

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

SP, Inc.
8465 Merchants Way Suite 206
Orange Park, FL 32222
(423) 206-2299
Asweat@heliosdx.com
SIC CODE: 2000

Annual Report

For the period ending December 31, 2022 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

8,574,641,795 as of December 31, 2022

8,174,641,795 as of December 31, 2021

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Original incorporation – RushNet, Inc. Currently a Colorado corporation incorporated in January 15, 1997 in Nevada and converted to the state of Colorado in July 2018– Active

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer’s current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated Colorado – 1997 - Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer’s principal executive office:

8465 Merchants Way, Suite 206
Orange Park, FL 32222

The address(es) of the issuer’s principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Mountain Share Transfer LLC. .

Phone (404) 474-3110

Email: service@mountainsharetransfer.com

Address: 2030 Powers Ferry Road SE, Suite 212, Atlanta, GA, 30339

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: RSHN
Exact title and class of securities outstanding: Common
CUSIP: 782074108
Par or stated value: \$0.0001
Total shares authorized: 9,000,000,000 as of 12/31/22
Total shares outstanding: 8,574,641,795 as of 12:31/22
Number of shares in Public Float 7,127,023,194 as of 12/31/22
Total number of shareholders of record: 133 as of 12/31/22

All additional class(es) of publicly quoted or traded securities (if any): None

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: Series A Preferred
CUSIP (if applicable): N/A
Par or stated value: \$.0001
Total shares authorized: 50,000,000 as of date: December 31, 2022
Total shares outstanding (if applicable): 35,000,000 as of date: December 31, 2022
Total number of shareholders of record (if applicable): 1 as of date: December 31, 2022

Exact title and class of the security: Series B Preferred
CUSIP (if applicable): N/A
Par or stated value: \$.0001
Total shares authorized: 37,000,000 as of date: December 31, 2022
Total shares outstanding (if applicable): 32,000,000 as of date: December 31, 2022
Total number of shareholders of record (if applicable): 5 as of date: December 31, 2022

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

Common shareholders have the right to vote on a one for one basis; are entitled to dividends as declared by the board of directors; have no pre-emptive rights .

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Series A Voting Preferred - The number of votes that the holder of the Series A — convertible 300 to 1 in terms of voting rights. Entitled to dividends at 10% of assets legally available.

Series B Preferred – Convertible to 6 common shares and are exempt from splits.

No redemption or sinking fund rights..

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company’s securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer’s securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

| | | | | | | | | | |
|---|---|---|--|--|--|--|--|--|--|
| Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> | | | *Right-click the rows below and select "Insert" to add rows as needed. | | | | | | |
| Date <u>12/31/20</u> Common: <u>7,764,641,795</u> Preferred A <u>35,000,000</u> Preferred B <u>37,000,000</u> | | | | | | | | | |
| Date of Transaction | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | | | | | | | |

| | | | | | | | | | |
|--|---------------------|-----------------------------|---------------|---------------|------------|---|--------------------------|-------------------|----------------|
| <u>8/21/21</u> | <u>New Issuance</u> | <u>240,000,000</u> | <u>Common</u> | <u>\$.002</u> | <u>Yes</u> | <u>Ashley Sweat</u> | <u>Acquisition</u> | <u>Restricted</u> | <u>4(a)(1)</u> |
| <u>8/21/21</u> | <u>New Issuance</u> | <u>60,000,000</u> | <u>Common</u> | <u>.002</u> | <u>Yes</u> | <u>Daniel Bauer</u> | <u>Acquisition</u> | <u>Restricted</u> | <u>4 (a)1</u> |
| <u>10/21/21</u> | <u>New Issuance</u> | <u>50,000,000</u> | <u>Common</u> | <u>.002</u> | <u>Yes</u> | <u>Fredrick Berger</u> | <u>Debt Conversion</u> | <u>Restricted</u> | <u>4(a)1</u> |
| <u>12/16/21</u> | <u>New Issuance</u> | <u>60,000,000</u> | <u>Common</u> | <u>.002</u> | <u>Yes</u> | <u>New to Street hi a group LLC (Avi Azoulay)</u> | <u>Services provided</u> | <u>Restricted</u> | <u>4(a)1</u> |
| <u>12/28/22</u> | <u>New Issuance</u> | <u>400,000,000</u> | <u>Common</u> | <u>.002</u> | <u>Yes</u> | <u>Innovative Digital Investors Emerging Tech LP (control person Jonathan Bates)</u> | <u>Cash</u> | <u>Restricted</u> | <u>4(a)1</u> |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Shares Outstanding on Date of This Report: | | | | | | | | | |
| Ending Balance | | Ending | | | | | | | |
| Balance: | | | | | | | | | |
| Date <u>12/31/22</u> | | Common: <u>8,574,641.79</u> | | | | | | | |
| Preferred: A 35,000,000 Preferred B 37,000,000 | | | | | | | | | |

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: Yes: (If yes, you must complete the table below)

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares) | Name of Noteholder. <small>*You must disclose the control person(s) for any entities listed.</small> | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|---------------|--|---|---|
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

| | | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. (Please ensure that these descriptions are updated on the Company’s Profile on www.otcmarkets.com).

