



RushNet, Inc.
Consolidated Financial Statements
For the Nine Months Ended September 30, 2021

Accountants' Compilation Report

To the Board of Directors
RushNet, Inc.
1122 Cambridge Square, Suite E
Alpharetta, GA 30009

Management is responsible for the accompanying consolidated financial statements of RushNet, Inc. (a corporation) which comprise the balance sheet as of September 30, 2021, and the related consolidated statements of income and expense, changes in shareholders' equity, cash flows for the nine months then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial information.

Whirley & Associates, LLC

Alpharetta, GA
October 14, 2021

RushNet, Inc.

Consolidated Balance Sheet

As of September 30, 2021

ASSETS	September 30, 2021
Current Assets:	
Cash	\$ 167,097
Accounts receivable (less allowance for doubtful accounts of \$-0-)	696,209
Notes Receivable	243,360
Operating lease right-of-use asset	60,594
Prepaid expenses	19,162
Total Current Assets	1,186,422
Non-Current Assets:	
Operating lease right-of-use assets	93,908
Net fixed and lease financed assets	424,494
Other Assets:	
Goodwill	9,253,823
Prepaid expenses	41,664
Deposits	1,200
Total Other Assets	9,296,687
Total Non-Current Assets	9,815,089
TOTAL ASSETS	11,001,511
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current Liabilities:	
Accounts payable and accrued expenses	379,291
Income taxes payable	44,902
Deposit liability	81,150
Current portion of debt obligations	164,215
Operating lease obligations	58,124
Finance Lease obligations	97,752
Total Current Liabilities	825,434
Non-Current Liabilities:	
Deferred tax liability	292,250
Operating lease obligations	94,115
Finance lease obligations	240,765
Total Non-Current Liabilities	627,130
TOTAL LIABILITIES	1,452,564
Shareholders' Equity:	
Additional paid in capital	8,056,147
Common stock (\$.0001 par value) ⁽¹⁾	806,464
Preferred stock (\$.0001 par value) ⁽²⁾⁽³⁾⁽⁴⁾	6,700
Retained earnings	679,636
Total Shareholders' Equity	9,548,947
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 11,001,511

⁽¹⁾ Total authorized common shares is 9,000,000,000 - 8,029,739,834 issued and outstanding.

⁽²⁾ Total authorized preferred shares is 67,000,000, issued and outstanding.

⁽³⁾ 32,000,000 preferred shares issued - Class B - convertible to common at a non-dilutable rate to result in 65% of then outstanding common shares.

⁽⁴⁾ 35,000,000 preferred shares issued - Class A - carrying voting rights at 300 votes per share.

There are no preferences with regards to liquidation, dividends or conversion features for either class of stock

RushNet, Inc.Consolidated Statement of Income and Expenses
For the Nine Months Ended September 30, 2021

	September 30, 2021
REVENUES	
Billing services	\$ 16,360
Laboratory testing fees	4,582,144
Total Revenues	4,598,504
Cost of Revenues	
Direct labor	129,922
Other direct costs	801,716
Total Cost of Revenues	931,638
Gross Profit	3,666,866
EXPENSES	
Operating Expenses	
Selling and general and administrative	2,678,136
Depreciation and amortization expense	55,492
Total Operating Expenses	2,733,628
INCOME FROM OPERATIONS	933,238
Other Income (Expense)	
Interest income	-
Interest expense	(35,684)
Other	2,210
Total Other Income (Expense)	(33,474)
NET INCOME Before Taxes	\$ 899,764
Deferred income tax (expense) benefit	(24,820)
Current income tax (expense)	(44,902)
Total Income Tax Expense	(69,722)
NET INCOME AFTER TAXES	\$ 830,042
EARNINGS PER SHARE	
Income from continuing operations	\$ 0.00004
Net income	\$ 0.00004
EARNINGS PER SHARE - ASSUMING DILUTION	
Income from continuing operations	\$ 0.00003
Net income	\$ 0.00003

