NOORA HEALTH

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Noora Health
San Francisco, California

Opinion

We have audited the accompanying financial statements of Noora Health (a California nonprofit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Noora Health as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Noora Health's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Noora Health's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Noora Health's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Abbott, Stringham & Lynch

August 26, 2022

NOORA HEALTH

STATEMENTS OF FINANCIAL POSITION

Assets

	December 31, 2021	December 31, 2020
Current assets:		
Cash and cash equivalents	$ 36,767,605	$ 3,396,637
Restricted cash	50,000	50,000
Grants receivable	1,917,667	500,938
Prepaid expenses and deposits	12,771	19,232
Total current assets	38,748,043	3,966,807
Grants receivable, net of discount	13,167,548	-
Property and equipment, net of accumulated depreciation	4,539	3,851
	$ 51,920,130	$ 3,970,658

Liabilities and Net Assets

	2021	2020
Current liabilities:		
Accounts payable	$ 78,583	$ 42,779
Accrued expenses	302,686	152,262
Paycheck Protection Program loan payable	52,067	43,215
Total current liabilities	433,336	238,256
Net assets:		
Without donor restrictions	29,112,579	3,232,402
With donor restrictions	22,374,215	500,000
Total net assets	51,486,794	3,732,402
	$ 51,920,130	$ 3,970,658

NOORA HEALTH

STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Grants and contributions	$ 24,408,273	$ 22,374,215	$ 46,782,488	$ 2,731,057	$ 500,000	$ 3,231,057
Gain on sale of digital asset	5,430,895	-	5,430,895	-	-	-
Forgiveness of Paycheck Protection Program loan	43,215	-	43,215	-	-	-
Other income	807	-	807	8,766	-	8,766
In-kind donations - services	-	-	-	537	-	537
Net assets released from restriction	500,000	(500,000)	-	-	-	-
Total revenue and support	30,383,190	21,874,215	52,257,405	2,740,360	500,000	3,240,360
Functional expenses:						
Program services	4,047,956	-	4,047,956	2,562,206	-	2,562,206
Management and general	277,890	-	277,890	303,738	-	303,738
Fundraising	177,167	-	177,167	39,739	-	39,739
Total functional expenses	4,503,013	-	4,503,013	2,905,683	-	2,905,683
Change in net assets	25,880,177	21,874,215	47,754,392	(165,323)	500,000	334,677
Net assets, beginning of year	3,232,402	500,000	3,732,402	3,397,725	-	3,397,725
Net assets, end of year	$ 29,112,579	$ 22,374,215	$ 51,486,794	$ 3,232,402	$ 500,000	$ 3,732,402

NOORA HEALTH

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31,							
	2021				2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 428,752	$ 13,600	$ 127,525	$ 569,877	$ 533,475	$ 26,683	$ 26,683	$ 586,841
Employee benefits	76,003	1,860	16,205	94,068	77,013	6,014	4,275	87,302
Payroll taxes	30,511	1,067	10,791	42,369	37,873	1,934	2,104	41,911
Total personnel expenses	535,266	16,527	154,521	706,314	648,361	34,631	33,062	716,054
Grants and support to others	2,427,784	-	-	2,427,784	1,473,801	-	-	1,473,801
Professional fees	540,781	198,448	-	739,229	202,607	247,146	-	449,753
Hardware and equipment	435,914	13,479	-	449,393	-	-	-	-
Travel and meetings	32,913	-	16,387	49,300	23,011	-	5,917	28,928
Dues and subscriptions	26,238	22,052	-	48,290	3,134	173	173	3,480
Office expenses	23,542	15,448	-	38,990	21,403	12,524	70	33,997
Technology development	17,516	-	-	17,516	49,301	-	-	49,301
Training	8,002	4,165	-	12,167	3,130	-	-	3,130
Miscellaneous	-	1,102	6,259	7,361	138	4,011	190	4,339
Insurance	-	4,294	-	4,294	5,176	288	288	5,752
Depreciation	-	2,093	-	2,093	-	2,000	-	2,000
Bank fees	-	258	-	258	854	854	39	1,747
Bad debt	-	24	-	24	-	2,111	-	2,111
Research	-	-	-	-	125,693	-	-	125,693
Program management	-	-	-	-	5,597	-	-	5,597
Total functional expenses	$ 4,047,956	$ 277,890	$ 177,167	$ 4,503,013	$ 2,562,206	$ 303,738	$ 39,739	$ 2,905,683

