certify that:

1. I have reviewed this Disclosure Statement for Helo Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 6, 2026 [Date]

/s/ Sean McVeigh [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, David Ufheil certify that:

1. I have reviewed this Disclosure Statement for Helo Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 6, 2026 [Date]

/s/ David Ufheil [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of Helo Corp.

Opinion on the Consolidated Financial Statements *Opinion on the Financial Statements*

We have audited the accompanying balance sheet of Help Corp. (the “Company”) as of December 31 2023 and 2024, the related statement of operations, stockholders’ equity (deficit), and cash flows for the years then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2024, and the results of its operations and its cash flows for the year ended December 31, 2023 and 2024, in conformity with accounting principles generally accepted in the United States.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates. The Company did not have any critical audit matters

/s/ BCRG Group

BCRG Group (PCAOB ID 7158)
We have served as the Company’s auditor since 2025.
Irvine, CA
February 6, 2026

HELO CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2024	December 31, 2023
Current assets:		(as restated)
Cash and cash equivalents	\$ 47,343	\$ 58,863
Accounts receivable	82,440	664,381
Inventory	1,473,554	1,556,586
Prepaid expenses and other current assets	3,208,249	2,117,093
Current assets, discontinued operations	-	445,931
Total current assets	4,811,586	4,842,854
Fixed assets, net	149,789	176,937
Right of use asset	468,787	730,130
Deferred tax asset	157,271	-
Intangible assets, net	23,311	31,082
Intangible assets under development	82,804	59,612
Non-current assets, discontinued operations	-	185,232
TOTAL ASSETS	\$ 5,693,548	\$ 6,025,847
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Contract liabilities	\$ 190,749	\$ 764,738
Accounts payable and accrued expenses	2,755,423	2,254,255
Current portion of notes payable to related parties	70,656	-
Lease liability – current portion	285,103	271,914
Current liabilities, discontinued operations	-	3,412,205
Total current liabilities	3,301,931	6,703,112
Lease liability, net of current maturities	223,011	508,116
Noncurrent portion of notes payable to related parties	978,002	-
TOTAL LIABILITIES	4,502,944	7,211,228
Stockholders' equity (deficit):		
Series A Preferred stock, \$0.001 par value; 100 shares authorized, issued and outstanding	-	-
Series B Preferred stock, \$0.001 par value; 2,000,000 shares authorized, issued and outstanding	2,000	2,000
Common stock, \$0.001 par value; 400,000,000 shares authorized, 86,752,302 issued and outstanding	86,752	86,752
Additional paid-in capital	11,264,403	10,777,370
Accumulated other comprehensive income (loss)	(28,378)	160,319
Accumulated deficit / retained earnings	(10,134,173)	(12,211,822)
Total stockholders' equity (deficit)	1,190,604	(1,185,381)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 5,693,548	\$ 6,025,847

The accompanying notes are in integral part of the consolidated financial statements.

HELO CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,	
	2024	2023
		(as restated)
Product revenue	\$ 2,547,082	\$ 1,927,312
Cost of goods sold	598,500	1,415,424
Gross profit	1,948,582	511,888
Operating expenses:		
Management fees – related party	200,223	346,977
Selling, including commissions	547,685	895,046
General and administrative	2,999,865	4,670,735
Total operating expenses	3,747,773	5,912,758
Operating loss	(1,799,191)	(5,400,870)
Other income (expense):		
Write-off of debt	23,983	-
Loss on investment	(271,814)	-
Interest income	88	351
Income (loss) from continuing operations before income taxes	(2,046,934)	(5,400,521)
Income tax benefit (expense)	406,831	(202,916)
Net loss from continuing operations	(1,640,103)	(5,603,437)
Discontinued operations:		
Loss from discontinued operations, net of tax	(265,605)	(2,365,989)
Income from disposal of discontinued operations (see Note 12)	-	-
Income (loss) from discontinued operations	(265,605)	(2,365,989)
Net loss	\$ (1,905,708)	\$ (7,969,426)
Comprehensive income (loss):		
Foreign currency translation adjustments	(188,697)	165,628
Total comprehensive income (loss)	\$ (2,094,405)	\$ (7,803,798)
Net income (loss) per share - basic:		
Income (loss) from continuing operations	\$ (0.02)	\$ (0.06)
Income (loss) from discontinued operations	-	(0.03)
Total net income (loss) per share	\$ (0.02)	\$ (0.09)
Net income (loss) per share - diluted:		
Income (loss) from continuing operations	\$ (0.01)	\$ (0.02)
Income (loss) from discontinued operations	-	(0.01)
Total net income (loss) per share	\$ (0.01)	\$ (0.03)
Weighted average shares outstanding:		
Basic	86,752,302	86,752,302
Diluted	286,752,302	286,752,302

The accompanying notes are in integral part of the consolidated financial statements.

HELO CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

	Common stock		Series A Preferred stock		Series B Preferred stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings/ accumulated deficit	Total stockholders' equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances - December 31, 2022 (as restated)	86,752,302	\$ 86,752	100	\$ -	2,000,000	\$ 2,000	\$ 10,440,843	\$ (5,309)	\$ (1,741,348)	\$ 8,782,938
Stock-based compensation	-	-	-	-	-	-	336,527	-	-	336,527
Foreign currency translation	-	-	-	-	-	-	-	165,628	-	165,628
Deemed dividend	-	-	-	-	-	-	-	-	(2,501,048)	(2,501,048)
Net loss	-	-	-	-	-	-	-	-	(7,969,426)	(7,969,426)
Balances – December 31, 2023 (as restated)	86,752,302	\$ 86,752	100	\$ -	2,000,000	\$ 2,000	\$ 10,777,370	\$ 160,319	\$ (12,211,822)	\$ (1,185,381)
Stock-based compensation	-	-	-	-	-	-	487,033	-	-	487,033
Foreign currency translation	-	-	-	-	-	-	-	(188,697)	-	(188,697)
Deemed dividend – gain on disposal of discontinued operations	-	-	-	-	-	-	-	-	3,983,357	3,983,357
Net loss	-	-	-	-	-	-	-	-	(1,905,708)	(1,905,708)
Balances – December 31, 2024	86,752,302	\$ 86,752	100	\$ -	2,000,000	\$ 2,000	\$ 11,264,403	\$ (28,378)	\$ (10,134,173)	\$ 1,190,604

The accompanying notes are in integral part of the consolidated financial statements.

HELO CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2024	2023
Cash flows from operating activities:		(as restated)
Net loss	\$ (1,905,708)	\$ (7,969,426)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	46,549	130,311
Write-off of investment	271,814	-
Write-off of loan	(23,983)	-
Unrealized (gain)/loss on foreign currency	(54,626)	402,830
Loss on sale of fixed assets	-	91,791
Stock-based compensation	487,033	336,527
Deferred tax benefit	(157,272)	-
Non-cash operating lease impact	(10,573)	(70,567)
Change in operating assets and liabilities:		
Decrease in accounts receivable	625,376	1,681,054
Decrease in inventory	96,019	78,812
Increase in prepaid expenses and other current assets	(1,092,501)	(149,129)
Decrease in contract liabilities	(573,989)	(679,639)
Increase/(Decrease) in accounts payable and accrued expenses	1,113,879	(2,161,190)
Net cash used in operating activities	(1,177,982)	(8,308,626)
Cash flows from investing activities:		
Expenditures on fixed assets	(1,362)	-
Proceeds from sale of fixed assets	-	17,151
Cash paid for investment	(10,000)	-
Proceeds from sale of business, net of cash divested	(75,507)	-
Refund on fixed assets	14,916	-
Net cash provided by (used in) investing activities	(71,953)	17,151
Cash flows from financing activities:		
Proceeds from notes payable	1,024,204	-
Net cash provided by financing activities	1,024,204	-
Net change in cash and cash equivalents	(225,731)	(8,291,475)
Effect of foreign exchange rates on cash and cash equivalents	(13,370)	(189,974)
Cash and cash equivalents, beginning of period	286,444	8,767,893
Cash and cash equivalents, end of period	\$ 47,343	\$ 286,444
Supplemental disclosure of cash flow information:		
Cash received (paid) for income taxes	\$ 456,901	\$ 11,313
Cash received (paid) for interest	\$ 48	\$ (1,468)

The accompanying notes are in integral part of the consolidated financial statements.