RushNet, Inc.Consolidated Statement of Cash Flows
For the Nine Months Ended September 30, 2021

	September 30, 2021
OPERATING ACTIVITIES:	
Net income	\$ 830,042
Adjustments to reconcile net income to net cash (used in) provided by operating activities:	
Depreciation and amortization	55,492
(Increase) decrease in:	
Accounts receivable	(2,064)
Prepays and other assets	11,036
Right to use operating leases	(2,055)
Deferred tax asset/liability	24,820
(Increase) decrease in:	
Accounts payable and accrued expenses	(41,410)
Income taxes payable	44,902
Net Cash Provided by Operating Activities	920,763
INVESTING ACTIVITIES:	
Advances on short-term notes	(243,360)
Purchase of fixed assets	(54,873)
Net Cash Used in Investing Activities	(298,233)
FINANCING ACTIVITIES:	
Principal payments on finance leases	(69,841)
Cash acquired in acquisition of subsidiary	20,734
S corporation shareholder distributions	(502,759)
Net Cash Used in Financing Activities	(551,866)
Net Change in Cash and Cash Equivalents	\$ 70,664
Cash and Cash Equivalents at the Beginning of the Year	96,433
Cash and Cash Equivalents at the End of the Year	\$ 167,097
SUPPLEMENTAL CASH FLOW DISCLOSURES:	
Interest paid	\$ 19,968
Operating cash flows from finance leases - interest	\$ 15,716
Operating cash flows from operating leases (other than short-term)	\$ (30,986)
Right-of-use assets exchanged for finance liabilities	\$ -
Right-of-use assets exchanged for operating liabilities	\$ 96,175

RushNet, Inc.

Consolidated Statement of Changes in Shareholders' Equity
For the Nine Months Ended September 30, 2021

	Common Stock		Preferred Stock		Paid-in Capital	Retained Earnings (Deficit)
	Shares	Amount (Par \$.0001)	Shares	Amount (Par \$.0001)		
Balance, December 31, 2019	-	\$ -	-	\$ -	\$ -	\$ 394,827
Recapitalization - change in control HeliosDx	-	-	-	-	5,793,395	-
Net income for the period	-	-	-	-	-	994,302
Shareholder S-corporation distributions	-	-	-	-	-	(1,036,776)
Balance, December 31, 2020	-	\$ -	-	\$ -	\$ 5,793,395	\$ 352,353
Net income (loss) to July 1	-	-	-	-	-	658,298
Shareholder S-corporation distributions to July 1	-	-	-	-	-	(502,759)
Recapitalization - July 1 - HeliosDx	7,764,641,795	776,464	67,000,000	6,700	(947,248)	-
Issuance of common shares for Grandeza acquisition	300,000,000	30,000	-	-	3,210,000	-
Net income (loss) July 2 to September 30	-	-	-	-	-	171,744
Balance, September 30, 2021	<u>8,064,641,795</u>	<u>\$ 806,464</u>	<u>67,000,000</u>	<u>\$ 6,700</u>	<u>\$ 8,056,147</u>	<u>\$ 679,636</u>

See Accountants' Report

RushNet, Inc.**Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2021**

Note 1: Organization and Nature of Operations and Presentation of Financial Statements

RushNet, Inc. was organized in Nevada on January 15, 1997, redomiciled to Colorado on January 2, 2015. RushNet, Inc. was considered a shell company under Rule 405 of the Securities Act prior to July 1, 2021, when it acquired 100% control of HeliosDx, LLC. The consolidated financial statements include those of RushNet, Inc. and its legal subsidiaries; HeliosDx, LLC (HeliosDx)(the Company), and Grandeza Healthcare Consultants, LLC. The acquisitions were made to enter a new line of business and increase synergies of operations of the combined Company.

