

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Consolidated Financial Statements in Liquidation
(with report of independent auditor)

For the Fiscal Years Ended June 30, 2025 and 2024

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

For the Fiscal Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Officers
The Global Center for Medical Innovation, Inc. and Subsidiary
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of The Global Center for Medical Innovation, Inc. (a nonprofit organization) and Subsidiary (collectively, “the Organization”), which comprise the consolidated statements of financial position in liquidation as of June 30, 2025, and the related consolidated statements of activities and changes in net assets in liquidation, functional expenses in liquidation, and cash flows in liquidation for the year then ended, and the related notes to the consolidated financial statements in liquidation. The consolidated financial statements of The Global Center for Medical Innovation, Inc. as of June 30, 2024 were audited by other auditors whose report dated October 11, 2024, expressed an unqualified opinion on those statements.

In our opinion, the consolidated financial statements in liquidation referred to above present fairly, in all material respects, the financial position in liquidation of The Global Center for Medical Innovation, Inc. and Subsidiary as of June 30, 2025, and the changes in its net assets in liquidation, activities in liquidation, and its cash flows in liquidation for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 The Global Center for Medical Innovation, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

As discussed in Note 1 and Note 15 to the consolidated financial statements, as result of the sale of assets of T3 Labs, Inc. in November 2023 and the approval of a plan of dissolution by the Board of Directors, the Organization determined that liquidation was imminent. Accordingly, the Organization’s consolidated financial statements for the year ended June 30, 2025 are prepared on the liquidation basis of accounting.

Generally accepted accounting principles require financial statements to be prepared on the liquidation basis of accounting when an entity is in liquidation or when liquidation is imminent. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Consolidated Financial Statements

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 The Global Center for Medical Innovation, Inc. and Subsidiary'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 consolidated financial statements.

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.

Marietta, Georgia
September 5, 2025

A handwritten signature in dark ink that reads "Alliant CTA Group, LLC". The signature is written in a cursive, flowing style.

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Consolidated Statements of Financial Position in Liquidation
June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 134,342	\$ 233,808
Receivables	29,450	482,216
Prepaid expenses	-	17,558
Property and equipment, net	-	524,302
Right-of-use assets under operating leases	-	1,179,094
	<u>\$ 163,792</u>	<u>\$ 2,436,978</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 14,970	\$ 2,329,624
Accrued interest payable	27,800	25,944
Deferred program services revenue	-	36,331
Long-term note payable	365,000	365,000
Lease obligations, operating leases	-	1,443,970
	<u>407,770</u>	<u>4,200,869</u>
Net assets		
Without donor restrictions		
Undesignated	(243,978)	(2,288,193)
Invested in property and equipment, net of related liabilities	-	524,302
	<u>(243,978)</u>	<u>(1,763,891)</u>
With donor restrictions		
Purpose restrictions	-	-
	<u>(243,978)</u>	<u>(1,763,891)</u>
	<u>\$ 163,792</u>	<u>\$ 2,436,978</u>

See notes to consolidated financial statements and auditor's report.

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Consolidated Statements of Activities and Changes in Net Assets in Liquidation
Fiscal Years Ended June 30,

	<u>2025</u>	<u>2024</u>
REVENUE AND SUPPORT		
Program services: prototyping, testing, and training	\$ 466,725	\$ 5,479,722
Contributions	2,806,165	2,543,178
Subgrant proceeds	21,781	167,867
Contributed management services	94,820	169,319
Interest	4,145	18,475
Other income	74,571	-
Net assets released from purpose restrictions	<u>-</u>	<u>39,288</u>
Total revenues and support without donor restrictions	<u>3,468,207</u>	<u>8,417,849</u>
EXPENSES		
Program services	1,460,814	6,337,029
Management and general	<u>300,030</u>	<u>1,876,110</u>
Total expenses	<u>1,760,844</u>	<u>8,213,139</u>
Loss on termination of operating lease	<u>187,450</u>	<u>5,906,823</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 1,519,913	\$ (5,702,113)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>-</u>	<u>(39,288)</u>
CHANGE IN NET ASSETS ATTRIBUTABLE TO OPERATIONS	\$ 1,519,913	(5,741,401)
Beginning of fiscal year	<u>(1,763,891)</u>	<u>3,977,510</u>
End of fiscal year	\$ <u><u>(243,978)</u></u>	\$ <u><u>(1,763,891)</u></u>

See notes to consolidated financial statements and auditor's report.

