

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN
DECEMBER 31, 2020



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SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

DECEMBER 31, 2020

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December 7, 2021

INDEPENDENT AUDITOR'S REPORT

SciTech Development, LLC
Grosse Pointe Farms, Michigan

Opinion

We have audited the accompanying financial statements of SciTech Development, LLC (a Michigan corporation), which comprise the balance sheet as of December 31, 2020, and the related statements of income and comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SciTech Development, LLC as of December 31, 2020, and the results of its operations 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. 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 SciTech Development, LLC 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 SciTech Development LLC's ability to continue as a going concern within 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 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 SciTech Development, LLC'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about SciTech Development, LLC'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, amount 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.

BAIRD, COTTER AND BISHOP, P.C.

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SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

BALANCE SHEET
DECEMBER 31, 2020

ASSETS

Current Assets

Cash & Cash Equivalents	\$ 133,834
Total Current Assets	<u>133,834</u>

Non-Current Assets

Deferred Tax Assets	<u>193,514</u>
Total Non-Current Assets	<u>193,514</u>

TOTAL ASSETS	<u><u>\$ 327,348</u></u>
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LIABILITIES AND MEMBERS' EQUITY

Current Liabilities

Accounts Payable	\$ 10,425
Total Current Liabilities	<u>10,425</u>

Long-Term Liabilities

Accrued Independent Contractors	576,149
Accrued Expenses	92,814
Accrued Interest	88,572
Notes Payable	<u>810,332</u>
Total Long-Term Liabilities	<u>1,567,867</u>

Total Liabilities	<u>1,578,292</u>
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Members' Equity (Deficit)

Membership Units	1,691
Retained (Deficit)	<u>(1,252,635)</u>
Total Members' Equity (Deficit)	<u>(1,250,944)</u>

TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 327,348</u></u>
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The accompanying notes are an integral part of these financial statements.

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

STATEMENT OF INCOME AND COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020

Sales	<u>\$ 0</u>
Cost of Sales	
Research Costs	2,240
Consulting Fees	43,928
Sub Contractors	285,300
Other Costs	21,274
Total Cost of Sales	<u>352,742</u>
Gross Profit (Loss)	<u>(352,742)</u>
General and Administrative Expenses	
Rent	2,647
Meals	502
Travel & Events	10,723
Insurance	1,903
Phone, Software & Internet	4,833
Office Expense	1,485
Bank Fees	2,892
Miscellaneous Expense	3,500
Total General and Administrative Expenses	<u>28,485</u>
Net Operating Income (Loss)	<u>(381,227)</u>
Other Income (Expense)	
Interest Income	1,386
Interest Expense	(48,008)
Total Other Income (Expense)	<u>(46,622)</u>
Net Income (Loss) Before Tax	(427,849)
Deferred Income Tax (Expense) Benefit	<u>70,207</u>
Net Income (Loss) After Tax	(357,642)
Other Comprehensive Income (Loss)	<u>0</u>
Total Comprehensive Income (Loss)	<u>\$ (357,642)</u>

The accompanying notes are an integral part of these financial statements.

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>MEMBERSHIP</u> <u>UNITS</u>	<u>RETAINED</u> <u>(DEFICIT)</u>	<u>TOTAL</u>
<u>BALANCE</u> - January 1, 2020	\$ 1,434	\$ (894,993)	\$ (893,559)
Income (Loss)	0	(357,642)	(357,642)
Units Issued	257	0	257
<u>BALANCE</u> - December 31, 2020	<u>\$ 1,691</u>	<u>\$ (1,252,635)</u>	<u>\$ (1,250,944)</u>

The accompanying notes are an integral part of these financial statements.

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities	
Net Income (Loss)	\$ (357,642)
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities	
Deferred Income Taxes	(70,207)
Increase (Decrease) in	
Accounts Payable	(16,478)
Accrued Independent Contractors	104,531
Accrued Expenses	15,474
Accrued Interest	37,676
	<hr/>
Net Cash Provided (Used) by Operating Activities	(286,646)
	<hr/>
Cash Flows from Financing Activities	
Proceeds from Long-Term Debt	50,000
Expenses Paid in Equity	257
	<hr/>
Net Cash Provided (Used) by Financing Activities	50,257
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	(236,389)
Cash & Cash Equivalents at the Beginning of the Year	370,223
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Cash & Cash Equivalents at the End of the Year	\$ 133,834
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company was established in 2000 for the purpose of engaging in scientific, engineering, medical and related research; creating and developing intellectual property as a result of such research; developing, producing, and marketing products for medical, health-care, engineering, or other commercial or non-commercial purposes; and engaging in all matters incidental or related thereto, or resulting therefrom.