HELO CORP. AND SUBSIDIARIES
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Note 1. Organization and Business

History

Helo Corp. (referred to herein as “we,” “us,” “our” or “Helo”) was incorporated in the State of Nevada on October 22, 2010, under the name Halton Universal Brands, Inc. (“Halton”). Halton was originally a brokerage, consulting and marketing firm. On October 31, 2018, we changed our name to Helo Corp., with ticker symbol HLOC, to better reflect and support our new business strategy.

In 2019, we formed two wholly-owned subsidiaries, in Ireland, Vyvo Smart Ltd. and in California, Vyvo Technology Corp. and its branch in Italy, which started operating in 2020. In 2020, we established a wholly-owned holding company subsidiary in Hong Kong, Helo Technology HK Ltd. (fka Vyvo Technology HK Ltd.), and its wholly-owned subsidiary in Mainland China, Helo Technology (Shenzhen) Co. Ltd. (fka Shenzhen Vyvo Information Technology Co Ltd.); and a wholly-owned subsidiary, Vyvo Technology Pte. Ltd. (fka InPersona Tech Pte. Ltd. and Vyvo Network Pte Ltd.) in Singapore and its branch in Taiwan. In 2021, we acquired Vyvo Inc. and its subsidiary, Vyvo Network PLC and we established a wholly-owned subsidiary in Japan, Vyvo Network Japan KK. In 2022, we dissolved our wholly-owned subsidiary in the United Kingdom, Vyvo Network PLC.

In connection with strategic restructuring initiatives announced in September 2022, we:

- Formed a wholly-owned subsidiary in Ireland, Helo Health Ltd. in September 2022;
- Changed the names of Vyvo Technology HK Ltd. to Helo Technology HK Ltd. and Shenzhen Vyvo Information Technology Co Ltd. to Helo Technology (Shenzhen) Co., Ltd. in March 2023;
- Sold Vyvo related trademarks and URLs in May 2023;
- Dissolved Vyvo Inc. in July 2023;
- Acquired a wholly-owned subsidiary in Ireland, Helo IP Ltd. in December 2023;
- Sold all remaining Vyvo-branded inventory in Q4 2023;
- Sold Vyvo Network Japan KK in April 2024;
- Sold Vyvo Technology Pte. Ltd. in July 2024;
- Sold Vyvo Smart Ltd. and Vyvo Technology Corp. in September 2024; and
- Acquired Vyvo Wear Pte. Ltd. in November 2024.

Business

We are a data-driven wellness technology company. Helo® wearables and other smart devices are built on Helo's Life Sensing Technology®, which uses state-of-the-art sensors, enhanced signal processing, and algorithms to collect and process specific bio-parameters. Helo is developing the NutraMatic™ and Helo AI™ platform to leverage artificial intelligence and other technologies to analyze wearer data, provide personalized nutrition and recommendations, support the adoption of healthier lifestyle choices and drive human wellness transformation.

Over the past decade, we have developed and launched a variety of technology products and services, which have been distributed through multiple channels, including through multilevel marketing. Beginning in 2019, we developed and launched a range of smart watches, smart scales and other wellness related products and services. These products are manufactured by independent third-party manufacturers on an order-by-order basis.

In January 2021, we entered into a Stock Purchase Agreement (“SPA”) to acquire Vyvo Inc., a Delaware company, and its United Kingdom subsidiary, Vyvo Network PLC, in exchange for 50,007,080 of our common stock, 2,000,000 shares of our Series B Convertible Preferred Stock, 100 shares of our Series A Super Voting Preferred Stock and debt forgiveness amounting to \$1,785,820 (the “Acquisition”). In connection with the Acquisition, we acquired strategic assets, which included patents, technologies and operational assets and specifically NutraMatic™, GlucoStrap™, artificial intelligence (“AI”) protocols and machine learning processes, and Vyvo Network software and specific liabilities in the form of customer loyalty points. Fabio Galdi indirectly owned 77.4% of the voting shares of Vyvo Inc. and had voting power of 52% of our common

HELO CORP. AND SUBSIDIARIES
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stock through an irrevocable Voting Agreement effective December 1, 2020 through the end of June 2021. The entities acquired were under common control and thus any net assets received were accounted for at historical cost.

In the fourth quarter of 2022, we began implementing strategic restructuring initiatives intended to refocus Helo as a wellness technology company, which sells our products through a global ecommerce platform. In connection with these strategic restructuring initiatives, we began discontinuing our network marketing distribution channel and significantly reduced related headcount and occupancy globally. As noted above, we also made certain changes to our subsidiaries.

In October 2022, we introduced our BioSense health band™. Helo® BioSense™ devices sold from the start of 2023 include a Proof-of-Sensing™ chip allowing data collected by each device to be digitally signed, providing a secure chain of data validation and enabling efficient wearable device data monetization.

In December 2022, we commenced selling our products and services through a new ecommerce website via our wholly-owned subsidiary, Helo Health Ltd. To incentivize sales, we pay an affiliate fee to third-party sales affiliates for origination of sales through the Helo Health website. Our first affiliate is InPersona Pte. Ltd. (“InPersona”), a Singapore based HealthFi company that monetizes Helo® wearable device data and uses NFC chips embedded in Helo® devices to allow its customers to spend the funds generated by monetizing their wearable data. Our second affiliate is Vyvo SocialFi Pte. Ltd. (Vyvo SocialFi™), a Singapore based company that uses an AI-powered influencer platform to turn social interactions/social selling into real rewards and residual income through the promotion of our products and services.

In August 2023, we introduced our NutraLife AI™ mobile app and BioStrip™ product, an at-home personal urine test, that together provide users with AI-informed personalized wellness guidance.

In November 2023, we announced the introduction of Helo’s AI platform and NutraMatic™ device. Helo’s AI platform is an easy-to-use consumer platform designed to support wellness improvement and provide easy-to-follow, AI-generated, and app-delivered personalized wellness recommendations based on individual user biodata. NutraMatic is a countertop device, designed to provide users with their AI-optimized and personalized combination of nutrition supplements, based on their current biodata status.

In March 2024, the SpO2 feature of our LifeWatch™ was cleared for marketing through the 510(k) process with the US Food and Drug Administration.

In 2025, we launched our BioSense Watch, a thin, sensor loaded watch that is AI-enabled and incorporates an air quality sensor. In January 2026, we launched our Orb, an AI companion device designed to work with Vyvo’s Life Co-pilot AI, featuring a camera, microphone, speaker and wireless charging. The Orb acts as an always-on assistant for tasks, health tracking, and real-time interaction.

Discontinued Operations

In connection with the strategic restructuring initiatives announced in September 2022, we considered various alternatives with respect to our subsidiaries that focus on Vyvo-branded products. In April 2024, we entered into an agreement to sell all of the outstanding equity of these Vyvo-focused subsidiaries. With this agreement, we believe that we have met the criteria for discontinued operations classification for our Vyvo Smart Ltd. (fka Helo Smart Ltd. and Vyvo Smart Ltd.), Vyvo Technology Corp., Vyvo Network Japan KK and Vyvo Technology Pte. Ltd. (fka InPersona Tech Pte. Ltd. and Vyvo Network Pte. Ltd.) subsidiaries along with their branches in Taiwan and Italy. As such, the consolidated balance sheets and consolidated statements of operations and cash flows reflect those entities as discontinued operations. For additional information regarding the discontinued operations, please see Note 11.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principals of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of Helo and our wholly-owned subsidiaries, Helo Health Ltd., Helo Technology HK Ltd. (fka Vyvo Technology HK Ltd.), Helo Technology (Shenzhen) Co., Ltd. (fka Shenzhen Vyvo

HELO CORP. AND SUBSIDIARIES
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Information Technology Co Ltd.), Vyvo Wear Pte. Ltd. and, through the period of ownership in 2024, Vyvo Smart Ltd. (fka Helo Smart Ltd. and Vyvo Smart Ltd.), Vyvo Technology Corp., Vyvo Inc., Vyvo Network Japan KK and Vyvo Technology Pte. Ltd. (fka InPersona Tech Pte. Ltd. and Vyvo Network Pte Ltd.). All intercompany balances and transactions are eliminated. In the opinion of management, all adjustments, consisting of normal recurring adjustments considered necessary for a fair presentation of our consolidated financial statements have been included.

Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are adjusted to reflect actual experience when necessary. Significant accounting estimates reflected in our consolidated financial statements include revenue recognition, commissions, and the valuation allowance for deferred income taxes. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

Concentration of Credit and Business Risk

We maintain our cash accounts at commercial banks located in various countries, including the United States of America, Ireland and several countries in Asia. In the United States, the FDIC insures \$250,000 per bank for the total of all depository accounts. We perform ongoing evaluations of our financial institutions to limit our concentration of risk exposure. Management believes this risk is not significant due to the financial strength of the institutions utilized by us.

During the years ended December 31, 2024 and 2023, one of our sales affiliate customers, InPersona, accounted for more than 70% of our revenues for which we pay them a fee for facilitating the transaction. InPersona is a related party – see Note 6.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and other highly liquid investments, which are unrestricted as to withdrawal or use, and which have maturities of three months or less when purchased.

Fair Value Measurements

We follow the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurements and Disclosures*, which clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

- Level 1 Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.
- Level 2 Inputs, other than quoted prices in Level 1, that are observable for the asset or liability in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.
- Level 3 Unobservable inputs that reflect management’s assumptions based on the best available information.

We did not identify any additional assets and liabilities that are required to be presented in the balance sheets at fair value in accordance with the relevant accounting standards. The carrying amount of our cash and cash equivalents, inventory, prepaid expenses, accounts payable and accrued expenses and due from/to related parties approximate their fair value because of the short-term nature of these instruments.

HELO CORP. AND SUBSIDIARIES
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Revenue Recognition

We account for revenue recognition in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized when we transfer promised goods or services to our customers, in amounts that reflect the consideration that we expect to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under each agreement, we perform the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) we satisfy each performance obligation. We only apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to the customer.

Approximately 38% of revenue for the year ended December 31, 2023 was from product sales through our wholly-owned subsidiary, Vyvo Smart Ltd. (fka Helo Smart Ltd. and Vyvo Smart Ltd.). These sales were based on e-commerce orders placed by customers. Vyvo Smart's platform ensures that payment is presented for processing by third party payment processors and if the transaction is approved, the customer's order is scheduled for shipment and the sales referral commissions are calculated and paid out by third-party payment providers. We recognize revenue from these product sales and from redemption of affiliate vouchers for products, only upon shipment of products when control of such products is obtained by the customer who placed the e-commerce order. While prior subscription-based services continue to be fulfilled by Vyvo Smart's platform, in the first quarter of 2023 we transitioned our wellness-focused customer sales to our new Helo Health platform, which accounted for approximately 62% of our revenue for the year ended December 31, 2023, the year of transition, and 100% of our revenue for the year ended December 31, 2024. For products and services purchased through the Helo Health and Vyvo Smart platforms, we pay a fee for sales attributed to an affiliate.

Included in contract liabilities is the estimated amount of vouchers which could be used for future subscription services. At the time of product sales, a customer may receive such a voucher. The contract liability represents the amount that is expected to be used by the customer, and is recorded as a reduction of net revenue in the period which the related revenue is recognized. Any amount received from a customer, of which revenue has not been recognized and is therefore deferred revenue, is also included in contract liabilities.

We generally offer customers a limited right of return for products purchased. We estimate the amount of our product sales that may be returned by customers and record this estimate as a reduction of revenue in the period the related product revenue is recognized. We currently estimate product return reserves using our historical return rates as well as factors that we become aware of that we believe could significantly impact our expected returns. We generally do not record an asset for the returned product.

Sales, value add, and other taxes collected on behalf of third parties are excluded from revenue. We account for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products. We record the related costs within cost of goods sold.

Accounts Receivable

Accounts receivable represent revenue earned from the sale of products for which we have not yet received payment. Accounts receivable are recorded at the invoiced amount and adjusted for amounts management expects not to collect from balances outstanding at period-end. We estimate the allowance for doubtful accounts based on an analysis of specific accounts and an assessment of the customer's ability to pay, among other factors. As of December 31, 2024 and 2023, no allowance for doubtful accounts was recorded.

HELO CORP. AND SUBSIDIARIES
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Inventory

As of December 31, 2024 and 2023, inventory consisted of devices and accessories and were stated at the lower of cost, as determined by the first-in first-out method, or net realizable value.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Chipsets	\$ 1,280,883	\$ 1,291,830
Finished products and accessories	192,671	264,756
	<u>\$ 1,473,554</u>	<u>\$ 1,556,586</u>

Prepaid expenses and other current assets

As of December 31, 2024 and 2023, prepaid expenses and other current assets consists of the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepaid chipsets	\$ 1,459,595	\$ 1,636,600
Prepaid product development	1,286,457	86,787
Other prepaids and other current assets	462,197	393,706
	<u>\$ 3,208,249</u>	<u>\$ 2,117,093</u>

Stock-Based Compensation

We issue stock options principally to incentivize our employees. We account for the related stock-based compensation expense pursuant to FASB guidance, using the fair-value based method. Under this fair-value based method, stock-based compensation expense recognized for stock-based awards includes compensation expense for all stock-based compensation awards granted, based on the grant date fair value estimated in accordance with the provisions of ASC 718.

The calculation of stock-based compensation expense involves estimates requiring management's judgment. These estimates include the fair value of each stock-based award granted, which is estimated on the date of grant using the Black-Scholes option pricing model. There are two significant inputs in the Black-Scholes pricing model: expected volatility and expected term. We estimate expected volatility based on the average volatilities of comparable public companies. The expected term of stock-based awards granted is management's best estimate of the length of time the stock-based award will be outstanding and typically follows the Simplified Method as provided for in the guidance. Other assumptions in the Black-Scholes option pricing model include the risk-free rate for periods within the contractual life of the option, which is based on the U.S. Treasury yield curve in effect at the time of grant, and expected dividends, which were assumed to be zero over the expected term of the options.

Income Taxes

We utilize FASB ASC 740, *Income Taxes*, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, 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 reporting 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. Deferred taxes are also recognized for net operating losses that can be carried forward. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. We do not have any uncertain tax positions or any unrecognized tax liabilities or benefits.

Currently, our 2020 through 2024 tax years are open and subject to examination by the taxing authorities. However, we are not currently under audit.

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Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. We provide for depreciation on a straight-line basis over the estimated useful lives of the assets, which are as follows: five years for equipment and tools, three years for design costs and three years for platforms. We evaluate property and equipment for impairment periodically to determine if changes in circumstances or the occurrence of events suggest the carrying value of the asset or asset group may not be recoverable. Maintenance and repairs are charged to operations as incurred. Expenditures which substantially increase the useful lives of the related assets are capitalized.

Contract Liabilities

Contract liabilities consisted of the following as of December 31, 2024 and 2023.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Affiliate fee to InPersona	\$ 128,575	\$ 700,046
Deferred revenue	62,174	64,692
	<u>\$ 190,749</u>	<u>\$ 764,738</u>

Accounts Payable and Accrued Expenses

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable	\$ 1,594,410	\$ 1,158,496
Income taxes payable	436,335	747,620
Other accrued expenses	724,678	348,139
	<u>\$ 2,755,423</u>	<u>\$ 2,254,255</u>

Research and Development

We expense research and development costs as incurred.

