RxAir360, Inc.

Unaudited Financial Statements

For the Year Ended December 31, 2023

(With December 31, 2022 Comparative Information)

Basis of Accounting: Accrual — U.S. GAAP

Report Type: Unaudited — Management Prepared

Prepared in connection with OTC Markets / FINRA Form 211

Date Prepared: April 10, 2026

These financial statements were prepared in April 2026 based on the Company's historical accounting records for the periods presented.

RxAir360, Inc.

Balance Sheet

As of December 31, 2023

(Unaudited — Management Prepared)

	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	$78,411.26	$51,245.82
Intangible assets — Patents/IP	$3,000,000.00	$3,000,000.00
Total Assets	**$3,078,411.26**	**$3,051,245.82**
LIABILITIES		
Note payable — inventor	$2,620,825.00	$2,752,700.00
Total Liabilities	**$2,620,825.00**	**$2,752,700.00**
STOCKHOLDERS' EQUITY		
Preferred stock	$10.88	$4.60
Additional paid-in capital	$1,085,439.12	$459,590.40
Equity adjustment clearing	($6,500.00)	—
Retained earnings (accumulated deficit)	($160,293.88)	—
Net loss — current year	($464,807.09)	($160,293.88)
Total Stockholders' Equity	**$457,586.26**	**$298,545.82**
Total Liabilities and Equity	**$3,078,411.26**	**$3,051,245.82**

RxAir360, Inc.

Statement of Operations

For the Year Ended December 31, 2023

(Unaudited — Management Prepared)

	Year Ended Dec 31, 2023	Year Ended Dec 31, 2022
REVENUES		
Total revenues	—	—
OPERATING EXPENSES		
Consulting services	$428,530.00	$129,755.00
Legal fees	$400.90	$12,369.97
Travel expenses	$6,863.19	$152.86
Office expenses	$6,435.04	$907.37
Advertising & marketing	$1,402.00	$5,000.00
Investor referral fees	$7,050.00	$10,130.00
Supplies & materials	$10,000.00	—
Meals & entertainment	$1,537.09	$1,068.09
Startup compliance	$999.00	$499.00
General business expenses	$357.00	$104.64
Website & email costs	$797.22	$259.95
Phone & utilities	$43.80	—
Fraud loss — non-recoverable	$100.00	—
Accounting fees	$165.00	—
Total Operating Expenses	**$464,680.24**	**$160,246.88**
Net Operating Loss	**($464,680.24)**	**($160,246.88)**
Other income — interest	$0.08	—
Other expense — vehicle	($126.93)	($47.00)
NET LOSS	**($464,807.09)**	**($160,293.88)**

RxAir360, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2023

(Unaudited — Management Prepared)

	Year Ended Dec 31, 2023	Year Ended Dec 31, 2022
OPERATING ACTIVITIES		
Net loss	($464,807.09)	($160,293.88)
Adjustments for working capital changes	—	—
Net cash used in operating activities	**($464,807.09)**	**($160,293.88)**

INVESTING ACTIVITIES		
Patent/IP acquisition	—	($3,000,000.00)
Net cash used in investing activities	**—**	**($3,000,000.00)**

FINANCING ACTIVITIES		
Equity capital raised	$626,325.95	$458,719.70
Equity adjustment clearing	($6,500.00)	—
Founder contributions	$3,614.06	$44.70
Note payable — inventor proceeds / payments	($131,875.00)	$2,752,700.00
Preferred stock	$6.28	$4.60
Opening balance equity	$3.47	—
Net cash provided by financing activities	**$491,574.76**	**$3,211,469.00**

NET CHANGE IN CASH	**$26,767.67**	**$51,175.12**
Cash — beginning of period	$51,245.82	$0.00
Cash — end of period	**$78,411.26**	**$51,245.82**

Note: The Company operates with minimal working capital accounts. Changes in accounts receivable, accounts payable, and accrued liabilities were not material to the financial statements for the periods presented.

RxAir360, Inc.

Statement of Changes in Stockholders' Equity

For the Year Ended December 31, 2023

(Unaudited — Management Prepared)

	Pref. Stock	APIC	Equity Adj.	Founder / Other	Accum. Deficit / Net Loss	Total Equity
Balance, Jan 1, 2023	**$4.60**	**$459,590.40**	**—**	**$75.00**	**($160,293.88)**	**$303,376.12**
Net loss — 2023	—	—	—	—	($464,807.09)	($464,807.09)
Capital contributions	$6.28	$625,848.72	($6,500.00)	$3,658.76	—	$623,013.76
Balance, Dec 31, 2023	**$10.88**	**$1,085,439.12**	**($6,500.00)**	**$3,733.76**	**($625,100.97)**	**$457,582.79**

NOTE 1 — ORGANIZATION AND NATURE OF OPERATIONS

RxAir360, Inc. (the "Company") is a Delaware C-Corporation formed in the fourth quarter of 2022 to develop and commercialize a patented, compact hyperbaric oxygen therapy (HBOT) chamber engineered for integration into physician offices and outpatient clinical environments. The Company is advancing a vertical monoplace HBOT chamber designed to expand clinical access to HBOT beyond traditional hospital-based settings.

The Company holds one issued U.S. patent (US 11,648,164 B2) and is focused on regulatory clearance, engineering finalization, and commercialization readiness.

During the periods presented, the Company operated as a development-stage enterprise, with activities including product development, regulatory preparation, capital formation, and infrastructure buildout. The Company's financial profile reflects a pre-commercial medical technology platform transitioning toward commercialization.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. These financial statements are management-prepared and unaudited, presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). They are intended for public disclosure and regulatory review in connection with the Company's OTC Markets/FINRA Form 211 filing process.