- A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”) The company operates under the name 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, G.I., 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.
- B. List any subsidiaries, parent company, or affiliated companies. HeliosDx LLC, Grandeza Healthcare Consultants LLC, and RushNet, Inc.
- C. Describe the issuers’ principal products or services.(UDT), allergy droplet cards, oral fluids, PCR, (Nail, wound, our PP, STI, G.I., UTI), and PGX testing through Leo Partners. Additionally the company provides management services and insurance billing services principally to clinical reference laboratories.

5) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

1122 Cambridge square, suite E & F, Alpharetta, GA 30009

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

| Names of All Officers, Directors and Control Persons | Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%) | Residential Address (City / State Only) | Number of shares owned | | Share type/class | Ownership Percentage of Class Outstanding | Names of control person(s) if a corporate entity |
|--|---|---|------------------------|-------------|------------------|---|--|
| | | | | | | | |
| Ashley Sweat | CEO, Director | Jacksonville, FL | 35,000,000 | 240,000,000 | Preferred A | <u>100%</u> | <u>58% voting rights</u> |
| | | | 32,000,000 | | Preferred B | 100% | |
| | | | | Common | 2.9% | | |
| Daniel Bauer | CEO of Grandeza Healthcare Consultants LLC | Soddy Daisy, Tennessee | 60,000,000 | | Common | .74% | |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Gary L. Blum ESQ
Address 1: 3278 Wilshire Blvd., Suite 603
Address 2: Los Angeles, CA 90010
Phone: (213) 369-8112
Email: gblum@gblumlaw.com

Accountant or Auditor

Name: Whirley&Associates Proactive Advisory
Firm: Whirley&Associates Proactive Advisory
Address 1: 2520 Northwinds Pkwy # 575
Address 2: Alpharetta, GA 30009
Phone: (770) 932-1919
Email: mail@whirleyproactive.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____

Address 2: _____
Phone: _____
Email: _____

9) Financial Statements

A. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: **Whirley & Associates Proactive Advisory**

Title: **Accountant**

Relationship to Issuer: **CPA**

Describe the qualifications of the person or persons who prepared the financial statements: 20 years experience as accountant, auditor and financial statement preparation. Graduate Pace University in accounting & PWC auditor.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Ashley Sweat certify that:

1. I have reviewed this Disclosure Statement for RushNet, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 30, 2023 [Date]

/s/ Ashley Sweat [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Ashley Sweat certify that:

1. I have reviewed this Disclosure Statement for RushNet, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 30, 2023 [Date]

/s/ Ashley Sweat [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")



RushNet, Inc.
Consolidated Financial Statements
For the Years Ended December 31, 2022, and 2021.

RushNet, Inc.

Unaudited Consolidated Balance Sheet

As of December 31, 2022, and December 31, 2021

| Assets | 2022 | 2021 |
|--|---------------------|---------------------|
| Current Assets: | | |
| Cash | \$ 33,716 | \$ 274,745 |
| Accounts receivable, net ^(note 4) | 449,673 | 389,911 |
| Prepaid expenses | 20,686 | 26,503 |
| Total Current Assets | 504,075 | 691,159 |
| Non-Current Assets: | | |
| Operating lease right-of-use asset ^(note 7) | 92,961 | 143,619 |
| Net fixed and lease financed assets ^(note 5) | 680,021 | 993,599 |
| Goodwill ^(note 11) | 6,022,411 | 6,022,411 |
| Prepaid expenses and other long term assets | 15,572 | 34,733 |
| Total Non-Current Assets | 6,810,965 | 7,194,362 |
| Total Assets | 7,315,040 | 7,885,521 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities: | | |
| Current portion of debt obligation ^(note 9) | 2,199,109 | 640,756 |
| Line of credit ^(note 8) | 200,832 | 36,866 |
| Accounts payable and other accrued expenses | 639,164 | 250,162 |
| Deposit liability | 81,150 | 81,150 |
| Operating lease obligations ^(note 7) | 73,437 | 61,392 |
| Finance lease obligations ^(note 7) | 139,654 | 356,153 |
| Total Current Liabilities | 3,333,346 | 1,426,479 |
| Non-Current Liabilities: | | |
| Debt obligation ^(note 9) | 3,261,787 | 4,463,285 |
| Operating lease obligations ^(note 7) | 20,985 | 82,590 |
| Finance lease obligations ^(note 7) | 145,719 | 562,604 |
| Deferred tax liability ^(note 6) | 137,920 | 356,628 |
| Total Non-Current Liabilities | 3,566,411 | 5,465,107 |
| Total Liabilities | 6,899,757 | 6,891,586 |
| Shareholders' Equity: | | |
| Additional paid in capital | 426,500 | 386,500 |
| Common stock (\$.0001 par value) ^(note 10) | 58,395 | 18,395 |
| Preferred stock, series A (\$.0001 par value) ^(note 10) | 3,500 | 3,500 |
| Preferred stock, series B (\$.0001 par value) ^(note 10) | - | - |
| Warrants outstanding | 6,000 | - |
| Retained earnings | (79,112) | 585,540 |
| Total Stockholders' Equity | 415,283 | 993,935 |
| Total Liabilities and Stockholders' Equity | \$ 7,315,040 | \$ 7,885,521 |

The notes are an integral part of these financial statements

RushNet, Inc.