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Consolidated Statement of Functional Expenses in Liquidation
Fiscal Year Ended June 30, 2025

	Program Services	Management and General	Total
Salaries	\$ 362,360	\$ 98,608	\$ 460,968
Fringe benefits	<u>111,436</u>	<u>31,518</u>	<u>142,954</u>
Total compensation and benefits	<u>473,796</u>	<u>130,126</u>	<u>603,922</u>
Bank fees	-	4,185	4,185
Credit loss	85,917	-	85,917
Consulting services	385,613	-	385,613
Contract labor	115,029	-	115,029
Dues and publications	-	848	848
Insurance	47,198	6,356	53,554
Interest	-	1,855	1,855
Maintenance and repair	(376)	(51)	(427)
Marketing	-	24,280	24,280
Materials and supplies	3,361	12	3,373
Occupancy	136,226	18,346	154,572
Postage and printing	543	-	543
Professional fees	-	62,276	62,276
Travel	-	4,724	4,724
Other administrative	<u>144,736</u>	<u>26,418</u>	<u>171,154</u>
Total administrative expenses before depreciation and amortization	1,392,043	279,375	1,671,418
Depreciation and amortization	<u>68,771</u>	<u>20,655</u>	<u>89,426</u>
Total expenses	\$ <u><u>1,460,814</u></u>	\$ <u><u>300,030</u></u>	\$ <u><u>1,760,844</u></u>

See notes to consolidated financial statements and auditor's report.

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Consolidated Statement of Functional Expenses in Liquidation
Fiscal Year Ended June 30, 2024

	Program Services	Management and General	Total
Salaries	\$ 2,091,385	\$ 688,685	\$ 2,780,070
Fringe benefits	<u>650,668</u>	<u>220,923</u>	<u>871,591</u>
Total compensation and benefits	<u>2,742,053</u>	<u>909,608</u>	<u>3,651,661</u>
Bank fees	-	15,350	15,350
Credit loss	284,983	-	284,983
Communications	10,375	4,126	14,501
Consulting services	213,181	243,874	457,055
Contract labor	1,213,670	4,547	1,218,217
Dues and publications	-	4,772	4,772
Insurance	58,104	16,969	75,073
Interest	-	27,793	27,793
Maintenance and repair	141,294	62,418	203,712
Marketing	-	53,935	53,935
Materials and supplies	607,701	27,719	635,420
Noncapitalized equipment	10,633	-	10,633
Occupancy	521,209	108,805	630,014
Postage and printing	4,392	1,448	5,840
Professional fees	-	180,069	180,069
Surgical	107,685	-	107,685
Travel	-	29,656	29,656
Utilities	88,552	41,332	129,884
Other administrative	<u>7,236</u>	<u>19,081</u>	<u>26,317</u>
Total administrative expenses before depreciation and amortization	6,011,068	1,751,502	7,762,570
Depreciation and amortization	<u>325,961</u>	<u>124,608</u>	<u>450,569</u>
Total expenses	\$ <u><u>6,337,029</u></u>	\$ <u><u>1,876,110</u></u>	\$ <u><u>8,213,139</u></u>

See notes to consolidated financial statements and auditor's report.