Loss on Investment

In June 2022, we made an investment, representing 16.7% of the shares of a newly established company that was developing intellectual property related to a wearable micropatch used to monitor nutrients. We accounted for the investment under the cost method. In September 2024, we determined, based on the lack of progress being made by the investee in developing a commercial product, that our investment was fully impaired. As such, we recognized a loss on our entire investment of \$271,814.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangements, stock options or warrants. Potentially dilutive shares are not included when there is a net loss because they would be anti-dilutive. For the years ended December 31, 2024 and 2023, potentially dilutive shares consisted of the 2,000,000 shares of Series B Preferred Stock convertible at 100:1 and stock options vested and exercisable of 1,150,238 and 545,476, respectively. Stock options were not included in the calculation of diluted net income (loss) per common share because the effect would have been anti-dilutive.

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Recent Accounting Pronouncements

In June 2016, the FASB issued a new credit loss accounting standard, ASU 2016-13, *Current Expected Credit Losses* (“Topic 326”). This guidance replaces the current allowance for loan and lease loss accounting standard and focuses on estimation of expected losses over the life of the loans instead of relying on incurred losses. We adopted the new standard on January 1, 2023 for the year ending December 31, 2023, and the adoption did not have a material impact on our consolidated financial statements.

Note 3. Going Concern

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate the realization of assets and liquidation of liabilities in the normal course of business and the continuation of Helo as a going concern. However, as shown in the accompanying consolidated financial statements, we have incurred losses from operations, including discontinued operations, of \$1,905,708 and \$7,969,426 during the years ended December 31, 2024 and 2023, respectively, and our cash and cash equivalents decreased from \$8,767,893 as of December 31, 2022 to \$47,343 as of December 31, 2024. As such, management has concluded that these factors raise substantial doubt about our ability to continue as a going concern.

To continue operations, we must raise debt or additional equity financing. There can be no assurance that these sources will be available or available on terms favorable to us. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary should we be unable to continue in existence. Management believes that actions presently being taken provide the opportunity for us to continue as a going concern.

Note 4. Property and Equipment

Property and equipment consist of the following as of December 31, 2024 and 2023:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Platform cost	\$ 38,852	\$ 38,852
Equipment and tools	577,686	576,324
Less: accumulated depreciation	(466,749)	(438,239)
Property and equipment, net	<u>\$ 149,789</u>	<u>\$ 176,937</u>

Depreciation expense included in continuing operations for the years ended December 31, 2024 and 2023, was \$36,280 and \$72,084, respectively. Depreciation expense related to discontinued operations for the years ended December 31, 2024 and 2023, was \$10,269 and \$58,227, respectively. In January 2024, one of our subsidiaries, which is part of discontinued operations, received a refund of \$14,916 related to amounts previously paid for equipment. As the equipment had already been depreciated, we recognized a benefit for \$14,916, which is reflected in the depreciation expense amounts noted above.

Note 5. Stockholders’ Equity

On December 31, 2020, our Articles of Incorporation were amended such that the aggregate number of shares of capital stock which we have the authority to issue is 402,000,100, consisting of 400,000,000 shares of common stock with full voting rights and a par value of \$0.001 per share and 2,000,100 shares of preferred stock, with a par value of \$0.001 per share, consisting of 100 shares of Series A Super Voting Preferred Stock and 2,000,000 shares of Series B Preferred Stock.

As of December 31, 2024 and 2023, 86,752,302 shares of common stock were issued and outstanding, 100 shares of Series A Super Voting Preferred Stock were issued and outstanding, and 2,000,000 shares of Series B Preferred Stock were issued and outstanding.

The Series A Super Voting Preferred Stock is entitled to 1,000,000 votes for each share and shall vote together with the holders of common stock as a single class, are not entitled to receive dividends or, have liquidation preference, and are not convertible.

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The Series B Preferred Stock has no voting rights, is not entitled to receive dividends or liquidation preference. Each share of Series B Preferred Stock is convertible, at any time and from time to time and after the original issue date at the option for the holder thereof, into 100 shares of common stock.

Note 6. Related Parties

We pay fees to Anch Holdings Ltd. (“Anch”) pursuant to a professional services agreement. Sean McVeigh, a significant shareholder, chairman and chief executive officer of Helo, owns and controls Anch. For further information regarding this agreement, see Note 7.

Fabio Galdi is our largest shareholder and chief visionary officer and receives compensation pursuant to an employment agreement. For further information regarding this agreement, see Note 7. A loan from our Singapore subsidiary to Mr. Galdi amounting to \$25,183 is included in accounts receivable on our consolidated balance sheet as of December 31, 2023. This loan was transferred in connection with the agreement to sell all of the outstanding equity of our Vyvo-focused subsidiaries, see Note 12.

Fabio Galdi is a shareholder and CEO of Vyvo Smart Chain Ltd. (the “Foundation”). Fabio’s brother, Gabriele Galdi, is a shareholder and the sole director of the Foundation and serves as a director of VSC Tech Pte. Ltd. (“VSC Tech”), a wholly-owned subsidiary of the Foundation. The Foundation and VSC Tech covers related expenses of Messrs. Galdi and they will be entitled to receive VSC coins, in amounts to be determined by the Foundation in the future, but do not receive salaries from the Foundation or VSC Tech. In January 2023, we entered into a Private Key Agreement with the Foundation and VSC Tech. In May 2023, we entered into a Trademark Acquisition Agreement with VSC Tech. In April 2024, we entered into a Share Purchase Agreement with VSC Tech. For further information regarding these agreements, see Notes 7 and 12.

Fabio Galdi and Gabriele Galdi are the only shareholders of an entity that wholly owns InPersona. Gabriele Galdi serves as sole director of both InPersona and its parent company. InPersona and its parent company cover related expenses of Messrs. Galdi, but do not pay them salaries. In the first quarter of 2023, we prepaid \$195,000 in sales commissions to InPersona, which will be credited against commissions incurred by InPersona in the future. In the fourth quarter of 2023, InPersona acquired aging and obsolete inventory that we had previously written off.

Effective January 1, 2023, our subsidiaries, Vyvo Smart Ltd. (fka Helo Smart Ltd. and Vyvo Smart Ltd.) (“Vyvo Smart”) and Helo Health Ltd. (“Helo Health”), entered into Services Agreements with VGEN Global Pte. Ltd. (“VGEN Global”). Under the terms of the agreements, VGEN Global agreed to provide services to Vyvo Smart and Helo Health for a term of 12 months. Vyvo Smart and Helo Health agreed to pay predetermined hourly fees for the services provided, with a minimum fee of \$10,000 per month for the first six months. Pursuant to these agreements, VGEN Global received \$113,684 from Helo subsidiaries for the year ended December 31, 2023. Fabio and Gabriele Galdi serve as directors of an entity that wholly owns VGEN Global and Alessandro Senatore, a member of our Board of Directors and our second largest shareholder, serves as VGEN Global’s chief executive officer. VGEN Global covers expenses of Mr. Senatore and pays him a salary.

As of December 31, 2023, a net balance due from Vyvo India Pte. Ltd. (“Vyvo India”) was \$56,976. This balance was non-interest bearing and was settled in connection with the agreement to sell all of the outstanding equity of our Vyvo-focused subsidiaries, see Note 12. Gabriele Galdi is the majority shareholder and one of two directors of Vyvo India.

Effective March 15, 2023, our subsidiaries, Vyvo Smart and Helo Health, entered into Services Agreements with VGEN Service SRL (“VGEN Service”). Under the terms of the agreements, VGEN Service agreed to provide services to Vyvo Smart and Helo Health for a term of 12 months. Vyvo Smart and Helo Health agreed to pay predetermined hourly fees for the services provided, with a minimum fee of \$10,000 per month for the first six months. Pursuant to these agreements, VGEN Service received a total of \$31,838 and \$385,595 from Helo subsidiaries for the years ended December 31, 2024 and 2023, respectively. In the fourth quarter of 2023, Mr. Senatore married one of the shareholders and employees of VGEN Service who receives a salary as an employee of VGEN Service.