Unaudited Consolidated Statement of Income and Expenses

For the Years Ended December 31, 2022, and 2021

| | 2022 | 2021 |
|---|---------------------|-------------------|
| Revenues | | |
| Billing services | \$ 14,458 | \$ 49,903 |
| Laboratory testing fees | 6,883,981 | 5,846,861 |
| Total Revenues | 6,898,439 | 5,896,764 |
| Cost of Revenues | | |
| Direct labor | 393,462 | 440,935 |
| Other direct costs | 1,131,296 | 1,334,305 |
| Total Cost of Revenues | 1,524,758 | 1,775,240 |
| Gross Profit | 5,373,681 | 4,121,524 |
| Operating Expenses | | |
| Selling and general and administrative | 5,675,556 | 2,539,408 |
| Advertising expenses | | 721,749 |
| Depreciation and amortization expense | 320,489 | 267,145 |
| Total Operating Expenses | 5,996,045 | 3,528,302 |
| Income From Operations | (622,364) | 593,222 |
| Interest expense | (380,052) | (75,361) |
| Extinguishment of debt | 118,489 | - |
| Other | 567 | 2,327 |
| Total Other Income (Expense) | (260,996) | (73,034) |
| Net Income Before Taxes | (883,360) | 520,188 |
| Income Tax Expense | 218,708 | (356,628) |
| NET INCOME | \$ (664,652) | \$ 163,560 |
| Net Basic Earnings Per Share | | |
| Basic | 8,219,573,302 | 9,174,054,891 |
| Fully Diluted Earnings Per Share | (0.00008) | 0.00001 |
| Fully diluted | 8,603,573,302 | 19,866,054,891 |

The notes are an integral part of these financial statements

RushNet, Inc.

Unaudited Consolidated Statement of Cash Flows
For the Years Ended December 31, 2022, and 2021

| | 2022 | 2021 |
|---|------------------|-------------------|
| Operating Activities | | |
| Net income | \$ (664,652) | \$ 163,560 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 320,489 | 267,145 |
| Stock issued for services | - | 48,000 |
| Extinguishment of debt | (118,489) | - |
| Deferred taxes | (218,708) | 356,628 |
| (Increase) decrease in: | | |
| Accounts receivable | (59,762) | 135,856 |
| Prepays and other assets | 24,978 | 11,950 |
| Operating leases right-of-use assets | 1,098 | 571 |
| Accounts payable and accrued expenses | 389,002 | (1,167) |
| Net cash provided by operating activities | (326,044) | 982,543 |
| Investing Activities | | |
| Purchase of fixed assets | (6,911) | (324,897) |
| Net cash used in investing activities | (6,911) | (324,897) |
| Financing Activities | | |
| Proceeds from line of credit, net | 163,966 | 36,866 |
| Payments on debt obligations | (158,040) | (437,482) |
| Stock issuance | 80,000 | |
| Warrants issued | 6,000 | |
| Member contributions | - | 3,000 |
| S corporation dividends and member distributions | - | (81,823) |
| Net cash used in financing activities | 91,926 | (479,439) |
| Net Change in Cash and Cash Equivalents | (241,029) | 178,207 |
| Cash and Cash Equivalents at the Beginning of the Period | 274,745 | 96,538 |
| Cash and Cash Equivalents at the End of the Period | \$ 33,716 | \$ 274,745 |
| Supplemental Cash Flow Disclosures: \$ | | |
| Interest paid | (380,052) | (75,361) |
| Equipment purchases financed | - | 408,359 |
| Operating cash flows from finance leases - interest | (14,008) | - |
| Operating cash flows from operating leases | (87,640) | (26,600) |
| Right-of-use assets exchanged for finance liabilities | - | 408,358 |
| Right-of-use assets exchanged for operating liabilities | - | 82,031 |
| Non-Cash Financing Activities: \$ | | |
| Preferred shares, series B issued for acquisition of HeliosDx | - | - |
| Debt assumed upon reverse merger with RushNet | - | 454,215 |
| Common shares issued for acquisition of Grandeza | - | 28,293 |

