



**RxAir360**

# **RxAir360, Inc.**

## **Unaudited Financial Statements**

For the Year Ended December 31, 2024  
(With December 31, 2023 Comparative Information)

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**Basis of Accounting:** Accrual Basis — U.S. GAAP

**Report Type:** Unaudited — Management Prepared

**Regulatory Purpose:** OTC Markets / FINRA Form 211 Submission

**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.

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**RxAir360, Inc.****Balance Sheet**

As of December 31, 2024  
(Unaudited — Management Prepared)

	December 31, 2024	December 31, 2023
<b>ASSETS</b>		
Cash and cash equivalents	\$25,244.74	\$78,411.26
Fixed assets, net	\$1,932.94	—
Intangible assets — patents/IP	\$3,000,000.00	\$3,000,000.00
<b>Total Assets</b>	<b>\$3,027,177.68</b>	<b>\$3,078,411.26</b>
<b>LIABILITIES</b>		
Note payable — inventor	\$2,535,825.00	\$2,620,825.00
<b>Total Liabilities</b>	<b>\$2,535,825.00</b>	<b>\$2,620,825.00</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock	\$26.58	\$10.88
Additional paid-in capital	\$2,669,221.74	\$1,085,439.12
Equity adjustment clearing	—	(\$6,500.00)
Accumulated deficit	(\$2,178,050.39)	(\$625,100.97)
<b>Total Stockholders' Equity</b>	<b>\$491,197.93</b>	<b>\$457,586.26</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$3,027,177.68</b>	<b>\$3,078,411.26</b>

**RxAir360, Inc.**  
**Statement of Operations**  
For the Year Ended December 31, 2024  
(Unaudited — Management Prepared)

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
<b>NON-CORE / ANCILLARY REVENUE</b>		
Consulting income — external clients	\$13,560.00	—
<b>Total Revenues</b>	<b>\$13,560.00</b>	<b>—</b>
<b>OPERATING EXPENSES</b>		
Consulting services	\$1,180,881.57	\$428,530.00
Legal fees	\$170,572.88	\$400.90
Rent expense	\$84,148.84	—
Consultant reimbursements	\$54,654.23	—
Travel expenses	\$34,889.09	\$6,863.19
Office expenses	\$14,131.30	\$6,435.04
Investor referral fees	\$4,728.04	\$7,050.00
Meals and entertainment	\$7,872.13	\$1,537.09
Accounting fees	\$3,307.58	\$165.00
Taxes paid	\$1,948.00	—
General business and other	\$8,851.33	\$14,699.01
<b>Total Operating Expenses</b>	<b>\$1,565,984.99</b>	<b>\$464,680.24</b>
<b>Net Operating Loss</b>	<b>(\$1,552,424.99)</b>	<b>(\$464,680.24)</b>
Other income	\$208.32	\$0.08
Other expense — vehicle	(\$732.74)	(\$126.93)
<b>NET LOSS</b>	<b>(\$1,552,949.41)</b>	<b>(\$464,807.09)</b>

Note: The Company has not yet commenced commercial operations related to its core HBOT platform. Revenue for 2024 reflects non-core consulting services provided to external clients and is not representative of the Company's primary HBOT commercialization model.

**RxAir360, Inc.**  
**Statement of Cash Flows**

For the Year Ended December 31, 2024  
(Unaudited — Management Prepared)

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
<b>OPERATING ACTIVITIES</b>		
Net loss	(\$1,552,949.42)	(\$464,807.09)
Adjustments for working capital changes	—	—
<b>Net cash used in operating activities</b>	<b>(\$1,552,949.42)</b>	<b>(\$464,807.09)</b>
<b>INVESTING ACTIVITIES</b>		
Leasehold improvements	(\$1,932.94)	—
<b>Net cash used in investing activities</b>	<b>(\$1,932.94)</b>	<b>—</b>
<b>FINANCING ACTIVITIES</b>		
Equity capital raised (Series A and A-1)	\$1,565,707.14	\$626,325.95
Equity adjustment clearing	\$6,500.00	(\$6,500.00)
Founder contributions	\$14,493.00	\$3,617.53
Note payable — inventor principal payments	(\$85,000.00)	(\$131,875.00)
Preferred stock	\$15.70	\$6.28
<b>Net cash provided by financing activities</b>	<b>\$1,501,715.84</b>	<b>\$491,574.76</b>
<b>NET CHANGE IN CASH</b>	<b>(\$53,166.52)</b>	<b>\$26,767.67</b>
Cash — beginning of period	\$78,411.26	\$51,245.82
<b>Cash — end of period</b>	<b>\$25,244.74</b>	<b>\$78,411.26</b>

Note: The Company maintains minimal working capital accounts. Changes in accounts receivable, accounts payable, and accrued liabilities were not material for the periods presented. No working capital adjustments are required.