In November 2024, we acquired all of the shares of Vyvo Wear Pte. Ltd. for \$10,000 from Gabriele Galdi. Vyvo Wear was formed in August 2024 and is based in Singapore. We anticipate using Vyvo Wear to facilitate sales of our wearable products in the future.

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Notes Payable to Related Parties

During the year ended December 31, 2024, several related parties paid expenses on our behalf. We entered into separate unsecured promissory notes that accrue interest at 5% per annum with the following:

	<u>December 31, 2024</u>	<u>Due Date</u>
InPersona	\$ 70,656	December 31, 2025
VSC Tech	736,402	December 31, 2026
Odee Digital Pte. Ltd. (“Odee Digital”)	160,247	December 31, 2026
Anch	50,000	December 31, 2026
Vyvo SocialFi	6,899	December 31, 2026
	<u>1,024,204</u>	
Accrued interest	24,454	
Total	<u>\$ 1,048,658</u>	

Fabio Galdi is a director of Odee Digital. The president of Vyvo SocialFi is Fabio Galdi and its CEO is Alessandro Senatore.

Note 7. Commitments and Contingencies

Regulatory and Litigation Matters

In the ordinary course of business, we may from time to time be involved in various pending or threatened legal actions. The litigation process is inherently uncertain, and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. We are not currently involved in any material litigation, except as follows:

In July 2020, Nattrina and Chanida Puranaputra, et al. (“Plaintiffs”), filed a complaint in the Utah Fourth District State Court against World Global Network, Pte. Ltd. (“WGN”), Sean McVeigh, Fabio Galdi, Alessandro Senatore and other defendants, including Helo and certain of our officers and directors (“Defendants”). Plaintiffs seek compensatory and punitive damages in excess of \$28 million, purporting claims of breach of contract, unjust enrichment, fraudulent misrepresentation, breach of the covenant of good faith and fair dealing and securities fraud, related to cash and stock compensation for Plaintiffs’ product sales as former sales leaders of WGN, which was previously our exclusive distributor. In March 2024, this matter was dismissed with prejudice.

In addition, we are subject to government regulations in our markets. Any assertions or determination that we are not in compliance with existing statutes, laws, rules or regulations could have a material adverse effect on our operations. In addition, the adoption of new statutes, laws, rules or regulations or changes in the interpretation of existing statutes, laws, rules or regulations could have a material adverse effect on us and our operations. No assurance can be given that our compliance with applicable statutes, laws, rules and regulations will not be challenged by authorities or that such challenges will not have a material adverse effect on our financial position, results of operations or cash flows.

We are also subject to regular audits by federal, state and foreign tax authorities. These audits may result in additional tax liabilities.

Employment and Professional Services Agreements

Effective as of April 1, 2023, Helo and Anch entered into an amended and restated professional services agreement with an automatically renewing term of 1 year, pursuant to which Mr. McVeigh serves as our chief executive officer and director of our subsidiaries in Ireland. As consideration for such services, we agreed to pay Anch for Mr. McVeigh’s services (i) an annual base fee of \$360,000, (ii) a bonus of 100% of the annual base fee upon achievement of certain deliverables, which our Board or a committee thereof shall determine and review, and (iii) six months of base fees and target bonus if the agreement is terminated early by us without cause. Effective as of January 1, 2024, Anch’s base fee was temporarily reduced to \$15,000 per month. On February 25, 2024, in addition to performance-based options, the Board granted Mr. McVeigh 225,000 time-based options in lieu of Anch’s full base fee.

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Effective as of April 1, 2023, Helo and Clayton Jones entered into an amended and restated employment agreement with an automatically renewing term of 1 year, pursuant to which Mr. Jones serves as our chief legal officer. As consideration for such services, we agreed to pay (i) an annual base salary of \$300,000, (ii) target cash incentive compensation of 100% of annual base salary upon achievement of certain deliverables, which our Board or a committee thereof shall determine and review (iii) equity incentives, the amount and terms of which will be determined by our Board or a committee thereof, (iv) standard employee benefits, and (v) six months of base salary and target bonus if Mr. Jones' employment is terminated early by us without cause. On December 2, 2024, Mr. Jones resigned his position as the Company's chief legal officer and thus forfeited his time-based options.

Effective as of August 1, 2023, Helo and Mr. Galdi entered into an amended and restated employment agreement with an automatically renewing term of 1 year, pursuant to which Mr. Galdi's role changed from chief technology officer to Chief Visionary Officer. As consideration for such services, we agreed to pay (i) target incentive compensation of \$360,000, based upon achievement of certain corporate and personal performance-based targets, which our Board shall determine and review, (ii) standard employee benefits, and (iii) \$100,000 if Mr. Galdi's employment is terminated early by us without cause.

Effective as of December 1, 2023, Helo and Kevin Fuller entered into an employment agreement with an automatically renewing term of 1 year, pursuant to which Mr. Fuller serves as president of Helo AI and as Helo's chief marketing officer. As consideration for such services, Helo agreed to pay (i) an annual base salary of \$120,000, (ii) target cash incentive compensation of 50% of annual base salary and (iii) equity incentives, as determined by the Company's Board. On February 25, 2024, in addition to performance-based options, the Board granted Mr. Fuller 150,000 time-based options in lieu of a higher salary. On September 16, 2024, Mr. Fuller resigned his position as the Company's chief marketing officer and thus forfeited his time-based options.

Effective as of January 18, 2024, Helo and David Ufheil entered into an independent consultant agreement with a term of 6 months, pursuant to which Mr. Ufheil serves as the Company's chief financial officer. As consideration for such services, the Company agreed to pay (i) \$8,000 per month and (ii) equity incentives, as determined by the Company's Board. On February 25, 2024, in addition to performance-based options, the Board granted Mr. Ufheil 150,000 time-based options in lieu of higher consulting fees.

Other Contingent Liabilities

In January 2023, we entered into a Private Key Agreement with the Foundation and VSC Tech. Under the terms of the agreement, we agreed to pay VSC Tech a negotiated fee to license software and provision private keys on our wearable devices. In addition, the Foundation agreed to recognize and promote us on the Foundation's website as a Premier Foundation Sponsor for 24 months, store our customers' historical and ongoing wellness data and grant us rights to receive an allotment of locked VSC coins by the Foundation. We paid \$3 million of our initial \$5 million purchase in cash on or before signing the agreement, which is accounted for as a deemed dividend due to the related-party nature of the transaction, and the remainder will be due upon VSC Tech and the Foundation achieving specific technical milestones. In May 2023, we entered into a Trademark Acquisition Agreement with VSC Tech to sell VSC Tech our interest in certain Vyvo trademarks, internet domain name registrations and social media accounts for \$1 million, which was set off against the amount owed by us to VSC Tech pursuant to the Private Key Agreement and is accounted for as a deemed dividend. In September 2023, we received 250,000,000 VSC coins pursuant to Private Key Agreement and subject to certain conditions, including a 24-month lock. In April 2024, we entered into a Share Purchase Agreement with VSC Tech to sell VSC Tech all of the outstanding shares of certain Vyvo-related subsidiaries for \$1 million, which was set off against the remaining \$1 million owed by us to VSC Tech pursuant to the Private Key Agreement and, once the transaction closed on September 30, 2024, it was accounted for as a deemed dividend. For further information regarding the Share Purchase Agreement, please see Note 12. For information regarding related parties involved in these transactions, please see Note 6. In accordance with ASU No. 2023-08, *Accounting for and Disclosure of Crypto Assets*, we did not account for the receipt of the VSC coins due to the related-party nature of the transaction.

Leases

We lease certain property, such as office and equipment. We determine if an arrangement is a lease at inception. Lease maturity is calculated as the initial lease term and all options to extend that management estimates to be reasonably certain to exercise at lease commencement. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

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Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets are recognized at commencement date based on the present value of lease payments over the lease term. As our leases generally do not provide an implicit rate, we use a risk-free interest rate based on U.S. Treasury rate information available at the commencement date in determining the present value of lease payments.