The notes are an integral part of these financial statements

RushNet, Inc.Unaudited Consolidated Statement of Changes in Shareholders' Equity
For the Years Ended December 31, 2022, and 2021

| | Common Stock | | Preferred Stock-Series A | | Preferred Stock-Series B | | Warrants Outstanding | Paid-in Capital | Retained Earnings (Deficit) |
|---|-----------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------|-----------------------------------|
| | Shares | Amount (Par \$.0001) | Shares | Amount (Par \$.0001) | Shares | Amount (Par \$.0001) | | | |
| | Balance, December 31, 2020 | 10,500,000,000 | \$ - | - | \$ - | - | | | |
| Stockholder acquires controlling interest in RushNet, Inc. on March 19, 2021 | - | - | 35,000,000 | 3,500 | - | - | - | 6,500 | - |
| Adjustment to common stock of HeliosDx as a part of acquisition on July 1, 2021 | (10,500,000,000) | - | - | - | - | - | - | - | - |
| Issuance of common stock to Rushnet, Inc. common stockholders with acquisition on July 1, 2021 | 7,764,641,795 | 7,395 | - | - | - | - | - | - | - |
| Issuance of preferred shares, series B <small>(note 12)</small> | - | - | - | - | 32,000,000 | - | - | - | - |
| Issuance of common shares to reduce liability on August 11, 2021 | 50,000,000 | 5,000 | - | - | - | - | - | 335,000 | - |
| Issuance of common shares for Grandeza to controlling stockholder for common control merger | 240,000,000 | - | - | - | - | - | - | - | - |
| Issuance of common shares for Grandeza to minority stockholder for common control merger | 60,000,000 | - | - | - | - | - | - | - | - |
| Issuance of common shares for services on December 16, 2021 | 60,000,000 | 6,000 | - | - | - | - | - | 42,000 | - |
| Net income for the year | - | - | - | - | - | - | - | - | 163,560 |
| Shareholder S-corporation distributions prior to July 1, 2021 | - | - | - | - | - | - | - | - | (81,823) |
| Member contributions prior to July 1, 2021 | - | - | - | - | - | - | - | 3,000 | - |
| Balance, December 31, 2021 | 8,174,641,795 | \$ 18,395 | 35,000,000 | \$ 3,500 | 32,000,000 | \$ - | \$ - | \$ 386,500 | \$ 585,540 |
| Issuance of common shares on November 21, 2022 | 400,000,000 | 40,000 | - | - | - | - | - | 40,000 | - |
| Warrants issued on November 21, 2022 | - | - | - | - | - | - | 6,000 | - | - |
| Net income for the year | - | - | - | - | - | - | - | - | (664,652) |
| Balance, December 31, 2022 | 8,574,641,795 | \$ 58,395 | 35,000,000 | \$ 3,500 | 32,000,000 | \$ - | \$ 6,000 | \$ 426,500 | \$ (79,112) |

The notes are an integral part of these financial statements

RushNet, Inc.

Notes to the Unaudited Consolidated Financial Statements
For the Years Ended December 31, 2022, and 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; its principal offices are in Alpharetta, Georgia. The consolidated financial statements include those of RushNet, Inc. and its legal subsidiaries; Chattahoochee Physicians Laboratory Services, LLC; doing business as HeliosDx (the Company), and Grandeza Healthcare Consultants, LLC (Grandeza).

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 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 11), which was accounted for as 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.

Note 2: Summary of Significant Accounting Policies**Recent Accounting Pronouncements Adopted:**

In November 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2021-10, "Government Assistance." The ASU includes tax credits but not within Topic 740, "Income Taxes," cash grants, grants of other assets and project grants. The ASU excludes transactions in which a government is a customer within Topic 606, "Revenue from Contracts with Customers." The ASU will be effective for fiscal years beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the effect of adopting this pronouncement on our consolidated financial statements and disclosures.

Recent Accounting Pronouncements to be Adopted:

In October 2021, the FASB issued ASU 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." ASU 2021-08 requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities (deferred revenue) from acquired contracts using the revenue recognition guidance in Topic 606. Under this approach, the acquirer applies the revenue model as if it had originated the contracts. This is a departure from the current requirement to measure contract assets and contract liabilities at fair value. ASU 2021-08 is applied to business combinations occurring on or after January 1, 2023. We are currently evaluating the effect of adopting this pronouncement on our consolidated financial statements and disclosures.

Liquidity:

Since its inception, the Company has devoted substantially significant resources towards business planning and raising capital. Management's efforts to bring the Company into full compliance with its reporting and improving operations

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
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require a significant level of operating resources. As of December 31, 2022 and December 31, 2021, the Company had approximately \$62,000 and \$275,000, respectively, in cash and cash equivalents.