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Consolidated Statements of Cash Flow in Liquidation
Fiscal Years Ended June 30,

	2025	2024
OPERATING ACTIVITIES		
Changes in net assets	\$ 1,519,913	\$ (5,741,401)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	89,426	450,569
Reduction in right-of-use assets for operating leases	134,296	306,388
Noncash contribution - assumption of accounts payable	-	(2,543,178)
Loss on termination of operating lease	187,450	5,906,823
Increase in reserve for credit loss	-	32,000
Net changes in assets and liabilities:		
Decrease in current assets	470,324	115,447
(Decrease) increase in current liabilities	(2,312,798)	543,605
(Decrease) in deferred program service revenue	(36,331)	(27,281)
(Decrease) in lease obligations, operating leases	(151,746)	(314,448)
Total adjustments	(1,619,379)	4,469,925
Net cash provided (used) by operating activities	(99,466)	(1,271,476)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(49,347)
Proceeds from sale of property and equipment	-	719,173
Net cash provided (used) by investing activities	-	669,826
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of finance lease	-	(6,044)
Repayments of loan payable	-	(41,268)
Net cash provided (used) by financing activities	-	(47,312)
NET INCREASE (DECREASE) IN CASH	(99,466)	(648,962)
CASH AND CASH EQUIVALENTS		
Beginning of fiscal year	233,808	882,770
End of fiscal year	\$ 134,342	\$ 233,808

See notes to consolidated financial statements and auditor's report.

The Global Center for Medical Innovation, Inc. And Subsidiary

Notes to Consolidated Financial Statements in Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 1. NATURE OF ORGANIZATION AND ACTIVITIES

The Global Center for Medical Innovation, Inc. (“GCMi”) is a non-profit corporation organized in the state of Georgia on June 11, 2008. GCMi brings together core members of the medical device community, including universities, research centers, clinicians, established device companies, investors and startups, with the goal of accelerating the commercialization of innovative medical technology. GCMi helps new-product teams enhance their product development, shorten time to market, and potentially achieve significant cost savings throughout the process. Their collaborative environment makes everyone’s efforts more efficient and cost effective. GCMi is a cooperative organization of the Georgia Institute of Technology (“GIT”), and is party to an operating agreement with GIT, pursuant to which GIT may provide certain future services, programs, and facilities usage to GCMi. GCMi’s board of directors has been appointed by GIT.

GCMi is the sole member of Translational Testing and training Laboratories, Inc. (“T3 Labs”), a Georgia non-profit corporation engaged in preclinical testing and training services. Medical devices and pharmaceuticals follow well-established paths to make sure that they are safe and effective when they reach the public. This path includes preclinical testing to determine if a product is effective and safe, and bio skills training which allows physicians and other end-users to evaluate or practice in clinical-grade environment. As further discussed in Note 14, substantially all assets of T3 Labs were included in an asset sale which occurred during the year ended June 30, 2024. GCMi and T3 Labs are collectively referred to herein as “the Organization”.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America (“U.S. GAAP”). The Financial Accounting Standards Board (“FASB”) has established the FASB Accounting Standards Codification (“ASC”) and the related Accounting Standards Updates (“ASUs”) as the single source of authoritative GAAP.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of GCMi and T3 Labs for the years ended June 30, 2025 and 2024. All significant intercompany transactions and balances have been eliminated in the consolidation.

The Global Center for Medical Innovation, Inc. And Subsidiary

Notes to Consolidated Financial Statements in Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America, and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*.

Accounts Receivable

Accounts receivable is recorded for provided services for which the Organization has an unconditional right to payment. On July 1, 2023, the Organization adopted Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASC" 326") using the modified retrospective method. ASC 326 requires the application of a credit loss model based prospectively on current expected credit losses and replaces the previous model which was based retrospectively on past losses incurred.

The reserve for credit losses required by the adoption of ASC 326 is a valuation account that is deducted from the accounts receivable's amortized cost basis in order to present on the consolidated statement of financial position the net amount expected to be collected. The credit loss expense, and subsequent adjustments to such losses, are recorded as a provision for (or reversal of) credit loss expense in the consolidated statement of activities.

Estimating future credit losses requires significant judgment by management. Significant judgments include, but are not limited to, accessing the debtors' current financial condition, assessing current economic conditions and the extent to which they are relevant to the existing characteristics of the Organization's accounts receivable, and determining the level of reliance on historical experience in light of economic conditions. The Organization will continually review and update, when necessary, all such relevant judgments and assessment in determining the reserves for credit losses.