NOORA HEALTH

STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash flows from operating activities:		
Change in net assets	$ 47,754,392	$ 334,677
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,093	2,000
Gain on sale of digital asset	(5,430,895)	-
Forgiveness of Paycheck Protection Program loan	(43,215)	-
Changes in operating assets and liabilities:		
Grants receivable	(14,584,277)	(500,776)
Program receivables	-	1,950
Prepaid expenses and deposits	6,461	(9,615)
Accounts payable	35,804	18,252
Accrued expenses	150,424	(50,606)
Net cash provided by (used in) operating activities	27,890,787	(204,118)
Cash flows from investing activities:		
Purchases of property and equipment	(2,781)	-
Proceeds from sale of digital asset	5,430,895	-
Net cash provided by investing activities	5,428,114	-
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program	52,067	43,215
Net increase (decrease) in cash, cash equivalents and restricted cash	33,370,968	(160,903)
Cash, cash equivalents and restricted cash, beginning of year	3,446,637	3,607,540
Cash, cash equivalents and restricted cash, end of year	$ 36,817,605	$ 3,446,637
Reconciliation of cash, cash equivalents and restricted cash with amounts reported on the statements of financial position		
Cash and cash equivalents	$ 36,767,605	$ 3,396,637
Restricted cash	50,000	50,000
	$ 36,817,605	$ 3,446,637
Non-cash financing activities:		
Forgiveness of Paycheck Protection Program loan	$ 43,215	$ -

Note 1 - Organization

Noora Health (the "Organization") is a California nonprofit public benefit corporation that was incorporated in January 2014. The mission of the Organization is to promote good health and recovery for hospital patients in South Asia by training patients, their family members, and/or informal caregivers in basic health skills to help further patient recovery, to promote involvement of patients and family members in the medical recovery process, and to promote education by increasing community knowledge about health care, health maintenance, and basic recovery techniques. The Organization provides high-impact health skills in its training to improve outcomes and save lives. By training families with simple, low-risk skills, they are enabled to provide high quality care in the hospital and at home.

Note 2 - Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial statement presentation

Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

> Without donor restrictions - net assets that are not subject to donor-imposed restrictions, and includes undesignated net assets. The only limits on undesignated net assets are broad limits resulting from the nature of the Organization and the purposes specified in its articles of incorporation or bylaws.
>
> With donor restrictions - net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Includes resources currently available for use, but expendable only for those operating purposes specified by the donor or funding source. Resources of this category originate from gifts and grants.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. The significant estimates used in preparing these financial statements include: the allowance for doubtful accounts of grants receivable, estimated useful lives of property and equipment, valuation of donated assets and professional services, and the allocation of functional expenses. Actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers all highly-liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents. As of December 31, 2021 and 2020, cash and cash equivalents consisted of cash deposited and money market funds held with banks. The recorded carrying amount of cash and cash equivalents approximates its fair value.

Note 2 - Summary of significant accounting policies (continued)

Fair value measurements

The Organization has adopted fair value accounting guidance for all applicable assets and liabilities to define fair value, establish a framework for measuring fair value, and enhance fair value measurement disclosure. The application of this guidance does not have a significant impact on the Organization's financial statements. All of the carrying amounts of the Organization's financial assets and liabilities on its statements of financial position approximate fair value because of the short maturity of these instruments, with the exception of the long-term grants receivable, which are recorded at fair value in the initial year based on discounted cash flows.

Grants receivable

The Organization records grants receivable when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. Unconditional promises to give that are expected to be collected in future years are initially recognized at fair value based on discounted cash flows. The discount on these amounts is computed using the rate applicable in the year the promises were received. Amortization of the discount is recorded as additional contribution revenue on the original contribution in the subsequent years, in accordance with donor-imposed restrictions, if any.

At December 31, 2021, all but $13,960,000 of the $15,711,000 receivable balance is expected to be collected in less than one year, and long term accounts receivable has been discounted to net realizable value using a discount rate of 1.74%, which is based off of the Applicable Federal Rate (AFR) as of December 31, 2021. At December 31, 2020, the grants receivable were all expected to be received within one year and management determined the discount of the long-term portion to be insignificant, therefore no discount was recorded.

The Organization makes estimates as to the ability to collect all of its outstanding receivables and provides provisions for amounts when collection becomes doubtful. Provisions, if necessary, are made based upon a specific review of past due and other outstanding balances for which collection is considered uncertain. At December 31, 2021 and 2020, the Organization has not recorded a provision for uncollectible receivables.