Although our revenues generated from operations are increasing each month, in order to support our operational activities, our revenues may need to be supplemented by the proceeds from the issuance of securities, including equity and debt issuances. At December 31, 2022, we had a working capital deficit of approximately \$2,829,000. We anticipate that our current cash and revenue generated from operations will be sufficient for day-to-day operations; however, we anticipate that we will need additional capital for business expansion. If our revenues continue to be insufficient to support our operational activities, we intend to raise additional capital through the sale of equity securities or borrowings from financial institutions and possibly from related and nonrelated parties who may in fact lend to us on reasonable terms and ultimately generating sufficient revenue from operations. Our operating income and cash reserves will allow us to continue for several months until sufficient revenue is met. Management believes that its actions to secure additional funding will allow us to continue as a going concern. We currently do not have any binding sources of financing other than our line of credit and accounts receivable factoring agreement, each of which requires us to meet certain requirements to utilize. There can be no assurance that we will meet all or any of the requirements pursuant to our line of credit, and accounts receivable factoring agreement, and therefore those financing options may be unavailable to us. There is no guarantee we will be successful in raising capital outside of our current sources, and if so, that we will be able to do so on favorable terms. To implement our business plan, we may require additional financing. Further, current or future adverse capital and credit market conditions could limit our access to capital. We may be unable to raise capital or bear an unattractive cost of capital that could reduce our financial flexibility.

Our long-term liquidity requirements will depend on many factors, including the rate at which we grow our business and footprint in the industry. To the extent that the funds generated from operations are insufficient to fund our activities in the long term, we may be required to raise additional funds through public or private financing. No assurance can be given that additional financing will be available or that, if it is available, it will be on terms acceptable to us.

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 expenses incurred in the year ended December 31, 2022, and 2021 was \$46,320, and \$409,099, respectively.

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. The significant estimates include the allowance for credit losses, the incremental borrowing rate for the lease liability, goodwill, and the identification and valuation of assets acquired and liabilities assumed in connection with business combinations.

Revenues and Cost Recognition:

The Company adopted the requirements of Accounting Standards Codification ("ASC") Topic 606 ("Topic 606"), Revenue from Contracts with Customers, under the full retrospective transition approach effective January 1, 2020, the earliest

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
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period presented. The ASU amended existing standards for revenue recognition which establishes principles for recognizing revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. There was no cumulative effect to beginning equity of the Company and no changes to the consolidated financial statement presentation as a result of the adoption.

Net Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration the Company expects to receive in exchange for the services provided. These amounts are due from Medicare or third-party payors and include variable consideration for retroactive adjustments from estimated reimbursements, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided.

Revenue for laboratory analysis charges and the related accounts receivable, are recognized as services are provided and are billed monthly on the date of service at their estimated net realizable value. The Company derives a significant amount of its revenue from funds under federal Medicare and state Medicaid assistance programs, the continuation of which are dependent upon governmental policies and are subject to audit risk and potential recoupment. Accounts receivable for laboratory services are reported at estimated net realizable amounts from patients and responsible third-party payors. Management periodically evaluates the collectability of its receivables and establishes reserves for potential uncollectible accounts based upon estimates of the net realizable value of the accounts. Management considers both the age of the invoice as well as the history with the payor in its evaluation. Management believes the reserves established at the period-end are adequate to cover potential future losses.

Billings for services under third-party payor programs are recorded net of estimated retroactive adjustments, if any, under reimbursement programs. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods or as final settlements are determined. Contractual or cost related adjustments from Medicare or Medicaid are accrued when assessed (without regard to when the assessment is paid or withheld). Subsequent positive or negative adjustments to these accrued amounts are recorded in net revenues when known.

Earnings per share:

Basic earnings per share is computed by dividing the net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings of the Company. Diluted earnings per share is computed by dividing the earnings available to stockholders by the weighted average number of shares outstanding for the period and dilutive potential shares outstanding unless consideration of such dilutive potential shares would result in anti-dilution.

Property and Equipment:

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. When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are relieved from the accounts and the net gain or loss is included in operating expenses.

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.

Impairment of Long-Lived Assets:

We review long-lived assets, such as property, plant and equipment and finite-lived intangible assets, for impairment whenever events indicate that the carrying amounts might not be recoverable. Recoverability of property, plant and

RushNet, Inc.

Notes to the Unaudited Consolidated Financial Statements
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equipment, and other finite-lived intangible assets are measured by comparing the projected undiscounted net cash flows associated with those assets to their carrying values. If an asset is considered impaired, it is written down to its fair value, which is determined based on the asset's projected discounted cash flows or appraised value, depending on the nature of the asset. For purposes of recognition of impairment for assets held for use, we group assets and liabilities at the lowest level for which cash flows are separately identifiable.

There were no impairments of long-lived assets for the year ended December 31, 2022, and 2021.

Goodwill and Intangible Assets:

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination.

The Company tests goodwill in the fourth quarter or more frequently if events or circumstances indicate that assets might be impaired. The Company uses a variety of methodologies in conducting impairment tests on goodwill, including, but not limited to, discounted cash flow models, which include assumptions we believe are consistent with those a market participant would use. There were no impairments of goodwill for the year ended December 31, 2022 and 2021.

Accounting for Business Combinations:

Business combinations are accounted for under the acquisition method of accounting, which requires the acquired assets, including separately identifiable intangible assets, and assumed liabilities to be recorded as of the acquisition date at their respective fair values. Any excess of the purchase price over the fair value of the assets acquired, including separately identifiable intangible assets and liabilities assumed, is recorded as goodwill. Fair value determination is subject to a significant degree of estimates.

