

HELO CORP.

A Nevada Corporation Listed on the OTC PinkMarket

Current Trading Symbol: HLOC
CUSIP Number: 42349A 109

Annual Report

**For the Twelve Months Ended
December 31, 2018 and 2017**

**Including Financial Statements and Disclosures Prescribed by OTC Pink Market for
Alternative Reporting Standards.**

Filed on April 1, 2019

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

Helo Corp. (October 31, 2018 – present)
World Technology Corp. (December 4, 2017 – October 30, 2018)
World Media & Technology Corp. (December 22, 2014 – December 3, 2017)
Halton Universal Brands, Inc. (May 2014 – December 21, 2014)

As used in this quarterly report and unless otherwise indicated, the terms “we,” “HELO”, “us,” “our” or the “Company” refer to Helo Corp. a Nevada corporation. Unless otherwise specified, all dollar amounts are expressed in United States dollars.

2) Address of the issuer’s principal executive offices

Company Headquarters

Address 1: 600 Brickell Ave., Suite 1775
Address 2: Miami, FL 33131
Phone: (305) 504-7173
Email: info@helocorp.com
Website: www.helocorp.com

3) Security Information

Trading Symbol: HLOC
Exact title and class of securities outstanding: Common Stock
CUSIP: 42349A 109
Par or Stated Value: \$0.001
Total shares authorized: 75,000,000 as of December 31, 2018
Total shares outstanding: 36,722,244 as of December 31, 2018

Additional class of securities (if necessary):

Trading Symbol: N/A
Exact title and class of securities outstanding: Preferred Stock
CUSIP: N/A
Par or Stated Value: \$0.001
Total shares authorized: 10,000 as of December 31, 2018
Total shares outstanding: Zero as of December 31, 2018

Transfer Agent

Name: ClearTrust, LLC
Address 1: 16540 Pointe Village Dr., # 205
Address 2: Lutz, FL 33558
Phone: (813) 235-4490
Is the Transfer Agent registered under the Exchange Act?* Yes: [X] No: []

* To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None.

Describe any trading suspension orders issued by the SEC in the past 12 months.

None.

4) **Issuance History**

Listed below are any events that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period:

For the Year Ended December 31, 2018

During the twelve months ended December 31, 2018, there were no changes in total shares outstanding.

For the Year Ended December 31, 2017

During the twelve months ended December 31, 2017, the Company issued a total of 8,141,244 shares of restricted common stock. 141,244 of those shares were issued to six accredited investors at \$8.00 per share (the “Shares”) in exchange for a total of \$1,129,952. Cash proceeds from the share issuances had been received by the Company.

As part of the corporate re-organization described below, 100 shares of Series A Super Voting Preferred Stock were returned to the Company and cancelled, and 8,000,000 shares of restricted common stock were issued to World Global Network Pte. Ltd.

Corporate Re-organization

On October 1, 2017, the Company, Fabio Galdi, World Global Network Pte. Ltd. (“WGN”) and WGN’s wholly owned subsidiary, World Global Assets Pte. Ltd., entered into a Stock Exchange, Debt Forgiveness and Intellectual Property Assignment Agreement (the “Exchange Agreement”). The main objective of the Exchange Agreement was to re-organize and restructure HELO so that:

- HELO operates as a technology company that recognizes revenues and operating profits through the sale of its Helo wearable devices in the wellness market sector;
- HELO sells its *Helo* wearable devices exclusively to WGN at an agreed upon mark-up of the underlying production cost;
- WGN has the exclusive right to sell the wearable devices to the end-users through its distribution network; and
- HELO has the business model and ownership structure that is attractive to potential investors; and the opportunity to register its stock for potential sale in the public markets, raise additional capital, and up-list to Nasdaq.

Pursuant to the terms of the Exchange Agreement:

- Mr. Galdi returned to HELO for cancellation the 100 shares of the Company’s Series A Super Voting Preferred Stock held by him;
- Mr. Galdi forgave the amounts owed by HELO to him for past services rendered in the amount of \$150,000;
- WGN assigned and transferred to HELO all of its right, title and interest in and to certain technology, intellectual property and intellectual property rights for the Helo wearable devices;
- WGN and Mr. Galdi agreed not to source, promote or enter in to any agreement for any technology similar to HELO’s Technology from any supplier other than HELO; and
- WGN agreed to terminate and forego its exclusive relationship with Quality Technology Industrial Co. Ltd. and to purchase *Helo* devices directly from HELO upon the terms and subject to the conditions set forth in the Strategic Partner Master Sales and World Wide Distribution Agreement dated October 1, 2017 between the Company and WGN.

In exchange, the Company:

- Issued 8,000,000 shares of its common stock, par value \$0.001 per share to WGN;
- Transferred its equity investment in PayNovi Ltd. (i.e., 35% ownership interest in PayNovi which had no carrying value to HELO) to WGN; and
- Agreed to forgive the remaining outstanding balance (\$1,140,506) owed by WGN for borrowed money.

The Exchange Agreement was treated as a capital reorganization since the transactions were all with the major shareholder and his related entities.

For the Year Ended December 31, 2016

During the twelve months ended December 31, 2016, the Company did not issue any capital stock.

Each of the above securities offerings or transactions was made by officers and directors of the issuer and was not a registered offering. The offerings relied upon an exemption under Regulation S or Rule 4(2) of the Securities Act of 1933, as amended. The shares in these offerings or transactions were restricted (i.e., not freely tradable), where indicated above, and the certificates evidencing such shares contained a legend (1) stating that the shares have not been registered under the Securities Act of 1933, as amended, and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act of 1933, as amended.

5) Financial Statements

The information called for by this Item 5 is included following the "Index to Financial Statements" contained in this Annual Report.

6) Describe the Issuer's Business, Products and Services

Business Operations

We are a technology company that provides wearable devices for use in the quantified-self wellness market. Our wearable devices and related applications provide our end-users with health related knowledge acquired through self-tracking. Our Life Sensing Technology uses state-of-the-art sensors, enhanced signal processing and algorithms to collect and process specific data from end-users; and it is embedded into *Helo*, our branded wearable devices that are designed, produced and sold into the wellness market through our exclusive marketing and distribution partner, World Global Network Pte. Ltd. and its distribution network (which we refer to herein as WGN). WGN is a direct-to-consumer, multi-level marketing company with operations in countries including the U.S., Singapore, Ireland, Thailand, India and Japan.

Our strategic goal is to build a growing community of loyal *Helo* users in the wellness market who enjoy meaningful information from the user-friendly applications on their *Helo*. Since the initial commercial launch of the first *Helo* devices in the second half of 2016, we have shipped and been paid for over 620,000 units of *Helo* devices. Our *Helo* devices are being worn by end-users in North America, Asia and Europe. *Helo* is more than just a wearable device that measures steps, heart rate and blood pressure - what we believe differentiates *Helo* from other available wearable devices in the wellness sector is that our Life Sensing Technology captures additional user biometric data, populating our databases and enabling novel applications, such as non-invasive sugar trend monitoring and alcohol sensing, which are currently under development.