We have lease agreements with lease and non-lease components and have elected to account for these as a single lease component. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

As of December 31, 2024, we are the lessee on one operating lease for office space in Utah. As of December 31, 2023, we were lessee on the operating lease in Utah and a month-to-month office lease in Tokyo, Japan. However, in October 2022, we subleased the Utah office space to a third party on substantially the same terms as our lease with the landlord. The Tokyo office lease was transferred as part of the Share Purchase Agreement (see Note 12) in April 2024.

Operating lease expense included in continuing operations was \$272,439 for the years ended December 31, 2024 and 2023. Operating lease expense included in discontinued operations was \$0 and \$282,890 for the years ended December 31, 2024 and 2023, respectively. Operating lease income included in continuing operations from the Utah sublease was \$272,439 for the years ended December 31, 2024 and 2023. Operating cash flows used for operating leases was \$283,010 and \$617,230 for the years ended December 31, 2024 and 2023, respectively.

The weighted average remaining lease term and weighted average discount rate related to the remaining lease were 1.75 years and 1.69%, respectively, as of December 31, 2024.

Supplemental balance sheet information related to leases from continuing operations is as follows as of December 31, 2024 and 2023:

	<u>Right of Use Asset</u>	<u>Lease Liability</u>
As of December 31, 2022	\$ 986,996	\$ 1,039,190
Amortization	(256,866)	(259,160)
As of December 31, 2023	730,130	780,030
Amortization	(261,343)	(271,916)
As of December 31, 2024	<u>\$ 468,787</u>	<u>\$ 508,114</u>

Supplemental balance sheet information related to leases from discontinued operations is as follows as of December 31, 2024 and 2023:

	<u>Right of Use Asset</u>	<u>Lease Liability</u>
As of December 31, 2022	\$ 499,059	\$ 567,333
Lease terminations	(206,562)	(210,893)
Amortization	(292,497)	(356,440)
As of December 31, 2023 and 2024	<u>\$ -</u>	<u>\$ -</u>

Future maturities of operating lease liabilities as of December 31, 2024 are as follows:

<u>Year ended December 31,</u>	<u>Minimum Lease Payments</u>
2025	\$ 291,503
2026	224,594
Total	<u>516,097</u>
Lease interest	7,983
Present value of future minimum lease payments	<u>508,114</u>
Less current obligations	(285,103)
Long-term lease obligations	<u>\$ 223,011</u>

As of December 31, 2024, we have no operating or finance leases that have not yet commenced. On September 1, 2025, we entered into a 2-year operating lease agreement for our facility in Shenzhen, China. The monthly payments are RMB 20,000 per month.

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Note 8. Income Taxes

Income Tax Provision

Components of income tax expense from continuing operations for the years ended December 31, 2024 and 2023 are as follows:

	<u>Year ended</u> <u>December 31, 2024</u>	<u>Year ended</u> <u>December 31, 2023</u>
Current tax expense (benefit):		
Federal	\$ (213,056)	\$ -
State	-	-
Foreign	(36,503)	202,916
Total current tax expense (benefit)	(249,559)	202,916
Deferred tax expense (benefit)		
Federal	-	-
State	-	-
Foreign	(157,272)	-
Total deferred tax expense (benefit)	(157,272)	-
Income tax provision (benefit)	<u>\$ (406,831)</u>	<u>\$ 202,916</u>

A reconciliation between the income tax provision from continuing operations and the amount computed by applying the statutory federal tax rate of 21% to income before income taxes is as follows:

	<u>2024</u>	<u>2023</u>
Tax at federal statutory rate	\$ (429,856)	\$ (1,134,110)
Permanent differences	249	438
Change in valuation allowance	116,018	909,675
Foreign taxes (principally rate differential)	(56,739)	426,913
Return to provision true ups	(36,503)	-
Income tax expense (benefit)	<u>\$ (406,831)</u>	<u>\$ 202,916</u>

Deferred Tax Assets

Components of deferred taxes as of December 31, 2024 and 2023 are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deferred tax asset:		
Expected income tax benefit from NOL carryforwards	\$ 355,428	\$ 722,752
Accrued expenses	64,788	26,116
Fixed assets	30,224	44,538
Lease liability	106,704	163,806
Stock-based compensation	257,911	155,634
Investments	56,246	56,246
Other	170	5,108
Less: valuation allowance	(611,620)	(1,020,872)
Deferred tax asset, net of valuation allowance	259,851	153,327
Deferred tax liability:		
Right of use asset	(98,445)	(153,327)
Other	(4,135)	-
Deferred tax liability	(102,580)	(153,327)
Net deferred tax asset	<u>\$ 157,271</u>	<u>\$ -</u>

At December 31, 2024, we had net operating loss (“NOL”) carry-forwards for federal income tax purposes of approximately \$943,000, which may be offset against future taxable income and do not expire. No tax benefit has been reported with respect to these net operating loss carry-forwards in the accompanying consolidated financial statements because we believe that the

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realization of our net deferred tax assets were not considered more likely than not to be utilized and accordingly, the potential tax benefits of the net loss carry-forwards are fully offset by a valuation allowance.

At December 31, 2024, we had NOL carry-forwards for foreign income tax purposes of approximately \$1,258,000, which may be offset against future taxable income and do not expire. We determined it is more likely than not that these foreign net operating loss carry-forwards will be utilized, so we have not offset them with a valuation allowance.

We periodically evaluate the likelihood of the realization of net deferred tax assets and reduce the carrying amount by a valuation allowance to the extent we believe it will not be realized. We consider many factors when assessing the likelihood of future realization of the net deferred tax assets, including our results of operations, expectation of future income, and other relevant factors.

Deferred tax assets consist primarily of the tax effect of NOL carry-forwards. We provided a valuation allowance on the deferred tax assets because of the uncertainty regarding its realization up to the foreign net operating loss carry-forwards that we determined are more likely than not to be utilized in against future foreign taxable income.

Note 9. Stock-Based Compensation

2018 Stock Option Plan

Our 2018 Stock Option Plan (the “Plan”), as amended, authorizes the granting of stock awards, including incentive and non-statutory common stock options, to employees, directors, and consultants. The Plan has authorized the issuance of options to purchase up to an aggregate of 7,000,000 shares of our common stock, and we reserved all such shares for issuance under the Plan.

Option awards are generally granted with an exercise price equal to the market price of our stock at the date of grant. Option awards may be fully vested at grant or subject to time-based or performance-based vesting requirements and have a maximum term of ten (10) years measured from the date of grant. We estimate the value of our stock options using fair value on the grant date.

A summary of the option activity under the Plan for years ended December 31, 2024 and 2023 is presented below:

	Number of options	Weighted- average exercise price	Average remaining contractual term	Aggregate intrinsic value
Options outstanding-January 1, 2023	1,007,857	\$ 2.35		
Granted	1,200,000	0.60		
Canceled or expired	(462,381)	2.97		
Exercised	-	-		
Options outstanding-December 31, 2023	<u>1,745,476</u>	<u>\$ 0.98</u>	<u>9.16</u>	<u>\$ -</u>
Granted	2,167,500	0.58		
Canceled or expired	(1,165,238)	0.78		
Exercised	-	-		
Options outstanding-December 31, 2024	<u>2,747,738</u>	<u>\$ 0.75</u>	<u>8.73</u>	<u>\$ -</u>
Options exercisable-December 31, 2024	<u>1,150,238</u>	<u>\$ 0.98</u>	<u>8.15</u>	<u>\$ -</u>

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A summary of the status of our non-vested options issued under the Plan as of and for the years ended December 31, 2024 and 2023 is presented below:

	<u>Options</u>		<u>Weighted-average grant-date fair value</u>
Nonvested at January 1, 2023	357,143	\$	2.81
Granted	1,200,000		0.57
Vested	-		-
Forfeited or expired	(357,143)		2.81
Nonvested at December 31, 2023	1,200,000	\$	0.57
Granted	2,167,500		0.57
Vested	(700,000)		0.57
Forfeited or expired	(1,070,000)		0.57
Nonvested at December 31, 2024	<u>1,597,500</u>	<u>\$</u>	<u>0.57</u>

Compensation cost that has been charged against income in connection with options granted under the Plan was \$487,033 and \$336,527 for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, unrecognized stock-based compensation related to nonvested awards granted under the Plan was \$26,210.