The determination of the fair value of assets acquired and liabilities assumed involves assessments of factors such as the expected future cash flows associated with individual assets, liabilities, and appropriate discount rates at the date of the acquisition. Where appropriate, external advisors are consulted to assist in the determination of fair value. For non-observable market values, fair value has been determined using acceptable valuation principles.

Stock based compensation:

The Company does not issue stock as compensation for staff, employees, and management. No plan for stock-based employee compensation exists as of December 31, 2022. Stock issued for services is measured at fair value on the date of issue.

Leases:

The Company recognizes right-of-use assets and operating lease obligations at the net present value of the future lease obligations in excess of one year from inception. The initial assessment of the lease term includes the non-cancellable periods of the lease together with those periods covered by an option to extend if management is reasonably certain to exercise the option. The Company has elected to apply the short-term lease exception to all leases of one year or less and uses 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.

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 right-of-use asset.

Accounting for Income Taxes:

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities reflect the tax effects of net operating losses, tax credits, and

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
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temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. They are determined using enacted tax rates in effect for the year in which such temporary differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. When we establish or reduce the valuation allowance against our deferred tax assets, our provision for income taxes will increase or decrease, respectively, in the period that determination to change the valuation allowance is made.

Accounting for Uncertainty in Income Taxes:

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements on a particular tax position are measured based on the largest benefit that has a greater than a 50% likelihood of being realized upon settlement. The amount of unrecognized tax benefits is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax law, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination. We recognize both accrued interest and penalties, where appropriate, related to unrecognized tax benefits in the provision for income taxes.

For the year ended December 31, 2022, and 2021, management believes there were no material uncertain tax positions. Additionally, there were no amounts of interest and penalties recognized in the balance sheets as of December 31, 2022, and December 31, 2021, or the statements of income for the year ended December 31, 2022, and December 31, 2021. Generally, the Company's income tax returns are subject to examination through 2025.

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: Accounts Receivable

Accounts receivable consisted of the following:

| | 2022 | 2021 |
|---------------------------------------|-------------------|-------------------|
| Accounts Receivable | \$ 2,461,205 | \$ 389,911 |
| Less: Allowance for doubtful accounts | (2,011,532) | - |
| Net Accounts Receivable | \$ 449,673 | \$ 389,911 |

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
For the Years Ended December 31, 2022, and 2021**Note 5: Fixed Assets and Right-to-Use Assets**

Depreciation expense for the years ended December 31, 2022, and 2021 are as follows:

| | 2022 | 2021 |
|--------------|-------------|-------------|
| Depreciation | \$ 320,489 | \$ 267,145 |

The components of the Company's fixed and right-of-use assets are as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Office furniture and equipment | \$ 38,153 | \$ 31,242 |
| Medical equipment | 816,577 | 35,820 |
| Medical equipment - finance leased assets | 408,359 | 1,189,116 |
| Leasehold improvements | 24,656 | 24,656 |
| Total fixed and right-of-use-assets | \$ 1,287,745 | \$ 1,280,834 |
| Less: Accumulated depreciation | (607,724) | (287,235) |
| Net fixed and right-of-use assets | \$ 680,021 | \$ 993,599 |

Note 6: Income Taxes

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.

The Company and its legal parent file a consolidated federal income tax return. Income tax expense in the Company's consolidated income statements have been allocated to the separate entity's net taxable income. The company has available on December 31, 2022, \$1,031,592 of unused operating loss carryforwards that may be applied against future taxable income with no expiration.

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 December 31, 2022, and 2021 are as follows:

| Net Deferred Tax (Liability) Asset: | 2022 | 2021 |
|--|--------------|--------------|
| Difference in fixed asset carrying values | \$ (171,963) | \$ (252,747) |
| Difference in goodwill carrying value | (197,453) | (97,034) |
| Change in accounting method for income taxes | (42,825) | (64,237) |
| Deferred compensation | - | 13,353 |
| Differences in net operating loss and other | 274,455 | 44,037 |
| Total Net Deferred Tax Liability | \$ (137,786) | \$ (356,628) |

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

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
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| | 2022 | 2021 |
|--|--------|---------|
| Computed at the expected statutory rate | 21.00% | 21.00% |
| S-Corporation/Partnership income | 0.00% | -26.41% |
| Change in accounting method for income taxes | 0.00% | 14.36% |
| Effects of change to taxable status | 0.00% | 57.65% |
| State income tax net of federal benefit | 4.76% | 2.10% |
| Other | -1.00% | -0.14% |
| Income tax expense (benefit) - at effective rate | 24.76% | 68.56% |

Note 7: Leases

During 2021, the Company leased equipment and facilities in Georgia, Tennessee, and Florida under noncancellable leases. The leases range in duration from one to four years and, in most instances, provide for renewal options. The Company does not anticipate exercising the existing renewal options.