Effective October 1, 2017, and as a result of our corporate reorganization, we have been selling our *Helo* devices directly to WGN at a selling price equivalent to cost plus an agreed upon markup. Our business is akin to a traditional wholesale model whereby WGN will place its order directly with us on a prepaid basis, and based on such orders, we will instruct our supplier to build and ship the *Helo* devices in accordance with WGN's instructions.

Date and State (or Jurisdiction) of Incorporation:

The Company was originally incorporated on October 22, 2010 in the State of Nevada.

Primary and Secondary SIC Codes

3571

Fiscal Year End Date

December 31st.

Principal Products or Services and Their Markets

Our *Helo* wearable devices have been designed to satisfy the demand from customers in the quantified-self wellness market. We have built a platform where both our *Helo* users leverage our device to monitor their wellness and where our *Helo* devices serve as a gateway to an automated data collection capability that we believe opens up the opportunity for the development of a huge range of wellness Apps and data mining opportunities.

Since the fourth quarter of 2016, we have sold over 620,000 *Helo* devices through WGN to the quantified-self wellness sector worldwide. During this time, we have moved from supplying only a single sensor device for our *Helo Classic* and *Helo LX* models to providing multi-sensors for our *Helo LX+* models that were made available during the first quarter of 2018.

We have worked to optimize our Life Sensing Technology and upgrade our *Helo* device from its *Classic* version to *Helo LX*, and then the current *Helo LX+*, which we introduced in 2018 and offers more features to our users in the wellness market. We believe that our *Helo LX* and *Helo LX+* (which was launched at the Consumer Electronics Show 2018 in Las Vegas in January 2018) are designed and are suitable for the worldwide quantified-self wellness market.

- *Helo LX* has an accelerometer and a photoplethysmography (or PPG) green sensor that non-invasively detects volumetric changes in peripheral blood vessels in the wrist. This PPG sensor enables *Helo LX* Apps to measure Heart Rate, Breath Rate, Mood/Energy and Steps, and it is also future-proofed by being “Plugin” enabled, so Apps developed in the future will be backward compatible for use by *Helo LX* users (see discussion on *Helo Apps* below).
- *Helo LX+* (which was launched in January 2018) has everything the *Helo LX* has, plus additional sensors that allow it to gather more user data which will increase functionality delivered to the user, such as enabling EKG analysis to be performed.
- Our *Helo Extense* (a portable, stand-alone device that is designed to measure user’s blood sugar trends, non-invasively and on demand) is expected to be launched in the second half of 2019.
- Under the right market conditions, our long-term plan is to extend our business into the healthcare sector if and when our *Helo Extense* is FDA approved, and assuming that we are able to secure a healthcare appropriate distribution platform for the device. There is no assurance that this plan can be achieved in 2019, if at all.

7) Describe the Issuer’s Facilities

The Company subleases office space for its operations from World Global Network Corp. (formerly named World Global Group, Inc.) on a month-to-month basis. Its office is located at 600 Brickell Avenue, Suite 1775, Miami, Florida 33131.

The Company does not lease or own any other facilities.

8) **Officers, Directors, and Control Persons**

Names of Officers, Directors, and Control Persons

As of the date of this report, below are the names of each of the Company's executive officers, directors, general partners and control persons of more than five percent (5%) of any class of our equity securities.

Chief Executive Officer, Secretary and Acting Chief Financial Officer: Seán McVeigh
Chairman of the Board, Chief Technology Officer, Control Person: Fabio Galdi
Director and Control Person: Alessandro Senatore
Control Person: World Global Holdings Pte. Ltd.
(owned/controlled by Gabriele Galdi, Alfonso Galdi & Alessandro Senatore)
Control Person: Alfonso Galdi
Control Person: Anch Holdings Ltd. (majority-owned/controlled by Seán McVeigh)
Control Person: Jean Paul Salman

Legal/Disciplinary History

None of the foregoing persons have, in the last five years, been the subject of:

- A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
- 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, or banking activities;
- A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
- The entry 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.

Beneficial Shareholders

Below is a list of the names, addresses and shareholdings or the percentage of shares owned by all persons or entities beneficially owning more than ten percent (10%) of any class of the issuer's equity securities.

Gabriele Galdi

Mr. Gabriele Galdi owns:

- 18,000,000 shares of common stock held by World Global Holdings Pte. Ltd., which is controlled by Mr. Gabriele Galdi through his 50% ownership interest and dispositive voting and investment control.

Mr. Galdi's address of record is 479 River Valley Road, 31-01, Valley Park, Singapore 248364.

Fabio Galdi

Mr. Fabio Galdi owns:

- 3,274,080 shares of common stock held by Mr. Fabio Galdi directly, and
- 269,500 shares of common stock held by World Global Network Pte. Ltd., which is controlled by Mr. Fabio Galdi through his 50% ownership interest and dispositive voting and investment control.

Mr. Galdi's address of record is 600 Brickell Ave., Suite 1775, Miami, Florida 33131

Alfonso Galdi

Mr. Alfonso Galdi owns:

- 3,513,483 shares of common stock held by Mr. Alfonso Galdi directly and indirectly through his immediate family members.

Mr. Galdi's address of record is 479 River Valley Road, 31-01, Valley Park, Singapore 248364.

9) Third Party Providers

Legal Counsel

Name: Mitchell Nussbaum
Firm: Loeb & Loeb, LLP
Address 1: 345 Park Avenue
Address 2: New York, NY 10154
Phone: (212) 407-4159
Email: mnussbaum@loeb.com

Independent Registered Auditor

Name: Liren Wei
Firm: Wei Wei & Co., LLP
Address 1: 133-10 39th Avenue
Address 2: Flushing, NY 11354
Phone: (718) 445-6308
Email: liren@weiweico.com

10) Issuer Certification

I, Seán McVeigh, certify that:

1. I have reviewed this Annual Report of 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 unaudited condensed consolidated 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.

April 1, 2019

/s/ Seán McVeigh

Seán McVeigh

Chief Executive Officer and Acting Chief Financial Officer

Index to Financial Statements

| | <u>Page</u> |
|--|--------------------|
| Report of Independent Registered Public Accounting Firm | 1-2 |
| Balance Sheets at December 31, 2018 and 2017 | 3 |
| Statements of Operations for the Years Ended December 31, 2018 and 2017 | 4 |
| Statements of Changes in Shareholders' (Deficit) Equity for the Years Ended December 31, 2018 and 2017 | 5 |
| Statements of Cash Flows for the Years Ended December 31, 2018 and 2017 | 6 |
| Notes to Financial Statements | 7-20 |



• **MAIN OFFICE**

133-10 39TH AVENUE
FLUSHING, NY 11354
TEL. (718) 445-6308
FAX. (718) 445-6760

• **CALIFORNIA OFFICE**

36 W BAY STATE STREET
ALHAMBRA, CA 91801
TEL. (626) 282-1630
FAX. (626) 282-9726

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Helo Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Helo Corp. (the “Company”) (formerly World Technology Corp.) as of December 31, 2018 and 2017, and the related statements of operations, changes in stockholders’ (deficit) equity, and cash flows for each of the years in the two-year period ended December 31, 2018, 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, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

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 audits. 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 audits 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 audits 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 audits 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 audits provide a reasonable basis for our opinion.



