

NEUROCARRUS

Neurocarrus, Inc.
(the "Company")
a Delaware Corporation

Financial Statements (unaudited) and Independent Accountant's Review Report

Years Ended December 31, 2023 & 2022

Table of Contents

| | |
|---|----|
| INDEPENDENT ACCOUNTANT'S REVIEW REPORT | 3 |
| STATEMENT OF FINANCIAL POSITION | 4 |
| STATEMENT OF OPERATIONS | 5 |
| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY | 6 |
| STATEMENT OF CASH FLOWS | 7 |
| NOTE 1 – DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS | 8 |
| NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 8 |
| NOTE 3 – RELATED PARTY TRANSACTIONS | 11 |
| NOTE 4 – COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS | 11 |
| NOTE 5 – LIABILITIES AND DEBT | 12 |
| NOTE 6 – EQUITY | 12 |
| NOTE 7 – SUBSEQUENT EVENTS | 13 |



Certified Public Accountants, Cyber Security, and Governance, Risk & Compliance Professionals

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To: Neurocarrus, Inc. Management

We have reviewed the accompanying financial statements of Neurocarrus, Inc. (the Company) which comprise the statement of financial position as of December 31, 2023 & 2022 and the related statements of operations, statement of changes in shareholders' equity, and statement of cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility:

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion:

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern:

As discussed in Note 1, specific circumstances raise substantial doubt about the Company's ability to continue as a going concern in the foreseeable future. The provided financial statements have not been adjusted for potential requirements in case the Company cannot continue its operations. Management's plans in regard to these matters are also described in Note 1.

A handwritten signature in black ink, appearing to read 'Rashellee Herrera', is written over a light blue horizontal line.

Rashellee Herrera | CPA,CISA,CIA,CFE,CCAE | #AC59042

On behalf of RNB Capital LLC

Sunrise, FL

January 23, 2025

NEUROCARRUS, INC.
STATEMENT OF FINANCIAL POSITION

| | As of December 31, | |
|--------------------------------------|--------------------|---------------|
| | 2023 | 2022 |
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 52,150 | 51,814 |
| Prepaid Expenses | 25,000 | 25,000 |
| Total Current Assets | 77,150 | 76,814 |
| Non-Current Assets: | | |
| Intangible Assets- net | 20,000 | 22,000 |
| Lease Right of Use Asset | 61,955 | - |
| Total Non-Current Assets | 81,955 | 22,000 |
| TOTAL ASSETS | 159,105 | 98,814 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities: | | |
| Short Term Lease Liability | 21,055 | - |
| Other Current Liabilities | 6,637 | 6,637 |
| Total Current Liabilities | 27,692 | 6,637 |
| Non-Current Liabilities: | | |
| Notes Payable - Related Party | 41,126 | - |
| Long Term Lease Liability | 41,103 | - |
| Total Non-Current Liabilities | 82,229 | - |
| TOTAL LIABILITIES | 109,920 | 6,637 |
| EQUITY | | |
| Common Stock | 9 | 9 |
| APIC | 607,049 | 607,049 |
| Accumulated Deficit | (557,874) | (514,882) |
| TOTAL EQUITY | 49,184 | 92,177 |
| TOTAL LIABILITIES AND EQUITY | 159,105 | 98,814 |

See Accompanying Notes to these Unaudited Financial Statements

NEUROCARRUS, INC.
STATEMENT OF OPERATIONS

| | Year Ended December 31, | |
|--|-------------------------|------------------|
| | 2023 | 2022 |
| Operating Expenses | | |
| General and Administrative | 41,594 | 80,416 |
| Contractors | 53,452 | - |
| Payroll Expenses | 65,491 | 74,994 |
| Insurance Expenses | 998 | 1,930 |
| Interest Expenses | 13 | 5 |
| Professional Fees | 14,535 | 28,769 |
| Operating lease expense | 1,823 | - |
| Total Operating Expenses | 177,905 | 186,114 |
| Total Income (Loss) from Operations | (177,905) | (186,114) |
| Other Income (Expenses) | | |
| Grant Funds | 136,745 | 192,300 |
| Other Income | 168 | 1,985 |
| Total Other Income (Expenses) | 136,913 | 194,285 |
| Earnings Before Interest, Taxes, Depreciation, and Amortization | | |
| Amortization | (40,992) | 8,171 |
| Amortization | 2,000 | 2,000 |
| Net Income (Loss) | (42,992) | 6,171 |