1. Basis of Accounting

The financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

2. Inventories

Inventories are stated at the lower of cost or market on the first-in first-out basis. There was no material inventory at December 31, 2020.

3. Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents on the statement of cash flows.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. Income Taxes

SciTech Development, LLC is taxed as a corporation, which causes them to recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the respective tax basis of their assets and liabilities. Deferred tax assets and liabilities are measured using current enacted tax rates expected to apply to taxable income in the years in which they expect the temporary differences to reverse.

NOTE B – RELATED PARTY TRANSACTIONS

There are no related party accounts receivable at December 31, 2020. All other related party transactions are as follows.

During the year, SciTech Development, LLC made various payments to some of the members for work performed as well as reimbursed expenses, the total of these payments are listed below:

<u>Member</u>	<u>Amount Paid</u>	<u>Description of Payments</u>
Earle Holsapple	\$ 75,000	Consulting Fees & Reimbursements
Louis Scarmoutzos	45,000	Consulting Fees
BD.M Collective	20,000	Consulting Fees
Michael Young	35,487	Consulting Fees & Reimbursements
Brian Layland Jones	10,500	Consulting Fees
Christine Copple	2,500	Consulting Fees

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Due to the nature of the company, there are large balances due to members for accrued contracted labor, accrued reimbursable expenses, and notes payable. These balances are listed as follows:

<u>Member</u>	<u>Accrued Contracted Labor</u>	<u>Accrued Reimbrusable Expenses</u>	<u>Notes Payable</u>	<u>Total Due to Member</u>
Earle Holsapple	\$ 433,750	\$ 15,000	\$ 0	\$ 448,750
Ralph Parchment	0	9,017	0	9,017
Ayad Al-Katib	0	0	75,000	75,000
Michael Burns	0	0	25,000	25,000
Louis Scarmoutzos	0	551	0	551
Andrew Stumpf	0	0	15,000	15,000
Donald Zinn	20,524	0	0	20,524
Michael Young	46,875	0	0	46,875
Brian Layland Jones	35,000	0	0	35,000
BD/M Collective	25,000	0	0	25,000

NOTE C – DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the entity’s deposits may not be returned to it. As of December 31, 2020, \$133,566 of SciTech Development LLC’s bank balance of \$133,834 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Concentration of credit risk. SciTech Development, LLC will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the Company’s investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Fair Market Value Disclosure – SciTech Development, LLC is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices from similar activities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S. government agency securities, corporate securities, and commercial paper.

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are two types of valuation techniques most commonly used and vary depending on the level of investment. These two techniques are the market approach and income approach. The market approach uses prices and other relevant information generated by the market transactions involving identical or similar assets and liabilities. The income approach discounts future amounts to a single current amount and the discount rate used in the process should reflect current market expectations about risks associated with those future cash flows.

SciTech Development LLC does not have any investments that are subject to fair value disclosure.

The carrying amount of deposits is as follows:

	<u>Total</u>
Deposits	<u>\$ 133,834</u>

The above amounts are reported in the financial statements as follows:

	<u>Total</u>
Cash & Cash Equivalents	<u>\$ 133,834</u>

NOTE D – INCOME TAXES

As a result of prior and current operating losses, SciTech Development, LLC recognizes deferred income tax assets on carried forward net operating loss, or "NOL," carryforwards for federal and state income tax purposes. The ability to utilize the NOL carryforwards to reduce income in future years is evaluated on an annual basis. An NOL can benefit a company by reducing taxable income in future tax years.

The Company's provision for income taxes for 2020 consist of the following:

	<u>Total</u>
Current Tax Expense	\$ 0
Deferred Tax (Expense) Benefit	70,207
	<u>\$ 70,207</u>

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE E – LONG-TERM DEBT

At December 31, 2020, SciTech Development LLC, had outstanding convertible notes totaling \$810,332. The estimated annual requirement for principal and accrued interest payments is:

Year Ended	Principal	Accrued Interest	Total
December 31, 2021	\$ 250,000	\$ 21,947	\$ 271,947
December 31, 2022	0	0	0
December 31, 2023	310,332	11,070	321,402
Unknown	250,000	55,555	305,555
	<u>\$ 810,332</u>	<u>\$ 88,572</u>	<u>\$ 898,904</u>

Interest expense for the year was \$48,008.