Emphasis of Matter – Going Concern

The accompanying financial statements have been prepared assuming that Helo Corp. will continue as a going concern. As more fully described in Note 3 to the financial statements, the Company reported net losses of approximately \$1,923,000 for the year ended December 31, 2018. At December 31, 2018, the Company has a significant working capital deficiency of approximately \$1,744,000, a stockholders' deficit of approximately \$1,685,000 and has had to rely on additional borrowings to continue its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 3 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ Wei, Wei & Co., LLP

We have served as the Company's auditor since 2017.

Flushing, New York
April 1, 2019

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)
BALANCE SHEETS

| | December 31, 2018 | December 31, 2017 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 64,219 | \$ 881,239 |
| Inventory | 100,156 | - |
| Prepaid expenses | 7,541 | 311,522 |
| Advance to suppliers | 47,022 | 800,000 |
| Total current assets | 218,938 | 1,992,761 |
| Security deposit | - | 5,500 |
| Deferred registration costs | 381,094 | - |
| Intangible assets, net | 15,192 | 22,788 |
| TOTAL ASSETS | \$ 615,224 | \$ 2,021,049 |
| LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY | | |
| Current liabilities: | | |
| Advance from customer | \$ 433,409 | \$ 804,286 |
| Accounts payable and accrued expenses | 516,475 | 357,481 |
| Due to related parties | 1,012,654 | 621,856 |
| Total current liabilities | 1,962,538 | 1,783,623 |
| Payable to customer | 337,767 | - |
| TOTAL LIABILITIES | 2,300,305 | 1,783,623 |
| Stockholders' (deficit) equity: | | |
| Preferred stock, \$0.001 par value; 10,000 shares authorized, none issued and outstanding | - | - |
| Common stock, \$0.001 par value; 75,000,000 shares authorized, 36,722,244 shares issued and outstanding at December 31, 2018 and 2017 | 36,722 | 36,722 |
| Additional paid-in capital | 6,416,066 | 6,416,066 |
| Deficit | (8,137,869) | (6,215,362) |
| Total stockholders' (deficit) equity | (1,685,081) | 237,426 |
| TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY | \$ 615,224 | \$ 2,021,049 |

See report of independent registered public accounting firm and accompanying notes to financial statements.

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)
STATEMENTS OF OPERATIONS

| | Year Ended December 31, | |
|---|--------------------------------|-----------------------|
| | 2018 | 2017 |
| Revenues: | | |
| Products | \$ 5,031,650 | \$ 2,210,000 |
| License fees | - | 1,900,000 |
| Total revenues | 5,031,650 | 4,110,000 |
| Costs of revenues: | | |
| Products | 3,882,000 | 1,845,000 |
| Gross profit | 1,149,650 | 2,265,000 |
| Operating expenses | | |
| Management fees - related party | 935,500 | 774,205 |
| General and administrative | 1,434,227 | 577,029 |
| Research and development | 364,663 | 2,085,627 |
| Total operating expenses | 2,734,390 | 3,436,861 |
| Operating (loss) | (1,584,740) | (1,171,861) |
| Other income (expense): | | |
| Loss on contract termination | (337,767) | - |
| Interest income - related party | - | 41,114 |
| Net (loss) | \$ (1,922,507) | \$ (1,130,747) |
| Net (loss) per share - basic and diluted | \$ (0.05) | \$ (0.04) |
| Weighted average shares outstanding, basic and diluted | 36,722,244 | 30,644,436 |

See report of independent registered public accounting firm and accompanying notes to financial statements.

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)
STATEMENTS OF CHANGES IN STOCKHOLDERS' (DEFICIT) EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | Common stock | | Series A Preferred stock | | Additional paid-in capital | Deficit | Total |
|---|--------------|-----------|--------------------------|--------|-------------------------------|----------------|----------------|
| | Shares | Amount | Shares | Amount | | | |
| Balance - January 1, 2017 | 28,581,000 | \$ 28,581 | - | \$ - | \$ 6,011,973 | \$ (5,084,615) | \$ 955,939 |
| Sales of common stock | 141,244 | 141 | - | - | 1,129,811 | - | 1,129,952 |
| Issuance of Series A Preferred Stock for unpaid management fees | - | - | 100 | - | 250,000 | - | 250,000 |
| Cancellation of Series A Preferred Stock per the Exchange Agreement | - | - | (100)) | - | (250,000) | - | (250,000) |
| Issuance of common stock and adjustments per the Exchange Agreement | 8,000,000 | 8,000 | - | - | (725,718) | - | (717,718) |
| Net (loss) | - | - | - | - | - | (1,130,747) | (1,130,747) |
| Balance - December 31, 2017 | 36,722,244 | 36,722 | - | - | 6,416,066 | (6,215,362) | 237,426 |
| | | | | | | | |
| Net (loss) | - | - | - | - | - | (1,922,507) | (1,922,507) |
| Balance - December 31, 2018 | 36,722,244 | \$ 36,722 | - | \$ - | \$ 6,416,066 | \$ (8,137,869) | \$ (1,685,081) |

See report of independent registered public accounting firm and accompanying notes to financial statements.

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)
STATEMENTS OF CASH FLOWS

| | Year Ended December 31, | |
|---|--------------------------------|-------------------|
| | 2018 | 2017 |
| Cash flows from operating activities: | | |
| Net (loss) | \$ (1,922,507) | \$ (1,130,747) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization expense | 7,595 | - |
| Interest on related party loan | - | (41,114) |
| Forgiveness of management fee per Exchange Agreement | - | 150,000 |
| Change in operating assets and liabilities: | | |
| Decrease in accounts receivable | - | 400,000 |
| Increase in inventory | (100,156) | - |
| Decrease (increase) in prepaid expenses | 303,981 | (311,522) |
| Decrease (increase) in advance to suppliers | 752,978 | (800,000) |
| Decrease (increase) in security deposit | 5,500 | (5,500) |
| (Decrease) increase in advance from customer | (370,877) | 804,286 |
| (Decrease) in payable to major shareholder | - | (100,000) |
| Increase in accounts payable and accrued expenses | 104,293 | 357,481 |
| Increase in payable to customer | 337,767 | - |
| Net cash (used in) operating activities | (881,426) | (677,116) |
| Cash flows from financing activities: | | |
| Deferred registration costs | (326,392) | - |
| Cash repayments to related parties | (816,668) | (754,661) |
| Expenses paid by related party | 1,207,466 | 1,153,950 |
| Cash received for issuance of common stock | - | 1,129,952 |
| Net cash provided by financing activities | 64,406 | 1,529,241 |
| Net change in cash | (817,020) | 852,125 |
| Cash, beginning of year | 881,239 | 29,114 |
| Cash, end of year | \$ 64,219 | \$ 881,239 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for income taxes | \$ - | \$ - |
| Cash paid for interest | \$ - | \$ - |
| Noncash activities: | | |
| Deferred registration costs included in accounts payable and accrued expenses | \$ 54,702 | \$ - |
| Series A super voting preferred stock issued to Majority Shareholders for Payable | \$ - | \$ 250,000 |
| Intangible assets received per the Exchange Agreement | \$ - | \$ 22,788 |
| Forgiveness of loan per the Exchange Agreement | \$ - | \$ 1,140,506 |
| Forgiveness of management fee per Exchange Agreement | \$ - | \$ 150,000 |

See report of independent registered public accounting firm and accompanying notes to financial statements.