Revenue and support

On January 1, 2020, the Organization adopted ASC 606, Revenue from Contracts with Customers (ASC 606). The Organization did not generate any revenue from contracts with customers during the years ended December 31, 2021 and 2020.

Contributions and grants received or unconditionally promised are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Such contributions and grants required to be reported as support with donor restrictions are then reclassified to net assets without donor restrictions upon expiration of the restriction. When a donor restriction is stipulated and accomplished during the same year, the donation is shown as without donor restriction. Contributions and grants with payment terms in excess of one year are subject to discounting.

Note 2 - Summary of significant accounting policies (continued)

In-kind support

The Organization records various types of in-kind support, if and when received. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets or the use thereof is recognized when promised or received, whichever is earlier. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in operating expenses, or in the case of long-term assets, over the period benefited.

Property, equipment and depreciation

The Organization capitalizes property and equipment acquisitions over $2,500. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally five years. Gifts of property and equipment are reported as support without donor restrictions unless the donor stipulates specifically how the donated asset must be used.

Digital asset - non-fungible tokens (NFTs)

NFTs, for which there is an active market, are recorded at fair value at the date of donation, or at cost if self-created. NFTs are recognized as intangible assets and are not considered to be a currency under U.S. GAAP. Donated NFTs are reported as support without donor restrictions unless the donor stipulates specifically how the donated asset must be used. In 2021, the Organization launched its first NFT which was self-created and was determined by management to have no cost basis. The NFT was sold on the open market. Net proceeds received during the year were $5,430,895.

Functional allocation of expenses

The costs of providing program and supporting services have been presented on a functional basis in the accompanying statements of activities and schedule of functional expenses. Accordingly, certain costs have been allocated based on management’s estimates.

Tax-exempt status

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California. Accordingly, no provisions for income taxes or related credits are included in these financial statements. The Organization is not a private foundation under Section 509(a)(i) and 170(b)(a)(vi) of the Internal Revenue Code.

The Organization has adopted the accounting standard related to uncertainties in income taxes. The Organization evaluates uncertain tax positions through its review of the source of revenue to identify unrelated business income and certain other matters, including those which may affect its tax exempt status. Management believes their estimates related to income tax uncertainties are appropriate based on the current facts and circumstances.

The Organization’s federal Return of Organization Exempt from Income Tax (Form 990) for years ended December 31, 2018 and after are subject to examination by the IRS, generally for three years after they are filed. The Organization’s state returns (Form 199) for the years ended December 31, 2017 and after could be subject to examination by state taxing authorities, generally for four years after they are filed.

Note 2 - Summary of significant accounting policies (continued)

New accounting pronouncements not yet adopted

In 2016 and through subsequent amendments, the FASB issued new accounting guidance for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard will be effective for annual reporting periods beginning with January 2022, and must be applied using a modified retrospective approach. The Organization is currently evaluating the impact of adopting this standard on its financial statements.

In 2016 and through subsequent amendments, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year beginning January 1, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

In 2020, the FASB issued accounting guidance focused on the presentation and disclosure requirements for contributed nonfinancial assets. The new guidance is effective for the Organization’s year beginning January 2022. The new standard requires the entity to present contributed nonfinancial assets, such as property and equipment, food, supplies and intangible assets, as a separate line item on the statement of activities. In addition, the standard also requires enhanced disclosures including qualitative information about whether or not the contributed nonfinancial assets were utilized in a program or monetized; policies for monetizing those assets; descriptions of donor restrictions; and enhanced disclosure regarding the fair value techniques. Early adoption is permitted and the standard is to be applied retrospectively. The Organization is currently evaluating the impact of adopting this standard on its financial statements.

Other accounting pronouncements that have been enacted but not yet implemented are not expected to have a material impact on the Organization’s financial statements.

Subsequent events

In preparing its financial statements, the Organization has evaluated subsequent events through August 26, 2022, which is the date the financial statements are available to be issued.

Note 3 - Liquidity and availability of resources

The Organization considers earnings without donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses and fundraising expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization’s fiscal year.