The assumptions used in calculating the fair value of stock-based payment awards represent management's best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change or we use different assumptions, stock-based compensation expense could be materially different in the future. The following table summarizes the inputs used in the Black-Scholes pricing model during the years ended December 31:

	<u>2024</u>	<u>2023</u>
Expected dividend yield	None	None
Risk free interest rate	4.29%	3.37%
Expected volatility	225.7%	171.9%
Term	5 years	5 years

Note 10. Risk and Uncertainties

As disclosed in Note 3, we have incurred losses from operations, including discontinued operations and we have limited cash and cash equivalents. As such, management has concluded that these factors raise substantial doubt about our ability to continue as a going concern. To continue operations, we must raise debt or additional equity financing. There can be no assurance that these sources will be available or available on terms favorable to us. If we are not successful in raising debt or additional equity financing, we may be required to delay, modify or eliminate our product development and other initiatives, and we may not be able to continue operating.

Economic uncertainty, inflation, exchange rate fluctuations, tariffs and geopolitical instability, could have negative implications for both the global and US economies. A recession or severe market reaction to any of the foregoing could have a material effect on our business operations and financial condition.

Our revenue is largely dependent on the performance of our affiliates. If operations of our affiliates are disrupted, it will negatively impact our revenue and growth opportunities.

In May 2024, we furloughed all remaining employees and agreed to restrict payments to some vendors and independent contractors. We anticipate that these restrictions and furlough will continue until cash flows improve or financing is secured.

Note 11. Discontinued Operations

In connection with the strategic restructuring initiatives announced in September 2022, we considered various alternatives with respect to our subsidiaries that focus on Vyvo-branded products. In April 2024, we entered into Share Purchase Agreement to sell all of the outstanding equity of these Vyvo-focused subsidiaries. With this agreement, we believe that we

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have met the criteria for discontinued operations classification for our Vyvo Smart Ltd. (fka Helo Smart Ltd. and Vyvo Smart Ltd.), Vyvo Technology Corp., Vyvo Network Japan KK and Vyvo Technology Pte. Ltd. (fka InPersona Tech Pte. Ltd. and Vyvo Network Pte. Ltd.) subsidiaries along with their branches in Taiwan and Italy. As such, the consolidated balance sheets and consolidated statements of operations and cash flows reflect those entities as discontinued operations. For further information regarding the Share Purchase Agreement, please see Note 12.

The key components of loss from discontinued operations for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31,	
	2024	2023
Product revenue	\$ 169,085	\$ 2,090,138
Cost of goods sold	41,323	1,390,653
Gross profit	127,762	699,485
Operating expenses:		
Selling, including commissions	18,753	1,495,678
General and administrative	(61,341)	1,529,946
Total operating expenses (income)	(42,588)	3,025,624
Operating profit (loss)	170,350	(2,326,139)
Interest income	65	344
Other income	-	51,597
Debt write-off	(91,815)	-
Loss on disposal of fixed assets	-	(91,791)
Income (loss) before income taxes	78,600	(2,365,989)
Income tax expense	344,205	-
Loss from discontinued operations	\$ (265,605)	\$ (2,365,989)

The carrying amounts of the major classes of assets and liabilities included in discontinued operations are as follows as of December 31, 2023:

	December 31, 2023
Assets	
Cash and cash equivalents	\$ 227,581
Accounts receivable	-
Inventory	147,189
Prepaid expenses and other current assets	71,161
Current assets, discontinued operations	\$ 445,931
Fixed assets	\$ 40,275
Due from related parties	144,957
Non-current assets, discontinued operations	\$ 185,232
Liabilities	
Accounts payable and accrued expenses	\$ 3,412,205
Current liabilities, discontinued operations	\$ 3,412,205

The key components of cash flows from discontinued operations for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Cash flows from operating activities	\$ (152,074)	\$ (4,557,266)
Cash flows from investing activities ⁽¹⁾⁽²⁾	(75,507)	17,151
Change in cash and cash equivalents	(227,581)	(4,540,115)
Cash and cash equivalents, beginning of period	227,581	4,767,696
Cash and cash equivalents, end of period	\$ -	\$ 227,581

⁽¹⁾ 2024 includes \$75,507 of cash transferred to VSC Tech as part of the sale

⁽²⁾ 2023 includes proceeds from sales of fixed assets

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Note 12. Share Purchase Agreement

In April 2024, Helo entered into a Share Purchase Agreement (the “Share Purchase Agreement”) with VSC Tech, pursuant to which Helo agreed to sell all outstanding shares of Vyvo Smart Ltd. (fka Helo Smart Ltd. and Vyvo Smart Ltd.), Vyvo Technology Corp., Vyvo Network Japan KK and Vyvo Technology Pte. Ltd. (fka InPersona Tech Pte. Ltd. and Vyvo Network Pte. Ltd.) subsidiaries along with their branches in Taiwan and Italy (the “Target Companies”) to VSC Tech for \$1,000,000 as an offset against the amount owed by Helo to VSC Tech pursuant to the January 2023 Private Key Agreement. As agreed by the parties, the Target Companies were transferred to VSC Tech on or before September 30, 2024, following certain intercompany settlements and other adjustments. Pursuant to the Share Purchase Agreement, Vyvo Network Japan KK was transferred in April 2024, Vyvo Technology Pte. Ltd. was transferred in July 2024, and Vyvo Smart Ltd. and Vyvo Technology Corp. were transferred in September 2024. We recognized a gain of \$3,983,357 on the transfer of the subsidiaries to VSC Tech, which is reflected in the consolidated statement of changes in stockholders’ equity (deficit) for the year ended December 31, 2024 as a deemed dividend as the acquiror, VSC Tech, is a related party. For information regarding related parties involved in this transaction, please see Note 6. For additional information regarding these discontinued operations, please see Note 11.

Note 13. Restatement

Subsequent to the issuance of our consolidated financial statements in April 2024, we determined that numerous accounting errors and reclassifications existed in our previously issued 2023 consolidated financial statements. The impact of these accounting errors and reclassifications is depicted in the following tables. The consolidated balance sheets as of December 31, 2023 and the consolidated statements of operations, cash flows and changes in stockholders’ equity (deficit) for the years ended December 31, 2023 have been restated to reflect these adjustments.

Balance sheet

	December 31, 2023 as previously reported	Correction of errors and reclassifications	December 31, 2023 as restated
Current assets:			
Cash and cash equivalents	\$ 58,863	\$ -	\$ 58,863
Accounts receivable	3,172,958	(2,508,577) (1)	664,381
Inventory	1,607,966	(51,380) (2)	1,556,586
Investments	208,131	(208,131) (3)	-
Prepaid expenses and other current assets	5,676,384	(3,559,291) (4)	2,117,093
Current assets, discontinued operations	1,444,943	(999,012) (5)	445,931
Total current assets	12,169,245	(7,326,391)	4,842,854
Property and equipment, net	267,630	(90,693) (6)	176,937
Right of use asset	730,130	-	730,130
Intangible assets, net	-	31,082 (6)	31,082
Intangible assets under development	-	59,612 (6)	59,612
Intangible asset - cryptocurrency	15,195,000	(15,195,000) (7)	-
Non-current assets, discontinued operations	97,250	87,982 (8)	185,232
Total assets	\$ 28,459,255	\$ (22,433,408)	\$ 6,025,847
Current liabilities:			
Contract liability	\$ 959,738	\$ (195,000) (9)	\$ 764,738
Accounts payable and accrued expenses	1,439,952	814,303 (10)	2,254,255
Lease liability – current portion	508,116	(236,202) (11)	271,914
Current liabilities, discontinued operations	3,024,670	387,535 (12)	3,412,205
Total current liabilities	5,932,476	770,636	6,703,112
Lease liability – net of current maturities	271,914	236,202 (11)	508,116
Deferred tax liability	3,190,950	(3,190,950) (13)	-
Total liabilities	9,395,340	(2,184,112)	7,211,228
Stockholders’ equity (deficit):			
Series A Preferred stock	-	-	-
Series B Preferred stock	2,000	-	2,000
Common stock	86,752	-	86,752
Additional paid-in capital	9,690,523	1,086,847 (14)	10,777,370
Accumulated other comprehensive income	898,206	(737,887) (15)	160,319
Retained earnings (deficit)	8,386,434	(20,598,256) (16)	(12,211,822)
Total stockholders’ equity (deficit)	19,063,915	(20,249,296)	(1,185,381)
Total liabilities and stockholders’ equity (deficit)	\$ 28,459,255	\$ (22,433,408)	\$ 6,025,847