See Accompanying Notes to these Unaudited Financial Statements

NEUROCARRUS, INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Common Stock | | APIC | Retained Earnings (Deficit) | Total Shareholders' Equity |
|------------------------------------|----------------|-----------|----------------|--------------------------------|-------------------------------|
| | # of Shares | \$ Amount | | | |
| Beginning balance at 1/1/22 | 887,581 | 9 | 607,049 | (521,053) | 86,006 |
| Net income (loss) | - | - | - | 6,171 | 6,171 |
| Ending balance at 12/31/22 | 887,581 | 9 | 607,049 | (514,882) | 92,177 |
| Net income (loss) | - | - | - | (42,842) | (42,842) |
| Ending balance at 12/31/23 | 887,581 | 9 | 607,049 | (557,724) | 49,335 |

See Accompanying Notes to these Unaudited Financial Statements

NEUROCARRUS, INC.
STATEMENT OF CASH FLOWS

| | Year Ended December 31, | |
|---|-------------------------|--------|
| | 2023 | 2022 |
| OPERATING ACTIVITIES | | |
| Net Income (Loss) | (42,992) | 6,171 |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Amortization | 2,000 | 2,000 |
| Lease Right of Use Asset | (61,955) | - |
| Accounts Payable | - | (108) |
| Short Term Lease Liability | 21,055 | - |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | (38,900) | 1,892 |
| Net Cash provided by (used in) Operating Activities | (81,892) | 8,063 |
| INVESTING ACTIVITIES | | |
| Long Term Lease Liability | 41,103 | - |
| Net Cash provided by (used in) Investing Activities | 41,103 | - |
| FINANCING ACTIVITIES | | |
| Notes Payable - Related Party | 41,126 | - |
| Net Cash provided by (used in) Financing Activities | 41,126 | - |
| Cash at the beginning of the period | 51,814 | 43,751 |
| Net cash increase (decrease) for the period | 336 | 8,063 |
| Cash at end of period | 52,150 | 51,814 |

See Accompanying Notes to these Unaudited Financial Statements

Neurocarrus, Inc.
Notes to the Unaudited Financial Statements
December 31st, 2023
\$USD

NOTE 1 – DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Neurocarrus, Inc. (“the Company”) was converted from an LLC to a C corporation in Delaware on October 1st, 2017. The company is developing a non-addictive human pain drug to treat poorly managed pain and help prevent substance use disorders. The Company conducts drug development research and development with the intent of moving its lead asset to clinical trials after FDA approval of the Investigational New Drug (IND). The Company plans to earn revenue by licensing its intellectual property and candidate pain drug or by becoming acquired. The Company’s headquarters is in Monterey, California. Its customers will be located in the United States.

The Company previously conducted a Regulation Crowdfunding campaign in 2019 and is currently conducting a second Regulation Crowdfunding campaign.

Concentrations of Credit Risks

The Company’s financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company’s management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

Substantial Doubt About the Entity’s Ability to Continue as a Going Concern:

The accompanying balance sheet has been prepared on a going concern basis, which means that the entity expects to continue its operations and meet its obligations in the normal course of business during the next twelve months. Conditions and events creating the doubt include the fact that the Company has commenced principal operations and realized losses in 2023 and may continue to generate losses. The Company’s management has evaluated this condition and plans to generate revenues and raise capital as needed to meet its capital requirements. However, there is no guarantee of success in these efforts. Considering these factors, there is substantial doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company’s fiscal year ends on December 31. The Company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

In preparing these unaudited financial statements in conformity with U.S. GAAP, the Company's management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Fair Value of Financial Instruments

FASB Accounting Standards Codification (ASC) 820 "*Fair Value Measurements and Disclosures*" establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

There were no material items that were measured at fair value as of December 31, 2023 and December 31, 2022.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company had \$52,150 and \$51,814 in cash and cash equivalents as of December 31, 2023 and December 31, 2022, respectively.

Intangible Assets

The Company is required to follow the guidance of Accounting Standards Codification 350 ("ASC 350"), Intangibles—Goodwill and Other in accounting for the cost associated with the creation or acquisition of patents, publications, and trademarks. These costs are capitalized as intangible assets, with amortization applied if the trademark has a finite useful life, or impairment testing conducted if the trademark has an indefinite useful life.