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

Note 1. Organization and Business

History

Helo Corp. (formerly World Technology Corp. and World Media & Technology Corp., referred to herein as the “Company” 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 specializing in brand consulting and new product strategy consulting for emerging brands.

Effective October 29, 2014:

- 1) Power Clouds Inc. (“PWCL”) (formerly World Assurance Group, Inc.), acquired 15,095,000 shares of HELO common stock, representing 98% of the Company’s issued and outstanding share capital, for cash consideration of \$2,378,000,
- 2) HELO discontinued its previously existing brokerage and brand consultancy business, and
- 3) HELO acquired the SPACE technology business and related assets from PWCL for consideration of \$557,898, funded by way of debt from PWCL (collectively “the October 29, 2014 Transactions”).

The Company accounted for the October 29, 2014 Transactions as a reverse merger of PWCL’s SPACE technology business and related assets into HELO. This reverse merger was accounted for as a reverse capitalization with PWCL’s SPACE technology business, the legally acquired business, being treated as the acquirer of HELO for accounting and financial reporting purposes.

In November 2014, the Company’s board of directors and a majority of the stockholders authorized a name change of the Company from Halton Universal Brands, Inc. to World Media & Technology Corp. The name change became effective with the Financial Industry Regulatory Authority on December 22, 2014, and the Company’s ticker symbol was changed to WRMT as a result of the name change.

On March 5, 2015, the Company incorporated its wholly-owned subsidiary, Space Wireless Corp. (“Space Wireless”), in Florida. Space Wireless was set up to operate as the mobile virtual network business in the United States.

In October 2015, PWCL distributed 14,021,122 of the 15,095,000 shares of the Company’s common stock held by PWCL, the Company’s former parent company and former majority shareholder. PWCL shareholders received one share of the Company’s common stock for every six PWCL shares of common stock held as of the record date, which was October 1, 2015.

In December 2016, PWCL transferred its remaining 1,073,878 shares of the Company’s common stock to World Global Cash Pte. Ltd., a Singapore company owned and controlled at the time of this share transfer by Fabio Galdi, the Company’s major shareholder and Chief Executive Officer then and currently our Chairman of the Board and Chief Technology Officer. In October 2017, Mr. Galdi sold World Global Cash Pte. Ltd. to an unrelated third-party.

On January 6, 2017, the Company issued 100 shares of its Series A Super Voting Preferred Stock to Fabio Galdi in exchange for the cancellation of \$250,000 of unpaid management service fees.

Corporate Re-organization

On October 1, 2017, the Company, Fabio Galdi, World Global Network Pte. Ltd. (“WGN”) and WGN’s wholly-owned subsidiary, World Global Assets Pte. Ltd., entered into a Stock Exchange, Debt Forgiveness and Intellectual Property Assignment Agreement (the “Exchange Agreement”). The main objective of the Exchange Agreement was to re-organize and restructure HELO so that:

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

- HELO operates as a technology company that recognizes revenues and operating profits through the sale of its Helo wearable devices in the wellness market sector;
- HELO sells its Helo wearable devices exclusively to WGN at an agreed upon mark-up of the underlying production cost;
- WGN has the exclusive right to sell the wearable devices to the end-users through its distribution network; and
- HELO has the business model and ownership structure that is attractive to potential investors; and the opportunity to register its stock for potential sale in the public markets, raise additional capital, and up-list to NASDAQ.

Pursuant to the terms of the Exchange Agreement, the Company:

- Issued 8,000,000 shares of its common stock, par value \$0.001 per share (“Common Stock”) to WGN;
- Transferred its equity investment in PayNovi Ltd. (i.e., 35% ownership interest in PayNovi which had no carrying value to HELO) to WGN; and agreed to forgive the remaining outstanding balance (\$1,140,506) owed by WGN for borrowed money. In exchange, Mr. Galdi returned to HELO for cancellation the 100 shares of the Company’s Series A Super Voting Preferred Stock held by him; Mr. Galdi forgave the amounts owed by HELO to him for past services rendered in the amount of \$150,000;
- WGN assigned and transferred to HELO all of its right, title and interest in and to certain technology, intellectual property and intellectual property rights for the Helo wearable devices;
- WGN and Mr. Galdi agreed not to source, promote or enter into any agreement for any technology similar to HELO’s Technology from any supplier other than HELO; and
- WGN agreed to terminate and forego its exclusive relationship with Quality Technology Industrial Co. Ltd. and to purchase Helo Devices directly from HELO upon the terms and subject to the conditions set forth in the Strategic Partner Master Sales and World Wide Distribution Agreement dated October 1, 2017 between the Company and WGN.

The Exchange Agreement was treated as a capital reorganization since the transactions were all with the major shareholder and his related entities.

On November 3, 2017, the Company dissolved its wholly-owned subsidiary, Space Wireless, due to the fact that the subsidiary no longer had any operations, assets or liabilities.

On December 4, 2017, the Company changed its name to World Technology Corp, with ticker symbol WCOR, to re-position itself as a technology company that produces wearable devices with embedded Life Sensing Technology for use in the wellness market segment.

On October 31, 2018, the Company changed its name to Helo Corp., with ticker symbol HLOC, to better reflect and support our new business strategy.

Business

Headquartered in Miami, Florida, the Company designed, produced and previously sold its own range of integrated mobile technology products (such as SPACE smartphones in 2015 and 2016) through its exclusive marketing and distribution partner, WGN, and WGN’s distribution network.

The Company changed its business model in the fourth quarter of 2016 when it executed the Preferred Supplier Agreement (“PSA”) with its wearable device supplier, Quality Technology Industrial Co., Ltd. (“QTI”), in October 2016. In accordance with the PSA, the Company granted a non-exclusive, revocable license to QTI to use and integrate its Life Sensing Technology in the manufacture of *Helo*, the wearable device. Under the PSA, QTI agreed to pay the Company a non-refundable fee of \$4.00 per *Helo* Classic and \$5.00 per *Helo* LX shipped from its manufacturing facility. From the fourth quarter of 2016 through the third quarter of 2017, the Company earned

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

license fees based on the number of *Helo* devices shipped by QTI.

Effective October 1, 2017, and as a result of the corporate re-organization, the Company entered into a new PSA (“2017 PSA”) with QTI whereby QTI was granted a non-exclusive, revocable license to produce its *Helo* wearable devices; and it has been selling its *Helo* wearable devices directly to WGN at a selling price equivalent to cost plus an agreed upon markup. The Company’s business is akin to a traditional wholesale model whereby WGN will place its order directly with the Company on a prepaid basis, and based on such orders, the Company will instruct QTI to build and ship the *Helo* devices in accordance with WGN’s instructions.