The Global Center for Medical Innovation, Inc. And Subsidiary

Notes to Consolidated Financial Statements in Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable (continued)

Upon adoption of ASC 326, management determined that no reserve for credit losses as of July 1, 2023, was necessary. Consequently, the cumulative effect of the implementation of ASC 326 resulted in no adjustments to net assets.

The Organization estimates its reserve for credit losses using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts as described above. The Organization elected to base its estimation of expected credit losses for accounts receivable on historical credit loss experience. The reserve for credit losses as of June 30, 2025 and 2024 was \$-0- and \$32,000, respectively.

Management does not currently believe a credit risk from account receivable exists due to the Organization's broad customer base comprised largely of financially stable entities.

Property and Equipment

Purchased property and equipment are recorded at cost, and donated assets are recorded as contributions at their estimated fair value at date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization report expirations of donor restrictions when the donated or required assets are placed in service as instructed by the donor.

The Organization's policy is to capitalize items purchased or donated that exceed \$5,000 in cost or fair value, respectively. Lessor amounts are expensed. Maintenance and repairs which do not improve or extend the life of the respective assets are also expensed.

Depreciation of personal property is calculated on a straight-line method by charges to expense based upon the estimated useful lives of the respective assets, which range from two to ten years. Leasehold improvements are amortized over the remaining life of the operating lease unless management determines the estimated useful life to be of shorter duration. Property items retired, or otherwise disposed of, are removed from the asset and accumulated depreciation accounts and any resulting gain or loss is reflected in the statement of activities.

The Global Center for Medical Innovation, Inc. And Subsidiary

Notes to Consolidated Financial Statements in Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* are net assets available for use in general operations and not subject to donor-imposed restrictions.
- *Net Assets with Donor Restrictions* are net assets subject to donor-imposed restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are released when a restriction expires (that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been accomplished, or both). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions

Leases

In February 2016, the FASB issued ASC 842, *Leases*, which requires entities to recognize all leased assets as right-of-use (“ROU”) assets on the balance sheet with a correspondingly liability resulting in a gross up of the balance sheet. Entities are also required to present additional disclosures regarding the nature and extent of leasing activities. The organization adopted ASC 842 effective July 1, 2022 and recognized and measured leases existing as of that date, the beginning of the period of adoption, through a cumulative effect adjustment with certain practical expedients available. The Organization made an accounting policy not to apply ASC 842 to short-term leases, defined as those with initial terms of 12 months or less. The Organization also made an accounting policy election to use the risk-free rate of a zero-coupon U.S. Treasury instrument of a duration similar to that of the lease term as the discount rate in lieu of the Organization’s incremental borrowing rate to discount future lease payments for leases without an interest rate implicit in the lease. The Organization’s operating leases include minimum lease payments which escalate annually under the lease terms. The organization recognizes lease expense on a straight-line basis over the terms of the leases.

The Global Center for Medical Innovation, Inc. And Subsidiary

Notes to Consolidated Financial Statements in Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contracts with Customers

The Organization follows ASC 606, Revenue from Contracts with Customers. ASC 606 establishes principles for reporting information to financial statement users about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers and is intended to ensure that the entity recognized revenues in a manner depicting the transfer of promised goods or services to customers in amounts reflecting the consideration to which the entity expects to be entitled in exchange for those goods or services.

A contractual agreement exists when each party involved approves and commits to the agreement, the rights of the parties and payment term are identified, the agreement has commercial substance, and collectability of the consideration is probable. The Organization performs services for the sole benefit of its customers, whereby the services performed do not have alternative benefits for the Organization.