HeliosDx was organized in Georgia on May 19, 2015, upon receipt of initial member contributions (the “date of inception”) as a limited liability company. The Company operates under the name of HeliosDx, and is headquartered in Alpharetta, Georgia. Services provided consist of high complexity urine drug testing (UDT), Allergy Droplet Cards, Oral Fluids, PCR (Nail, Wound, RPP, STI, GI, UTI), and PGX testing through Lab Partners. Grandeza Healthcare Consultants, LLC (Grandeza) was organized in the state of Tennessee on June 5, 2020, and is headquartered in Soddy Daisy, Tennessee. The Company provides management services and insurance billing services principally to clinical reference laboratories. The subsidiaries shall continue until dissolved in accordance with their operating agreements.

As a result of the combination of HeliosDx and RushNet, Inc. (see Note 9), which constituted a reverse acquisition, HeliosDx is treated as the accounting acquirer and RushNet, Inc. is treated as the acquired company for financial reporting purposes. This determination was primarily based on current shareholders of HeliosDx having a relative majority of the voting power of the combined entity, the operations of HeliosDx prior to the acquisition comprising the only ongoing operations of the combined entity, and senior management of HeliosDx comprising the majority of the senior management of the combined entity. Accordingly, for accounting purposes, the financial statements of the combined entity represent a continuation of the financial statements of HeliosDx with the acquisition being treated as the equivalent of HeliosDx issuing stock for the net assets of the Company, accompanied by a recapitalization. Operations prior to the business combination are those of HeliosDx and retained earnings of HeliosDx have been carried forward after the business combination. Earnings per share calculations for all periods prior to the business combination have been retrospectively adjusted for the equivalent number of shares outstanding immediately after the business combination to effect the reverse acquisition.

Cash Equivalents:

For purposes of the Statement of Cash Flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Advertising:

The Company expenses advertising costs as they are incurred. Advertising expense includes marketing and referral services. Advertising expenses included in the period ending September 30, 2021, was \$44,920.

Fair Value of Financial Instruments and Related Fair Value Measurements:

The carrying value amounts reflected in the balance sheet for cash, cash equivalents and obligations approximate their respective fair values based on the short-term measure of these instruments.

Use of Estimates:

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts of certain 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. Although these estimates and assumptions are based on the Company’s knowledge of current events and actions the Company may take in the future, actual results could ultimately differ from those estimates and assumptions and the differences could be material.

Note 2: Summary of Significant Accounting Policies

Revenues and Cost Recognition:

Revenue is measured based on the estimated consideration to be received under the terms of the contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

Laboratory services revenue is recognized based on estimated consideration after considering the explicit and implicit discounts to the contract. Explicit discounts are those stated in the terms of the contract, while implicit discounts are those customarily granted by the Company to its customers. The Company submits bills for services to its customers' insurance company ("third-party payors") when the service is completed. The various third-party payors have stated rates of reimbursement for the service. It is those stated rates that are deemed explicit in the contract. The Company has a policy of writing off all balances over 120 days that were not reimbursed by the third-party payors. For those customers that do not have insurance, the Company will bill for the service based upon its standard billing rates but will reduce the revenue recognized by the granted implicit discount to the contract.

Trade Receivables:

Trade receivables are generally short term and accordingly do not carry interest. The Company provides for the possibility of customers' inability to make required payments by recording an allowance for doubtful accounts. Differences between the amount due and the amount management expects to collect are reported in the results of operations for the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Customer balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The Company evaluates the collectability of its accounts receivable on an on-going basis, through a specific review of each customer account. The Company will write off all balances after 120 days related to laboratory services. If the financial conditions of our customers were to deteriorate, additional allowances may be required.

Depreciation and Amortization:

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which are generally five to seven years. Leasehold improvements are depreciated over the life of the lease including anticipated renewal periods, as determined upon lease inception. Leasehold improvements are being depreciated over three to eight years.

The right-of-use asset (ROU) for finance leased assets are recorded as other non-current assets and included within the net fixed asset line item, and the liability is allocated between the current and non-current liabilities due under the leases.