As part of the Company’s strategy to mitigate its production risks,

- In November 2018, the Company entered into a Production Agreement (“PA”) with Shenzhen Med-Link Electronics Tech Co., Ltd. to produce its *Helo Extense*, a non-invasive, blood sugar trend measuring device on a pre-commercial production basis. The term of the PA is for one year and will be automatically extended for one-year successive terms unless cancelled by either party.
- On February 27, 2019, the Company entered into a Preliminary Exclusive Product Development Agreement with Goldtek Technology Co. Ltd. (“Goldtek” - an affiliate of the Foxconn Group) to explore opportunities for Goldtek to develop and manufacture its *Helo* products on an exclusive basis.
- On March 25, 2019, the Company notified QTI of its decision not to extend the term of the 2017 PSA. As disclosed in Note 8, the Company has written off all advances to QTI and recorded a loss on contract termination of \$337,767 for the year ended December 31, 2018.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Basis of Consolidation

The consolidated financial statements for the years ended December 31, 2017 include the financial statements of Helo Corp. and its wholly-owned subsidiary, Space Wireless Corp., which had no operations and was dissolved on November 3, 2017. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The preparation of the 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 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 the Company’s financial statements include revenue recognition, cost of revenues, and deferred income taxes.

Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and other highly liquid investments which are unrestricted as

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

to withdrawal or use, and which have maturities of three months or less when purchased.

Fair Value Measurements

The Company follows 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.

The Company did not identify any 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 the Company’s cash and cash equivalents, inventory, prepaid expenses, advance to suppliers, deferred registration costs, advance from customer, accounts payable and accrued expenses and due to related parties approximate their fair value because of the short-term nature of these instruments.

Revenue

Adoption of Recent Accounting Pronouncement

Effective January 1, 2018, the Company adopted the FASB Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue, cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. The adoption of ASU 2014-09, using the modified retrospective approach, had no significant impact on the Company’s results of operation, cash flows or financial position.

Revenue Recognition

The Company generates revenue from product sales to its exclusive distributor, WGN in accordance with the Strategic Partner Master Sales and Worldwide Distribution Agreement (the “Master Sales Agreement”) executed between the parties on October 1, 2017. All sales contracts with WGN are similarly structured in accordance with the Master Sales Agreement, and they create a performance obligation for the Company to transfer the finished products to WGN.

Product Sales: The Company designs, produces and sells its own brand of wearable devices that are manufactured by a third-party supplier in China. These products are shipped directly to WGN for onward delivery to end-users. Title to the products passes to WGN on shipment from the supplier and sales invoices are issued to WGN at cost plus agreed upon markup. WGN is responsible for providing initial warranty support to end-users and holds spare unit inventory to service any claims. WGN has the option to return faulty units once per quarter and the Company will issue credit notes for any returns. The Company recognizes revenues from

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

product sales only upon shipment of products when control of such products is obtained by WGN. The Company accounts for shipping and handling costs as fulfillment costs and such amounts are classified as part of cost of revenues in its statements of operations. During the year ended December 31, 2018, all of the revenue recognized by the Company was in connection with products sold to WGN.

License Revenue: In accordance with the Preferred Supplier Agreement (“PSA”) executed in October 2016 between the Company and its wearable device supplier in China, the Company granted a non-exclusive, revocable license to its supplier to use and integrate its Life Sensing Technology in the manufacture of the Company’s wearable device, *Helo*. Under the PSA (which was effective from the quarter ended December 31, 2016 to the quarter ended September 30, 2017), the supplier agreed to pay the Company a non-refundable fee of \$4.00 per *Helo* Classic and \$5.00 per *Helo* LX shipped from its manufacturing facility. The Company recognized the license revenue upon confirmation and receipt of the shipping information from the supplier. The Company and QTI entered into the 2017 PSA in October 2017 whereby QTI was granted a non-exclusive, revocable license to produce the *Helo* wearable devices. The 2017 PSA has a one-year term and it is automatically extended for successive 12-month terms unless written notice is given not to renew by either party. During the year ended December 31, 2018, the Company did not recognize any revenue from its license agreement.

Income Taxes

The Company utilizes 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 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.

The Company recognizes 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. The Company does not have any uncertain tax positions; and it does not have any unrecognized tax liabilities or benefits in accordance with the provisions of Section 740-10-25.

Currently, the 2015, 2016, and 2017 tax years are open and subject to examination by the taxing authorities. However, the Company is not currently under audit nor has the Company been contacted by any of the taxing authorities.

Inventory

As of December 31, 2018, inventory consists of raw materials related to the production of *Helo Extense* and they are stated as the lower of cost, as determined by the first-in first-out method, or net realizable value.

Advance to Suppliers

In accordance with industry practices, the Company makes advance payments to its suppliers. The advances are shown as a current asset and will be recorded as cost of revenues when the products are delivered.

Intangible Assets

In connection with the Exchange Agreement, WGN assigned and transferred to the Company all of its right, title and interest in and to certain technology, intellectual property and intellectual property rights for the *Helo* wearable devices on October 1, 2017. The amount capitalized consists primarily of legal fees incurred in registering the

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

related trademarks. These intangible assets will be amortized on a straight-line basis over their estimated or remaining useful life of up to 10 years.

Deferred Registration Costs

As of December 31, 2018, deferred registration costs represent costs incurred in connection with the public offering as disclosed in Note 8. Upon the closing of the offering, these costs will be deducted from the proceeds included in additional paid-in-capital. Should the offering be cancelled, these costs will be expensed. The following table represents the costs comprising deferred registration costs as of December 31, 2018:

| | |
|------------------|-------------------|
| Legal fees | \$ 315,160 |
| Underwriter fees | 25,000 |
| Printing | 20,934 |
| Other | 20,000 |
| | <u>\$ 381,094</u> |

Advance from Customer

In accordance with industry practice, the Company collects advance payments from its customer, WGN, to secure production of its products. The advance is shown as a current liability and will be recorded as revenue when the products are delivered. As of December 31, 2018, the Company has open purchase orders for 80,000 units of different *Helo* devices, which production schedule has yet to be confirmed by its customer. Changes in advance from customer, during the year ended December 31, 2018 and 2017, are as follows:

| | <u>2018</u> | <u>2017</u> |
|------------------------|-------------------|-------------------|
| Balance – January 1, | \$ 804,286 | \$ - |
| Cash advances | 4,998,540 | 3,014,286 |
| Recognition of revenue | (5,031,650) | (2,210,000) |
| Payable to customer | (337,767) | - |
| Balance – December 31, | <u>\$ 433,409</u> | <u>\$ 804,286</u> |

In support of the Company's decision to mitigate its production risks and decision not to extend its 2017 PSA executed with QTI, WGN has agreed to defer \$337,767 of the amount due to them until 2020. The amount deferred will be repaid based on the following agreed-upon schedule: \$80,000 due March 31, 2020; \$80,000 due June 30, 2020; \$80,000 due September 30, 2020 and \$97,767 due December 31, 2020; and it has been recorded as Payable to Customer as of December 31, 2018.