The Organization performs services under standardized master service agreements or customized contracts that contain customer-specified service requirements. These agreements include discrete pricing for individual tasks, materials, and other provided benefits, each based on a specific unit of measure. Tasks occur and materials are consumed in specific instances which can be discretely identified. Related revenue is recognized at the point that these tasks are completed, which constitutes transfer of control of promised services to customers in an amount that reflects the consideration the Organization expects to receive in exchange for those services. The Organization typically operates under contracts with clauses that allow the customer to unilaterally terminate the contract for convenience, pay the Organization for the expenses incurred, and take contract of any work in progress. The selection of the method to measure contract revenue requires significant judgment and is based on the nature of the services to be provided. Management believes this method best represents the measure of progress against the performance obligations incorporated in these contractual agreements.

In those instances where the timing of revenue recognition differs from the timing of invoicing, management has determined that contracts do not include a significant financing component. The primary purpose of the invoicing terms in use is to provide customers with simple and predictable methods of purchasing the Organizations services, not to provide or receive financing to or from customers. The term between invoicing and when payment is due is not significant.

The Global Center for Medical Innovation, Inc. And Subsidiary

Notes to Consolidated Financial Statements in Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Cash received for services to be provided in the future is recorded as deferred program services revenue until such services are provided. The following table provides information about significant changes in deferred program services revenue for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Beginning of year	\$ 36,331	\$ 788,305
Received as cash during the year	-0-	1,043,020
Transferred as part of T3 Labs asset sale	-0-	(724,693)
Offset against unpaid client receivables	-0-	(31,598)
Revenue recognized during the year	<u>(36,331)</u>	<u>(1,038,703)</u>
End of year.	<u>\$ -0-</u>	<u>\$ 36,331</u>

Contributions

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

In-kind contributions of non-cash assets for use by the Organization are recorded at their fair market value in the period received.

Contributions of donated services which create or enhance non-financial assets or that require specialized skills that would typically need to be purchased if not provided by donation are recorded at their fair value in the period received. During the years ended June 30, 2025 and 2024, the Organization received such contributions from GIT as described in Note 9.

Grants and Subgrant Awards

Revenue derived from cost-reimbursable federal grants and subgrants is conditioned upon certain performance requirements or the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization meets these performance requirements or incurs expenditures that are allowable under the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position.

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Notes to Consolidated Financial Statements In Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

GCMi and T3 Labs are not-for-profit corporations and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying consolidated financial statements.

ASC 740, *Income Taxes*, is applicable to not-for-profit entities in certain matters, such as GCMi's and T3 Lab's tax-exempt status, are considered tax positions taken in its annual informational tax return and thus must be assessed for potential unrecognized tax benefits. Under ASC 740, the Organization assesses the likelihood, based on their technical merit, that such tax positions taken in its informational tax return will be sustained by taxing authorities upon examination of the facts, circumstances, and information available at the end of each financial statement period. Unrecognized tax benefits are measured and recorded as a liability where the Organization has determined it to be probable a tax position would not be sustained and the amount of the unrecognized tax benefit, including associated penalties and interest, can reasonably be estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position, or for all uncertain tax positions in the aggregate, could differ from the amount recognized.

Management has determined that there is no tax liability resulting from unrecognized tax benefits related to uncertain income tax positions taken, or expected to be taken, on its informational tax returns as of June 30, 2025 and 2024. No informational tax returns are currently under examination.

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates that were used.

**The Global Center for Medical Innovation, Inc.
And Subsidiary**

Notes to Consolidated Financial Statements In Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value Measurement

The Organization's financial instruments consist primarily of accounts receivable, accounts payable, and accrued liabilities. The carrying amount of accounts receivable, accounts payable, and accrued liabilities approximate their fair value due to their short-term nature.

Date of Management's Review

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through September 5, 2025, the date the financial statements were available to be issued.

Note 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donors or other restrictions limiting their use, within one year of the balance sheet date, are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 134,342	\$ 233,808
Receivables	<u>29,450</u>	<u>482,216</u>
Financial assets available to meet cash needs		
For general expenditures within one year	<u>\$ 163,792</u>	<u>\$ 716,024</u>

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers expenditures related to its program services and expenditures incurred to support these programs.