**RxAir360, Inc.**  
**Statement of Changes in Stockholders' Equity**

For the Year Ended December 31, 2024  
(Unaudited — Management Prepared)

	Pref. Stock	APIC	Equity Adj.	Founder / Other	Accum. Deficit / Net Loss	Total Equity
<b>Balance, December 31, 2023</b>	<b>\$10.88</b>	<b>\$1,085,439.12</b>	<b>(\$6,500.00)</b>	<b>\$3,733.76</b>	<b>(\$625,100.97)</b>	<b>\$457,582.79</b>
Net loss — 2024	—	—	—	—	(\$1,552,949.42)	(\$1,552,949.42)
Capital contributions & equity activity	\$15.70	\$1,583,782.62	\$6,500.00	\$14,493.00	—	\$1,604,791.32
<b>Balance, December 31, 2024</b>	<b>\$26.58</b>	<b>\$2,669,221.74</b>	<b>—</b>	<b>\$18,226.76</b>	<b>(\$2,178,050.39)</b>	<b>\$509,424.69</b>

## 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 two issued U.S. patents (US 11,648,164 B2 and WO 2023/225028 A1) 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 encompassing product development, regulatory preparation, capital formation, and operational infrastructure buildout. The Company's financial profile reflects a pre-commercial medical technology platform advancing 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, 2024 was \$25,244.74.

**Intangible Assets.** The Company's primary intangible asset consists of patent rights acquired pursuant to an IP Assignment and Reimbursement Agreement dated October 1, 2022, recorded at the contracted assignment value of \$3,000,000. No amortization has been recorded, as commercial operations have not yet commenced. 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. Revenue for the year ended December 31, 2024 totaled \$13,560 and reflects non-core consulting services provided to external clients. This activity is not representative of the Company's primary HBOT commercialization model, and no revenue has yet been generated from core HBOT operations.

**Operating Cash Flows.** The Company paid all operating expenses as incurred during the periods presented. The Company maintains minimal working capital accounts; changes in accounts receivable, accounts payable, and accrued liabilities were not material for the periods presented. Accordingly, no working capital adjustments are reflected in the statements of cash flows.

**Income Taxes.** The Company is subject to federal and state income taxes. No deferred tax assets or liabilities have been recognized, as the Company remains in a pre-revenue stage and realization of any such asset is not currently determinable.

## 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 and has no formal maturity date beyond the qualified financing acceleration clause.

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

The remaining balance of \$2,535,825 is structured for repayment through product sales at a rate of 1% of the retail sale price per chamber sold. Based on a retail sale price of \$500,000 per chamber, each unit sold satisfies \$5,000 of the outstanding obligation (1% × \$500,000). At this rate, the obligation would be fully satisfied after approximately 508 chambers are sold (508 chambers × \$5,000 per chamber = \$2,540,000, sufficient to retire the outstanding balance). This repayment structure aligns the inventor's compensation with the Company's commercial success and does not impose fixed payment obligations prior to product commercialization.

## NOTE 4 — RELATED-PARTY TRANSACTIONS

**Note Payable — Inventor.** The reimbursement obligation described in Note 3 represents the Company's most significant related-party obligation and remained outstanding throughout the periods presented.

**Officer and Affiliated Entities.** An officer of the Company, through affiliated entities, holds equity interests and has participated in SAFE instruments and prior capital formation activities.

**Founder and Related Parties.** The Founder and Chief Executive Officer has made ongoing equity contributions to support the Company's operations. A related party serving in an executive capacity holds common stock issued in consideration for services

rendered. All related-party transactions have been conducted in support of the Company's capital formation and pre-commercial operations.

#### **NOTE 5 — EQUITY STRUCTURE AND CAPITALIZATION**

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The Company has authorized 1,000,000,000 total shares. Equity capital was raised through Series Pre-Seed, Series A, and Series A-1 preferred stock rounds. 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 recorded during capitalization cleanup and reconciliation 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 affect total stockholders' equity and reflect historical transaction reclassification during capitalization alignment.

#### **NOTE 6 — GOING CONCERN**

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The Company has incurred net losses since inception and has not yet commenced commercial revenue-generating operations. The cumulative net loss since inception through December 31, 2024 was \$2,178,050.39. Cash was \$25,244.74 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 plans to address these conditions include:

- (1) Continued capital formation through SAFE instruments and planned institutional equity financing;
- (2) Completion of FDA 510(k) regulatory submission and receipt of 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)**

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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 in connection with the Company's OTC Markets/FINRA filing.

#### **NOTE 8 — COMMITMENTS AND CONTINGENCIES**

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Management is not aware of any material legal proceedings requiring accrual or disclosure as of the date these financial statements were available for issuance. No material contingencies were identified other than those ordinarily incident to a pre-commercial operating company. Rent expense of \$84,148.84 is reflected in operating expenses for the period. Leasehold improvement costs are reflected in investing activities in the statement of cash flows.

#### **NOTE 9 — SUBSEQUENT EVENTS**

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Management evaluated subsequent events through April 10, 2026, the date these financial statements were available for issuance. No matter requiring adjustment to the 2024 annual financial statements was identified.

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These financial statements are management-prepared and unaudited. They have not been audited or reviewed by an independent certified public accountant. They are presented for informational purposes in connection with the Company's OTC Markets/FINRA Form 211 disclosure obligations.