Related Parties

The Company follows ASC subtopic 850-10 for the identification of related parties and disclosure of related party transactions. Pursuant to ASC 850-10-20, related parties include: (a) affiliates of the Company; (b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d) principal owners of the Company; (e) management of the Company; (f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. Based on an intercompany balances statement

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

certified by Fabio Galdi allowing the net off of intercompany balances, debts and obligations owed between WGN and the companies owned and/or controlled by him, the Company has netted its due to and due from account balances.

Research and Development

The Company follows ASC subtopic 730-10 for research and development costs. Research and development costs are charged to expense when incurred. The Company's research and development has primarily been focused on developing its products; the related research and development expenses included the design, parts sourcing and prototyping. The Company continues to outsource its development activities and will use expert consultants where required to ensure consistent iterations of products and related services. For the years ended December 31, 2018 and 2017, the Company incurred \$364,663 and \$2,085,627 respectively, in research and development costs.

Net Income (Loss) per Common Share

Net income (loss) per common share is computed pursuant to ASC section 260-10-45. Basic net (loss) per common share is computed by dividing the net (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income per common share is computed by dividing net income 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.

There were no potentially dilutive shares issued or outstanding during the years ended December 31, 2018 and 2017.

Subsequent Events

The Company follows the guidance in ASC section 855-10-50 for disclosure of subsequent events. The Company evaluated subsequent events through, April 1, 2019, which is the date the financial statements were available to be issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them via OTC Markets Supplemental filings.

Recent Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-07, which simplifies the accounting for nonemployee share-based payments by expanding the scope of ASC Topic 718, *Compensation—Stock Compensation*, to include share-based payment transactions for acquiring goods and services from nonemployees. Under the new guidance, most of the initial and subsequent measurement for such payments to nonemployees is aligned with the requirements for share-based payments to employees. This ASU is effective for annual and interim reporting periods beginning after December 15, 2018, with early adoption permitted. Entities must transition to the new guidance through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The Company does not expect the adoption of this guidance will have a material impact on its financial position, results of operations and cash flows.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes the existing guidance for lease accounting, *Leases (Topic 840)*. ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years for public companies. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company does not expect the adoption of this guidance will have a material impact on its financial position, results of

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

operations and cash flows.

Note 3. Going Concern

As reflected in the accompanying financial statements, the Company reported a net loss of approximately \$1,923,000 and \$1,131,000 for the years ended December 31, 2018 and 2017, respectively. At December 31, 2018, the Company had an accumulated deficit of approximately \$8,138,000 and a stockholder's deficit of approximately \$1,685,000. Management has determined that these conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company is developing new products and will seek additional funds to finance its immediate and long-term operations and business plan through debt and/or equity financing. The successful outcome of future financing activities cannot be determined at this time and there is no assurance that if achieved, the Company will have sufficient funds to execute its intended business plan. Ultimately, the Company's ability to continue as a going concern is dependent upon its ability to attract new sources of capital, in order to attain a reasonable threshold of operating efficiency and achieve sustained profitable operations.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

Note 4. Concentration of Credit and Business Risk

The Company maintains its cash accounts at two commercial banks located in United States. The FDIC insures \$250,000 per bank for the total of all depository accounts. The Company performs ongoing evaluation of its financial institutions to limit its concentration of risk exposure. Management believes this risk is not significant due to the financial strength of the financial institution utilized by the Company.

The following table represents major customers that individually accounted for more than 10% of the Company's gross revenue for the years ended December 31:

2018

| | Gross Revenue | Percentage | Accounts Receivable | Percentage |
|---------------------|------------------|------------|------------------------|------------|
| Related Party - WGN | \$ 5,031,650 | 100% | \$ - | -% |

2017

| | Gross Revenue | Percentage | Accounts Receivable | Percentage |
|---------------------|------------------|------------|------------------------|------------|
| Related Party - WGN | \$ 2,210,000 | 53.8% | \$ - | -% |
| Third Party | \$ 1,900,000 | 46.2% | \$ - | -% |

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

| | | | | |
|--|--------------|------|------|----|
| | \$ 4,110,000 | 100% | \$ - | -% |
|--|--------------|------|------|----|

Note 5. Stockholders' (Deficit) Equity

Preferred Stock

On January 6, 2017, the Company's board of directors approved the authorization and issuance of 100 shares of Series A Super Voting Preferred Stock (the "Super Voting Preferred Stock") to its former CEO, Fabio Galdi in exchange for the cancellation of \$250,000 of unpaid management services fees owed to Mr. Galdi by the Company.

The 100 shares of Series A Super Voting Preferred Stock held by Fabio Galdi were returned to the Company in connection with the Exchange Agreement executed on October 1, 2017.

Common Stock

As of December 31, 2018, the total number of common shares that the Company is authorized to issue is seventy-five million (75,000,000) shares, par value \$0.001 per share, of which 36,722,244 are issued and outstanding.

Pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") provided by Regulation S or Section 4(2) of the Securities Act, the Company issued a total of 81,994 shares of restricted common stock to four accredited investors at \$8 per share during March 2017 in exchange for \$655,952; and 59,250 shares of restricted common stock to two accredited investors at \$8 per share during July 2017 in exchange for \$474,000.

Exchange Agreement

Pursuant to the Exchange Agreement with Fabio Galdi and his related entities executed on October 1, 2017, the Company issued 8,000,000 shares of its restricted common stock, par value \$0.001 per share to WGN. The Exchange Agreement was treated as a capital reorganization since these transactions were all executed with the major shareholder and his related entities. The share issuance was accounted for as an equity transaction based on consideration of the following factors:

- 1) The main objective of the Exchange Agreement was to reorganize the Company's business giving it right, title and interest in certain intellectual property and intellectual property rights for the *Helo* wearable devices, which were transferred to the Company.
- 2) The intent of the share issuance, which was to restructure the Company's equity section whereby the super-voting preferred stock that Fabio Galdi previously held was retired and converted into 8 million shares of restricted common stock.
- 3) The effect of these transactions was the net change in Mr. Galdi's beneficial ownership, which increased from 75% as of September 30, 2017 to 80.8% as of October 1, 2017 after taking effect of the share issuance.
- 4) The elimination of certain amounts due to and due from Fabio Galdi and his related entities.

Note 6. Related Parties

From March 30, 2015 to September 30, 2017, the Company owned 35% of PayNovi, a company owned and controlled by the Company's CEO, Sean McVeigh. The Company transferred its 35% ownership in PayNovi to WGN on October 1, 2017 in connection with the execution of the Exchange Agreement. During 2017, PayNovi

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

advanced \$50,000 to the Company which amount was repaid in full before December 31, 2017. This advance was short-term in nature and non-interest bearing.

Mr. McVeigh also owns and controls Anch Holdings Ltd., the company that received 1,361,000 shares of HELO's common stock and 3,907,005 shares of PWCL's common stock in connection with the Company's 35% equity investment in PayNovi on March 30, 2015.