Cash and Cash Equivalents. Cash and cash equivalents include demand deposits maintained at Mercury Bank, Wells Fargo, and Silicon Valley Bank (SVB). All accounts are considered liquid; certain accounts carry nominal balances. Cash at December 31, 2023 was $78,411.26.

Intangible Assets. The Company's primary intangible asset consists of patent rights acquired from the inventor pursuant to an IP Assignment and Reimbursement Agreement dated October 1, 2022. The assigned patent (U.S. Patent No. US 11,648,164 B2) is recorded at the contracted assignment value of $3,000,000. The Company has not commenced amortization of these assets. Amortization will begin upon receipt of FDA 510(k) clearance, at which time the useful life will be established in accordance with GAAP.

Fixed Assets. Leasehold improvements are recorded at cost. Depreciation will be computed and recorded consistent with GAAP upon commencement of commercial operations.

Revenue Recognition. Revenue is recognized when services are performed and the earnings process is complete. The Company generated no operating revenue for the year ended December 31, 2023, as it remained in an early development and pre-commercial stage. No revenue was generated from the Company's primary HBOT commercialization activities during the period.

Operating Cash Flows. The Company paid all operating expenses as incurred during the periods presented. The Company operates with minimal working capital accounts, and changes in accounts receivable, accounts payable, and accrued liabilities were not material for the periods presented.

Income Taxes. The Company is subject to federal and state income taxes. No deferred tax assets or liabilities have been recognized given the Company's pre-revenue status and the uncertainty of realization.

NOTE 3 — INTELLECTUAL PROPERTY AND NOTE PAYABLE — INVENTOR

Pursuant to the IP Assignment and Reimbursement Agreement dated October 1, 2022, the Company acquired all rights, title, and interest in the underlying patent from the inventor and original technology holder. In consideration for this assignment, the Company assumed a reimbursement obligation of $3,000,000.

The obligation is payable incrementally as capital is raised and/or as product sales generate revenue, at a pace and percentage that supports the Company's growth without operational disruption. The full unpaid balance becomes immediately due upon the occurrence of a qualified financing event or the successful raise of institutional funds, whichever occurs first. The note bears no stated interest rate.

The outstanding balance of the note was $2,752,700 at the time of the original assignment (October 2022), reduced to $2,620,825 at December 31, 2023 following $131,875 in principal payments during 2023, and reduced further to $2,535,825 at December 31, 2024 following $85,000 in payments during 2024. During 2023, the Company made $131,875 in principal payments on this obligation. The balance was $2,620,825 at the end of the period presented.

NOTE 4 — RELATED-PARTY TRANSACTIONS

Note Payable — Inventor. The Company has a $3,000,000 reimbursement obligation associated with the acquisition of its core intellectual property, as described in Note 3. This obligation represents the Company's most significant related-party transaction and is payable to the inventor and original technology holder under the terms of the IP Assignment and Reimbursement Agreement.

Officer and Affiliated Entities. An officer of the Company, through affiliated entities, holds preferred and common equity interests and has participated in capital formation activities. These transactions were conducted in connection with the individual’s role as an officer and investor in the Company.

Founder and Related Entities. Diallo M. Watts, Sr., Founder and CEO, has made direct equity contributions to support the Company’s operations. Natasha Watts, Secretary/CFO and a related party, holds common stock issued in consideration for services rendered.

During the early operating period, an entity affiliated with the founder received consulting payments in connection with initial business setup and operational support. Such arrangements were limited to early-stage activities and are not ongoing.

All related-party transactions were conducted in support of the Company’s formation, capitalization, and early-stage development.

NOTE 5 — EQUITY STRUCTURE

The Company has authorized 1,000,000,000 total shares. The Company raised equity capital through Series Pre-Seed, Series A, and Series A-1 preferred stock rounds prior to the SAFE program. Common stock authorization was formalized through amendments to the Certificate of Incorporation following initial preferred stock issuances.

The Equity Adjustment Clearing account reflects corrections to investor transaction entries made during capitalization cleanup processes. The ($6,500) balance in 2023 and the corresponding $6,500 reversal in 2024 reflect the same adjustment entry. The $5,000 balance at December 31, 2025 reflects a separate investor entry correction. These adjustments do not impact total stockholders’ equity and reflect historical transaction reclassification and cleanup during capitalization alignment.

NOTE 6 — GOING CONCERN

The Company is in a pre-commercial stage and requires additional capital to execute its operating plan and advance toward regulatory approval and commercialization.

The Company has incurred net losses since inception totaling approximately $2,885,330 through December 31, 2025. Cash was $78,411.26 at the end of the period presented. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plan to address these conditions includes: (1) continued capital formation through SAFE instruments and planned institutional equity financing; (2) completion of FDA 510(k) regulatory submission and anticipated clearance; (3) initiation of device sales and deployment revenue following regulatory approval; and (4) entry onto OTC Markets through the Form 211 process. There can be no assurance that management's plans will be successfully implemented.

NOTE 7 — NET CAPITAL REQUIREMENTS (RULE 15c3-1)

The Company is not a registered broker-dealer, does not engage in broker-dealer activities, and does not hold customer funds or customer securities. Accordingly, the Company is not subject to the net capital requirements of SEC Rule 15c3-1. This disclosure is provided for informational purposes only.

NOTE 8 — COMMITMENTS AND CONTINGENCIES

The Company is not currently involved in any material legal proceedings. No material contingencies have been identified as of the date of these statements. Rent expense and leasehold improvement details are included in the operating expense disclosures.

NOTE 9 — SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 10, 2026, the date these financial statements were available for issuance. No material subsequent events have occurred that require disclosure or adjustment to the 2023 financial statements.