The operating leases are detailed as follows:

| Description | Location | Initial Term | Renewal Period | Ending | Monthly Payment | Pmt Escalation |
|------------------|-----------|--------------|------------------|----------------|-----------------|----------------|
| Laboratory space | Georgia | 12 months | 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 year periods | November, 2023 | \$ 1,400 | - |
| Office space | Tennessee | 36 months | 3-5 year periods | November, 2023 | \$ 1,070 | - |

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

| Maturing In | Finance Leases | Operating Leases |
|---------------------------------|----------------|------------------|
| 2023 | 149,974 | 75,920 |
| 2024 | 149,407 | 21,241 |
| 2025 | - | - |
| 2026 | - | - |
| Thereafter | - | - |
| Total Commitments | \$ 299,381 | \$ 97,161 |
| Less: leases < 1 year in term | - | - |
| Imputed Interest | (14,008) | (2,739) |
| Current Lease Obligations | \$ 139,654 | \$ 73,437 |
| Non-Current Lease Obligations | 145,719 | 20,985 |
| Total Net Principal Commitments | \$ 285,373 | \$ 94,422 |

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
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The components of lease costs, as of the periods ended are as follows:

| | 2022 | 2021 |
|--|-------------------|-------------------|
| <i>Lease Cost:</i> | | |
| Finance leases: | | |
| Amortization of right-of-use assets | \$ 246,995 | \$ 246,995 |
| Interest on lease liabilities | 16,621 | 20,740 |
| Operating lease cost | 87,168 | 43,744 |
| Short-term lease cost | - | 21,600 |
| Total Lease Cost | \$ 350,784 | \$ 333,079 |
| <i>Other Information:</i> | | |
| Weighted-average discount rate applied (%) | | |
| Finance leases | 4.8 | 4.8 |
| Operating leases | 5.0 | 5.0 |
| Weighted-average remaining lease term (in years) | | |
| Finance leases | 3.0 | 2.6 |
| Operating leases | 3.1 | 3.1 |

Note 8: Line of Credit

On April 7, 2021, the Company entered into a line of credit with a finance company in the amount of \$100,000. The line carries interest at 44.5% per annum, is secured by all assets of the Company and guaranteed by the controlling shareholder. As of December 31, 2022, the amount of the unused line is \$2,980. Currently the Company is in violation of certain covenants of the line of credit agreement.

On August 31, 2022, the company entered into a line of credit with a finance company in the amount of 200,000. The line carries a variable interest dependent on various factors of each draw and is secured by all assets of the Company and guaranteed by the controlling shareholder. As of December 31, 2022, the amount of the unused line is \$100,000.

Note 9: Debt Obligations

The Company carries the following debt obligations.

| Description | Interest Rate | Maturity | 2022 | 2021 |
|--|---------------|------------|---------------------|---------------------|
| Due to finance companies ⁽¹⁾ | 2.5%-6.7% | None | \$ 445,560 | \$ 34,600 |
| Notes to individuals ⁽²⁾ | 1%-24% | June, 2025 | 4,797,550 | 4,643,826 |
| Shareholder payable ⁽³⁾ | - | On Demand | 210,786 | 107,215 |
| SBA payable ⁽⁴⁾ | - | None | 7,000 | 7,000 |
| Total debt obligations | | | 5,460,896 | 4,792,641 |
| Less current portion of debt | | | (2,199,109) | (640,756) |
| Long-term portion of debt obligations | | | \$ 3,261,787 | \$ 4,151,885 |

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
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⁽¹⁾ Payable weekly at an effective finance rate range of 25%-34%, no set maturity. Secured by accounts receivable.

⁽²⁾ \$4,501,439 Payable monthly; payment of principal and interest - \$64,622, balloon payment due June, 2024 to reduce balance to \$2.28M, final balloon payment due June, 2025 for \$1.6M. Secured by LLC Units of HeliosDx.

\$85,000 payable in a lum sum in February 2023 with 24% interest and unsecured.

\$200,000 with 1% interest payments payable monthly and unsecured.

⁽³⁾ Due on demand, notes do not carry interest and are unsecured.

⁽⁴⁾ SBA payable, unsecured.

Future maturities of the debt obligations are as follows:

| Year | Principal Due |
|------------|---------------|
| 2023 | \$ 2,199,109 |
| 2024 | 1,355,165 |
| 2025 | 1,906,622 |
| Thereafter | - |
| Total | \$ 5,460,896 |

Note 10: Earnings per Share

There are 519,934,241 issued common shares that are restricted as of December 31, 2022 and December 31, 2021. The shares will become free-trading upon satisfaction of certain terms within agreements.