The Global Center for Medical Innovation, Inc. And Subsidiary

Notes to Consolidated Financial Statements in Liquidation
Fiscal Years Ended June 30, 2025 and 2024

Note 4. CONCENTRATIONS

The Organization receives significant resources, which have historically included direct financial assistance, donated facilities usage, and administrative assistance, from GIT and affiliated organizations of GIT. At June 30, 2024, over 90% of the Organizations accounts payable and accrued expenses balance is payable to GIT, a substantial portion of which has been outstanding for a length of time which would be considered excessive for transactions between unrelated parties. For the year ended June 30, 2025, the Organization recognized unpaid receivables from GIT in the amount of \$144,294 as other administrative expenses. The Organization is also obligated to an affiliate organization of GIT for a note payable described in Note 6.

Additionally, a portion of the Organization's total revenue is derived from services performed for GIT, Emory University ("Emory"), or organizations or researchers affiliated with GIT or Emory in some capacity. Interruption or discontinuation of the above-described sources of supporter revenue or demands for immediate repayment of the obligations described above could cause substantial doubt in the Organizations ability to continue operating as an independent entity. As of the date the consolidated financial statements are available for issuance, management is engaged in ongoing discussions regarding the future of these and other factors on the future of the Organization, as described in Note 15.

Cash and deposits in bank are maintained at cost in the statement of financial position. For purposes of the statement of cash flows, cash is comprised of cash and deposits in bank accounts.

The financial instruments which potentially subject the Organization to concentrations of credit risk are cash and accounts receivable. The Organization has cash deposits with a financial institution which are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of \$250,000. At June 30, 2025, cash balances on hand do not exceed the insured limit.

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Note 5. PROPERTY AND EQUIPMENT

At June 30, property and equipment consists of:

	<u>2025</u>	<u>2024</u>
Machinery and equipment	\$ -0-	\$1,088,058
Machinery and equipment not in service	-0-	18,750
Software	-0-	33,686
Leasehold improvements	<u>-0-</u>	<u>1,242,998</u>
	-0-	2,382,998
Accumulated depreciation and amortization	(<u>-0-</u>)	(<u>1,858,696</u>)
	<u>\$ -0-</u>	<u>\$ 524,302</u>

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 are \$89,426 and \$450,569, respectively.

Note 6. LONG-TERM NOTE PAYABLE

GCMC received an unsecured note payable for \$500,000 from Georgia Tech Research Corporation (“GTRC”). GTRC and GCMC are both affiliate organizations of GIT. The note bears interest at 0.50%. During the year ended June 30, 2024, the note was amended to require the payment of all principal and interest on June 30, 2025. Prior to this amendment, the Organization was delinquent on payments of \$50,000 which were due annually from June 30, 2018 through 2023. At June 30, 2025 and 2024, unpaid principal and interest total \$392,800 and \$390,944, respectively.

The remaining balance of GCMC’s note payable to GTRC on June 30, 2025, will be retired and GTRC made whole in the following manner:

GCMC will make a payment to GTRC of the total amount remaining in its bank operating account after all other obligations of GCMC have been paid to legally cease GCMC as an affiliate of Georgia Tech. After that payment is made to GTRC, the remaining outstanding amount of the note payable and interest will be withheld from GTRC’s fiscal year 2026 allocation (EF&M Grant) to the Office of the Executive Vice President of Research. The fiscal year 2026 allocation was approved by the GTRC Board at the May 2025 Board meeting. The amount withheld by GTRC from the approved annual allocation will in effect retire the total loan (\$500K) made to GCMC by GTRC, including interest.

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Note 7. LOAN PAYABLE

The lease agreement for T3 Labs' research facility, as amended September 2021, incorporated a loan agreement under which the lessor provided a \$1.2 million credit facility to the Organization for the purpose of financing specified equipment and leasehold improvements. The Organization was required to submit documentation of such expenditures to the lessor for reimbursement. As of June 30, 2023, \$966,250 of equipment and leasehold improvements had been requested and approved for such financing. The obligation was assumed by the buyer in the asset sale by T3 Labs described in Note 14. During the year ended June 30, 2024, and prior to this assumption T3 Labs added an additional \$192,199 of equipment and leasehold improvements under the loan agreement.