The outstanding convertible notes consist of the following issues:

2016 NOTES

1. During 2016, SciTech Development, LLC issued \$165,000 worth of 6% interest unsecured convertible promissory notes, convertible into membership units. The notes are convertible at the option of the holders with the following terms:
 - If at any time the company consummates a financing for the sale of equity in which the gross offering proceeds to the company are at least two million dollars, and the financing structure incorporates reasonable customary terms for equity financing, then, the outstanding principal and accrued interest will automatically convert into units.
 - If the subscriber has invested, in total, less than \$50,000, the conversion price for their notes in a qualified financing will be equal to 90% of the per unit price paid by the purchasers of such membership units in the qualified financing.
 - If the subscriber has invested, in total, between \$50,000 and \$100,000, the conversion price for their notes in a qualified financing will be equal to 87.5% of the per unit price paid by the purchasers of such membership units in the qualified financing.
 - If the subscriber has invested, in total, more than \$100,000, the conversion price for their notes in a qualified financing will be equal to 85% of the per unit price paid by the purchasers of such membership units in the qualified financing.

The conversion price is subject to adjustment to reflect distributions and similar events as determined by the company's manager. The automatic conversion of the notes into membership units will be deemed to occur as of the date of closing the qualified financing, or the date of the first closing in a series of closings constituting qualified financing.

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

The maturity date of the 2016 notes was December 31, 2019, and although, the notes have reached their maturity, none of the note holders have demanded repayment of principal and accrued interest for these notes. In consideration for this, SciTech Development, LLC has continued to accrue interest at the stated terms beyond the maturity date in these instances.

<u>Year Ended</u>	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
Unknown	\$ 165,000	\$ 42,359	\$ 207,359

2018 NOTES

2. During 2018, SciTech Development, LLC issued \$85,000 worth of 6% interest unsecured convertible promissory notes, convertible into membership units. The notes are convertible at the option of the holders with the following terms:

- If at any time the company consummates a financing for the sale of equity in which the gross offering proceeds to the company are at least two million dollars, and the financing structure incorporates reasonable customary terms for equity financing, then, the outstanding principal and accrued interest will automatically convert into units.
- If a qualified financing has not occurred prior to the maturity date, then the company may elect, upon notice of such election to convert any outstanding balance into membership units. The conversion price per share shall be equal to the quotient of \$10,000,000 divided by the aggregate number of outstanding membership units as of the maturity date.

The maturity date of the 2018 notes is December 31, 2020, and although, the notes have reached their maturity, none of the note holders have demanded repayment of principal and accrued interest for these notes. In consideration for this, SciTech Development, LLC has continued to accrued interest at the stated terms beyond the maturity date in these instances.

<u>Year Ended</u>	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
Unknown	\$ 85,000	\$ 13,196	\$ 98,196

2019 NOTES

3. During 2019, SciTech Development, LLC issued \$250,000 worth of 6% interest unsecured convertible promissory notes, convertible into membership units. The notes are convertible at the option of the holders at a conversion rate based on the qualified financing closing.

- If the subscriber has invested, in total, less than or equal to \$100,000 pursuant to this purchase agreement and the qualified financing closes no later than 180 days from the date of the subscriber's note, then the subscriber will receive a warrant in an amount equal to 25% of the amount invested by the subscriber in this offering.
- If the subscriber has invested, in total, less than or equal to \$100,000 pursuant to this purchase agreement and the qualified financing closes more than 360 days from the date of the subscriber's

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

note, then the subscriber will receive a warrant in an amount equal to 50% of the amount invested by the subscriber in this offering.

- If the subscriber has invested, in total, less than or equal to \$100,000 pursuant to this purchase agreement and the qualified financing closes more than 360 days from the date of the subscriber's note, then the subscriber will receive a warrant in an amount equal to 100% of the amount invested by the subscriber in this offering.
- In addition to above, if the subscriber has invested, in total, greater than \$100,000 pursuant to this purchase agreement, then the subscriber will receive concurrently with qualified financing close a warrant in an amount equal to 100% of the amount invested that exceeds \$100,000 by the subscriber in this offering. Each warrant will have a three-year term from the date of granting and an exercise price equal to 80% of the unit price paid by the qualified financing investors.