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Statement of operations

	December 31, 2023 as previously reported	Correction of errors and reclassifications		December 31, 2023 as restated
Product revenue	\$ 4,553,764	\$ (2,626,452)	(17)	\$ 1,927,312
Costs of revenue	1,658,116	(242,692)	(18)	1,415,424
Gross profit	2,895,648	(2,383,760)		511,888
Operating expenses:				
Management fees – related party	346,977	-		346,977
Selling expenses	895,046	-		895,046
General and administrative	4,246,138	424,597	(19)	4,670,735
Total operating expenses	5,488,161	424,597		5,912,758
Operating loss	(2,592,513)	(2,808,357)		(5,400,870)
Other income:				
Gain on disposal of fixed asset	998,952	(998,952)	(20)	-
Change in fair value of cryptocurrency	15,195,000	(15,195,000)	(21)	-
Interest income	351	-		351
Income before income taxes	13,601,790	(19,002,311)		(5,400,521)
Provision for income taxes	(3,195,781)	2,992,865	(22)	(202,916)
Net income from continuing operations	10,406,009	(16,009,446)		(5,603,437)
Loss from discontinued operations	(1,622,574)	(743,415)	(23)	(2,365,989)
Net income	\$ 8,783,435	\$ (16,752,861)		\$ (7,969,426)
Net income per share – basic	\$ 0.10	\$ (0.19)		\$ (0.09)
Net income per share – diluted	\$ 0.03	\$ (0.06)		\$ (0.03)
Weighted avg shares – basic	86,752,302	-		86,752,302
Weighted avg shares – diluted	286,752,302	-		286,752,302

Statement of cash flows

	December 31, 2023 as previously reported	Correction of errors and reclassifications (24)		December 31, 2023 as restated
Cash flows from operating activities:				
Net income	\$ 8,783,435	\$ (16,752,861)		\$ (7,969,426)
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortization	150,311	(20,000)		130,311
(Gain)/loss on sale of fixed assets	(998,952)	1,090,743		91,791
Unrealized foreign exchange loss	314,646	88,184		402,830
Stock-based compensation	-	336,527		336,527
Non-cash operating lease impact	(70,569)	2		(70,567)
Change in fair value of cryptocurrency	(15,195,000)	15,195,000		-
Changes in operating assets and liabilities:				
Accounts receivable	(1,837,714)	3,518,768		1,681,054
Inventory	1,099,825	(1,021,013)		78,812
Prepaid expenses and other current assets	(698,518)	549,299		(149,219)
Due from related party	(42,844)	42,844		-
Contract liabilities	(484,639)	(195,000)		(679,639)
Accounts payable and accrued expenses	(1,205,960)	(955,230)		(2,161,190)
Other current liabilities	(1,764,982)	1,764,982		-
Net cash used in operating activities	(8,760,011)	451,385		(8,308,626)
Cash flows from investing activities:				
Cash paid for investments	(181,921)	181,921		-
Proceeds from sale of fixed assets	-	17,151		17,151
	(181,921)	199,072		17,151
Net change in cash	(8,941,932)	650,457		(8,291,475)
Effect of foreign currency	460,483	(650,457)		(189,974)
Cash, beginning of year	8,767,893	-		8,767,893
Cash, end of year	\$ 286,444	\$ -		\$ 286,444

Description of Misstatements

- (1) Principally represents the reversal of a receivable from a related-party transaction originally recorded based on the sale of obsolete inventory and also the write-off or reclassification of certain other receivable balances.

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- (2) Represents the write-down of inventory related to the Private Key Agreement (see Note 7) that was ultimately determined to be a deemed dividend.
- (3) Represents the write-off in 2022 of a cost basis investment that was determined to be impaired.
- (4) Principally represents the write-off of prepaid balances related to the Private Key Agreement that was ultimately determined to be a deemed dividend.
- (5) Principally represents the write-off of certain receivable balances in subsidiaries that were sold to VSC Tech.
- (6) Represents the reclassification of the intangible asset balances from property and equipment to separate asset line items.
- (7) Represents the impact of reversing the fair value of our cryptocurrency because VSC Tech is a related party.
- (8) Represents the impact of correcting the inappropriate netting of balances with related parties.
- (9) Represents the reversal of a payable related to transactions involving the subsequent sale of inventory that was reversed because it was with a related party (see 1. above).
- (10) Represents adjustments to correct corporate income taxes payable, a reclassification of certain balances to discontinued operations, and errors in recording certain accruals.
- (11) Represents the misclassification and correction of the current and non-current portions of the lease liability.
- (12) Represents the reclassification of certain accrual balances to discontinued operations from continuing operations (see 9. above).
- (13) Reversal of the deferred tax impacts of not recording the fair value of the cryptocurrency.
- (14) Represents adjustments for 1) the recalculation of the stock-based compensation expense in 2022 and 2023 using an updated volatility for our stock and recording the expense over the period earned and 2) cash payments made to related parties that were determined to be deemed dividends.
- (15) Management determined that our accounting system incorrectly calculated the foreign currency translation adjustment in 2021. The adjustment for this prior period error is included.
- (16) Represents the net impact of the adjustments affecting the balance sheet and statement of operations for 2021, 2022 and 2023.
- (17) Principally represents the impact to revenue from the reversal of the sale of inventory to a related party (see 1. above).
- (18) Principally represents the impact to cost of sales from the Private Key Agreement (see 2. above).
- (19) Represents the recalculation of the stock-based compensation expense using an updated volatility for our stock and recording the expense over the period earned and the impact of the errors in recording certain accruals.
- (20) The sale of the Vyvo trademarks was with a related party and therefore the gain was not recorded.
- (21) Represents the impact of not recording the cryptocurrency at fair value because VSC Tech is a related party.
- (22) The deferred tax impacts of not recording the fair value of the cryptocurrency.
- (23) Principally represents the write-off of certain receivables that were deemed uncollectible in the discontinued operating entities.
- (24) Represents the impacts to the statement of cash flows for the error corrections and reclassifications related to 2021, 2022 and 2023 as noted above.

Note 14. Subsequent Events

Management has evaluated subsequent events that occurred through the date the financial statements were issued and has determined that there were no subsequent events that required recognition or disclosure in the financial statements as of and for the period ended December 31, 2024, except as disclosed below.

On April 18, 2025, we entered into an agreement with the Foundation to license the name and mark “Vyvo™” and various other intellectual property on a non-exclusive basis. During the initial three (3) year term of the agreement, we will not be required to make any payments to Vyvo Smart Chain for this license. The Foundation is a related party (see Note 6).

On April 18, 2025, we entered into an agreement with VSC Tech to acquire all rights, titles and interests in certain AI middleware code in exchange for 250,000,000 VSC coins that we own pursuant to the Private Key Agreement (see Note 7).

On November 26, 2025, we created a new subsidiary incorporated in Delaware and headquartered in Florida, Vyvo AI Corp., for the purpose of holding our AI assets and transacting with customers.