Note 8. LEASES AND SUBLEASE

Finance lease obligation

During June 2022, the Organization entered into a finance lease agreement for medical equipment. For financial reporting purposes, minimum rental payments were capitalized. Equipment acquired under the finance lease obligation had a cost of \$125,000. The implicit rate of the finance lease was 2.4%. This lease was assumed by the buyer in the asset sale by T3 Labs described in Note 14.

Operating lease obligations

GCMI is party to an operating lease for its medical device prototyping design and development center with GIT, which subleases the facility from a single-member LLC owned by Georgia Advanced Technology Ventures Inc. ("GATV"). Payments under the lease increase annually, as discussed in Note 2. The lease was terminated on April 1, 2025. As a result of the termination of the lease, the Organization incurred a loss in the amount of \$187,450 and is included in the consolidated statements of activities and changes in net assets.

T3 Labs was a party to an operating lease for its research facility with a single-member LLC owned by GATV. This lease was assumed by the buyer in the asset sale by T3 Labs described on Note 14.

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Note 8. LEASES AND SUBLEASE (continued)

The components of lease expense for the years ended June 30, are as follows

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 181,761	\$ 484,350
Short-term lease cost	\$ -0-	\$ 145,184
Finance lease costs:		
Amortization of right-of-use assets	\$ -0-	\$ 6,044
Interest in lease liability	<u>-0-</u>	<u>594</u>
Total finance lease cost	<u>\$ -0-</u>	<u>\$ 6,638</u>

Subleases

GCMI subleased a portion of its facility to GIT, Jackson Medical, and Micron Biomedical. For the years ended June 30, 2025 and 2024, GCMI recognized sublease revenue of \$123,305 and \$230,366, respectively.

T3 Labs subleased a portion of its research facility to a division of Emory. For the years ended June 30, 2025 and 2024, T3 Labs recognized sublease revenue of \$-0- and \$58,151, respectively.

Sublease revenue is included in program services in the consolidated statements of activities and changes in net assets.

Note 9. CONTRIBUTED MANAGEMENT SERVICES REVENUE

The Organization benefits from unreimbursed services provided by GIT. During the years ended June 30, 2025 and 2024, these services are valued at \$94,820 and \$169,319, respectively, based on the amount of time spent rendering services at the compensation rates of the applicable individuals. These amounts are included in contributed management service revenue and in management and general expenses in the accompanying consolidated statements of activities and changes in net assets.

The Organization may receive additional assistance from GIT and affiliated organizations in the form of advisory services, financial recordkeeping, and facilities usage for administrative functions to which no value has been attributed in the accompanying 2025 and 2024 consolidated financial statements. Management has evaluated the possible sources of such assistance and believes the value of any unrecorded services received to be immaterial to the Organization's operations.

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Note 10. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023, net assets with donor restrictions represented contributions which were specified for use in a particular development and commercialization project. All such contributions were expensed for their restricted purpose during the year ended June 30, 2024.

Note 11. FUNCTIONALIZED EXPENSES

The consolidated financial statements report certain categories of expenses that are attributed between program service and management general. Such expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, benefits, and payroll taxes, as well as such items as materials and supplies and travel, are allocated according to estimates of time and effort. Facility-related expenses, including insurance, repairs, utilities, and depreciation and amortization, are allocated based on square footage attributable to program operations and to administrative areas.

Note 12. SUBGRANT AWARDS

During 2022, the Organization received a \$394,739 subgrant award through GIT from the U.S. Department of Commerce's Economic Development Authority ("EDA") for the purpose of funding certain salaries and other expenses related to its medical device prototyping design and development center. The award includes a 100% cost-sharing requirement which must be met with funds from other sources. Revenues from the subgrant award are recognized as discussed in Note 2. The Organization recognized revenues of \$16,935 and \$122,714 under this subgrant award during the years ended June 30, 2025 and 2024, respectively. Cumulative revenue through June 30, 2025 and 2024 was \$223,209 and \$206,274, respectively. Management believes the Organization has met all reporting and compliance requirements under the subgrant agreement.