The outstanding principal amount of the note, together with accrued but unpaid interest, will be due and payable, unless otherwise converted into units of the company by the note holder, pursuant to the maturity date of December 31, 2021.

<u>Year Ended</u>	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
December 31, 2021	<u>\$ 250,000</u>	<u>\$ 21,947</u>	<u>\$ 271,947</u>

4. SciTech Development, LLC also issued \$250,000 was originally issued as a 7% convertible translation research grant that could be converted to a convertible note, this grant would be due at the time that the translation research was deemed successful. The note was adjusted in 2020 for an additional \$10,332 which included accrued interest being recorded as an outstanding note, for a total unsecured convertible promissory note of \$260,332, with an interest rate of 6%. The note is convertible at the option of the holders at a conversion rate based on the qualified financing closing.
- If the subscriber has invested, in total, less than or equal to \$100,000 pursuant to this purchase agreement and the qualified financing closes no later than 180 days from the date of the subscriber's note, then the subscriber will receive a warrant in an amount equal to 25% of the amount invested by the subscriber in this offering.
 - If the subscriber has invested, in total, less than or equal to \$100,000 pursuant to this purchase agreement and the qualified financing closes between 181 days and 360 days from the date of the subscriber's note, then the subscriber will receive a warrant in an amount equal to 50% of the amount invested by the subscriber in this offering.
 - If the subscriber has invested, in total, less than or equal to \$100,000 pursuant to this purchase agreement and the qualified financing closes more than 360 days from the date of the subscriber's note, then the subscriber will receive a warrant in an amount equal to 100% of the amount invested by the subscriber in this offering.
 - In addition to above, if the subscriber has invested, in total, greater than \$100,000 pursuant to this purchase agreement, then the subscriber will receive concurrently with qualified financing close a

SCITECH DEVELOPMENT, LLC
GROSSE POINTE FARMS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

warrant in an amount equal to 100% of the amount invested that exceeds \$100,000 by the subscriber in this offering. Each warrant will have a three-year term from the date of granting and an exercise price equal to 80% of the per unit price paid by the qualified financing investors.

The outstanding principal amount of the note, together with accrued but unpaid interest, will be due and payable, unless otherwise converted into stock of the company by the note holder, pursuant to the maturity date of December 31, 2023.

<u>Year Ended</u>	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
December 31, 2023	\$ 260,332	\$ 9,286	\$ 269,618

2020 NOTES

5. During 2020, SciTech Development, LLC issued \$50,000 worth of 6% interest unsecured convertible promissory notes, convertible into membership units. The note is convertible at the option of the holders at a conversion rate based on the qualified financing closing.

The outstanding principal amount of the note, together with accrued but unpaid interest, will be due and payable, unless otherwise converted into stock of the company by the note holder, pursuant to the maturity date of December 31, 2023.

<u>Year Ended</u>	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
December 31, 2023	\$ 50,000	\$ 1,784	\$ 51,784

NOTE F – RESEARCH AND DEVELOPMENT

Research and development costs are charged to operations when incurred and are included in operating expenses. The amount charged in 2020 was \$352,742.

NOTE G – EQUITY

As of December 31, 2020, SciTech Development, LLC had authorized 1,691,195 units, all of which are issued and outstanding. During the year, there were 257,309 units authorized and issued, all of which are still outstanding.

In addition to the units above, SciTech Development, LLC has 139,250 outstanding warrants which represent the right, but not the obligation, to purchase units of SciTech Development, LLC.



CERTIFIED PUBLIC ACCOUNTANTS
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December 7, 2021

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT AUDIT CONCLUSION

To Management
SciTech Development, LLC
281 Kercheval Avenue
Grosse Pointe Farms, MI 48236

We have audited the financial statements of SciTech Development, LLC for the year ended December 31, 2020, and we will issue our report thereon dated December 7, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 11, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

You are responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SciTech Development, LLC are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2020. We noted no transactions entered into by SciTech Development, LLC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on your knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. You have corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 7, 2021.

Management Consultations with Other Independent Accountant

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to SciTech Development, LLC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SciTech Development, LLC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the members and management of SciTech Development, LLC and is not intended to be, and should not be, used by anyone other than these specified parties.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.