Note 11: Business Combinations and Reverse Merger

On July 1, 2021, 100% of the membership interest of HeliosDx, LLC (a Georgia Limited Liability Company) was contributed to RushNet, Inc. in exchange for the issuance of 32,000,000 preferred shares series B and the assumption of the seller financed note. RushNet, Inc. is the legal acquirer of HeliosDx, but is considered the accounting acquiree. The transaction is accounted for as a reverse acquisition 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. The results of the business combination to the combined Company are as follows:

| | | |
|-------------------------|----|---------------|
| Financial assets | \$ | 131 |
| Fixed assets | | - |
| Goodwill | | 471,479 |
| Financial liabilities | | (454,215) |
| Net assets | \$ | <u>17,395</u> |
| Consideration | \$ | 10,000 |
| Noncontrolling interest | | 7,395 |
| Total | \$ | <u>17,395</u> |

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

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
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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) was acquired in exchange for 300,000,000 shares of RushNet, Inc. common stock. The entities were under common control before the transaction, therefore, the net assets and operations of Grandeza are combined with the Company as of December 10, 2020 (date of inception of operations for Grandeza). Net assets acquired as of that date are as follows:

| | | |
|--|----|---------------|
| Financial assets | \$ | 136,105 |
| Financial liabilities | | (107,812) |
| Net assets | \$ | <u>28,293</u> |
| Consideration: | | |
| Fair value of common stock issued to controlling | \$ | 22,635 |
| Fair value of stock issued to non-controlling | | 5,658 |
| Total | \$ | <u>28,293</u> |

Note 12: 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.

| Segment | 2022 | | |
|-------------------------------|--------------|---------------------|--------------|
| | 1 | 2 | Total |
| External revenue | \$ 6,883,981 | \$ 14,458 | \$ 6,898,439 |
| Intersegment revenue | - | 1,455,895 | 1,455,895 |
| Profit before taxes | (992,406) | 109,046 | (883,360) |
| Revenues: | | | |
| Total for reportable segments | | \$ 8,354,334 | |
| Intersegment revenue | | (1,455,895) | |
| Consolidated revenue | | \$ <u>6,898,439</u> | |

| Segment | 2021 | | |
|-------------------------------|--------------|---------------------|--------------|
| | 1 | 2 | Total |
| External revenue | \$ 5,846,861 | \$ 49,903 | \$ 5,896,764 |
| Intersegment revenue | - | 1,753,174 | 1,753,174 |
| Profit before taxes | 514,138 | 6,050 | 520,188 |
| Revenues: | | | |
| Total for reportable segments | | \$ 7,649,938 | |
| Intersegment revenue | | (1,753,174) | |
| Consolidated revenue | | \$ <u>5,896,764</u> | |

RushNet, Inc.Notes to the Unaudited Consolidated Financial Statements
For the Years Ended December 31, 2022, and 2021

The condensed segmented balance sheet is as follows for December 31, 2022:

| | 1 | 2 | Total |
|---|---------------------|-------------|---------------------|
| ASSETS | | | |
| Financial assets | \$ 519,647 | \$ - | \$ 725,892 |
| Net fixed and right-of-use assets (note 5) | 772,982 | - | 1,137,218 |
| Goodwill | 6,022,411 | - | 6,022,411 |
| TOTAL ASSETS | 7,315,040 | - | 7,885,521 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Financial liabilities | 921,146 | - | 368,178 |
| Deferred tax liability | 137,920 | - | 356,628 |
| Finance and operating lease obligations | 379,795 | - | 1,062,739 |
| Debt obligations | 5,460,896 | - | 5,104,041 |
| TOTAL LIABILITIES | 6,899,757 | - | 6,891,586 |
| Deficiency in Shareholders' Equity: | | | |
| Additional paid in capital | 426,500 | - | 386,500 |
| Common stock | 58,395 | - | 18,395 |
| Preferred stock | 3,500 | - | 3,500 |
| Warrants Outstanding | 6,000 | - | - |
| Retained earnings (deficit) | (79,112) | - | 585,540 |
| Total Deficiency in Shareholders' Equity | 415,283 | - | 993,935 |
| TOTAL LIABILITIES AND DEFICIENCY IN SHAREHOLDERS' EQUITY | \$ 7,315,040 | \$ - | \$ 7,885,521 |

Note 13: Risks and Uncertainties

During the year ended December 31, 2022, and 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 14: Commitments

The Company has certain supply purchasing commitments to acquire reagents used to process laboratory tests on specific equipment which extend for the next three years. The monthly purchasing of the reagents can vary depending upon the volume of tests processed. The monthly purchasing costs are approximately \$28,000. The Company paid \$281,194 and \$452,090 under terms of this agreement during the year ended December 31, 2022, and December 31, 2021, respectively.

Note 15: Related Party Transactions

The Company pays an individual related to the controlling shareholder for marketing services. During the year ended 2021, the Company paid \$50,000 and during 2022 the Company paid \$62,000. As of December 31, 2022 the Company has borrowed funds from the controlling shareholder of \$210,787 without interest.

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Notes to the Unaudited Consolidated Financial Statements
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Note 16: Subsequent Events

During 2022, the Company entered into a loan agreement with individuals payable in a lump sum on February 21, 2023. The Terms of the agreement have been modified to extend payment for an additional 3 months an addition to \$25,000 in stock being issued at the market price on May 21, 2023 to the individuals.