During fiscal year 2024, the Organization received a \$50,000 subgrant award through GIT from Georgia Research Alliance to fund a specific project through September 2024. Subsequently during fiscal year 2025, the award was reduced to \$25,000 due to funding constraints of the grantor. Revenues from the subgrant award are recognized as discussed in Note 2. Management believes the Organization has met all reporting and compliance requirements under the subgrant agreement.

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Note 13. RELATED PARTY TRANSACTIONS (NOT DISCLOSED ELSEWHERE)

At June 30, 2025 and 2024, accounts receivable includes \$25,000 and \$215,698, respectively, due from GIT.

At June 30, 2025 and 2024, accounts payable and accrued expenses balances include \$-0- and \$2,270,558 due to GIT. During the year ended June 30, 2025, GTRC provided funding in the amount of \$2,806,165 to offset balances owed by GCMI. During the year ended June 30, 2024, GTRC provided funds in the amount of \$2,543,178 to pay balances owed to GIT by T3 Labs, which was the subject of an asset sale described in Note 14 which resulted in T3 Labs having no resources to pay such balances. As a result, the Organization recognized both as contributions in the consolidated statements of activities and changes in net assets for the fiscal years ended June 30, 2025 and 2024.

The Organization provides its services, as described in Note 2, to GIT. For The years ended June 30, 2025 and 2024, revenues from services provided to GIT total \$141,777 and \$724,690, respectively. As part of its nonprofit mission, the Organization may also provide services to GIT without direct compensation or reimbursement of the costs involved.

The daily operations of the Organization are conducted by employees of GIT. The Organization reimburses GIT for these salaries and fringe benefits, unless they are contributed by GIT as described in Note 9. All such balances in the accompanying consolidated statements of functional expenses are attributable to GIT employees.

Note 14. ASSETS SALE BY T3 LABS, INC.

In November 2023, The Organization executed an asset purchase agreement with a private, for-profit corporation (“the Buyer”), under which the Buyer acquired substantially all the operating assets of T3 Labs. The Buyer also assumed certain accounts payable and obligations pertaining to deferred revenue balances.

Additionally, the Buyer assumed the operating lease associated with T3 Labs’ operating facilities and the related loan described in Note 8, as well as an existing finance lease and related equipment.

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Note 14. ASSETS SALE BY T3 LABS, INC. (continued)

The effect of the sale on the consolidated statement of financial position and the resulting loss was as follows:

Cash received	\$ 719,173
Accounts receivable	(2,342,880)
Prepaid expense	(75,047)
Inventory	(132,226)
Property and equipment	(6,652,482)
Right-of-use asset for operating lease	(2,771,435)
Security deposits	(37,161)
Accounts payable	771,056
Deferred program service revenue	724,693
Loan payable	947,340
Lease obligation, finance lease	95,139
Lease obligations, operating leases	<u>2,847,007</u>
Loss on asset sale	\$ <u>(5,906,823)</u>

T3 Labs program services revenue included in the consolidated statement of activities and changes in net assets for the year ended June 30, 2024, were \$4,111,097.

T3 Labs settlement income of \$64,255 and bad debt recoveries of \$10,745 were included in the statement of activities as other income for the year ended June 30, 2025.

Note 15. SUBSEQUENT EVENTS

The accompanying consolidated financial statements have been prepared on the liquidation basis of accounting, assuming that the Organization will not continue as a going concern. The Organization's annual program services revenue and other sources of revenue have not, on a recurring basis, provided sufficient resources to offset its expenses. At June 30, 2025 and 2024, the Organization's net assets reflect a deficit position. As discussed in Note 4, the Organization is dependent on GIT for multiple types of support, without which the Organization could not be expected to sustain ongoing operations. As of the date the consolidated financial statements are available for issue, management has concluded the Organization's operating activities.