World Global Network Pte. Ltd. ("WGN"), a Singapore-based company, is the Company's distribution partner. WGN is owned and controlled by our Chairman of the Board, the Company's Chief Technology Officer and shareholder, Mr. Fabio Galdi. In December 2016, PWCL transferred its remaining 1,073,878 shares of HELO common stock to World Global Cash Pte. Ltd., a company controlled by Fabio Galdi at the time. On December 10, 2015, the Company's board of directors approved a short-term promissory note of \$1,500,000 to WGN, with 5% annual interest and a term of 3 months, which was subsequently extended to December 31, 2016 and again extended indefinitely. The Company recognized \$41,114 of interest income during the year ended December 31, 2017. During September 2017, WGN and the Company agreed to a repayment plan whereby the remaining balance would be repaid in equal installments over a period of six quarters. The loan to WGN (with an outstanding balance of \$1,140,506 at September 30, 2017) was forgiven on October 1, 2017 in connection with the Exchange Agreement.

Pursuant to a Strategic Partner Master Sales and World Wide Distribution Agreement dated as of October 1, 2017, between the Company and WGN, the Company has granted WGN a non-exclusive license to use its brands (including the marks "*Wor(l)d*" and "*Helo*"), to promote sales of *Helo* devices to end-users in the wellness market worldwide as well as sales of *Helo* Apps to its users. WGN places *Helo* orders with the Company at a selling price equivalent to cost plus an agreed upon markup.

The Company subleases, on a month-to-month basis, facilities from World Global Network Corp. ("WGN Corp"), a Florida company, and is charged rent for the property at a fixed rate of \$5,000 per month. WGN Corp is beneficially owned and controlled by Fabio Galdi, our Chairman of the Board, CTO and majority shareholder. The Company incurred \$60,000 of rent expense for this lease during the years ended December 31, 2018 and 2017.

Effective January 12, 2018, Sean McVeigh resigned as the Company's Chairman of the Board, but remains a member of the Company's Board of Directors and remains the Company's CEO, President and Corporate Secretary. Also effective January 12, 2018, and simultaneously with Mr. McVeigh's resignation, Mr. Fabio Galdi was named the Company's Chairman of the Board.

Effective as of February 1, 2018, Alessandro Senatore resigned as the Company's Chief Technology Officer, but remains as a member of the Company's Board of Directors. His resignation was not as a result of any disagreements with the Company. Also as of February 1, 2018 and simultaneously with Mr. Senatore's resignation, Mr. Fabio Galdi was named the Company's Chief Technology Officer.

Effective as of February 1, 2018, the Company and Anch Holdings Ltd. (Anch) entered into a Professional Services Agreement (as amended) with an initial term of 1 year, pursuant to which Mr. McVeigh serves as the Company's Chief Executive Officer for \$200,000 per annum.

Effective as of March 22, 2018, the Company entered into a Professional Services Agreement (as amended) with WGN Corp. having an initial term of 1 year, pursuant to which Mr. Galdi will serve as the Company's Chief Technology Officer for \$150,000 per annum.

Effective as of March 21, 2018, the Company's shareholder, Chairman of the Board and CTO, Fabio Galdi, transferred his controlling ownership interest in World Global Holdings Pte. Ltd. ("WGH") to Gabriele Galdi, his brother. WGH beneficially owns 49% of the common stock of HELO. As a result of this share transfer, Gabriele Galdi holds a 50% ownership interest in WGH, while Alessandro Senatore continues to hold a 22% ownership interest in WGH and Alfonso Galdi continues to hold a 28% ownership interest in WGH. Fabio Galdi retains a 8.9%

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

beneficial ownership interest in HELO. Mr. Senatore also holds a direct 6.8% ownership interest in HELO and Mr. Alfonso Galdi also directly holds a 8.2% ownership interest in HELO.

Effective as of March 28, 2019, as approved by the Board of Directors, Mr. McVeigh assumed the position of the Company's Acting Chief Financial Officer.

Due to Related Parties

| | 2018 | 2017 |
|--|-----------------------|---------------------|
| Balance – January 1, | \$ (621,856) | \$ 876,825 |
| Management services fee and expenses owed to WGN | (834,966) | (1,093,950) |
| CTO services fee owed to WGN Corp | (112,500) | - |
| CEO services fee owed to Anch | (200,000) | - |
| Rent due to WGN Corp | (60,000) | (60,000) |
| Interest on loan to WGN | - | 41,114 |
| Forgiveness of loan to WGN as per Exchange Agreement | | (1,140,506) |
| Payments to related parties | 816,668 | 754,661 |
| Balance – December 31 | <u>\$ (1,012,654)</u> | <u>\$ (621,856)</u> |

Family Relationships

There are no family relationships among the Company's officers and directors, other than Fabio Galdi and Alfonso Galdi, the Company's chief financial officer for part of 2017, who are brothers.

Note 7. Income Taxes

Deferred Tax Assets

At December 31, 2018, the Company had net operating loss ("NOL") carry-forwards for federal income tax purposes of approximately \$6,709,000. At the December 31, 2017, the Company had NOL carry-forwards of \$4,787,000 that may be off set against future taxable income through 2037. No tax benefit has been reported with respect to these net operating loss carry-forwards in the accompanying financial statements because of uncertainties surrounding their future utilization. Due to these uncertainties, the Company has provided a full valuation allowance on its deferred tax assets. The valuation allowance on the deferred tax assets increased by \$404,000 and \$237,000 as of December 31, 2018 and 2017, respectively.

Components of the Company's deferred tax assets at December 31, 2018 and 2017 are as follows:

| | December 31, | |
|---|---------------------|--------------------|
| | 2018 | 2017 |
| Net deferred tax assets: | | |
| Expected income tax benefit from NOL carry forwards | \$ 1,409,000 | \$ 1,005,000 |
| Less: valuation allowance | <u>(1,409,000)</u> | <u>(1,005,000)</u> |
| Deferred tax assets, net of valuation allowance | <u>\$ -</u> | <u>\$ -</u> |

The Company periodically evaluates the likelihood of the realization of deferred tax assets, and reduces the carrying amount of the deferred tax assets by a valuation allowance to the extent it believes it will not be realized. The Company considers many factors when assessing the likelihood of future realization of the deferred tax assets,

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

including its results of operations, expectation of future income, and other relevant factors.

On December 22, 2017, the “Tax Cuts and Jobs Act” (“The Act”) was enacted. Under the provisions of the Act, the maximum U.S. corporate tax rate decreased to 21% beginning in 2018. Accordingly, the Company has measured its deferred taxes utilizing the lower enacted corporate tax rate of 21% for Federal purposes as of December 31, 2018 and 2017.

Income Tax Provision

A reconciliation of the federal statutory income tax rate and the effective income tax rate as a percentage of income before income taxes is as follows:

| | For the Year Ended December 31, | |
|---|--|-------------|
| | 2018 | 2017 |
| Tax at federal statutory rate | 21.0% | 21.0% |
| State and local taxes, net of federal benefit | 0.0 | 3.6 |
| Valuation allowance | (21.0) | (37.6) |
| Effective income tax rate | <u>0.0%</u> | <u>0.0%</u> |

Note 8. Commitments and Contingencies

Commitments

The Company subleases facilities from WGN on a month-to-month basis. As per the sublease agreement, either party can terminate the sublease agreement after giving a 90-day written notice. The Company is charged rent and a cost allocation for the property at a fixed rate of \$5,000 per month. The Company plans to continue this sublease arrangement at least until June 30, 2019.