The Organization manages its cash available to meet general expenditures with the following guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets

Note 3 - Liquidity and availability of resources (continued)

The following table reflects the Organization's financial assets available to meet cash needs for general expenditures within one year as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Financial assets:		
Cash and cash equivalents	$ 36,767,605	$ 3,396,637
Grants receivable	15,085,215	500,938
Total financial assets	51,852,820	3,897,575
Less:		
Accounts payable and accrued liabilities	(381,269)	(195,041)
Grants receivable expected to be received beyond 12 months	(13,167,548)	-
Total financial assets and liquid resources available	$ 38,304,003	$ 3,702,534

Note 4 - Grants receivable

Grants receivable which will be received more than one year from the date of the pledges are recorded after discounting the future cash flows using a discount rate of 1.74%, established in the year of the contribution. Maturities of these receivables are as follows:

For the Year Ending December 31,	Amount
2023	$ 3,506,667
2024	3,096,667
2025	3,096,667
2026	2,096,666
2027	1,996,666
	13,793,333
Less: discount for present value	(625,785)
Net grants receivable due after one year	$ 13,167,548

Note 5 - Restricted cash

Restricted cash of $50,000 at December 31, 2021 and 2020, represents restricted funds related to money market funds held with banks as collateral for outstanding balances on credit cards available to the Organization.

Note 6 - Property equipment

Property and equipment consisted of the following:

	December 31, 2021	December 31, 2020
Computer equipment	$ 12,785	$ 10,004
Less accumulated depreciation	(8,246)	(6,153)
	$ 4,539	$ 3,851

Note 7 - Paycheck Protection Program

On May 1, 2020, the Organization received loan proceeds in the amount of $43,215 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provided for loans to qualifying businesses for amounts of up to 2.5 times the average monthly payroll expenses of the qualifying business for the qualifying time period. The loan and accrued interest are forgivable after the applicable time period defined in the CARES Act as long as the borrower uses the loan proceeds for eligible purposes, including payroll, defined benefits, rent and utilities, and maintains its payroll levels.

On February 11, 2021, the Organization filed for full forgiveness of the PPP loan and, on February 18, 2021, the principal balance of $43,215 and all accrued interest was fully forgiven by the SBA and lending institution. On March 1, 2021, the Organization obtained a second PPP loan in the amount of $52,067. On March 20, 2022, this loan and all accrued interest was also forgiven by the SBA and lending institution.

Note 8 - Net assets with donor restrictions and releases from restrictions

Net assets with donor restrictions were available for the following purposes:

	December 31, 2020	Additions	Released from Restrictions	December 31, 2021
Purpose restrictions	$ -	$ 7,640,000	$ -	$ 7,640,000
Time restrictions	500,000	14,734,215	(500,000)	14,734,215
	$ 500,000	$ 22,374,215	$ (500,000)	$ 22,374,215

Note 9 - Leases

Effective May 1, 2021, the Organization entered into a 24 month lease agreement for office space in Bangladesh. The lease agreement calls for lease payments of 100,000 BDT or approximately $1,300 per month over the term of the lease, beginning May 1, 2021 and ending April 30, 2023. The total rent expense under this facility lease was $10,400 for the year ended December 31, 2021.

Note 9 - Leases (continued)

Effective June 1, 2022, the Organization entered into a 3-year lease agreement for new office space in Bangladesh. The lease agreement calls for lease payments of 325,000 BDT or approximately $3,500 per month over the term of the lease, beginning August 1, 2022 and ending July 31, 2025.

Future minimum facility lease payments required under the Organization's leases are as follows:

Year Ending December 31,	Amount
2022	$ 33,100
2023	47,200
2024	42,000
2025	24,500
	$ 146,800

Note 10 - Concentrations, risk and uncertainties

The Organization maintains its cash and cash equivalents with high-credit, quality financial institutions which, at times, are in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Organization believes its credit policies do not result in significant adverse risk, and historically has not experienced significant credit-related losses.

During the year ended December 31, 2021, the Organization had two significant grantors that represented 53% of total grants and contributions. The Organization had four significant grantors that represented 84% of outstanding receivables at December 31, 2021.

During the year ended December 31, 2020, the Organization had one significant grantor that represented 32% of total grants and contributions. The same grantor had an outstanding receivable that represented 99% of total grants receivable at December 31, 2020.

The Organization partners mainly with two India-based entities to provide training and implementation services for all of its program services in India. The Organization uses independent contractors to provide its training and implementation services in Bangladesh.

Domestic and international economies continue to face uncertainty related to the impact of the COVID-19 disease. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's grantors, donors, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

Note 11 - Reclassifications

Certain reclassifications have been made to the December 31, 2020 financial statements to conform to the December 31, 2021 financial statement presentation. Such reclassifications had no effect on changes in net assets.