Goodwill and Intangible Assets:

The Company uses the goodwill method of accounting for contributions of net assets. Under the governing pronouncement of ASC 875 codified under US generally accepted accounting principles (US GAAP), goodwill is recorded when a transfer of majority of control occurs.

Goodwill is assigned to specific reporting units and is reviewed for possible impairment at least annually or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value.

RushNet, Inc.Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2021

Note 2: Summary of Significant Accounting Policies (continued)*Accounting for Uncertainty in Income Taxes:*

Effective from the date of organization, the Company has elected to be treated as a corporation for income tax purposes. The Company recognizes material amounts of uncertain tax positions as income tax expense. The Company recognizes accrued interest associated with uncertain tax positions as part of interest expense and penalties associated with uncertain tax positions as part of other expense. For the nine months ended September 30, 2021, management believes there were no material amounts of uncertain tax positions. Additionally, there were no amounts of interest and penalties recognized in the balance sheet as of September 30, 2021, or the statements of income for the nine months then ended. Generally, the Company's income tax returns are subject to examination through 2024.

Subsequent Events:

Subsequent events were evaluated through October 14, 2021, which is the date the financial statements were issued.

Note 3: Concentration of Credit Risk

The financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of accounts receivable and cash deposits. Credit sales are made to the customers for services and are unsecured. The Company maintains its cash deposits in accounts which may at times exceed the amount insured by the FDIC. The accounts receivable consists of amounts due from third-party payors, including government sponsored Medicare and Medicaid programs, and insurance companies, and customers within the north Atlanta area of Georgia. Except with respect to the Medicare and Medicaid programs, concentrations of credit risk, which consist primarily of customer accounts receivable, is limited due to the large number of payors comprising our diverse customer base.

Note 4: Earnings per Share

The following data reflects the amounts used in computing earnings per share and the effect on income and the weighted average number of shares of dilutive potential common stock. The number of shares used in the calculations for 2021 dilution reflect a 65% preferred stock conversion on July 1, 2021, as part of the reverse acquisition of HeliosDx.

EARINGS PER SHARE - DILUTIVE

Income from continuing operations before the cumulative effect of an accounting change	\$	830,042
Less: Shareholder S-corporation distributions		<u>(502,759)</u>
Income available to common stockholders used in basic and diluted EPS	\$	<u>327,283</u>
Weighted average number of common shares used in basic EPS		7,831,308,462
Effect of dilutive securities:		
Convertible preferred stock option shares reserve acquisition of HeliosDx on July 1, 2021		<u>4,992,397,302</u>
Weighted avg. number of common and dilutive potential common stock used in diluted EPS		<u>12,823,705,764</u>

RushNet, Inc.Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2021

Note 5: Income Taxes

Effective from the date of inception to June 1, 2020, the Company had elected to be treated as a partnership for income tax purposes. Effective June 1, 2020, the Company had elected to be treated as a sub-chapter S corporation for income tax purposes. As a limited liability company, no federal or state income taxes are payable by the Company, and none have been provided for in the accompanying financial statements related to periods prior to the reverse acquisition of HeliosDx nor the date of acquisition of Grandeza. For the period after July 1, 2021, the operations of the consolidated entity are subject to federal and state income taxes. The provision for income taxes includes federal and state taxes currently payable. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes.

Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences result from the distinct financial and income tax methods in recording depreciation and amortization. The Company's total deferred tax assets and liabilities as of September 30, 2021, are as follows:

Deferred Tax Liabilities:	2021
Difference in tax basis of receivables	\$ (181,014)
Difference in fixed asset carrying values	(104,858)
Difference in goodwill carrying value	(108,638)
Difference in tax basis of payables	96,480
Total Deferred Tax Liability	(298,030)
Net Deferred Tax Asset (Liability)	\$ (298,030)

Reconciliation of federal statutory rates to pretax income from continuing operations, and the components of the provision for income taxes are as follows:

Computed at the expected statutory rate	21.0%
S-Corporation income not subject to Federal tax	-17.8%
State income tax-net of benefit	4.54%
Income tax expense - at effective rate	7.70%

Current:	
Federal	\$ 35,250
State	9,652
Total Current	\$ 44,902

The following temporary differences gave rise to the deferred tax liability as of September 30, 2021.