In November 2017, the Company entered into a one-year lease with a third party for an apartment in New York City. The apartment lease was effective from December 13, 2017 to December 12, 2018; the monthly rent was \$5,500. The landlord required a security deposit of \$5,500, which was returned in December 2018. The Company’s rent expense was \$60,500 and \$5,500 for the years ended December 31, 2018 and 2017, respectively.

Litigation

In the ordinary course of business, the Company 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 the Company’s financial condition and/or results of operations. The Company is not currently involved in any litigation.

Exclusive License Agreement

In April 2017, the Company entered into an Exclusive License Agreement (the “ELA”) with Giner Inc. (“Giner”), a research and technology company based in Massachusetts, pursuant to which Giner agreed to incorporate its miniaturized transdermal alcohol sensor (“TAS”) into the *Helo* wearable devices and give the Company an exclusive license to use, market, sell and distribute the integrated *Helo* product in the consumer market. In exchange, the Company has agreed to fund Giner’s non-recurring engineering costs (“NRE”) related to the integration of the TAS technology into the *Helo* product. Giner has also agreed to build a mobile software application for the Company with certain advanced features using TAS and other *Helo* data. The ELA provides for certain additional rights and obligations of the parties, including each party agreeing to certain provisions relating to confidentiality, intellectual property rights, representations and warranties, indemnification and limitation of

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

liability. The Company's total NRE funding amounted to \$1.6 million, of which \$1,325,000 was paid to Giner during 2017; \$90,000 in March 2018 and \$185,000 in April 2018. These payments had been expensed as research and development costs. In May 2018, Giner sold its assets related to its transdermal alcohol sensor business to 1A Smartstart LLC. In connection with such sale, the ELA was assigned to 1A Smartstart, LLC. In connection with such assignment, the Company entered into an addendum to the ELA that revised the minimum volume requirements and exclusivity terms of that agreement.

The term of the revised ELA continues until December 31, 2022 (the "Initial Term"), subject to perpetual automatic annual renewal as follows: If the Company meets the target volume in Year 5, as set forth in the agreement, or maintains exclusivity by paying the shortfall fee, then the agreement will automatically renew for an additional year, with a new volume target to be negotiated and mutually agreed upon by both parties in good faith. The agreement will continue to automatically renew for subsequent annual periods so long as the Company meets or exceeds the volume target of the preceding year or pays the shortfall fee. The target volume of each successive year after Year 5 shall not exceed an increase of 15% of the preceding year's target volume, and such increase amount shall apply if the parties are not otherwise able to mutually agree on an increase. Either party has a right to terminate the agreement if the other party fails to perform or comply fully with any material provision and such failure continues for 30 days thereafter.

In order for the Company to maintain its exclusive license of TAS from 1A Smartstart LLC, the parties have also agreed to minimum TAS units to be purchased by the Company in 2018 and over the subsequent four years at certain per unit pricing. The future minimum purchase commitments are as follows:

| Year Ending December 31, | Minimum Quantity Requirement |
|--------------------------|------------------------------------|
| 2018 | 200,000 |
| 2019 | 500,000 |
| 2020 | 1,000,000 |
| 2021 | 2,000,000 |
| 2022 | 3,000,000 |
| Total | 6,700,000 |

In the event that the Company does not purchase these minimum quantities in any one year, it can retain the ELA by paying 1A Smartstart LLC \$1 per each TAS unit shortfall. However, the shortfall amount paid in Year 1 will be applied against any purchases in the first six months of Year 2 commencing on January 1, 2019. If no additional TAS units are purchased in the first six months of Year 2, then the shortfall amount shall be retained by 1A Smartstart LLC and shall not be applied against any purchases after July 1, 2019.

During the year ended December 31, 2018 the Company did not purchase the minimum quantities required in order to maintain its exclusive license of TAS from 1A Smartstart, LLC, and thus it has lost its exclusive license of TAS.

Employment and Professional Services Agreements

Effective as of October 1, 2017, the Company entered into an employment agreement (as amended) with Mr. Anthony S. Chan with an initial term of 1 year, pursuant to which Mr. Chan was named the Company's Chief Financial Officer. After the initial term, the agreement automatically renews on a month-to-month basis, thereafter. As consideration for such services, upon execution of the Agreement, the Company agreed to pay (i) an annual base

HELO CORP.
(FORMERLY WORLD TECHNOLOGY CORP. AND SUBSIDIARY)

salary of \$150,000, (ii) a signing bonus of \$25,000, (iii) incentive bonus payments as follows, based upon certain individual and corporate performance targets being achieved: Milestone 1: Incentive bonus of \$75,000 upon the effectiveness of the Company's registration statement on Form S-1; Milestone 2: Incentive bonus of \$75,000 upon successful up-listing to Nasdaq; Milestone 3: If Milestones 1 and 2 cannot be met, then he is to receive an incentive bonus of \$50,000, and (iv) severance payments equal to two month's salary plus vacation and benefits payments. Accordingly, \$50,000 was owed to Mr. Chan as at December 31, 2018, and such payment obligation is included in the Company's accounts payable and accrued expenses on the accompanying balance sheet. On March 27, 2019, Mr. Chan tendered his resignation as the Company's Chief Financial Officer effective as of March 28, 2019.

Effective as of February 1, 2018, the Company and Anch entered into a Professional Services Agreement (as amended) with an initial term of 1 year, pursuant to which Mr. McVeigh serves as the Company's Chief Executive Officer. As consideration for such services, the Company agreed to pay Anch for Mr. McVeigh's services (i) an annual base fee of \$200,000, (ii) a \$100,000 cash bonus upon achievement of certain performance based targets, which the Company's Board shall determine and review, and (iii) a payment of \$33,333 if the Agreement is terminated early by the Company without cause.

Effective as of March 22, 2018, the Company entered into a Professional Services Agreement (as amended) with WGN Corp, a Florida corporation beneficially owned by Fabio Galdi, our Chairman of the Board and shareholder, having an initial term of 1 year, pursuant to which Mr. Galdi will serve as the Company's Chief Technology Officer. As consideration for such services, upon execution of the Agreement, the Company agreed to pay WGN Corp for Mr. Galdi's services (i) an annual base fee of \$150,000, (ii) a cash bonus of \$75,000 upon meeting certain targets, which the Board shall determine and review and determine, and (iii) a payment of \$25,000, if the Agreement is terminated early by the Company without cause.

Note 9. Subsequent Events

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued on April 1, 2019 to determine if they must be reported. The management determined that there were no reportable subsequent events to be disclosed besides those described below.

On March 25, 2019, the Company notified QTI of its decision not to extend the 2017 PSA that was entered into on October 1, 2017. In connection with such decision, the Company has written off all outstanding advances to QTI as of December 31, 2018. The Company does not believe this termination will have any negative impact on its current production requirements.

On March 27, 2019, Mr. Chan tendered his resignation as the Company's Chief Financial Officer effective as of March 28, 2019; his resignation was not due to any disagreement with the Company. In connection with Mr. Chan's resignation, the Board of Directors of the Company elected Mr. McVeigh as the Company's Acting Chief Financial Officer effective as of March 28, 2019.