These are amortized on a straight-line basis over its estimated useful life which is determined to be 15 years.

| Property Type | Useful Life in Years | 2023 | 2022 |
|--|----------------------|---------------|---------------|
| Patent Legal Costs | 15 | 30,000 | 30,000 |
| Patent Legal Costs - Accum. Amortization | | (10,000) | (8,000) |
| Total Intangible Asset, Net | | 20,000 | 22,000 |

Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, "Revenue Recognition" following the five steps procedure:

Step 1: Identify the contract(s) with customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to performance obligations

Step 5: Recognize revenue when or as performance obligations are satisfied

The Company is in the pre-revenue stage, and plans to earn revenues through the licensing of their intellectual property. The Company will identify and analyze its performance obligations related to customer contracts once it executes its first intellectual property (patent) licensing agreement. Payments would consist of a mixture of upfront and later transactions based on the milestones achieved. Additionally the Company plans to earn revenue based on investments reflecting the Company's achievement of key accomplishments. The performance obligation has not yet been determined.

General and Administrative

General and administrative expenses consist of bank fees, job supplies, lab equipment and services, office supplies, repairs and maintenance, technical services, and other miscellaneous expenses.

Income Taxes

The Company is subject to corporate income and state income taxes in the state it does business. 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, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the 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 recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company does not have any uncertain tax provisions. The Company's primary tax jurisdictions are the United States and

Delaware. The Company's primary deferred tax assets are its net operating loss (NOL) carryforwards which approximates its retained earnings as of the date of these financials. A deferred tax asset as a result of NOLs have not been recognized due to the uncertainty of future positive taxable income to utilize the NOL. The Company is no longer subject to U.S. federal, state and local tax examinations by tax authorities for years before 2019.

The Company has filed its tax returns as of the date of these financials.

Recent Accounting Pronouncements

The FASB issues Accounting Standards Updates (ASUs) to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company follows ASC 850, "Related Party Disclosures," for the identification of related parties and disclosure of related party transactions.

In August 2023, the Company received a loan from its Chief Executive Officer, Paul Blum for a total of \$41,126. See Note 5.

NOTE 4 – COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS

The Company is not currently involved with or knows of any pending or threatening litigation against it or any of its officers. Further, the Company is currently complying with all relevant laws and regulations. The Company does not have any long-term commitments or guarantees.

Due to the inherent risks associated with drug development, there is a possibility that the company's products may result in adverse side effects for end-users, which could expose the company to potential claims or legal proceedings.

Operating Lease

The Company is required to follow the guidance of Accounting Standards Codification 842 ("ASC 842"), Leases. The Company entered into a commercial lease agreement for rental space.

The lease with West End Partners, LLC commenced on December 14, 2023, for two office spaces totaling 787 square feet, located on Harris Court in Monterey, California. The lease term is 37 months, concluding on December 31, 2026.

| | Year Ending 12/1/2023 |
|---|--------------------------|
| Lease expense | |
| Operating lease expense | 1,822.95 |
| Total | 1,822.95 |
| Other Information | |
| ROU assets obtained in exchange for new operating lease liabilities | 61,954.78 |
| Weighted-average remaining lease term in years for operating leases | 3 |
| Weighted-average discount rate for operating leases | 3.92% |
| Maturity Analysis | |
| | Operating |
| 2024-12 | 23,072.87 |
| 2025-12 | 21,941.16 |
| 2026-12 | 20,664.49 |
| Thereafter | 0.00 |
| Total undiscounted cash flows | 65,678.52 |
| Less: present value discount | -3,521.35 |
| Total lease liabilities | 62,157.17 |

NOTE 5 – LIABILITIES AND DEBT

Loan from CEO: In August 2023, the Company received a loan from its Chief Executive Officer, Paul Blum, for a total of The original amount of the loan was \$41,126. The loan does not bear any interest and was extended without any formal terms, such as an interest rate, repayment schedule, or maturity date. The balance of this loan was \$41,126 as of December 31, 2023. See Note 3.

NOTE 6 – EQUITY

Common Stock

The Company has authorized 10,000,000 common shares with a par value of \$0.00001 per share. As of December 31, 2022 and 2023, 887,581 shares were issued and outstanding.

Voting: Common stockholders are entitled to one vote per share.

Dividends: The holders of common stock are entitled to receive dividends when and if declared by the Board of Directors.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to December 31, 2023 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through January 21, 2025, the date these financial statements were available to be issued. No events require recognition or disclosure.