Income recognized on the cash basis of accounting for income tax reporting	1,432
Differences - financial and tax reporting of depreciation and amortization	(17,766)

RushNet, Inc.Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2021

Note 6: Segmental Information

The Company's operations are classified into two reportable segments: Laboratory diagnostic services (1) and billing services (2). Separate management of each segment is required because each business unit is subject to different marketing, production, and technology strategies. Intersegment sales are based on the costs of the other segment to produce the services. The factors used to identify the segments are as follows; the Company evaluates performance on the basis of profitability and sales growth.

<u>Segment</u>	<u>1</u>	<u>2</u>	<u>Total</u>
External revenue	\$ 4,582,144	\$ 16,360	\$ 4,598,504
Intersegment revenue	4,790	332,115	336,905
Profit	897,162	2,602	899,764

Revenues:

Total for reportable segments	\$ 4,935,409
Intersegment revenue	<u>(336,905)</u>
Consolidated revenue	<u>\$ 4,598,504</u>

Note 7: Accounts Receivable:

The receivables are carried net of managements' estimate of allowances for potentially uncollectible accounts. As of September 30, 2021, the Company does not anticipate the need for an allowance. Percentage of receivables from Medicare and Medicaid is approximately 24%.

Note 8: Fixed Assets and Right-to-Use Assets

Depreciation expense for the period ended September 30, 2021, \$55,492. The components of the Company's fixed and right-of-use assets are as follows:

	<u>2021</u>
Office furniture and equipment	\$ 31,242
Medical equipment	35,819
Medical equipment - finance leased assets	408,359
Leasehold improvements	<u>24,656</u>
Total fixed and right-of-use-assets	\$ 500,076
Less: Accumulated depreciation	<u>(75,582)</u>
Net fixed and right-of-use assets	<u>\$ 424,494</u>

RushNet, Inc.Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2021**Note 9: Reverse Acquisition and Business Combinations**

On July 1, 2021, 100% of the membership interest of HeliosDx, LLC (a Georgia Limited Liability Company – electing to be taxed as a sub-chapter S corporation) was contributed to RushNet, Inc. in exchange for the issuance of 32,000,000 preferred shares series B. While RushNet, Inc. is the legal acquirer of HeliosDx, it is considered to be the accounting acquiree and is accounted for as a reverse acquisition under US GAAP resulting in a recapitalization of the combined Company. Accordingly, the assets and liabilities of RushNet, Inc. are deemed to be acquired by HeliosDx. The assets and liabilities of RushNet, Inc. and HeliosDx are recognized as of the date of the transaction at historical cost, with no goodwill or other intangible assets recorded. The results of the business combination to the combined Company are as follows:

	<u>RushNet, Inc.</u>	<u>HeliosDx</u>	<u>Total</u>
Financial assets	\$ 131	\$ 84,845	\$ 84,976
Fixed assets	-	411,417	411,417
Intangible assets (identifiable)	-	6,053,963	6,053,963
Financial liabilities	<u>(164,215)</u>	<u>(1,035,305)</u>	<u>(1,199,520)</u>
Total identifiable net assets	(164,084)	5,514,920	5,350,836
Recapitalization	<u>170,784</u>	<u>783,428</u>	<u>954,212</u>
Recapitalized Equity	<u>\$ 6,700</u>	<u>\$ 6,298,348</u>	<u>\$ 6,305,048</u>

The transaction was undertaken to acquire the operations of HeliosDx and merge common control companies, thereby, improving the value of Combined group and offering

On August 1, 2021, 100% of the membership interest of Grandeza Healthcare Consultants, LLC (a Tennessee Limited Liability Company – electing to be taxed as a partnership) were acquired in exchange for 300,000,000 shares of RushNet, Inc. common stock. Fair value of the common shares issued were determined based on the closing market price on the date of acquisition. The results of operations for Grandeza have been included in the accompanying financial statements from January 1, 2021. The consideration was allocated as follows:

	<u>Grandeza</u>
Financial assets	\$ 188,187
Financial liabilities	<u>(148,047)</u>
Total identifiable net assets	40,140
Goodwill	<u>3,199,860</u>
Consideration	<u>\$ 3,240,000</u>

Goodwill recognized in the acquisition of Grandeza is attributable to the anticipated synergies of operations to be obtained by having in house billing and management with a wholly owned subsidiary. None of the goodwill will be deducted for income tax purposes. The following consolidated pro forma information is based on the assumption that the acquisition occurred on January 1, 2021.

	<u>2021</u>
Revenue	\$ 5,622,735
Net Income	\$ 676,361

RushNet, Inc.Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2021**Note 10: Leases**

During 2021, the Company was involved in various lease agreements, as the lessee, for equipment, as well as the Company's corporate headquarters and laboratory sites in Georgia, Tennessee, and Florida under noncancellable leases. The leases range in duration from two to four years and, in most instances, provide for renewal options. The Company does not anticipate exercising the existing renewal options.

The Company used its incremental borrowing rate of 5% as the discount rate in determining the net present value of the obligation. The incremental borrowing rate is estimated based upon market conditions and managements' estimate of credit worthiness for the Company at the time of lease inception. The Company has elected to apply the short-term lease exception to all leases of one year or less.

Rental expense is recognized on the straight-line method over the life of the leases. The differences between the amounts paid under the lease and the amounts expensed using the straight-line method are recorded as an adjustment to the ROU asset.

The operating leases are detailed as follows:

Description	Location	Initial Term	Renewal Period	Ending	Monthly Payment	Pmt Escalation
Laboratory space	Georgia	12	n/a	July, 2022	\$ 1,850	-
Office space	Florida	36 months	n/a	July, 2024	\$ 2,861	3% annual
Office space	Tennessee	40 months	3 - 5 yr periods	Dec., 2020	\$ 1,400	-
Office space	Tennessee	36 months	3 - 5 yr periods	Nov., 2023	\$ 1,000	\$1,070 Jan. 2022

Lease commitments for the next five years and thereafter are as follows:

Maturing In	Finance Leases	Operating Leases
2021	\$ 28,520	\$ 21,332
2022	114,078	77,351
2023	114,078	61,931
2024	114,078	22,280
2025	-	-
Thereafter	-	-
Total Commitments	\$ 370,754	\$ 182,894
Less: leases < 1 yr in term	-	(18,500)
Imputed Interest	(32,237)	(12,155)
Net Principal Commitments	\$ 338,517	\$ 152,239

RushNet, Inc.**Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2021**

Note 10: Leases (continued)

The components of lease costs, their weighted averaging applied rates and remaining lease terms as of the period ended are as follows:

	<u>2021</u>
<u>Lease Cost:</u>	
Finance leases:	
Amortization of right-of-use assets	\$ 14,584
Interest on lease liabilities	15,716
Operating lease cost	27,502
Short-term lease cost	<u>732</u>
Total Lease Cost	\$ 58,534
<u>Other Information:</u>	
Weighted-average discount rate applied (%)	
Finance leases	5.6
Operating leases	5.0
Weighted-average remaining lease term (in years)	
Finance leases	3.3
Operating leases	3.1

Note 11: Risks and Uncertainties

During the period ended September 30, 2021, global financial markets experienced significant volatility resulting from the spread of the novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent of the future impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on the Company's vendors, which cannot be determined at this time.

Note 12: Related Party Transactions

The company has advanced \$243,360 to its preferred shareholder on a non-interest-bearing note. The note is due on demand. During the period January 1, 2021, through July 31, 2021; HeliosDx paid Grandeza \$809,958 in fees for billing services, all other intercompany transactions for billing services have been eliminated in the consolidated net income.